

25<sup>th</sup> July 2006

## QUARTERLY REPORT

APRIL TO JUNE 2006

### EXPLORATION ACTIVITIES

#### AMADEUS BASIN

EP 82, EPA 111, EP 112, EPA 115, EP 118, EPA 120, EPA 124, EP 125, EPA 133  
(Central - all 100%).

During the Quarter the Company contracted a detailed aerial 1:25,000 colour photographic survey of the Waterhouse and Ooraminna Prospects in EP 82 and EP 112. Previously flown aerial photography in black and white was purchased over the Mt Kitty (EP 125) and Johnstone and Gypsum Prospects (EPA 115).

The purpose of the aerial photographic acquisitions is to synthesize the data with Landsat and PAN data to complete a detailed structural analysis of all of the prospects as well as to examine the Prospects for signs of hydrocarbon leakage.

The Company further refined a programme for a \$3,500,000 budget seismic survey to determine drilling targets for the Ooraminna, Waterhouse, Johnstone, Gypsum, and Mt Kitty Prospects and called for quotes on this work.

Applications for exploration permits are at various stages of progress. Negotiations are continuing with the Central Land Council.

#### PEDIRKA BASIN

EP 93 (85%), EPA 130 (100%), EPA 131 (100%), PELA 77 (85%)

During the Quarter, the Company contracted with ISIS Petroleum Consultants Pty Ltd to fully analyse seismic data reprocessed in the previous quarter by WesternGeco over the Avalon and Blamore Prospects in EP 93. ISIS concluded that the two prospects have cumulative mean potentially recoverable resources 26 MMbbls and 42 MMbbls respectively. Access to these Prospects for the purpose of drilling has been investigated and negotiations with the Central Land Council progressed. A road access plan has been tabled for discussion and a request has been made for sacred site clearance.

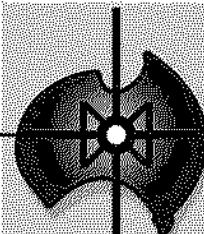
Tenders were invited for the drilling of Blamore #1 with an option to drill Avalon #1 back to back.

Applications for other exploration permits are at various stages of progress.

#### WISO BASIN (LANDER TROUGH)

EPA 92 (85%), EPA 129 (100%)

Applications for exploration permits are at various stages of progress with the period of negotiation agreed to be extended by the Central Land Council.



**central**  
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## GEORGINA BASIN

### EPA 132 (100%)

Negotiations with regard to the applications for the exploration permit have not yet commenced.

### FARMOUTS

Discussions in confidence have proceeded with several interested parties.

## **CORPORATE**

At the end of the Quarter, the Company had available funds of approximately \$8,373,000. The attached ASX Listing Rules Appendix 5B shows the cash movements and other information for the Quarter.

Yours sincerely,  
Central Petroleum Limited

A handwritten signature in black ink, appearing to read 'J Heugh', with a long horizontal flourish underneath.

John Heugh  
Managing Director

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

Quarter ended ("current quarter")

30<sup>th</sup> June 2006

### Consolidated statement of cash flows

| Cash flows related to operating activities        |                                                            | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---------------------------------------------------|------------------------------------------------------------|----------------------------|----------------------------------------|
| 1.1                                               | Receipts from product sales and related debtors            |                            |                                        |
| 1.2                                               | Payments for                                               |                            |                                        |
|                                                   | (a) exploration and evaluation                             | -117                       | -161                                   |
|                                                   | (b) development                                            |                            |                                        |
|                                                   | (c) production                                             |                            |                                        |
|                                                   | (d) administration                                         | -509                       | -1,425                                 |
| 1.3                                               | Dividends received                                         |                            |                                        |
| 1.4                                               | Interest and other items of a similar nature received      | 85                         | 161                                    |
| 1.5                                               | Interest and other costs of finance paid                   |                            |                                        |
| 1.6                                               | Income taxes paid                                          |                            |                                        |
| 1.7                                               | Other (provide details if material)                        |                            |                                        |
| <b>Net Operating Cash Flows</b>                   |                                                            | <b>-541</b>                | <b>-1,425</b>                          |
| <b>Cash flows related to investing activities</b> |                                                            |                            |                                        |
| 1.8                                               | Payment for purchases of:                                  |                            |                                        |
|                                                   | (a)prospects                                               |                            | -412                                   |
|                                                   | (b)equity investments                                      |                            |                                        |
|                                                   | (c) other fixed assets                                     | -140                       | -142                                   |
| 1.9                                               | Proceeds from sale of:                                     |                            |                                        |
|                                                   | (a) prospects                                              |                            |                                        |
|                                                   | (b) equity investments                                     |                            |                                        |
|                                                   | (c) other fixed assets                                     |                            |                                        |
| 1.10                                              | Loans to other entities                                    |                            |                                        |
| 1.11                                              | Loans repaid by other entities                             |                            |                                        |
| 1.12                                              | Other (provide details if material)                        |                            |                                        |
| <b>Net investing cash flows</b>                   |                                                            | <b>-140</b>                | <b>-554</b>                            |
| 1.13                                              | Total operating and investing cash flows (carried forward) | <b>-681</b>                | <b>-1,979</b>                          |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|                                                   |                                                            |       |        |
|---------------------------------------------------|------------------------------------------------------------|-------|--------|
| 1.13                                              | Total operating and investing cash flows (brought forward) | -681  | -1,979 |
| <b>Cash flows related to financing activities</b> |                                                            |       |        |
| 1.14                                              | Proceeds from issues of shares, options, etc.              | -6    | 9,944  |
| 1.15                                              | Proceeds from sale of forfeited shares                     |       |        |
| 1.16                                              | Proceeds from borrowings                                   |       |        |
| 1.17                                              | Repayment of borrowings                                    | -1    | -1     |
| 1.18                                              | Dividends paid                                             |       |        |
| 1.19                                              | Other (provide details if material)                        |       |        |
|                                                   | <b>Net financing cash flows</b>                            | -7    | 9,943  |
| <b>Net increase (decrease) in cash held</b>       |                                                            |       |        |
| 1.20                                              | Cash at beginning of quarter/year to date                  | 9,061 | 409    |
| 1.21                                              | Exchange rate adjustments to item 1.20                     |       |        |
|                                                   |                                                            | 8,373 | 8,373  |
| 1.22                                              | <b>Cash at end of quarter</b>                              |       |        |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |                                                                  | Current quarter<br>\$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 54                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | 0                          |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | 0                           | 0                      |
| 3.2 Credit standby arrangements | 0                           | 0                      |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 650        |
| 4.2 Development                | 0          |
| <b>Total</b>                   | <b>650</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|                                                  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 1,373                      | 9,061                       |
| 5.2 Deposits at call                             | 7,000                      | 0                           |
| 5.3 Bank overdraft                               | 0                          | 0                           |
| 5.4 Other (provide details)                      | 0                          | 0                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>8,373</b>               | <b>9,061</b>                |

### Changes in interests in mining tenements

|                                                                         | Tenement<br>reference | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-------------------------------------------------------------------------|-----------------------|----------------------------------|----------------------------------------|----------------------------------|
| 6.1 Interests in mining<br>tenements relinquished,<br>reduced or lapsed |                       |                                  |                                        |                                  |
| 6.2 Interests in mining<br>tenements acquired or<br>increased           |                       |                                  |                                        |                                  |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

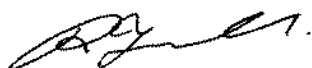
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|                                                                                                                                | Total number                          | Number quoted        | Issue price per security (see note 3) (cents)       | Amount paid up per security (see note 3) (cents)    |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------|-----------------------------------------------------|-----------------------------------------------------|
| 7.1 <b>Preference<sup>+</sup> securities</b><br><i>(description)</i>                                                           |                                       |                      |                                                     |                                                     |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                                       |                      |                                                     |                                                     |
| 7.3 <b>+Ordinary securities</b>                                                                                                | 130,860,252                           | 78,735,971           |                                                     |                                                     |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 11,250                                | 1,396,334            |                                                     |                                                     |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>                                                                |                                       |                      |                                                     |                                                     |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |                                       |                      |                                                     |                                                     |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>                                                               | 39,563,251<br>21,250,000<br>8,000,000 | 38,599,042<br>0<br>0 | <i>Exercise price</i><br>\$0.20<br>\$0.20<br>\$0.20 | <i>Expiry date</i><br>30/6/07<br>31/5/10<br>20/2/11 |
| 7.8 Issued during quarter                                                                                                      |                                       |                      |                                                     |                                                     |
| 7.9 Exercised during quarter                                                                                                   | 11,250                                |                      |                                                     |                                                     |
| 7.10 Expired during quarter                                                                                                    |                                       |                      |                                                     |                                                     |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>                                                                                 |                                       |                      |                                                     |                                                     |
| 7.12 <b>Unsecured notes</b> <i>(totals only)</i>                                                                               |                                       |                      |                                                     |                                                     |

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 25 July 2006  
(Director/Company secretary)

Print name: Richard Faull

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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