ASX ANNOUNCEMENT

ASX CODE: CTP

18 March 2010

TO: The Manager, Company Announcements ASX Limited

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LIMITED
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Half Yearly Report – 31 December 2009
(Correction)

The Company has become aware that its Financial Report for the Half Year Ended 31 December 2009 which was lodged with ASX on 16 March 2010 requires amendment to correct for an error on page 16 of the Report,(Consolidated Statement in Changes in Equity).

The amount received for "share and option issues" in the half year ended 31 December 2009 was incorrectly reported as $3,000,000 whereas the correct amount was $3,017,508.

This correction has no impact on any of the other pages in the Financial Report.

The corrected Half Yearly Report is attached hereto.

Bruce Elsholz
Joint Company Secretary

Central Petroleum Limited

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

CENTRAL PETROLEUM LIMITED

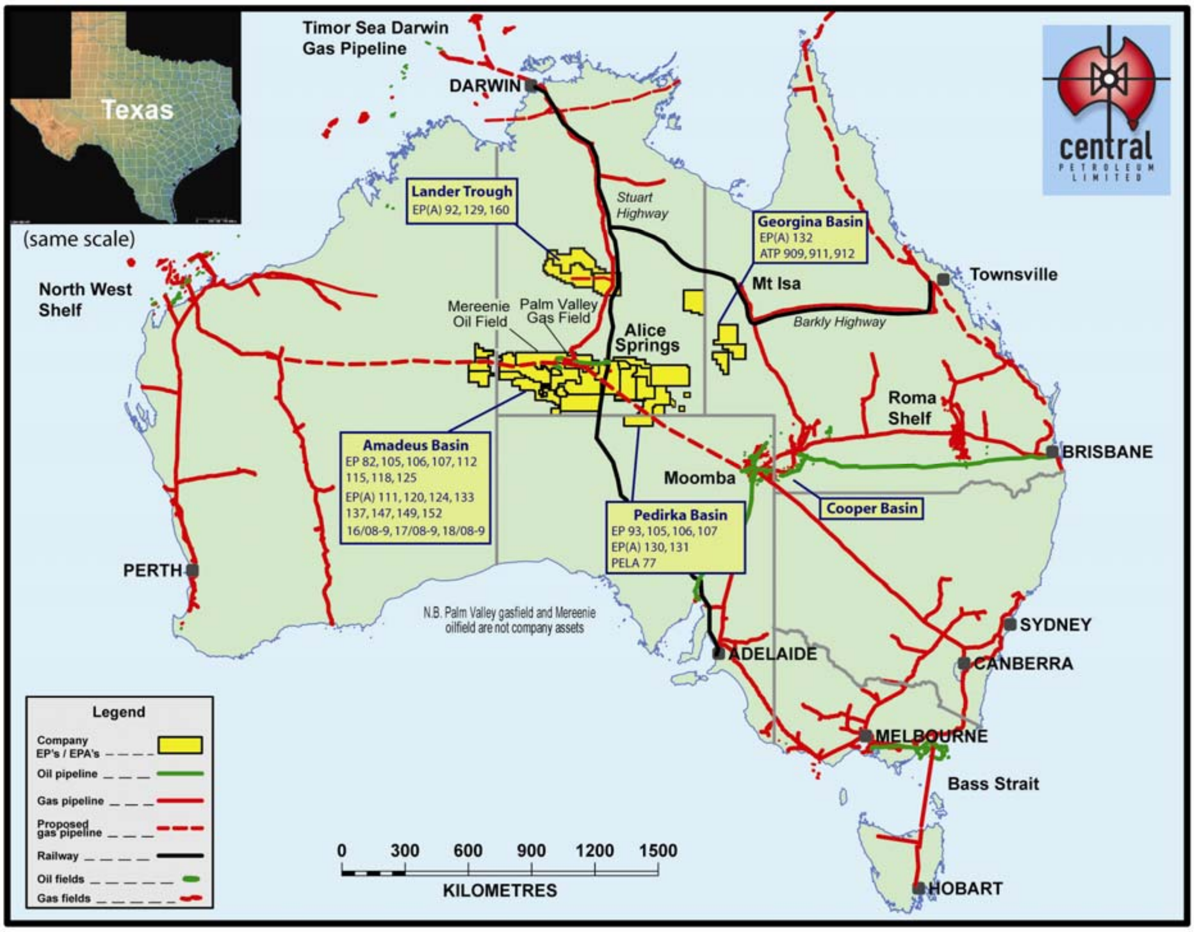
ABN 72 083 254 308

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

(CORRECTED)

CONTENTS



Texas
(same scale)
Timor Sea Darwin Gas Pipeline
DARWIN
North West Shelf
Lander Trough
EP(A) 92, 129, 160
Stuart Highway
Georgina Basin
EP(A) 132
ATP 909, 911, 912
Mt Isa
Townsville
Barkly Highway
Mereenie Oil Field
Palm Valley Gas Field
Alice Springs
Roma Shelf
Amadeus Basin
EP 82, 105, 106, 107, 112
115, 118, 125
EP(A) 111, 120, 124, 133
137, 147, 149, 152
16/08-9, 17/08-9, 18/08-9
Moomba
BRISBANE
Cooper Basin
Pedirka Basin
EP 93, 105, 106, 107
EP(A) 130, 131
PELA 77
PERTH
N.B. Palm Valley gasfield and Mereenie oilfield are not company assets
SYDNEY
ADELAIDE
CANBERRA
MELBOURNE
Bass Strait
HOBART
Legend
Company EP's / EPA's
Oil pipeline
Gas pipeline
Proposed gas pipeline
Railway
Oil fields
Gas fields
0 300 600 900 1200 1500
KILOMETRES
central
PETROLEUM LIMITED

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

DIRECTORS' REPORT

The Directors' of Central Petroleum Limited present this report for the half year ended 31 December 2009.

DIRECTORS

The names of the Directors' of the parent company in office during the half year and until the date of this report are:

Henry J Askin
John P Heugh
Richard W Faull
William J Dunmore

Directors' have held office for the period and until the date of this report unless otherwise stated.

PRINCIPAL ACTIVITY

The principal activity of the consolidated entity ("the Group") during the period was petroleum exploration.

REVIEW OF OPERATIONS

Corporate Objectives

The Company's main goal is to discover and produce hydrocarbons and helium, thereby maximising shareholder returns by enhanced share value and potentially by dividend payments. It aims to operate a central Australian petroleum hub connected to appropriate infrastructure to allow the export to domestic and overseas markets of both primary energy resources and value added petroleum and helium products.

Within the constraints of current Joint Ventures, the Company plans to potentially capitalise on early cash flow from any oil discoveries but early cash flow may be possible from helium production and sales and this is regarded as an intrinsic part of the Company's overall strategy for relatively short term cash flow. The Company and some of its Joint Venture participants are actively studying potential to monetise relatively low volume helium production and sales at field based operations to produce either cryogenically or compressed helium suitable for transport to Port Darwin and thence to national and international markets without the necessity for a very large scale centrally located GTL or other value adding plant. The Company is also in the longer term seeking to build gas resources to a threshold point where value-adding processes such as LNG and/or GTL for example can be brought into play. Apart from conventional gas reservoir potential, the Company has had independent estimates of over 10,000 trillion cubic feet in UCG "syngas" prospective recoverable resources and as well has produced in-house estimates coupled with external independent reports of up to c.200 trillion cubic feet of gas in CSG and other unconventional reservoirs such as shale gas and shale oil.

The substantial cash injections received by the Company during the year ended 30 June 2009 and ongoing drawdowns each 45 days of the Asia Convertible Bond Opportunities LLC rolling convertible bond has provided the Group with the resources to enable it to carry out an expanded works program in Central Australia, where the Company has numerous prospective permits. A further capital raising of up to c.$22.5 million fully underwritten by Patersons' Stockbroking will provide further working capital for the Company; especially beneficial given the recently announced Joint Venture developments concerning Petroleum Exploration Australia Pty Ltd, Red Sky Energy (NT) Pty Ltd and He Nuclear Limited.

Exploration, Joint Venture Activities and Highlights of the Half Year

Phase One 2009/10 Programme

With farm-in participants Petroleum Exploration Australia Limited, Trident Energy Limited, He Nuclear Limited, Red Sky Energy (NT) Pty Ltd and Rawson Resources Limited the Company and its wholly owned subsidiaries commenced a $32 million Phase One 2009/10 exploration programme consisting of 5 fully cored coal seam gas wells (CSG) wells in the Pedirka Basin, 1,450 line km of 2D seismic over the broad width of the Company's permits and the drilling of Ooraminna 2, a large gas prospect close to Alice Springs which has flowed gas to surface already in a previous well drilled in 1963.

CSG wells CBM93-004, CBM93-003 and CBM 107-001 have been completed with the results to date that 144m of coal cumulative total in seams over 1m in thickness with various levels of gas ranging from low to excellent have been described in CBM93-004 and 130 m of coal cumulative total in seams over 1m in thickness in CBM107-001. This latter result was of sufficient significance to cause the previously chosen location for CBM107-002 to be shifted over 20 km updip to test the coals for biogenic gas more than thermogenic gas with coals anticipated at a much shallower depth than those encountered to date.

A second result of the intersection of thicker than anticipated coal sections encountered in CBM 107-001 is that previous exploration target resources will have to be remapped and recalculated probably with significant gains.

In CBM93-003, although total coal penetrated was unexpectedly only several metres in cumulative thickness, re-interpretation of existing seismic indicates that much thicker sequences of coal may be encountered on the flanks of the structural high that was drilled. A second interesting result was that trace remnant residual oil was encountered in sands of the Permian Purni Formation in the second well, thus underscoring once again the fundamental prospectivity for oil in the Pedirka Basin. Further studies are in hand on the data obtained in these wells to enhance the understanding of the basin architecture as well as CSG and UCG potential.

Wallis Rig D39, at the time of finalisation of this report was standing by due to delays caused by earlier heavy flooding rains and is anticipated to move soon to the next CSG site, CBM107-002.

Terrex Seismic has completed a total of 430km of high quality 2D seismic out of a total Phase One programme of 1,380 km. The acquisition of seismic over the Johnstone, Surprise, Stuart and North West Mereenie oil prospects within EP 115 has been completed as well as the Pararra seismic survey within EP 112 and EP 118. Preliminary interpretation has indicated robust closure over all of the oil prospects named within EP 115 and the seismic over Pararra and North West Mereenie is still being processed.

Phase Two 2010 Programme

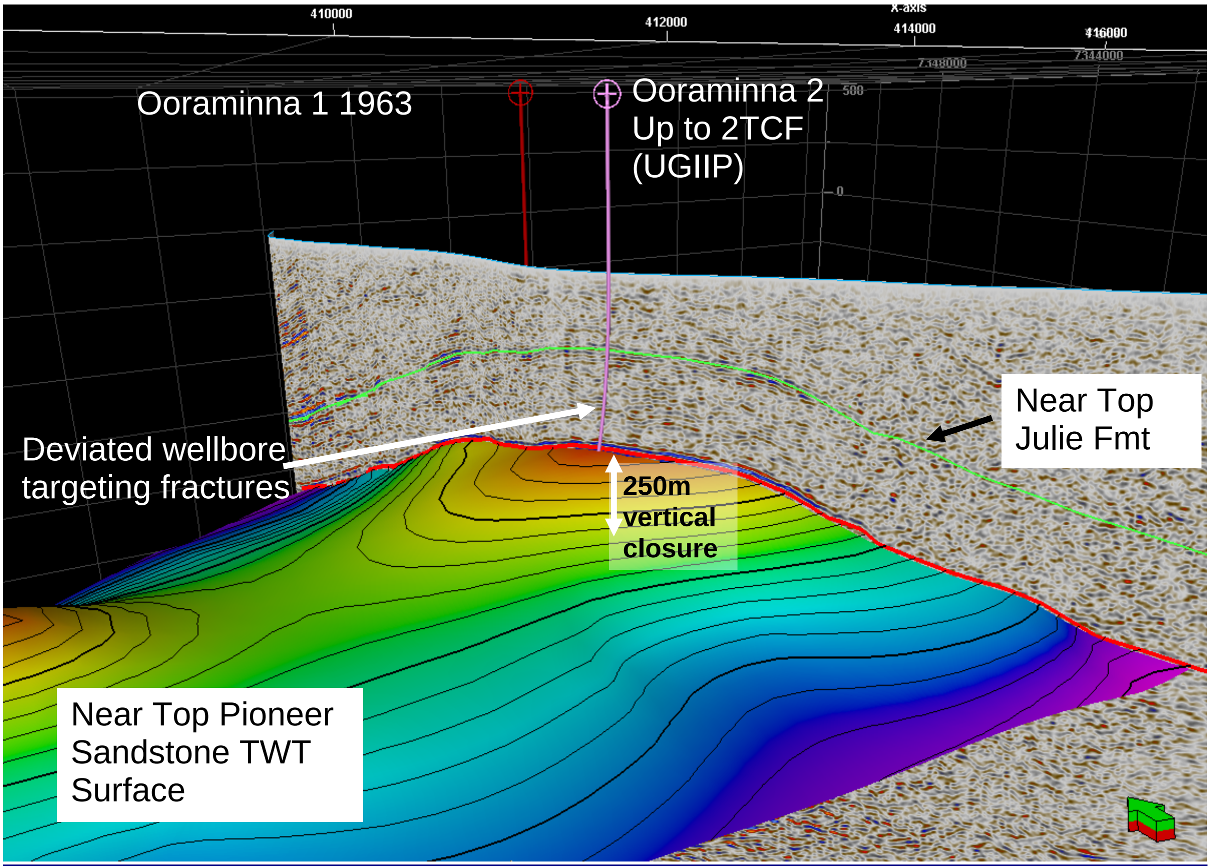
The planning of a second major exploration drive had commenced with the various Joint Venture participants approving the planning and tendering process without final commitment on a c.$65 million regional and prospect centred programme consisting of:

- 3 conventional wells (it was planned conditionally to reduce mob and demob costs proportionately by including Ooraminna 2 -gas in EP 82 to be drilled by the same drilling rig back to back with the Phase Two wells consisting of, Johnstone 1-or substitute oil well in EP 115, Magee 2-gas,condensate and helium in EP 82 and an oil well in the EP 97 Rawson Resources Limited farmin Simpson prospect block).
- 10 CSG wells in the Pedirka Basin.
- 2,000 line km of 2D seismic.

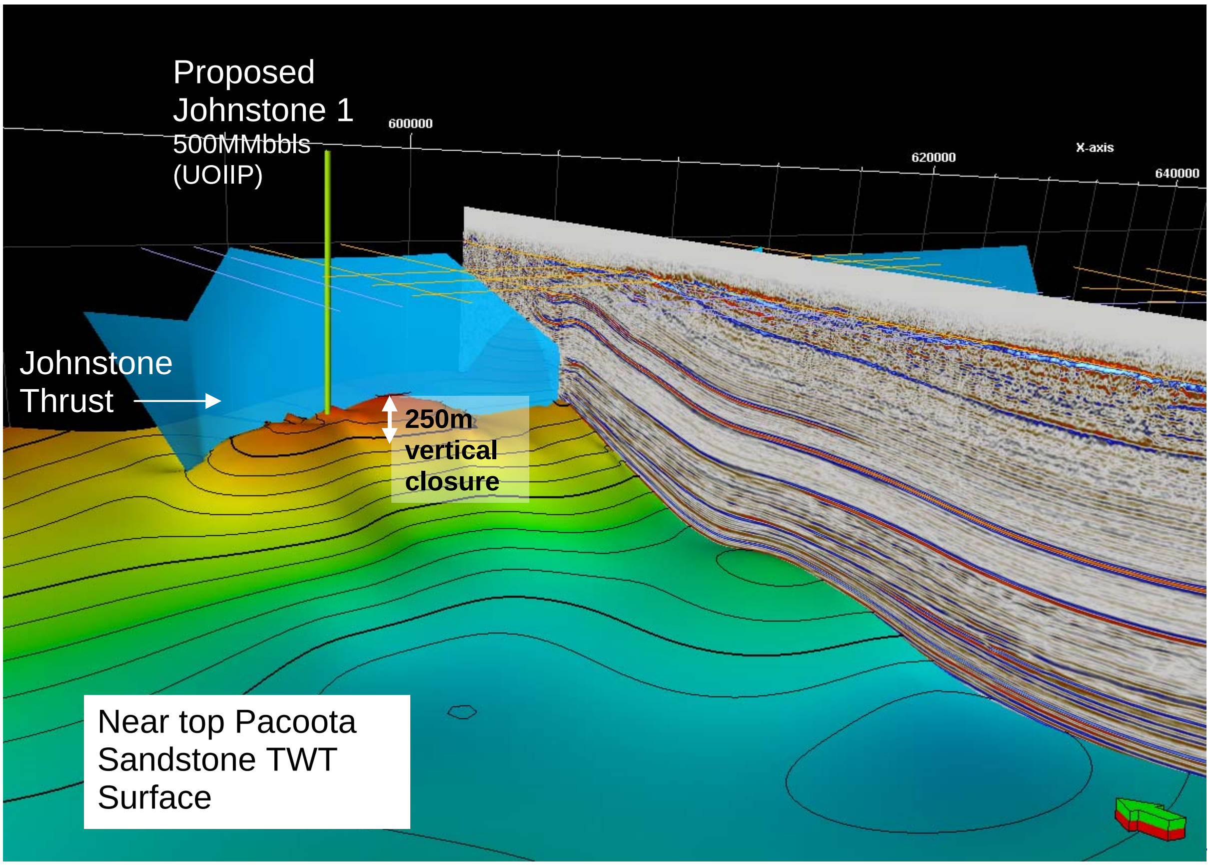
Final commitment to the Phase Two programme awaited the results of the current Phase One programme and the approval of the various joint venture participants.

However since then, due to the tight time line within which to complete the drilling of two Northern Territory Department of Resources (DOR) minimum commitment programme wells, Ooraminna 2 within EP 82 and Johnstone 1 or substitute well within EP 115, it has become necessary for the Operator to press ahead with the drilling of these wells as required in the relevant Joint Operating agreements to ensure the continued good standing of the permits.

A Letter of Intent (subject to certain conditions precedent, such as finalisation of contract terms and conditions and and rates) has been issued by Central Petroleum Limited, the Operator, to MB Century Rig 7 for the Ooraminna 2 and Johnstone 1 or substitute wells with an additional 4 optional wells inclusive of the Magee 2 well. At the time of finalisation of this report, it was anticipated that a binding contract with MB Century to spud the first well by mid to late April 2010 would be negotiated and executed.



Planned Ooraminna 2 well EP 82



Planned Johnstone 1 well EP 115

Energy Infrastructure Limited/Great Southern Gas Limited EPA 130

On 9 August 2009, Energy Infrastructure Limited (EIR) and the Company reached agreement on the terms of the farm-out by the Company of a 25% participating interest in the yet to be granted EPA 130. The agreed terms include the Company remaining as Operator, ongoing premium reserve payments to the Company of $10,000,000 per potential discovery tranche of 3P reserves of one trillion cubic feet of gas or oil equivalent and a 60% for 25% "promote" on the costs of initial exploration including the first 3 wells and the first $3 million of seismic. The agreement was subject to Board approval of final documentation and subject to the grant of the permit application. EIR is an unlisted public company headed up by Mr Rohan Gillespie, a former BHPB executive and under the terms agreed, EIR could have nominated another company in place of itself in the proposed formal agreement. The Company was since advised by Great Southern Gas Limited, (GSG), an existing farmin participant in EPA 130 headed up by Rohan Gillespie, that GSG was exercising its pre-emptive rights over the EIR offer and on 3 December 2009, a formal farmout agreement with GSG and Merlin Energy Pty Ltd (one of the Company's wholly owned subsidiaries) was executed. This means that if GSG contribute fully to their obligations as a Joint Venture participant, then GSG will fund 100% of the farmin phase of 3 wells and $3 million of seismic in this permit, subject to the successful grant of the permit.

Red Sky Energy (NT) Pty Ltd - Broadacre Joint Venture

On 30 September 2009, at the end of the previous quarter, the Company, its relevant wholly owned subsidiaries and Red Sky Energy (NT) Pty Ltd ("ROG NT"), a wholly owned subsidiary of the ASX listed Red Sky Energy Limited ("Red Sky"), executed a farmout agreement whereby the Company's relevant wholly owned subsidiaries exercised their respective right to assign to ROG NT a 10% Participating Interest in the following granted permits and applications EP-82 (remaining area outside of the Magee Prospect Block), EP-93, EP-105, EP-106, EP-107, EP-112, EP-115, EP-118,

EP-125 (remaining area outside of the Mt Kitty Prospect Block), EPA-92, EPA-111, EPA-120, EPA-124, EPA-129, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EPA-149, EPA-152, EPA-160, ATP-909, ATP- 911, ATP-912, PELA -77, PEPA 16/08-9, PEPA 18/08-9, and PEPA 17/08-9.

The agreement, inter alia, calls for ROG NT to fund at the 2:1 (2 for 1) promoted level the first 20% of the next three wells and the next $3 million of seismic in each of the permits and applications subject to grant. In addition ROG NT will pay the Company a reserve premium of $5 million indexed to various production standard prices from time to time for each incremental 3P (proved, probable and possible) trillion cubic feet of gas or oil equivalent at final investment decision which may be discovered in the Joint Venture area.

It was the Company's view that Petroleum Exploration Australia Limited ("PXA") was obliged to execute certain ancillary documents to enable the full entry of ROG NT into the Joint Venture and, for some time, PXA refused or failed to execute these documents. As a result, the matter was referred to arbitration for determination. Late in the quarter concerned, ROG by its ASX announcement dated 17 December 2009, advised that ROG NT had reached "further agreement" with PXA (the details of which are as yet unknown to the Company). This "further agreement" apparently resulted in PXA executing the required ancillary documents with an agreed date of execution of 30 September 2009 and ROG NT was formally admitted to the Joint Ventures concerned (except EP 115 and EPA-111 which the Company understands is yet to be fully executed).

The Company has continued with the arbitration process to address issues which have arisen since the commencement of the arbitration and which the Company says have expanded the scope of the arbitration to include issues arising out of the "further agreement" referred to in ROG NT's ASX announcement, together with the Company's claim for an award of costs. At the time of preparation of this report, the Company was awaiting the completion of processes resulting from an application made by the Company in the Supreme Court of Western Australia for "pre-action discovery" in respect of the "further agreement" and other documents.

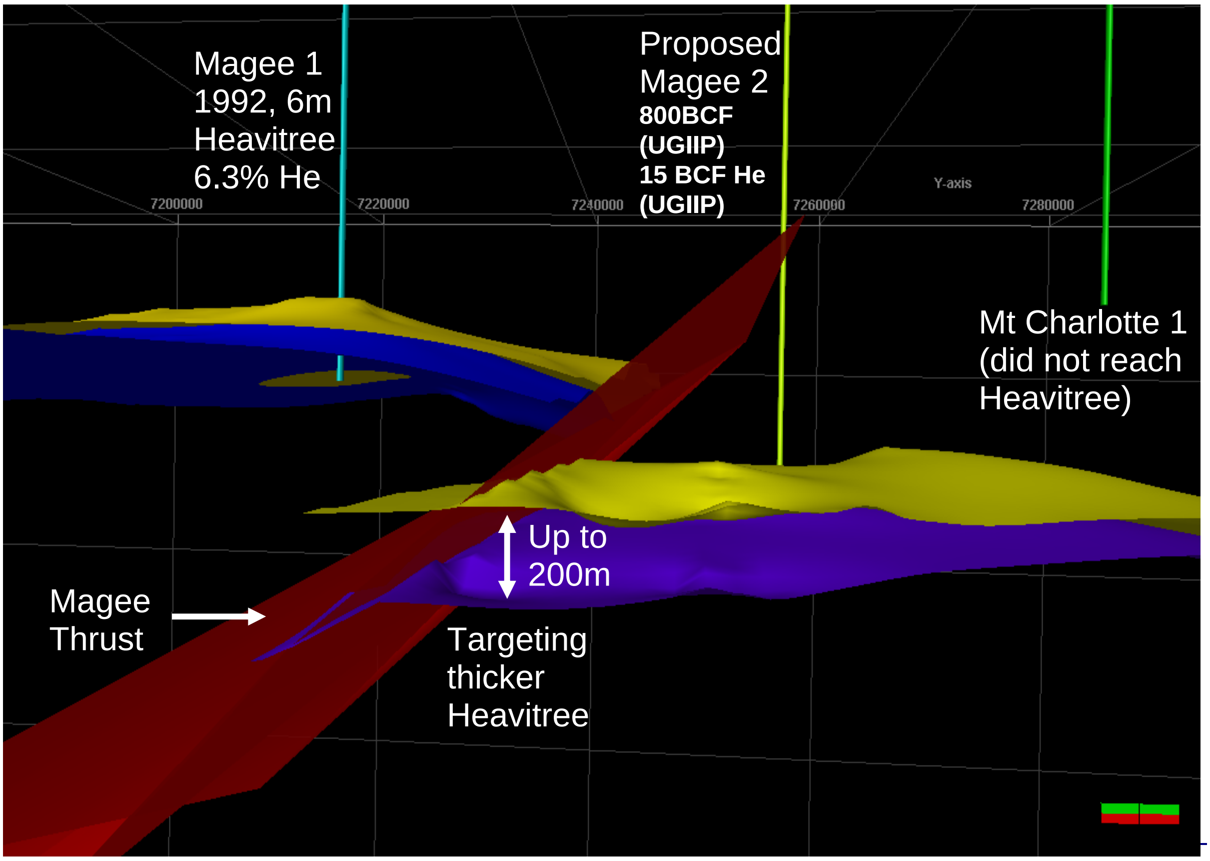
Management Changes

Mr Daniel White was appointed as Group General Counsel on 19 October 2009 following the identification of a need to fast track the Company's legal affairs and to more effectively manage the Company's joint venture relationships. Mr White also has additional duties to assist in business development and the evaluation and management of acquisition opportunities that the Company may become involved in. Prior to his appointment by the Company, Mr White was based in Kuwait as Group General Counsel of Kuwait Energy which has 42 assets in over 8 countries and is currently producing 10,000 barrels of oil per day from a reserves base of over 40 MMbbls of oil and oil equivalent at 2P level. Mr White's role at Kuwait Energy was to manage the company's legal affairs and provide strategic legal advice to its global business units and joint ventures.

There have been no other management changes in the Company since the release of the September 2009 quarterly report.

Helium Extraction and Marketing

The Company appointed Dr Michael Clarke of M.E.T.T.S. Pty. Ltd. (Consulting Engineers, Resource & Infrastructure Development), Dr Duncan Seddon and Associates Pty Ltd and Negotiaction Pty Ltd to provide a pre-feasibility study of costs, processes and potential markets for helium extracted from relatively low volume gas production from prospects thought to potentially host helium in the Amadeus Basin. The Company is involved in a joint venture in the Mt Kitty and Magee prospect blocks in the southern portion of EP 125 and EP82 respectively and has reason to believe that the area has potential to host volumes of gas, condensate and helium with a concentration of 5% or more. The Magee 1 well, drilled by Pacific Oil and Gas in 1992 flowed such a gas mixture to surface with a helium concentration of 6.2%, unusually high, from the subsalt Heavitree Formation. The Company and its joint venture participant, He Nuclear Limited (HEN), have completed additional seismic over the Magee prospect and other prospects in the area as part of the Phase One 2009/10 exploration programme and, subject to the analysis of this further seismic, plans conditionally on drilling the Magee 2 well in 2010 targeting up to 0.8 TCFG and 15 BCF of helium in Undiscovered Gas Initially In Place.



__**Proposed Magee 2 well Magee Prospect Block EP 82**__

Corporate and Further Joint Venture Developments

On the 22 January 2010, the Company as Operator issued a default notice to HEN for non-payment of cash calls and on 3 February 2010 issued a notice of dilution to HEN such that its Participating Interest in the Mt Kitty Prospect Block and the Magee Prospect Block Joint Ventures was reduced to 24.59% and 15.34% respectively.

Pursuant to the relevant Farm Out Agreements (FOAs) and Joint Operating Agreements (JOAs) between variously Central, certain of its subsidiaries, PXA, ROG NT, Red Sky Energy Limited, and He Nuclear Limited ("HEN"), a series of default notices were sent on 26 February 2010: (i) by Central, in its capacity as Operator of the various Joint Ventures, for recovery of monies owed to the affected Joint Ventures from defaulting parties for outstanding cash calls issued totalling approximately $3.2 million; and (ii) by the respective Central subsidiaries for recovery of Farm-out Costs under various Farm Out Agreements totalling approximately $6.2 million (this sum includes the previously referred 3.2 million).

Since the issuance of the notices referred in the above paragraph:

(a) PXA has demanded that the Company, as Operator, withdraw the notices of default and shortfall issued to PXA under each of the FOAs and JOAs relating to the Broadacre Joint Ventures and the EP 97 Rawson Joint Venture as detailed in Central's announcement of 26 February 2010. PXA has also purported to give Central notice of a dispute and commence an arbitration process under the terms of the FOAs and JOAs respectively disputing the validity of: the default notices referred above; the 2010 minimum commitment programme and budget in respect of which certain Cash Calls were issued; those Cash Calls and others; certain Shortfall Notices; and in respect of certain funds retained by the Joint Ventures for the drilling of wells CBM107001, CBM93002 and Ooraminna 2;

(b) ROG NT has notified the Company, as Operator, in-line with its ASX Announcement dated 12 March 2010, that it will pay certain monies owed in respect to EP-93, EP-107, EPA-131 and PELA-77 and will not make payment monies owed in respect to EP-82, EP-105, EP-106, EP-125, EP-112, EP-115, EP-118, EPA-129 and EPA-147; and

(c) Trident Energy Limited has issued notices to the Company, as Operator, that it challenges the validity of certain shortfall notices which relate to non-payment of cash calls by PXA.

The Company is currently assessing the options available to it, including, but not limited to, legal action in consultation with its legal advisors in respect to these matters.

The Company, notwithstanding the outcome of the dispute with PXA has announced that it intends to proceed with the Phase One exploration programme inclusive of the drilling of 5 cored CSG wells and around 1,450 km of seismic and in addition to drill two DOR minimum commitment wells, the 2 TCFG UGIIP Ooraminna 2 well within EP 82 and Johnstone 1, the 500 MMbbls UOIIP oil well or substitute within EP 115 and further to spud the first of the latter two wells by April 2010. A third well, the 800 BCFG UGIIP, 15 BCF helium UGIIP Magee 2 well in the EP 82 Magee Prospect Block, is also planned to be drilled in 2010 but this is not a DOR minimum commitment well.

Depending on the results of seismic currently being acquired, processed and analysed as well as the results of drilling of the first three wells, in addition to Ooraminna 2, Johnstone 1 and Magee 2, other prospects may be drilled inclusive of the EP 115 Surprise, Stuart and Northwest Mereenie oil prospects, the EP 82 Waterhouse gas prospect and a well in the EP 97 Simpson oil prospect block.

A table showing the "high" upside UGIIP and UOIIP potential of a range of prospects possibly available for potential drilling in 2010 in the forthcoming conventional campaign follows:

Gas Volumetrics Bcf				Oil Volumetrics MMBBls			
	UGIIP*	COS %	Permit		UOIIP*	COS %	Permit
				West Johnstone	500	22	EP-115
				Surprise	720	33	EP-115
				Stuart	1814	24	EP-115
				Nw Mer. Sub	974	26	EP-115
Ooraminna-2	2000	50	EP-82				
Waterhouse	2700	33	EP-82				
Magee	800	26	EP-82				
Mt Kitty	3000	20	EP-125				
				Guinevere	40		EP-93
				Flat Top	20		EP-93
				Round Top	20		EP-93
				Madigan	50		EP-97
				Simpson East	25		EP-97
				Erec	5000		EP-97
				Lucan	180		EP-97

Prospects in EP-93 and EP-97 will be further matured following receipt of seismic in the Phase 1 acquisition programme
*UGIIP Maximum undiscovered gas initially in place
*UOIIP Maximum undiscoverd oil initially in place

Prospects available for drilling 2010. The results of Phase One 2009/10 seismic may change some of these volumetrics. Unrisked UGIIP and UOIIP are "high" estimates.

Renounceable Rights Issue

On 5 March 2010, the Company signed a Mandate Agreement with Patersons Stockbroking (Patersons) which, inter alia, detailed the plan to conditionally provide underwriting for the issue of a 1 for 2 renounceable rights issue to shareholders to purchase up to approximately 300 million new shares at an indicative price of 7.5 cents per share together with a 1 for 5 (up to approximately 60 million) new free attaching Options exercisable at 16 cents at any time before 30 March 2014, to raise a total of approximately $22.5 million before issue costs. If the Offer is fully underwritten, the underwriters will also be provided with a 1 for 5 new free Option based on the number of shares fully underwritten which could result in the issue of up to approximately 60 million Options with the same conditions as those issued to Shareholders.

Financial

The financial statements show the cash movements and other information for the half year ended 31 December 2009. In summary, cash at the beginning of the half year was $ 35.9 million and cash at the end of the half was $ 33.2 million, representing a net decrease in cash of $ 2.7 million. The movement mainly reflects the proceeds from share issues of $3.0 million pursuant to the Asia Convertible Bond Opportunities (“ACBO”) rolling convertible bond and $5.7 million in payments for exploration costs as well as for administration, legal, environmental, heritage and sacred site clearances.

On the basis that no further funding is received from any Joint Venture participant and results in the Company funding the remainder of the Phase One 2009/2010 exploration programme, the Company anticipates having approximately $29 million in banked funds immediately following completion of the renounceable rights issue This will assist it in pressing on with the Company goal of drilling to gain discovery success as soon as possible.

AUDITOR INDEPENDENCE

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24

Signed in accordance with a resolution of the Board of Directors’:

JP Heugh - Director
Perth, Western Australia
16 March 2010

Competent Persons Statement

Al Maynard & Associates

Information in this announcement or attached report or notification which may relate to Exploration Results of coal tonnages 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 or announcement of the matters based on his information in the form and context in which it appears.

Mulready Consulting Services

The Mulready Consulting Services Report on UCG and CSG which may be referred to in this report or announcement or notification 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 Seam Gas.

General Disclaimer

Potential volumetrics of gas or oil may be categorised as Undiscovered Gas or Oil Initially In Place (UGIIP or UOIIP) or Prospective Recoverable Oil or Gas in accordance with AAPG/SPE guidelines. Since oil via Gas to Liquids Processes (GTL) volumetrics may be derived from gas estimates the corresponding categorisation applies.

As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. "Resources estimates, assessments of exploration results and other opinions expressed by CTP in this announcement or report have not been reviewed by either Rawson Resources Ltd (RAW), Petroleum Exploration Australia Limited (PXA), QGC, Trident Energy Limited (TRI), He Nuclear Limited (HEN) or Red Sky Energy Limited (ROG). Therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only and not those of RAW, PXA, QGC, TRI, HEN or ROG. The company, CTP is interested in UCG and/or UCTL applications in its own right, outside of the current Joint Venture with PXA and reference to UCG potential represent the view of the company only and do not reflect the views of PXA, QGC, TRI or ROG. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

NOTICE: The participating interests of the relevant parties in the respective permits and permit applications applicable to this announcement are:

- *EP-82 (excluding the Central subsidiary Helium Australia Pty Ltd ("HEA") and He Nuclear Ltd ("HEN") Magee Prospect Block) - HEA 70%, Petroleum Exploration Australia Ltd ("PXA") 20% and Red Sky Energy (NT) Pty Ltd ("ROG NT") 10%.*
- *Magee Prospect Block portion of EP 82 – HEA 84.66% and HEN 15.34%.*
- *EP-93, EP-105, EP-106, EP-107, EPA-92, EPA-129, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EPA-149, EPA-152, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 70% ("MEE"), PXA 20% and ROG NT 10%.*
- *The Madigan, Bejah and Dune Prospect Block portions within EP-97 – MEE 65%, Rawson Resources Ltd 20% and PXA 15%.*
- *EP-125 (excluding the Central subsidiary Ordiv Petroleum Pty Ltd ("ORP") and HEN Mt Kitty Prospect Block) and EPA-124 - ORP 70%, PXA 20% and ROG NT 10%.*
- *Mt Kitty Prospect Block portion of EP 125 - ORP 75.41% and HEN 24.59%.*
- *EP-112, EP-118 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd ("FOG") 70%, PXA 20% and ROG NT 10%.*
- *EP-115 & EPA-111 – FOG 60%, PXA 20%, Trident Energy Limited 10% and ROG NT 10%.*
- *PEPA 18/08-9 PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 70%, PXA 20% and ROG NT 10%.*

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

DIRECTORS' DECLARATION

The Directors' declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standard AASB 134 (Interim Financial Reporting) and giving a true and fair view of the financial position as at 31 December 2009 and of the performance for the half-year ended on that date of the consolidated entity.

Signed in accordance with a resolution of Directors' made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

JP Heugh - Director
Perth, Western Australia
16 March 2010

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	31 December 2009	31 December 2008
Revenue	2	664,393	633,617
Employee benefits	5	(692,894)	(1,024,044)
Exploration Expenditure		(2,870,698)	(9,330,227)
Recovery of operating costs		854,951	548,894
General and administrative expenses		(1,761,850)	(732,008)
(Loss) before income tax		(3,806,098)	(9,903,768)
Income tax		-	-
Net (loss) for the period		(3,806,098)	(9,903,768)
Other comprehensive income		-	-
Total comprehensive loss for the period		(3,806,098)	(9,903,768)
Attributable to shareholders of Central Petroleum Limited		(3,806,098)	(9,903,768)
Earnings per share			
Loss per share (cents, basic)		(0.66)	(3.88)
Loss per share (cents, diluted)		(0.66)	(3.88)

The accompanying condensed notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2009

	Note	31 December 2009	30 June 2009
CURRENT ASSETS			
Cash and cash equivalents		33,161,370	35,930,650
Trade and other receivables		3,225,767	1,133,388
Inventory		774,033	565,168
TOTAL CURRENT ASSETS		37,161,170	37,629,206
NON-CURRENT ASSETS			
Property, plant and equipment	4	449,238	389,580
Exploration assets		10,211,058	10,168,783
Other financial assets		949,054	376,150
TOTAL NON-CURRENT ASSETS		11,609,350	10,934,513
TOTAL ASSETS		48,770,520	48,563,719
CURRENT LIABILITIES			
Trade and other payables		6,098,200	4,790,367
Provisions		122,825	301,944
TOTAL CURRENT LIABILITIES		6,221,025	5,092,311
NON-CURRENT LIABILITIES			
Provisions		32,079	-
TOTAL NON-CURRENT LIABILITIES		32,079	-
TOTAL LIABILITIES		6,253,104	5,092,311
NET ASSETS		42,517,416	43,471,408
EQUITY			
Issued capital	3	71,405,080	68,685,229
Share options reserve	3	6,568,660	6,436,405
Accumulated losses		(35,456,324)	(31,650,226)
TOTAL EQUITY		42,517,416	43,471,408

The accompanying condensed notes form part of these financial statements.

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF -YEAR ENDED
31 DECEMBER 2009

	31 December 2009 $	31 December 2008 $
Cash flows from operating activities		
Interest received	483,921	421,527
Payments to suppliers and employees	(5,431,828)	(10,816,709)
Net cash (outflow) from operating activities	(4,947,907)	(10,395,182)
Cash flows from investing activities		
Payments for property, plant and equipment	(143,690)	(25,178)
(Lodgement) / Release of interest bearing security bonds	(572,905)	1,000,000
Payments for investments in listed entites	(2,356,403)	-
Proceeds from sale of investments in listed entities	2,531,774	-
Net cash inflow/ (outflow) from investing activities	(541,224)	974,822
Cash flows from financing activities		
Proceeds from issue of shares resulting from bond conversions	3,000,000	-
Proceeds from issue of shares resulting from exercise of options	17,508	705,789
Payments for capital raising costs	(297,657)	(20,338)
Net cash inflow from financing activities	2,719,851	685,451
Net decrease in cash and cash equivalents held	(2,769,280)	(8,734,909)
Cash and cash equivalents at the beginning of the period	35,930,650	15,413,345
Cash and cash equivalents at the end of the period	33,161,370	6,678,436

The accompanying condensed notes form part of these financial statements.

CENTRAL PETROLEUM LIMITED
ABN 72 083 254 308

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total $
Total equity at 1 July 2008	39,234,061	5,839,643	(18,880,761)	26,192,943
Total comprehensive loss for the period				
Loss for the period	-	-	(9,903,768)	(9,903,768)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(9,903,768)	(9,903,768)
Transaction costs with owners, recorded directly in equity				
Share and option issues	-	-	-	0.00
Share based payments	-	9,175	-	9,175.00
Transaction costs	(20,338)	-	-	(20,338)
Total transactions with owners	(20,338)	9,175	-	(11,163)
Total equity at 31 December 2008	39,213,723	5,848,818	(28,784,529)	16,278,012
Total equity at 1 July 2009	68,685,229	6,436,405	(31,650,226)	43,471,408
Total comprehensive loss for the period				
Loss for the period	-	-	(3,806,098)	(3,806,098)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(3,806,098)	(3,806,098)
Transaction costs with owners, recorded directly in equity				
Share and option issues	3,017,508	-	-	3,017,508
Share based payments	-	132,255	-	132,255
Transaction costs	(297,657)	-	-	(297,657)
Total transactions with owners	2,719,851	132,255	-	2,852,106
Total equity at 31 December 2009	71,405,080	6,568,660	(35,456,324)	42,517,416

The accompanying condensed notes form part of these financial statements.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the Corporations *Act* 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting, Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Central Petroleum Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income, Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- If the Group holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

Going concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business and at the amounts recorded in the financial statements.

The company continues to make drawdowns pursuant to the Bond Subscription Agreement to fund its operations. In addition, the Company is raising a further $22.6 million (before issue costs) through a fully underwritten renounceable rights issue. This will allow the Company to progress its work programs for at least the next 12 months.

2. REVENUE

	31 December 2009 $	30 June 2009 $
Interest revenue	488,451	420,627
Profit on sale of investments in listed entities	175,371	-
Other	571	212,990
	664,393	633,617

3. ISSUED CAPITAL AND OPTIONS RESERVE

	31 December 2009 $	30 June 2009 $
Issued Capital		
593,433,308 ordinary shares	71,405,080	68,685,229
(30 June 2009:564,244,921 ordinary shares)		
Share Options Reserve		
310,937,332 share options	6,568,660	6,436,405
(30 June 2009: 313,713,425 share options)		

	31 December 2009 $	31 December 2009 No. of securities
Movements in ordinary shares on issue:		
At 1 July 2009	68,685,229	564,244,921
Conversion of convertible bond	3,000,000	29,078,962
Conversion of share options to shares	17,508	109,425
Transaction Costs	(297,657)	-
	71,405,080	593,433,308
Movements in share options on issue:		
At 1 July 2009	6,436,405	313,713,425
Vesting of 30/11/2010 options exercisable at $0.30	2,249	-
Vesting of 31/7/2011 options exercisable at $0.33	1,704	-
Vesting of 19/1/2012 options exercisable at $0.25	10,249	-
Vesting of 16/2/2012 options exercisable at $0.25	1,451	-
Vesting of 23/2/2012 options exercisable at $0.25	1,419	-
Vesting of 23/2/2012 options exercisable at $0.20	115,183	-
Cancellation of options exercisable at $0.30	-	(1,333,334)
Cancellation of options exercisable at $0.25	-	(1,333,334)
Conversion of share options exercisable at $0.16		(109,425)
Balance at the end of period	6,568,660	310,937,332

4. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2009, the Group acquired assets at a cost of $143,690.

5. SHARE-BASED PAYMENTS

The company issues options to employees under an Employee Incentive Share Option Scheme. The fair value of the options granted is estimated at the date of grant using a Black Scholes model, taking into account the terms and conditions upon which the options were granted.

2009

No share options were granted under the Employee Incentive Share Option Scheme during the period under consideration. Included in employee benefits is the share based payments expense of $132,255 representing the current period's vesting portion for options granted in prior periods.

2008

2,700,000 share options were granted to employees under the Employee Incentive Share Option Scheme. The exercise price is between $0.25 and $0.33 each, exercisable between 18 July 2008 and 17 November 2011.

6. SEGMENT INFORMATION

The Group operates in the petroleum exploration industry in Australia.

7. CONTINGENCIES AND COMMITMENTS

(a) Exploration contingencies and commitments

The Group has Exploration expenditure commitments on various permit areas held in Australia amounting to an estimated $ 51,327,000. The Group has minimum exploration commitments over the next twelve months of $ 14,327,000.

In the petroleum industry it is common practice for entities to farm-out, transfer or sell apportion of their rights to third parties or relinquish them altogether and, as a result, obligations may be reduced or extinguished.

(b) Operating lease commitments

The Group has non-cancellable operating leases for office premises in Perth expiring on 28 February 2012 and 30 September 2013 and in Alice Springs expiring 30 June 2010.

The total remaining commitments on the operating leases is $1,073,341 (30 June 2009:$617,959).

There a no other material contingent liabilities or contingent assets of the Group at 31 December 2009 other than those shown above.

8. SUBSEQUENT EVENTS

In January 2010 the Company issued 100 convertible bonds at an issue price of $10,000 each for a total subscription amount of $1,000,000. These bonds are issued as part of an $80 million bond facility put in place during 2009 and represent the tenth $1 million tranche. As a result a further $70 million remains available under this facility.

In March 2010 the bond holders converted 50 bonds ($500,000) into 5,739,120 fully paid ordinary shares in Central Petroleum Limited at a price of 8.712 cents per share.

Central Petroleum Limited, as operator of various joint ventures, has issued a series of default notices to a number of the joint venture participants. The total value of the default notices, issued pursuant to the relevant farmout agreements and joint operating agreements, is approximately $6.2 million. A portion of the default amounts have since been paid. The resulting outcome from the default notices is not yet finalised. Regardless of the outcome, the joint ventures plan on proceeding with the drilling of at least the Northern Territory Government minimum commitment wells and other work programmes to ensure the various permit areas remain in good standing.

The Company intends to raise approximately $21 million (net of issue costs) through a fully underwritten renounceable rights issue (“RRI”). The RRI offer is one (1) new share for every two (2) shares held at the record date with one (1) free attaching new option for every five (5) new shares issued. The new shares are priced at 7.5 cents each with the new options exercisable at 16 cents, on or before 31 March 2014.

The Company will issue approximately 300 million new shares and approximately 120 million new options to shareholders and underwriters.

9. SUBSIDIARIES

A new wholly owned subsidiary - Central Petroleum Services Pty Ltd - was incorporated on 18 November 2009 with an issued share capital of $1.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CENTRAL PETROLEUM LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Central Petroleum Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration for Central Petroleum Limited (the consolidated entity). The consolidated entity comprises both Central Petroleum Limited (the company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Central Petroleum Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We have conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim Financial and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Central Petroleum Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Central Petroleum Limited on 16 March 2010.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Central Petroleum Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International

Keith Lingard
Director

West Perth, Western Australia
16 March 2010

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16 March 2010

Board of Directors
Central Petroleum Limited
Suite 3 Level 4 South Shore Centre
85 The Esplanade
SOUTH PERTH WA 6151

Dear Sirs

RE: CENTRAL PETROLEUM LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Central Petroleum Limited.

As Audit Director for the review of the financial statements of Central Petroleum Limited for the six-month period ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL
(Authorised Audit Company)

K Lingard
Director

CENTRAL PETROLEUM LIMITED

ABN 72 083 254 308

CORPORATE DIRECTORY

DIRECTORS

Henry J Askin BSc (Hons) PhD, Non-executive Chairman
John P Heugh BSc (Hons), Managing Director
Richard W Faull BCom CPA, Non-executive Director
William J Dunmore BSc MSc, Non-executive Director

COMPANY SECRETARIES

Daniel CM White LLB BCom,LLM
Bruce W Elsholz, BCom CA

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