ASX ANNOUNCEMENT RELEASED to the ASX DATE: 290607

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Central to enjoy 100% free carry in estimated $15 million exploration programme

Central Petroleum Ltd. (ASX symbol: "CTP") - one of Australia's largest net onshore acreage holders with permits spanning more than 230,000 square kilometres – has signed a preliminary farm-out agreement that will allow the company to enjoy a 100% free carry through a seismic acquisition and three-well programme in EPA 115 while retaining a 50% share and operatorship in the soon-to-be-granted permit.

Under a farm-out memorandum of understanding (MoU) signed with Trident Energy Limited, the privately-owned Melbourne-based oil junior will fund a $3 million seismic acquisition programme and the drilling of three exploration wells at the 20% level to earn a 10% interest in the Amadeus basin block.

The latest MoU follows two earlier preliminary farm-outs signed with Petroleum Exploration Australia Ltd. and Advent Energy Ltd. covering all of Central's permits, including EPA 115, under which the two farminees would each fund to the 40% level to earn a 20% interest.

The Amadeus basin in central Australia is home to the producing Mereenie and Palm Valley oil and gas fields operated by Santos.

Commenting on the latest cooperative pact, Central's Founder and Managing Director, Mr. John Heugh, said, "We are happy to have Trident Energy come into our joint venture. Our new partners will apply their proprietary exploration techniques to EPA 115 and increase our chances of success."

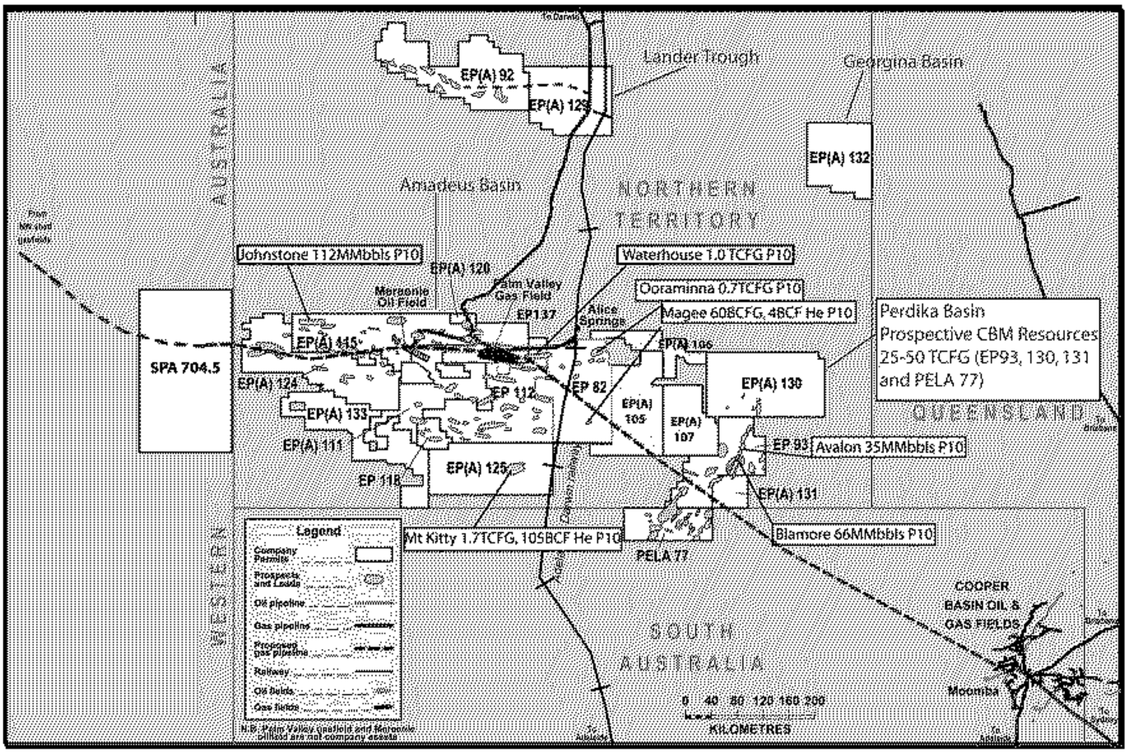
Trident Energy is an unlisted oil junior founded by Mr. Chris Haslam with Dr Des FitzGerald that is building a portfolio of assets in onshore and offshore basins. The company has a 100% interest in Vic/P62 in the offshore Otway Basin, and is farming-into several other onshore acreages in Australia. The company is focusing on risk reduction through the application of leading-edge exploration methods to high-grade seismically-defined prospect portfolios, particularly in modeling petroleum systems and high-tech geochemistry, including the "GoreSorber" technique. The company is backed by financiers Opes Prime Paradigm.

EPA 115, which is expected to be imminently awarded to Central by the Northern Territory government following sign off of an exploration deed by the Central Land Council, is a 12,000-square kilometre oil-prone permit containing the Johnstone oil prospect with 112 million barrels of P10 recoverable prospective resources, as well as other oil prospects such as Gypsum, Johnstone North, Stuart, Surprise, Cleland, Northwest Mereenie and Tarrawarra. The area is underlain by the Horn Valley Silstone source rock, which is known to become richer in the western Amadeus Basin in the region of EPA 115 and in this permit area is thought to be matured into the oil window.

Wholly owned subsidiaries:
merlin ENERGY PTY LTD ABN 95 081 592 734
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 59 114 346 908

To date, there have been only 37 exploration wells drilled in the Amadeus basin, which yielded three commercial discoveries totalling 150 million barrels of oil equivalent. Central is exploring for conventionally reservoired oil, gas and helium targets in the Amadeus basin, as well as coalbed methane in the Pedirka basin.

According to the Northern Territory Geological Survey department, the Amadeus basin alone could host up to 35 Tcf of gas or 6 billion barrels of oil equivalent of oil and gas in potential reserves, and independents have estimated recoverable prospective resources of 34-70 Tcf of coalbed methane gas in the Pedirka basin. A recent technical note by CTP indicates up to 90 Tcf of OGEIP (original gas equivalent in place) in a new play type, the Horn Valley Siltstone within the gas window in parts of the Amadeus basin.



Sincerely

John Heugh
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