ASX ANNOUNCEMENT RELEASED to the ASX DATE: 090707

TO: Manager, Company Announcements Australian Stock Exchange Limited

CONTACT: John Heugh +61 8 9474 1444

Update to New Issue Announcement (Appendix 3B) filed on 21 June 2007 & Placement of 5.5 million shares

Central Petroleum Limited (ASX Ticker Symbol: "CTP") is pleased to advise that the Directors of the Company have allotted 5,964,186 ordinary fully paid shares to option holders who have exercised their options which expired on 30 June 2007. This allotment forms part of the new issue announcement made on 21 June of 39,538,065 shares. The balance of 33,574,065 shares fall under an Option Underwriting Agreement signed last month for the 30 June 2007 options.

The Underwriter in the Option Underwriting Agreement, Martin Place Securities Pty Limited, has advised the Company that it had received strong interest in the shares of Central and will be able to not only complete the underwriting of the unexercised 30 June 2007 options, but also place out approximately 5.5 million additional ordinary shares on the same terms.

This placement will raise an additional $1.1 million before costs, bringing the total funds to be raised from the underwritten options conversion and placement to $9.0 million before costs.

Commenting on the exercise, Central's Managing Director, Mr. John Heugh, said, "We are extremely encouraged by the overwhelming interest in our shares. The extra $1.1 million is a big boost to our balance sheet and our sentiments, as we prepare to spud our first well later this year."

The attached Appendix 3B provides details of the share placement and the issue of 3 million options with a conversion price of 25 cents and an expiry date of 30 June 2010, the latter forming part of the underwriting and placement fees.

Yours faithfully
Central Petroleum Limited

John Heugh
Managing Director

central PETROLEUM LIMITED
ABN 72 083 254 308

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

Postal: PO Box 197
South Perth
Western Australia
6951

Phone:
+61 8 9474 1444

Fax:
+61 8 9474 1555

info@centralpetroleum.com.au
www.centralpetroleum.com.au

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 59 114 346 968

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary fully paid shares Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	5,500,000 ordinary fully paid shares 3,000,000 options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	The options are to subscribe for ordinary fully paid shares and are exercisable at 25 cents each on or before 30 June 2010

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares – Yes Options – new class (unlisted)
5	Issue price or consideration	Shares - $0.20 each share Options – part of the fees paid to Martin Place Securities Pty Ltd for underwriting the conversion of 30 June 2007 options and placement of 5.5 million shares.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Shares : Placement to clients of Martin Place Securities Pty Limited to raise additional working capital Options : Underwriting and placement fees.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be advised, but anticipated around mid July 2007

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	165,133,639	Ordinary shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	10,789,864 300,000 21,250,000 3,000,000 8,000,000	Ordinary shares Options $0.25 31/1/10 Options $0.20 31/5/10 Options $0.25 30/6/10 Options $0.20 20/2/11

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1
Ordinary shares – Yes
☐ Options - No

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

+ See chapter 19 for defined terms.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 9 July 2007
(Managing Director)

Print name: John Heugh

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Rule 3.19A.2

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity CENTRAL PETROLEUM LIMITED	
ABN 72 083 254 308	

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	John Phillip HEUGH
Date of last notice	18 May 2007

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	-
Date of change	9 July 2007
No. of securities held prior to change	5,100,001 ordinary fully paid shares (subject to escrow until 6 March 2008). 2,500,000 options over ordinary fully paid shares exercisable by payment of 20 cents each at any time up to 31 May 2010 (subject to escrow until 6 March 2008). 165,000 listed options ("CTPO") over ordinary fully paid shares exercisable by payment of 20 cents each at any time up to 30 June 2007.
Class	Ordinary fully paid shares.
Number acquired	165,000

+ See chapter 19 for defined terms.

Number disposed	-
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	$33,000.00
No. of securities held after change	5,100,001 ordinary fully paid shares (subject to escrow until 6 March 2008). 165,000 ordinary fully paid shares 2,500,000 options over ordinary fully paid shares exercisable by payment of 20 cents each at any time up to 31 May 2010 (subject to escrow until 6 March 2008).
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Upon exercise of 165,000 options with an expiry date of 30 June 2007

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	