

20 April 2010

ASX Announcement

CENTRAL PETROLEUM LIMITED BROADCAST

CENTRAL PETROLEUM LIMITED (CTP) provides the opportunity to listen to an audio broadcast with **Mr John Heugh, MD** in a presentation titled "**Central Petroleum Helium Prospects - John Heugh, Managing Director**".

To listen, copy the following details into your web browser:

www.brr.com.au/event/65330

The presentation details are as follows:

- *Central Petroleum Helium Prospects - John Heugh, Managing Director*
- *Presented by Mr John Heugh, MD*
- *Tue, 20 Apr 2010 10:00am AEST*
- *A transcript of the broadcast is included below*

**BOARDROOMRADIO INTERVIEW WITH JOHN HEUGH, MANAGING DIRECTOR,
CENTRAL PETROLEUM LIMITED,**

Q1 **Good morning and welcome to Boardroomradio. I'm joined today by Mr John Heugh, the Managing Director of Central Petroleum. John, thanks for your time and welcome back to BRR.**

A1 Always a pleasure, James.

Q2 **John, the Company has released a report and an update on its helium prospects. Can you first start by telling me about the report that has been produced and what some of the findings on the helium market have been?**

A2 Yes, sure, James. Look, firstly, it's really a bundle of reports. There's a marketing report done by a group called NEGOTIACTION; and then there's the mechanics, logistics and technical process analysis report put out by a group calls M.E.T.T.S. out of Brisbane, Dr Michael Clarke; and finally there are contributions from a number of people including Seddon and Associates. We, I suppose, knew, in general terms, that helium is a valuable commodity in fairly short supply. Currently, the market for helium has been dominated by major gas suppliers such as Praxair, Air Supply, BOC Linde group and others and, for the most part, they have relied upon helium being drawn down from the US strategic reserves. What this report does is to underscore those facts, but also to provide more of an insight into the fundamentals of a potential helium extraction project for us in Central Australia that might enable us to independently produce and market helium through to South-East Asia and Northern Asia. So the report does come out with some fairly ringing endorsements of a potential plan to produce helium in Central Australia and to market it particularly to China, which is the world's fastest growing helium market. I think the biggest result, or the most important result, we've got from this report is that I don't think that any longer we would be tied to the major gas producers to market helium. We should be able to do that ourselves and, obviously, maximise our profit. There are some interesting results from the report. I suppose, at this stage of the game, the early estimates of costs of plant and potential income have a fairly wide range but, for an investment of about \$400 million, it would appear, subject to discovery success, that we could monetise a 20 million cubic feet of gas per day gas flow with a typical composition parallel to that already flowed to surface as the Magee 1 well which was drilled in 1992, and that the NPV of such a project could range from 100 to as much as about \$500 million. So that result for us really is very important. It certainly underpins our exploration push for helium in Central Australia.

Q3 **And, John, how does this information impact the thinking at Central Petroleum on the helium front?**

A3 Well, as I said, it really underpins our exploration program for helium. We have known about the results that the Magee 1 well since 1992 produced helium to surface at 6.3 per cent concentration. Now, based on that

assumption, we think we have at least two drillable prospects at the moment. One would be the Magee prospect which has already been drilled before, and the other one would be the Mt Kitty prospect. So it helps push the helium gas condensate exploration rationale perhaps a little higher in our priorities.

Q4 And, John, when can investors/shareholders expect some activity from the Company on this front?

A4 We have made an announcement recently about an updated exploration schedule. This is subject, as always, to various contingencies, but I believe we should be drilling the Magee 2 well in about August/September this year if all goes to plan. We aim to kick off a conventional drilling program in early May and, by the time we get to Magee, we should have completed that well by August/September this year.

Q5 And, John, just going to your CSM activities and also your conventional work, can you just give us a quick update on the drilling progress with drilling plans?

A5 Sure. We had a grader rehabilitating the road a fortnight ago following the first bout of rains, and then we were hit by another bout of heavy rains, but I've got a report back from the operations office in Adelaide – I should say Alice Springs, this morning, which says that we've got a couple of graders and a dozer on route to rehabilitate the road between CBM 107001 and CBM 107002. So we're actually anticipating, at this stage, spudding the fourth coal seam gas well, CBM 107002, probably by next weekend. This well is a fairly important one for us because it will be the first relatively shallow test of coal in the Pedirka Basin to test for the presence or otherwise of biogenically-derived gas. The wells we have drilled to date in the Pedirka Basin for coal seam gas have been fairly deep and have targeted thermogenically-derived gas. This one is aimed more at biogenically-derived gas, so we're hoping for a positive result, and whatever result we get will certainly add a lot to our knowledge of the potential coal resources in this massive basin area that we operate. Ooraminna drilling is proceeding to plan. Most of the hardware and equipment has been ordered and will be available on site by May 7 is the current schedule. We would anticipate mobilising various elements of the rig before the end of April, and we're on our final draft of the drilling contract. We'd anticipate signing off on that in the next few days, and the current spud date of Ooraminna 2 now May 7.

Q6 Well, John, we appreciate you taking the time to talk us through the details of this update, particularly on the helium front, and we look forward to following further details, particularly as your Company gets active in the field with drilling.

A6 Many thanks, James.