

ASX ANNOUNCEMENT RELEASE DATE: 230806

TO: Manager, Company Announcements Australian Stock Exchange Limited

CONTACT: John Heugh +61 8 9474 1444

Progress Report 230806

Since listing in March 2006, the Company has concentrated on the completion of reprocessing seismic data, mapping and analysis to better define drilling targets in the Pedirka Basin Blamore and Avalon prospects and on the planning and acquisition of pre-drilling seismic in the Amadeus Basin.

Analysis of the Pedirka Basin data has been largely completed and drill sites have been selected with a full drilling programme and well prognosis about to be finalized for distribution to prospective farmin partners. Environmental inspections of the planned drill sites have been completed.

Sacred site clearance processes for both the Amadeus and Pedirka programmes have commenced and a contract has been let to Terrex Seismic for a budgeted \$3.5 million seismic programme focused on the preferred Amadeus Basin prospects due to commence in November this year.

The White Sands Petroleum drilling rig under consideration for the Pedirka Basin drilling may or may not be available or appropriate so the Company has covered its position by calling for tenders for the Pedirka Basin drilling and has got a positive response from three different contractors for a one well drilling slot with a second option between September to December this year.

The most significant delay to date has been waiting on Central Land Council approval for an appropriate access route to the Blamore and Avalon drilling locations. As soon as the Company receives approval for an appropriate access route, it plans to proceed with all due haste with the rest of the pre-drilling process including formal approval from the NT DME, completion of environmental inspections on the access road and of course building it.

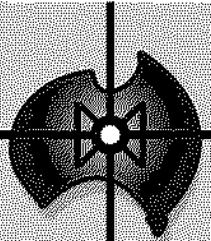
It is planned that the first well in the Pedirka Basin be spudded within 2-3 months from receipt of approval from the CLC for an appropriate access route.

The Company has signed confidentiality agreements with several major oil companies who are reviewing data to assess potential for farmin arrangements. No arrangement or agreement has yet been entered into other than data review under strict confidentiality.

Sincerely,



John Heugh
Managing Director, **Central Petroleum Limited**



central
PETROLEUM
LIMITED

Phone: 08 9474 1444
Fax: 08 9474 1555

Street Address:
Suite 3, Level 4
Southshore Centre
85 The Esplanade
South Perth
Western Australia 6151

Postal Address:
PO Box 197
South Perth
Western Australia 6951

info@centralpetroleum.com.au

Wholly owned
subsidiaries:

merlin
ENERGY
PTY LTD
ABN 65 081 592 734

ordiv
PETROLEUM
PTY LTD
ABN 29 111 102 687

frontier
OIL & GAS
PTY LTD
ABN 91 103 534 535

helium
AUSTRALIA
PTY LTD
ABN 11 078 104 005

merlin
WEST
PTY LTD
ABN 59 134 346 958