

18 June 2009

The Manager  
Company Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sir

### **RENOUNCEABLE RIGHTS ISSUE & PLACEMENT - A\$31M CAPITAL RAISING**

Central Petroleum Limited (ASX: "CTP") is very pleased to announce the success of its A\$26 million Renounceable Rights Issue and subsequent Placement of A\$5 million to bring the total raising to more than A\$31 million.

The Renounceable Rights Issue, following on full take up of the initial shortfall, will raise approximately A\$25.7 million (before costs). Due to the overwhelming response, the Board has resolved to conduct a placement to take up a portion of the shortfall oversubscription demand, pursuant to Listing Rule 7.1 (maximum of 15% of equity allowed to be issued without shareholder approval) and equivalent to an approximate further A\$5 million, to bring the total amount to be raised to approximately A\$30.7 million. The placement will be made at the same price (A\$0.10 per share) and with the same free attaching options as the Rights Issue.

Patersons Securities Limited is Lead Manager to both the Rights Issue & Placement. The initial Rights Issue shortfall of A\$9.2 million will be placed by Patersons Securities to institutional and sophisticated investors.

"The size of the oversubscription shows just how seriously major institutional and sophisticated investors are now regarding the potential for new-era hydrocarbon fuels in this vast and relatively unexplored region of Central Australia," Central Petroleum's Managing Director, Mr John Heugh, said.

"We are very pleased with this result, especially as Patersons Securities facilitated the introduction of a significant number of new institutional and sophisticated investors onto our share registry, Mr Heugh said.

"This is a significant outcome for the Company and places it in a very strong position to achieve its corporate and exploration objectives over the next 18 months."

On successful completion of the Rights Issue & Placement Central Petroleum is ready to undertake an aggressive 2009-10 exploration programme proposed to commence in August/September 2009.

Central Petroleum is now fully funded to undertake its working interest share of the following proposed exploration programme:



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**ordiv**  
**PETROLEUM**  
PTY LTD  
ABN 29 111 102 697

**frontier**  
**OIL & GAS**  
PTY LTD  
ABN 91 103 194 136

**helium**  
**AUSTRALIA**  
PTY LTD  
ABN 11 078 104 006

**merlin**  
**WEST**  
PTY LTD  
ABN 59 114 346 968

**Coal Seam Gas**

**5+ optional 5 fully cored CSG wells- (Pedirka Basin)  
Flow testing CBM93001  
Gore™ survey Johnstone**

**Amadeus Basin**

**Drill Johnstone-1, Ooraminna-2, Magee-2 and Mt Kitty 1**

**Seismic**

**1,250 line km (Amadeus and Pedirka)**

Yours faithfully



**Julian Tambyrajah  
Chief Financial Officer &  
Company Secretary**

***General Disclaimer***

*Potential volumetrics of gas may be categorised as undiscovered prospective recoverable gas in accordance with AAPG/SPE guidelines. Since oil volumetrics are derived from gas estimates the corresponding categorisation applies.*

*Resource estimates included in this announcement by the Company, have not been reviewed by either PXA (now owned by QGC, a BG Group Business) or Trident Energy Limited or He Nuclear Limited. Therefore those resource estimates represent the views of Company and are not necessarily held by these companies. The Company, CTP, is interested in UCG applications in its own right, outside of the Joint Venture with these companies and references to UCG potential do not necessarily reflect the views of these companies.*

*Exploration program recommendations have not been approved by relevant Joint Venture partners and accordingly constitute a proposal only.*

Thursday June 18, 2009

## MEDIA RELEASE

### \$31M SECURED FOR CENTRAL PETROLEUM'S RED CENTRE AMBITIONS

#### AFTER HEAVILY OVERSUBSCRIBED RIGHTS ISSUE & PLACEMENT

The search for conventional and "ultra-clean" hydrocarbon fuels across Australia's Red Centre has received a significant boost today with a successful A\$31 million capital raising by Perth-based Central Petroleum Limited to be completed imminently.

Commitments under the Company's Renounceable Rights Issue returned a heavily oversubscribed shortfall which attracted applications overall in excess of A\$36 million - a 38% oversubscription for the A\$26 million offering.

Central Petroleum (ASX: "CTP") said today it had elected to soak up some of the excess demand by using its 15% placement capacity under the ASX Listing Rules to raise a further A\$5 million via a placement to investors whose applications for new shares had not been fully satisfied by the Rights Issue shortfall, delivering a total gross capital raising of A\$31 million.

Patersons Securities Limited acted as Lead Manager to both the Rights Issue and the Placement, helping introduce new institutional and sophisticated investors onto the Company's share register for the first time.

Proceeds from the raising will primarily fund an aggressive 2009-10 planned hydrocarbon exploration program in the highly prospective Pedirka and Amadeus Basins, close to the South Australia-Northern Territory border.

"The size of the shortfall over-subscription shows how seriously investors now regard the potential for new-era hydrocarbon fuels in this vast and relatively unexplored region of Central Australia," Central Petroleum's Managing Director, Mr John Heugh, said today.

"This was reflected in the need to scale-back the total raising," Mr Heugh said.

"As a result of this success, Central Petroleum has emerged from the exercise as a financially invigorated explorer with a lineup of highly prospective coal seam gas, gas, condensate, oil and helium prospects in all areas stretching around Alice Springs.

"Backing that is a strengthened Top 20 shareholder lineup, and a war chest that over the next 18 months will allow corporate objectives to be met while implementing and fully funding our working interest share in the planned exploration schedule."

This schedule is planned to include:

#### Coal Seam Gas

**5+ optional 5 fully cored CSG wells - (Pedirka Basin)**



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**Flow testing CBM93001  
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**Amadeus Basin**

**Drill Johnstone-1, Ooraminna-2, Magee-2 and Mt Kitty 1**

**Seismic**

**1,250 line km (Amadeus and Pedirka)**

**Potential for new clean energy source**

In the Pedirka Basin, the Company has identified a viable coal exploration target of between 0.6-1.3 trillion tonnes and a prospective synthetic gas (syngas) resource at “best” level of 12,500 trillion cubic feet of gas above a 1,000-metre depth cutoff. This prospective resource if processed via a Gas To Liquids plant may be capable of producing 1.25 trillion barrels of petroleum liquids such as ultra-clean diesel.

The province’s potential now includes a variety of highly marketable ultra-clean liquid distillate fuels such as diesel, jet fuel and naphtha, which may be produced utilising modern underground coal gasification technologies at a proposed Gas to Liquids (GTL) processing plant in Alice Springs.

“The potential of sophisticated new coal gasification and GTL technologies is currently being proved up in various operations along the east coast. We believe these technologies may enable Central Petroleum to unlock a large, un-utilised source of new energy with positive implications for the regional and NT economy,” Mr Heugh said.

With 270,000 km<sup>2</sup> of tenements, Central Petroleum is the largest holder of prospective oil and gas acreage in onshore Australia, with a portfolio that includes the majority of the Pedirka and Amadeus Basins on the SA-NT border, all of the known Lander Trough north of Alice Springs and 15,000 km<sup>2</sup> of the Southern Georgina Basin in far west Queensland.

**MEDIA CONTACT:**

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**Competent Person’s Statement**

***Al Maynard & Associates***

*The information in this announcement which relates to Exploration Results of coal in the Pedirka Basin is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences (“AIG”) and*

a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report of the matters based on his information in the form and context in which it appears.

#### **Mulready Consulting Services**

The Mulready Consulting Services UCG Report referred to in this announcement was prepared by their Associate, Mr Roger Meaney, who holds a BSc (Hons) from Latrobe University and has over 30 years experience in the petroleum exploration and production industry with 8 years experience in the field of coal bed methane.

#### **General Disclaimer**

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Resource estimates included in this announcement by the Company, have not been reviewed by either PXA (now owned by QGC, a BG Group Business) or Trident Energy Limited or He Nuclear Limited. Therefore those resource estimates represent the views of Company and are not necessarily held by these companies. The Company, CTP, is interested in UCG applications in its own right, outside of the Joint Venture with these companies and references to UCG potential do not necessarily reflect the views of these companies.

Exploration program recommendations have not been approved by relevant Joint Venture partners and accordingly constitute a proposal only.

#### **Risks**

The Mulready UCG report is based on the potential of the acreage concerned to host a viable Exploration Target for coal which, if successfully explored for, discovered and proven, could feasibly be exploited utilising technology (Underground Coal Gasification or "UCG") which has not yet been applied on a large commercial scale in the western world. Apparently commercial scale former Soviet Union, Russian and Ukrainian applications of UCG are difficult to assess and apply in the Australian context due to a lack of detailed information following the collapse of the Soviet Union as a viable entity. Two Australian companies have however, published results from pilot UCG programmes, Carbon Energy Limited and Linc Energy Limited and it is the publically available results from these two programmes, inter alia, that have been applied in this report as a basis for the computation of potential volumes of liquid hydrocarbons that may be available from the application of UCG and GTL technology in the Company's permits and applications for permits in the Pedirka Basin. These published results include the conclusion that in an area suitable generally for UCG, approximately 50% of a given area of coal can be burned via UCG producing approximately 20,000 SCFG per tonne or 20 Gigajoules per tonne. Published results of Gas to Liquids (GTL) plant output have given industry at large a benchmark of 1 barrel of liquid petroleum product such as diesel, jet fuel or naphtha being produced from 10,000 SCFG or 10 Gigajoules of gas input. Risk factors are covered in more detail in Section 11 of the Mulready UCG report