

8 December 2011

ASX Compliance Pty Limited
ABN 26 087 780 489
GPO Box D187
Perth WA 6840

Attn: Mr Mauro Piccini

Send by facsimile: 08 9221 2020

PRICE AND VOLUME QUERY

We refer to your letter dated 8 December 2011 regarding the price and volume activity of Central Petroleum Limited's ("Company") securities. Kindly find the Company's responses to the questions as set out in the letter as follows:

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

No.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not Applicable

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

The Company has previously announced that a daily drilling update on time versus depth from Rotating Kelly Bushing (RKB) and a well prognosis is available on the Company's website.

The Company is not aware of any reason other than the lack of progress as reported on the Company's website on the time versus depth curve. The Company does not consider this day-to-day operational matter as material and the well integrity is not at risk.

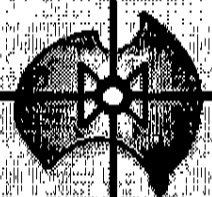
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully
Central Petroleum Limited



Daniel White
Company Secretary



central

PETROLEUM
LIMITED

ABN 72 087 780 489

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Fax: 08 9474 1555

Electronically

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Website: <http://www.cpl.com.au>

Wholly owned

subsidiaries:

merlin

ENERGY

PTY LTD

ABN 62 102 552 798

merlin

COAL

PTY LTD

ABN 62 102 552 798

ordiv

PETROLEUM

PTY LTD

ABN 62 102 552 798

frontier

OIL & GAS

PTY LTD

ABN 62 102 552 798

helium

AUSTRALIA

PTY LTD

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merlin

WEST

PTY LTD

ABN 62 102 552 798

central

GREEN

PTY LTD

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8 December 2011

Daniel White
Company Secretary
Central Petroleum Limited
Suite 3, Level 4, South Shore Centre
85 The Esplanade
SOUTH PERTH WA 6951

By email: DanielWhite@centralpetroleum.com.au

Dear Daniel

Central Petroleum Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on 2 December 2011 of \$0.053 to an intraday low at the time of writing of \$0.045. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me **by facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 12:30pm (WST) today.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Mauro Piccini

Adviser, Listing (Perth)