

19 March 2012

Central Petroleum

Year End	Revenue (A\$m)	PBT* (A\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
06/10	0.0	(11.5)	(3.4)	0.0	N/A	N/A
06/11	0.0	(36.5)	(3.8)	0.0	N/A	N/A
06/12e	0.0	(19.0)	(1.7)	0.0	N/A	N/A
06/13e	0.0	(56.1)	(4.5)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation and exceptional items.

Investment summary: Central Australia play

Central Petroleum (CTP) is a play on the rapidly emerging hydrocarbons prospectivity of the central Australian sedimentary basins. Much of the region is effectively frontier territory. CTP has probably the largest contiguous 100% owned acreage position in any developed country, with a substantial potential oil and gas and coal resource base. Importantly, CTP recently announced that oil was successfully flow tested at its Surprise well in the Northern Territory. We believe CTP's resource base has company maker potential possibly along the lines of Santos in the Cooper Basin.

The central Australian frontier: Interest increasing

The central Australian basins have been attracting increasing interest, reflecting strong commodity prices, improving geophysical knowledge and the unconventional potential of the region. Recent entrants include large oil companies such as Hess, ConocoPhillips and BG and the juniors PetroFrontier, Falcon and Rodina.

Projects and resources: Surprise-1 success

CTP has 67 million acres across four projects in the Amadeus, Pedirka, Southern Georgina and Wiso basins. Un-risked P50 resources are estimated by CTP at almost 16bnboe along with substantial steam coal and helium potential. The Surprise-1 REH discovery represents a major step forward in de-risking CTP's Amadeus play.

Financing: Seeking farm-in partners

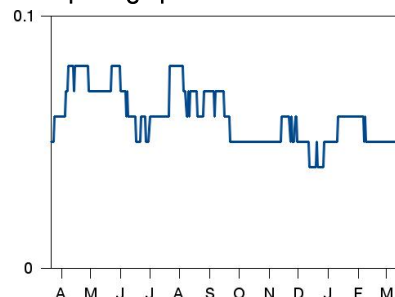
Since 2006 CTP has raised A\$106m in equity, including A\$14.9m in 2012. Near-term spending needs are well underpinned by the estimated cash balance of A\$11m currently. With exploration and development activity scheduled to intensify the plan now is to seek joint venture partners with major independents.

Valuation: Upside potential

CTP currently trades around US\$1/acre, a low valuation compared with Australian and North American peers. We believe successful exploration could boost valuations to US\$4-10/acre in the medium term, implying a valuation of A\$231-577m or A\$0.18-0.46. Several discoveries in the area suggest CTP's acreage could be considered intermediate in prospectivity between basins such as Canning/Beetalo and Cooper, hence our valuation offers plenty of upside in the event of continued success.

Price 6.8c
Market Cap A\$85m

Share price graph



Share details

Code CTP
Listing ASX
Sector Oil & Gas
Shares in issue 1,253.4m

Price

52 week High Low
A\$0.084 A\$0.043

Balance Sheet as at 29 February 2012*

Debt/Equity (%) N/A
NAV per share (A\$) 0.019
Net cash (A\$m) 11

*Estimated

Business

Central Petroleum is an oil and gas junior focused on exploration in the basins of central Australia. It currently has four exploration projects primarily in the NT and is seeking a joint venture partner to undertake a GTL project.

Valuation

	2011	2012e	2013e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

Revenues by geography

	Europe	US	Other
N/A	N/A	N/A	N/A

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Investment summary: Central Australia play

Company description: Four exploration projects, very large acreage

CTP is an ASX-listed explorer, distinguished by its large land position of 67m acres mainly located in the Northern Territory, which is believed to be the largest single 100% owned contiguous interest anywhere in the world. There are four exploration projects in the Amadeus, Pedirka and Southern Georgina basins and in the Lander Trough of the Wiso Basin. The most advanced projects are in the Amadeus and Pedirka basins, where CTP has drilled five wells with significant success in terms of hydrocarbon indications. The most successful well has been the Surprise-1 Re-entry H well in the Amadeus Basin, which has been flow tested at c 400bbls/d of API 40° light sweet crude. Un-risked P50 conventional and unconventional resources are substantial at almost 16mmboe, split 48% oil and 52% gas. The Amadeus and Pedirka basins are also prospective for helium, while in the latter CTP has a JORC-certified exploration target of substantial tonnage with a world class coal discovery. The intention is to commercialise the coal resources via a gas to liquids (GTL) plant.

Financials: Heavy financing needs, seeking farm-in partners

CTP has yet to generate trading revenues. The income statement therefore shows a series of heavy losses between 2006 and 2011 at the EBITDA and PBT levels reflecting overhead and exploration related expenditure. Modest revenues are a possibility in the coming months given the intention to put the S1REH well on extended test. Since 2006, CTP has raised A\$106m for exploration and to finance the administration of the business. CTP has an aggressive exploration programme over the next two years that could involve 10 or more new wells and additional seismic. The cost could be around A\$80m. CTP is now seeking farm-in partners from among the large independents. At the end of February the cash position is estimated at about A\$11m.

Sensitivities: Geological and unconventional completion risk

CTP has a high-risk profile given its focus on frontier oil and gas exploration and exposure to capital intensive midstream and downstream projects. Risks, however, are not inordinate from an oil and gas perspective and revolve around three specific areas. Firstly, there are the usual geological risks in the case of the conventional plays. The recent S1REH discovery should, however, help allay any concerns regarding the Amadeus Basin, at least. Secondly, lengthy periods are sometimes required to optimise completion techniques in early stage shale projects. Based on initial Cooper Basin experience, however, the omens are positive. Thirdly, CTP has an ambitious work programme that will require sizeable amounts of funding. The willingness of the markets to supply capital to juniors along with the potential for dilution therefore become critical issues.

Valuation: Upside potential

CTP is currently valued at around US\$1/acre, a lowly valuation basis compared with even its early stage Australian peers. Based on our sample of seven junior and mid-tier stocks active in central and Western Australia, EVs/acre range from US\$4 to US\$94. Given several discoveries in the area (Mereenie, Palm Valley, Dingo and Surprise) suggesting prospectivity at least on a par with the Canning and Betalo basins, we believe that successful exploration activity both on CTP's projects and more widely across the central Australian basins could lift our valuation to US\$4-10/acre over the next two or so years. This would imply a valuation of A\$231-577m.

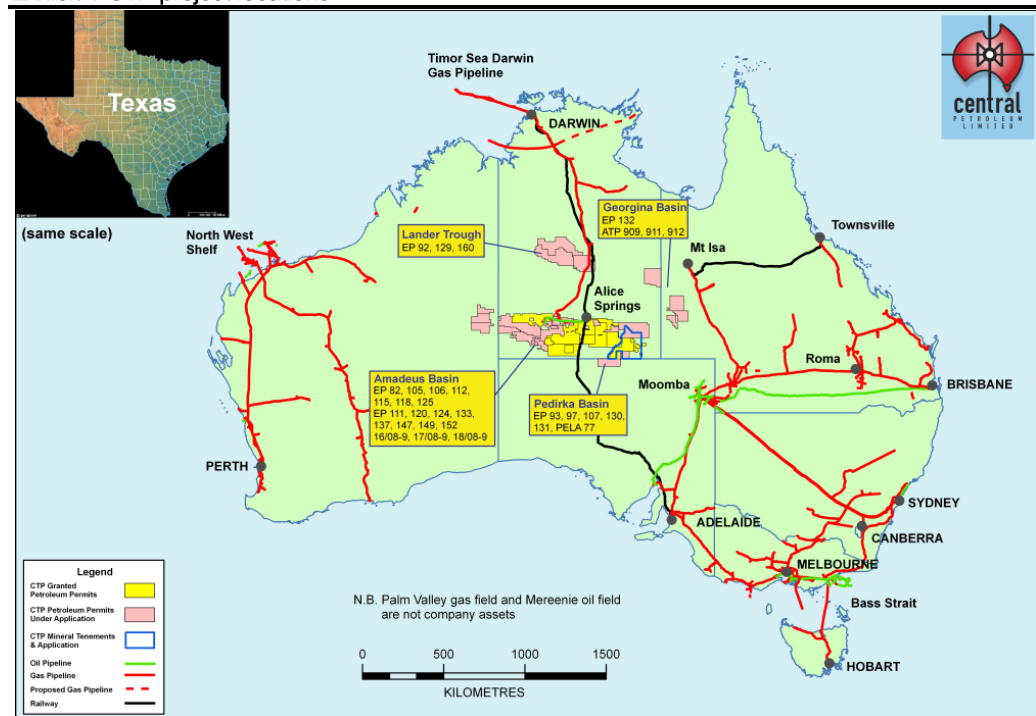
Business background

Profile: ASX oil and gas junior focused on central Australia

Central Petroleum (CTP) is an ASX-listed oil and gas exploration junior focused on the frontier basins of central Australia and headquartered in Perth, Western Australia. The genesis of CTP began in 1998 with a predecessor company, Merlin Synergy NL. At the time the founders, John Heugh and Richard Faull, began acquiring large acreages in the remote and largely unexplored basins of central Australia. The strategic move made by the founders in 1998 was decidedly contrarian, given depressed oil and gas prices and the scepticism that permeated some oil and gas circles concerning the region's prospectivity.

Subsequent to 1998 more acreage was secured. CTP now has 270,000km² or approximately 67m acres in central Australia. This is believed by the company to be the largest prospective hydrocarbons acreage of any exploration company in Australia, and possibly even the largest single 100% owned contiguous acreage of any company operating in a developed country. The acreage includes the bulk of the Pedirka Basin in the Northern Territory (NT) and South Australia, the majority of the Amadeus Basin in the NT and eastern Western Australia, all of the known Lander Trough located in the Wiso Basin of the NT and the Southern Georgina Basin of the NT and western Queensland. Acreage held includes permits awarded and under application under the Australian Petroleum Acts and the Mining Acts. Significantly, the acreage held is almost all 100% owned.

Exhibit 1 CTP project locations



Source: Central Petroleum

CTP has a broad suite of energy projects up and downstream in central Australia. Upstream in oil and gas there are conventional and unconventional shale/tight reservoir projects across four basins, while downstream gas to liquids (GTL) and localised liquefied natural gas (LNG) projects are being considered. CTP, it should be noted, has substantial coal potential in the Pedirka Basin along

with possibly sizeable helium resources both here and in the Amadeus Basin. Development across CTP's projects will clearly require substantial capital sums and broadly based technical expertise. The involvement of major joint-venture partners will inevitably be required. CTP was listed on the ASX on 7 March 2006. There are plans to list on the TSX-V in the first half of 2012, which will provide access to a larger pool of natural resource focused capital than at present. CTP also believes that North American exposure could be beneficial in obtaining a major partner with shale and tight reservoir experience.

Management: Broad range of high quality experience

CTP has a broad range of high quality technical and financial oil and gas management expertise obtained in Australia and various other jurisdictions, including Canada. The chairman is Dr Henry Askin, a geophysicist with over 40 years' experience of oil exploration, of which 25 were with Shell. The CEO is John Heugh. A geologist by background, he has over 30-years' experience in petroleum and mineral exploration in Australia and elsewhere and also has expertise in such fields as general management, engineering technical support and project management. The COO's position is held by Dalton Hallgren, a drilling engineer with experience of several US shale plays. Significantly, he is highly experienced in horizontal drilling and multi-stage fracking.

Operational achievements and resource backdrop

Since 2006, CTP has spent about A\$80m on exploration activity. The exploration programme has included the drilling of five conventional hydrocarbon wells (four in the Amadeus and one in the Pedirka Basin) and nine coal wells, shooting 3,000km of seismic and undertaking over 50,000 man hours of geological research. Overall, the results of the oil and gas drilling programme have been highly encouraging. All wells have encountered hydrocarbons, which has helped verify prospectivity. The most positive result has been the Surprise-1 Re-entry H well in the Amadeus Basin where there has been a highly significant flow of oil to the surface.

Drilling in the Amadeus and Pedirka Basins has also revealed significant helium potential. Helium is an inert gas sometimes found in association with natural gas and is characterised by its lightness and very low boiling and melting points (the lowest of the elements). Its key applications relate to cryogenics (helium provides the coolant for superconducting magnets), controlled atmospheres (inert atmospheres for the manufacture of electronic components), acting as a pressurising and purge gas and providing a protective atmosphere for electric-arc welding. Since the mid 1980s usage has grown based on USGS data at about 5% pa, although over the past 10 years or so growth has slowed.

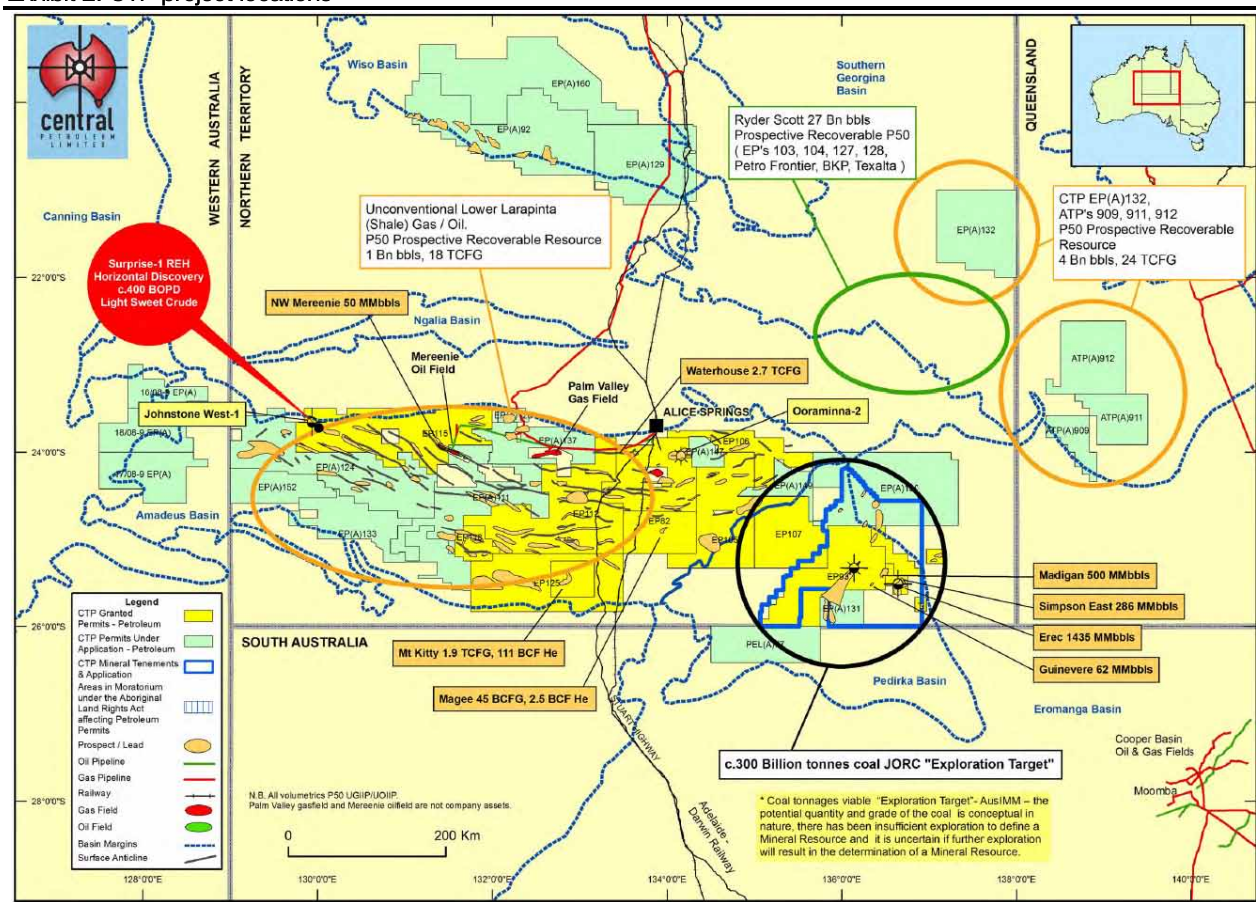
In terms of coal, CTP has discovered a potentially world class steam coal reserve in the Pedirka Basin. According to an independent study, reserves could be over 300bn tonnes at depths of less than 1,000m and 2,000bn in total. The specification of the coal tested is broadly comparable to the coals of Queensland and New South Wales. The specific energy coefficient is 5-600kcal/kg, ash content is 8-19% and the moisture content is 8-19%. Single seam thickness varies up to 35m.

Oil and gas resources

Exploration work over the past few years at CTP points to a substantial prospective hydrocarbon resource base. Currently, the company puts its P50 recoverable, un-risked resources across its four projects at almost 16bnboe. This is split roughly 48% oil and 52% natural gas. The

conventional to unconventional split is put at 25% to 75%. Southern Georgina has CTP's greatest resource potential at 8bnboe, all of which stems from unconventional formations. The Amadeus Basin follows with 5.9bnboe and Pedirka with 1.8bnboe. The Lander Trough play has yet to be assessed. To put the Southern Georgina resource estimate into context, it is comfortably in excess of the USGS's 2008 estimate for Bakken/Three Forks recoverable reserves of 4.9-6.2bn barrels, although admittedly below current industry estimates of 12-24bn barrels.

Exhibit 2: CTP project locations



Source: Central Petroleum

Strategy and exploration programme

Near-term cash flow is the driver

CTP's near-term strategic focus is crude oil and condensate discovery and monetisation to deliver near-term cash flow. Naturally, to achieve this, the company will first need to discover significant quantities of crude oil and liquids rich natural gas. Towards this end, CTP has a \$100m plus exploration programme over the next 24 months or so. Following the Surprise-1 Re-entry well, another is expected to be drilled in the vicinity in the coming months. According to the original plan, the next two wells scheduled are Mt Kitty-1 and Madigan-1 in the Amadeus and Pedirka Basins respectively. Mt Kitty is a condensate-rich natural gas and helium prospect with target P50 GIIP 2tcf or 333mboe. Madigan-1 is a very large oil prospect with 4bn barrels P50 OIIP. CTP also intends shooting 3D seismic over the discoveries.

For 2012/13 the plan initially was to drill three conventional/unconventional wells in the Amadeus and Pedirka Basins. The precise locations will depend on the success of current and near-term

drilling activity. In the Southern Georgina Basin three unconventional wells are also planned to target the shale formations while a seismic shoot is scheduled over three blocks. A further three conventional/unconventional wells are a possibility for the Amadeus and Pedirka Basins in the 2012-14 timeframe along with a regional 2D-seismic programme. Over the next year or two CTP is also considering purchasing a state-of-the-art mobile drilling rig. Including consumables, this is likely to cost about \$10-12m. An in-house drilling capability would certainly enhance the speed of exploration and development, bearing in mind the tight availability of land rigs in Australia.

Although near-term cash flow will likely come from crude oil and condensate developments, CTP also anticipates early cash flow may come from helium and “mini” LNG production and sales and this is regarded as an intrinsic part of the company’s overall strategy for relatively short-term cash flow. Furthermore the company also recognises the potential for domestic gas sales. To this end we note the government interventions to secure 15% of gas reserves in Western Australia for domestic gas, while the Queensland government and Santos are on record as predicting that east coast domestic gas prices could reach \$6-9/GJ by 2015.

What about infrastructure?

In so far as discoveries relate to crude oil, the relative lack of infrastructure in central Australia should not prove an impediment to early revenues. Oil initially can quite simply be trucked off site probably within 12 months of a discovery. With a heavy duty truck/rig, shipments of up to 500 barrels can possibly be made. We believe that the Santos hydrocarbon processing plant at Port Bonython, around 1,300km south of Alice Springs at the head of the Spencer Gulf in South Australia, would be the most likely destination, at least initially. In the event of a rapid volume build up, loading facilities can probably be relatively quickly and cost effectively added adjacent to the Adelaide to Darwin railroad. Based on US experience we would estimate the variable cost of high volume crude oil shipments by highway/rail between the Amadeus and Pedirka Basins and Port Bonython at not less than \$10/barrel.

Coal strategy

Given the specialised skills and experience required, CTP has decided to outsource the commercialisation of its potential coal resources to the independent natural resources developer, Allied Resource Partners Pty Ltd (ARP). The agreement with ARP calls for it to seek a joint venture partner or partners willing to manage the project and fund 100% of exploration and bankable feasibility studies to earn a working interest. CTP would subsequently provide funding for its share at the project development stage. The initial funding being sought is \$300m.

Development of Pedirka coal will be a long lead time project based on the application of underground coal gasification (UCG) and Fischer-Tropsch gas-to-liquids (GTL) technology. The liquids in question will primarily be middle distillates in the form of diesel and kerosene. Given the nature of the process, the fuel produced is expected to have ultra-low contaminants, including sulphur. The plan is to select a joint-venture partner in early 2012 and then to embark on a three-year bankable feasibility study that will include the delineation of a JORC compliant potential 4bn tonne coal resource. This is required to provide feedstock for a 60,000b/d GTL plant. In the longer term, capacity may well be expanded, with 3mmb/d mentioned by CTP. The intention is to transport the output by pipeline to Darwin for use both domestically and in export markets.

Construction is expected to start in mid-2015 with liquids production commencing in the second half of 2017. The cost of the first stage of the Pedirka UCG/GTL project is expected to be \$7.5bn.

Long-term objective

CTP's long-term aim is to create a major upstream energy hub in Central Australia linked to both domestic and export markets. Potentially CTP could also have a stake in a sizeable midstream/downstream GTL business. Broadly speaking, CTP's long-term aim with its core resources is analogous to what has been achieved by Santos over the past 40 years or more with the development of the Cooper-Eromanga Basin

Central Australian basins

Geo-physical overview: Large Paleozoic basins

Central Australia for the purposes of this section is defined as the southern NT, northern South Australia, western Queensland and eastern Western Australia. The region hosts several large sedimentary basins of mainly Paleozoic (540m to 250m years ago) origin and largely consisting of lacustrine formations. Overlaying the Paleozoic basins in whole or in part on the eastern flank of the central Australia region is the considerably younger Mesozoic (249m to 65m years ago) Eromanga Basin. The best known of the Paleozoic basins from a hydrocarbons perspective is the prolific Late Carboniferous to Middle Triassic Cooper Basin of north-east South Australia and south-west Queensland. This, together with the overlying Eromanga Basin, is currently the only central Australian basin where large-scale oil and gas production is underway. It is Australia's largest onshore source of hydrocarbons. To the north-west of the Cooper-Eromanga Basin is a considerably smaller oil and gas province located in the Amadeus Basin of the southern NT. Oil and gas here is obtained from the Ordovician Pacoota sandstone reservoir.

The central Australian basins have evolved according to similar geophysical patterns and time scales. Over the past billion years or so the region has been subject to periods of uplift, glaciation, erosion, sedimentation, burial and orogenies (mountain building) associated with rifting and plate collisions. The key orogenies for Paleozoic basin deformation in the region appear to have been the Petermann in the late Neoproterozoic and early Paleozoic ages and the Alice Springs between the Devonian and Carboniferous periods. The resulting sedimentation from the uplift provided the prolific oil and gas Permian sandstone reservoir formations in the Cooper Basin. Further basin deformation and burial occurred during the Cretaceous. This followed rifting associated with the separation of Antarctica from the Australian plate about 95m years ago. Typically, the hydrocarbon source rocks for the Cooper Basin are either organic-rich Permian shales or coal. Shale and coal also provide the seal for the hydrocarbon system. The existence of coal in central Australia reflects the presence in the early Permian period about 300m years ago of extensive glacial fluvial systems and swamps containing large amounts of plant matter.

Oil and gas production and development activity

Cooper-Eromanga Basin

The Cooper-Eromanga Basin now ranks as a mature oil and gas province with almost 50 years production. Since the first discovery in 1963, it has produced over 200mm barrels of oil and natural gas liquids and 6tcf of gas. Industry estimates of proven plus probable reserves are about 350mmboe or 2.1tcf, but gross contingent gas reserves are about 6tcf or 1bnboe. Production is

currently running at about 80,000boe/d, split 40% crude oil and natural gas liquids and 60% gas. Importantly, shale gas development is being undertaken in the Cooper-Eromanga basin by the likes of Santos, Beach and Drillsearch in conjunction with BG.

Amadeus Basin

The Amadeus Basin currently contains two relatively small and mature sources of hydrocarbons in the form of the Santos operated Mereenie oilfield and the Magellan operated Palm Valley gas field. The former and the latter are located about 270km and 145km west of Alice Springs respectively. The Mereenie and Palm Valley fields were discovered in the 1960s, but production only commenced in 1984 in the former and 1983 in the latter. Reserves are modest at about 3mm barrels of liquids and 129bcf of gas. Together, the two Amadeus fields are presently believed to be producing about 1,000boe/d. Oil is trucked to Santos's Port Bonython hydrocarbon processing plant, while Palm Valley is linked by pipeline to Alice Springs and Darwin.

An emerging exploration/development province

With the exception of the Cooper Basin, central Australia has been only lightly explored for oil and gas. In the 170,000km² of the Amadeus Basin, for example, only 37 exploration wells have been drilled, which equates to 0.2 wells per km². This compares with 6.2 wells per km² in the Cooper Basin and constitutes a very low ratio by world standards for a producing basin.

Several factors have contributed to the lack of interest in the central Australian basins of the Northern Territory. The most pertinent has perhaps been the sheer remoteness of the region in inhospitable desert terrain. Until comparatively recently, central Australia was also ill-served by paved highway and rail infrastructure. Another key negative for the more remote NT basins has been the discovery of major hydrocarbon reserves in the Cooper Basin over the past 50 years. Effectively, having been de-risked, the Cooper Basin has attracted the marginal exploration/development dollar.

The circumstances surrounding the remote Central Australian basins are now looking considerably more propitious for oil exploration than hitherto. Chief among the positives has probably quite simply been the surge in oil prices of recent years. This has not only improved the economics of oil production in perceived marginal zones but also potential GTL projects.

The transport infrastructure in Central Australia has been upgraded over the past 25 years or so. This reflects, firstly, the completion of paving along the Stuart Highway between Adelaide and Darwin and more recently the construction of a heavy duty, standard gauge railway between these two locations. These developments have clearly improved access to both domestic and export markets for liquids as well as facilitating the movement of heavy machinery. On the gas infrastructure front, an important development in 2006 was the opening of the ConocoPhillips operated LNG export facility at Port Darwin. Importantly, geological knowledge relating to the remote Central Australian basins has been considerably improved in recent years. This stems from new aeromagnetic and seismic data which has revealed a plethora of exploration targets.

Shale plays

Over the past two or three years, interest in the remote central Australian basins has gained momentum due to their prospectivity as shale plays. Broadly speaking, the geological conditions are believed to be analogous to the North American basins such as the Williston in North

Dakota/Montana/Saskatchewan, which hosts the Bakken/Three Forks formations of Devonian to Mississippian (Lower Carboniferous) age. Several North American groups have recently been attracted into the central Australian region broadly defined. Key examples include Denver-based and TSX-V-listed Falcon Oil & Gas, Hess Corporation (one of the largest players in the Bakken), ConocoPhillips, TSX-V listed and Calgary-based PetroFrontier and Rodina Oil Corp.

Falcon, including a joint venture with Hess, has 7m contiguous acres in the Cambrian and Pre-Cambrian Beetaloo Basin located about 600km south of Darwin and immediately north of the Wiso Basin. Ryder Scott estimates un-risked recoverable resources of 18bn barrels and 64tcf from three shale and two sandstones formations. Recent drilling results from Frontier's first appraisal well, Shenandoah-1, were encouraging according to the company with gas flowing intermittently from the Kyalla shale formation. Frontier has a multi-well programme in the Beetaloo.

PetroFrontier has a large land position of 13.6m acres in the Southern Georgina Basin. Drilling results from the first two wells have been extremely positive, based on company comments, with encouraging hydrocarbons indications from two wells drilled into shale formations. Ryder Scott has assigned un-risked recoverable resources, mainly from shale formations, of 27.5bn barrels to PetroFrontier's property. Rodinia's project is located in the Neoproterozoic Officer Basin in Western Australia immediately to the south-west of CTP's Amadeus Basin interests. Once again, the land area is substantial at 23m acres and the resource base is potentially massive. Results from the first two wells, however, have been disappointing, reflecting the absence of commercial hydrocarbon accumulations. Nevertheless, high-quality conventional reservoir sands were intersected in both cases. The involvement of ConocoPhillips in Australian onshore exploration is very recent and reflects a \$110m farm-in to New Standard Energy's Goldwyer project in the Canning Basin of Western Australia. The target is the liquids-rich shale gas Goldwyer formation.

Project review

Amadeus Basin: Existing production from Ordovician sandstone, S1REH discovery

Background

The Amadeus Basin is a large east-west trending basin located in south-west NT and in Western Australia. East-west, the Basin covers about 800km and is roughly 200km north-south. It contains marine and lacustrine sedimentary formations up to 14km thick of Neoproterozoic to late Paleozoic age. CTP's Amadeus project extends over the bulk of the Basin and comprises 47m acres, making it the largest of the company's projects by area. Exploration was undertaken in the north of the basin in the early 1960s resulting in two discoveries on large anticlinal structures in the Ordovician Pacoota sandstone. The Basin is seen by CTP as prospective for hydrocarbon discoveries in both conventional and unconventional formations. There is also helium potential.

CTP drilling activity

So far, CTP has drilled four conventional vertical wells in the Amadeus Basin with considerable success. The first well, Ooraminna-2, located about 50km south-east of Alice Springs and adjacent to the Ooraminna well drilled in 1963, was spudded in June 2010. Under test the well flowed gas at a modest 152mcf/d from a tight reservoir zone in the Pioneer Sandstone zone at 1,622m. At possibly over 1,000km² the Ooraminna prospect has a very large structure, which CTP believes

may offer scope for appraisal with horizontal drilling and fracking. Subsequent investigation has revealed that Ooraminna may contain commercial quantities of helium.

The second well, Johnstone West-1, located about 150km north-west of the Mereenie oilfield, was spudded in August 2010. The well targeted a large Ordovician sandstone and shale play that had originally been identified in the 1980s. Excellent oil shows were observed in the Pacoota sandstone at 1,470m to 1,485m but oil failed to flow to the surface on test. According to CTP, this possibly reflected the drilling of the well at the edge of a potential closure. Nevertheless, Johnstone West confirmed the Johnstone Trough as a productive source kitchen area and was considered highly significant in de-risking exploration activity in the virgin territory west of the Central Ridge.

The third well, Surprise-1, was spudded in October 2010, 8km south-west of Johnstone West. The same objectives were targeted as with the earlier one, but in a deeper and what was believed to be a more geologically favourable part of the Johnstone Trough. Drilling results proved highly encouraging. Strong oil shows were observed from the Lower Stairway sandstone at about 2,550m and permeability appeared good. Unfortunately, due to a rig malfunction a flow test was not possible and the well was suspended.

The Surprise-1 well was re-entered in November 2011 with the aim of appraising all the original target formations. It has been renamed Surprise-1 Re-entry H (S1REH). The well was drilled to 2,854m in the Middle Stairway Sandstone with a horizontal section extending for 230m. On 11 January CTP announced that oil had flowed to the surface. S1REH has thus become CTP's first discovery and also the first in the NT in almost 50 years. The flow rate was initially 300b/d, but a day or so later this increased to 380b/d of 40° API light sweet crude. CTP estimates that S1REH may access oil initially in place of 3m to 6m barrels (on a P90 to P10 basis). However, CTP estimates this could increase to between 62m and 182m barrels if the proximal structures to S1REH form one large structure. All told, the results look highly promising and materially help de-risk the western Amadeus Basin. The plan now is to fast track the installation of additional storage capacity prior to an extended well test, which is expected to commence in April. In addition, CTP is assessing the shale oil/gas potential at Surprise from the Horn Valley Siltstone. Subject to funding, another two or three exploration wells could be drilled broadly in the vicinity of Surprise over the next 18 months or so.

The next scheduled well in the Amadeus Basin is Mt Kitty. This will target a large subsalt condensate rich prospect with a P50 GIIP of 2tcf. It also has potential for helium.

Resources

CTP gives the un-risked P50 recoverable resources for Amadeus as 5.9mmboe, split 64% unconventional and 36% conventional. Oil accounts for 31% of resources.

Pedirka Basin: Analogous to Cooper Basin

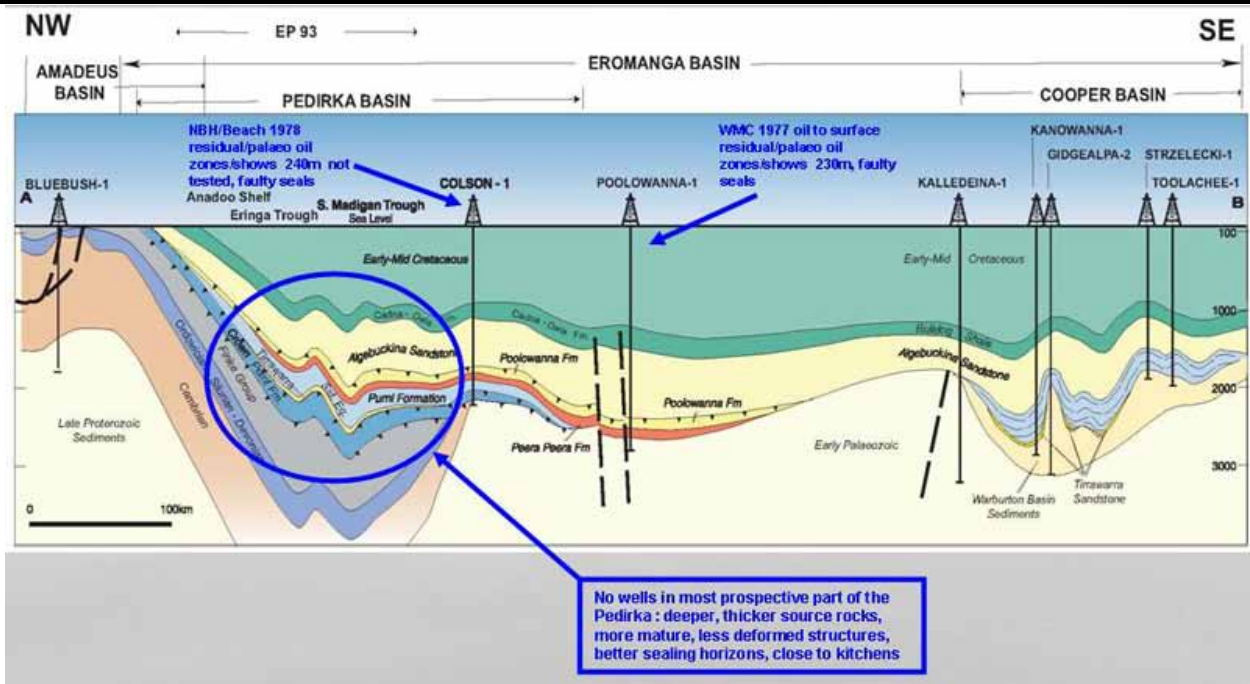
Background

The Pedirka Basin is located in south-east NT and northern South Australia and is roughly 250km by 250km. Around 80% of the Basin lies in the NT with the balance in South Australia. The western side of Pedirka overlays part of the Amadeus Basin, while to the south-east it adjoins the Cooper Basin. Overlying Pedirka for much of its extent is the shallow Triassic Simpson Basin and the considerably deeper Jurassic-Cretaceous Eromanga Basin. The Pedirka Basin contains lacustrine

sediments of Carboniferous to Permian age and is considered by CTP analogous to the Cooper Basin geologically and in terms of its hydrocarbon potential. CTP's project covers 9m acres net with the acreage located largely in the NT.

Exploration in the Pedirka Basin has been limited particularly on the NT side of the border. Drilling has been undertaken periodically from the mid 1960s to the early 1990s, but as yet there have been no commercial discoveries. Oil and gas shows have nevertheless been observed on several occasions, most notably at the Poolowanna-1 well in 1977 which targeted a Jurassic formation.

Exhibit 3: Pedirka Basin cross section



Source: Central Petroleum

CTP drilling activity

Since 2008, CTP has drilled in the Pedirka Basin one conventional hydrocarbon well and nine coal wells. Drilling activity has focused on the Hallows Trend towards the middle of the Basin. Oil shows have been observed in the Upper Jurassic Algebukina sandstone and the Lower Permian Puri formation. Large-scale coal deposits have also been revealed in the Lower Permian. Importantly, seismic obtained in 2010 has pointed to large new prospects and leads in Devonian carbonate reef complexes in the Warburton Basin that underlay the Permian formations. There are currently two major Devonian plays at Madigan and Simpson East that have been identified for near-term drilling. They are located in close proximity to the Madigan Trough kitchen and are estimated to have P50 OIIP of 4bn and 350mm barrels respectively.

Resources

CTP estimates P50 recoverable resources in the Pedirka licence area at 1.8bnboe. All resources are currently classified as conventional and all relate to oil. In addition there are, of course, the coal and coal seam gas potential resources mentioned previously.

Southern Georgina Basin: Particularly prospective as a shale play

Background

The Georgina Basin is a north-west to south-east trending sedimentary basin that covers most of east-central Northern Territory and extends into western Queensland. The Southern Georgina Basin covers roughly the lower third of the broader basin over about 25m acres and comprises Proterozoic to Mesozoic lacustrine and marine sediments. The exploration interest currently in the Basin is very much focused on the shale potential. The source rocks are the organic rich Hot Shales of the Arthur Creek formation, which is of Middle Cambrian age. Significantly, these shales have world class total organic contents (TOC) averaging over 5%. There may also be conventional reservoirs based on the Upper Arthur Creek sandstone and carbonate formations and the underlying Thornton Limestone. The shale formations, by comparison, comprise multiple potential reservoirs in the inter-bedded sands, silts and porous carbonates. From a conventional perspective, the Southern Georgina Basin has similarities with the Amadeus while from an unconventional viewpoint there are analogies with the Bakken. The latter applies particularly in terms of TOC and the presence of deep shales in the east of the Toko Syncline.

CTP has a large land position of 5.8m acres located in what is believed to be the oil prone eastern end of the Southern Georgina Basin in NT and western Queensland. Significantly in NT, its acreage adjoins PetroFrontier's 11.6m net acres. PetroFrontier has a major programme of horizontal drilling and multi-stage fracking underway to unlock the Arthur Creek Hot Shales. Initial findings from the first two wells have been positive with strong indications of hydrocarbons. The Southern Georgina Basin is largely underexplored with just 13 wells drilled prior to the start of PetroFrontier's drilling programme in the third quarter of 2011. The earlier wells yielded no discoveries, although there were hydrocarbon shows. Significantly, they did not target the deeper Cambrian shale formations.

Resources and CTP drilling plans

As already indicated by Ryder Scott for PetroFrontier's properties, the Southern Georgina Basin is potentially a very major source of hydrocarbons, possibly in line with the Bakken/Three Forks zone of the Williston Basin. The Ryder Scott report calls for P50 un-risked prospective recoverable resources of 27.5mm barrels split 26.4mm unconventional and 1.1bn barrels conventional. The unconventional estimate is at the high end of the range of estimates for the Bakken in North Dakota and Montana. Based on CTP's smaller acreage the independent consultants DSWPET have estimated P50 un-risked recoverable resources of 8.0boe, split 4.0 barrels oil and 4.0boe gas. Over the next 24 months or so, CTP has indicated that it is planning three wells targeting the shales on its Southern Georgina acreage.

Wiso Basin/Lander Trough: So far very little exploration activity

The Wiso Basin is analogous geologically to the Georgina Basin to the east and the Amadeus Basin to the south. Wiso covers a large part of north-west central NT and is contiguous with the Georgina Basin in the north and again in the south-east via the Dulcie Syncline. The hydrocarbon prospective zone is considered to be the Lander Trough along the southern margin of the Basin. Here sediments of Proterozoic to Tertiary age are up to 4,500m thick. CTP has hypothesised that Middle Cambrian shale formations similar to those in the Southern Georgina Basin provide the source rock with oil generation occurring firstly in the Ordovician and then again during the Alice Springs Orogeny in the Devonian-Carboniferous period.

The Wiso Basin is very much a frontier zone for hydrocarbon exploration. There has only been shallow borehole drilling and the depth of the key Paleozoic zone has yet to be identified in the Lander Trough. CTP's land area is focused on tenements here where it has about 11m acres. A Lander Trough resource base has yet to be delineated.

Economics: Tapis benchmark, benign fiscal regime

The early stage nature of all CTP's projects suggests that any comments concerning production economics are of necessity highly tentative. However, we do know that in terms of oil production economics CTP is well placed on at least two fronts relating to the petroleum industry backdrop in Australia. This reflects, firstly, that the benchmark for light crude pricing in Australia is Tapis grade. Tapis is a high-quality Malaysian sourced crude that typically sells at sizeable premiums to Brent and WTI. As of mid March 2012, Tapis has ramped up from \$120/barrel to \$134/barrel, a premium of \$8/barrel to Brent and \$29/barrel to WTI. The second of the petroleum industry positives relates to a relatively benign tax and royalty regime. The key elements in NT are as follows: government royalties on oil and gas production of 10%, native stake holder royalties of 2.5% to 5.0% and federally levied PRRT (Petroleum Resource Rent Tax) of 40% on reported profits from July 2012.

Assuming successful development, we believe CTP's conventional and unconventional oil projects could have the potential for sizeable cash netbacks at anything like current Tapis prices. Based on a cursory scoping exercise using a Tapis price of \$120/barrel, the cash netback is estimated at \$73-81/barrel. This reflects transportation costs of \$15/barrel (delivery to Port Bonython assumed), royalties of \$16/barrel (NT and native stake holder royalties of 10-19%) and operational costs of \$15/barrel (lifting and local G&A). Using experience drawn from the Bakken, we believe capital costs could be in the region of \$16/barrel. This reflects a typical cost of a multi-stage fracked horizontal well of \$8m and an expected ultimate recovery (EUR) of 500,000 barrels net of royalties. Payback on the well, assuming a typical Bakken type curve with early stage production averaging 200b/d, would be around 1.5 years on a pre-tax basis and just over two years after tax.

Sensitivities: Geological, unconventional completion risk

Given its strategic focus on oil and gas exploration and development in the frontier regions of Australia and potentially sizeable midstream and downstream projects, CTP has a high risk profile. Risks, however, are not unusual from an oil and gas perspective and are lower than would be encountered in offshore exploration. In our view the key risks revolve around three factors.

Firstly, in the case of exploration for conventional oil and gas the resource estimates are of necessity highly tentative, although well founded theoretically. There are all the usual geological issues concerning the existence of traps, high-quality reservoirs, migration paths and organic rich source material. Secondly, there are the specific risks concerning early stage shale projects. Here the problem is not the existence of the shales per se (they are usually laterally continuous over wide areas), but perfecting optimum completion techniques to unlock often complex and impermeable shale formations. In a frontier zone this can take a long time and may require considerable amounts of capital. The third key issue surrounding risk relates to the availability of capital reflecting the capital intensity of oil and gas exploration and subsequent development activity. The willingness of the markets to supply capital to juniors along with the potential for dilution therefore become critical issues. The proposed TSX-V listing may allude to potentially large scale capital raising.

There are, of course, a number of factors that help mitigate risk at CTP. These include the fact that the projects are based onshore Australia, which has a relatively benign tax and royalty regime and a familiar common law legal system. Australia also has a well developed oilfield services sector and considerable experience with CBM drilling. The inherent financing risks of oil and gas exploration and development, in line with industry practice, are expected to be ameliorated by joint ventures with major independents. We believe the absence of such joint ventures in the past reflects the early stage nature of CTP's projects and the need to de-risk to attract the attention of prospective partners. The success of the Surprise well along with the growing exploration interest in the central Australian basins all point to the potential for securing joint venture partners.

Valuation: Depressed, scope for upside

We believe the most valid approach to valuing CTP's oil and gas assets is in relation to the enterprise value per acre for the comparables. This reflects the early stage of CTP's key projects, the large scale shale oil and gas potential and industry practice that focuses on EV/acre as the key metric in valuing shale properties. The valuation per acre rises as de-risking for both the basin and the project progresses. De-risking essentially involves determining type curves for the play and necessitates drilling and obtaining production data over an extended period.

CTP has generally outperformed the ASX300 Energy stocks over the past nine months on a relative basis, although it remains lowly rated in relation to comparables. Based on CTP's current EV of around US\$73m for its 67m acres, the EV/acre ratio is effectively US\$1.1/acre. Even excluding the Lander Trough acreage, where very little appraisal work has been undertaken, the EV/acre remains only slightly above \$1. For comparison, our sample of seven junior and mid-tier stocks active in Central Australia and Western Australia sells for between US\$4 and US\$94/acre. Towards the upper end of the range are two mid-tier stocks, Buru and Drillsearch Energy, both of which have producing assets. The latter also has reserves of 11mm barrels.

Exhibit 4: CTP valuation comparators

Note: Prices as at 19 March 2012.

Stock	Operations	Symbol	Price	Market capitalisation		Enterprise value	Net acreage	Resources	Reserves	Production	EV/acre
			Local curr	Local curr	US\$m	US\$	(000s)	boe bn	boe m	boe/d	US\$
Central Petroleum	Amadeus/ Pedirka/ SG/ Lander Trough	CTP: ASX	A\$0.068	A\$85.2	89.5	73.5	67,000	15.7	0	0	1.1
Baraka Energy	SG Basin	BKP: ASX	A\$0.014	A\$29.1	30.512	25.0	2,000	4.0	0	0	12.5
Buru Energy	Canning Basin WA	BRU: ASX	A\$3.10	A\$726.0	762.3	732.0	9,000	7	0	50	81.3
Drillsearch Energy	Cooper Basin SA QLD	DLS: ASX	A\$1.40	A\$427.3	448.61	412.4	5,680	0	11	3,000	72.6
Falcon Oil & Gas	Beetaloo Basin NT/ Hungary/ South Africa	FO: TSX-V	C\$0.105	C\$73.0	73.0	60.6	14,700	0	0	0	4.1
New Standard Energy	Canning/ Carnarvon/ TX GC	NSE: ASX	A\$0.625	A\$177.1	185.92	161.2	14,500	0	0	0	11.1
Norwest Energy	Perth Basin WA/ Wessex Basin UK	NWE: ASX	A\$0.067	A\$58.6	61.5	56.5	600	0	0	0	94.2
PetroFrontier	SG Basin	PFC: TSX-V	C\$1.61	C\$102.9	102.94	67.7	11,600	23.5	0	0	5.8
Magnum Hunter Resources	Eagle Ford/ Appalachia/ Williston Basin ND/ AL	MHR: NYSE	\$7.09	\$925.7	925.7	1093.5	453	538	45	12,500	2,414
Triangle Petroleum	Williston Basin ND/ Maritimes Basin N Scotia	TPLM: AMEX	\$6.95	\$300.9	300.87	207.0	83.5			800	2,479

Source: Bloomberg, company reports and Edison Investment Research

From a valuation assessment perspective, CTP currently suffers from the drawback that its projects are early stage. The market is not yet willing to believe in the prospectivity of the assets and effectively is awaiting developments on de-risking in the key Amadeus and Pedirka basins. Positive news from CTP's drilling programme or from those of other operators in the central Australian basins could therefore sharply boost sentiment. In terms of the other operators, arguably the most influential potentially in terms of news flow for the CTP share price in the near term is PetroFrontier, given its contiguous tenements to CTP in the Southern Georgina Basin.

Over the next two years or so we see scope for a substantial gain in CTP's valuation. For the oil and gas properties in the Amadeus, Pedirka and South Georgina Basins this assumes positive results from the planned drilling programme of say 10 wells, a supportive exploration backdrop within Central Australia and no change in working interests. Positive results in this context are defined as oil and gas flowing to the surface for at least half the wells, strong hydrocarbon indications for the balance and oil production of at least 200b/d or 300b/d. As there have been

several discoveries in the area (Mereenie, Palm Valley, Dingo and Surprise) it would not be unreasonable to view CTP's acreage as being intermediate in prospectivity between developing basins such as the Canning and Betaloo and more established basins such as the Cooper. As such, we believe continued success could easily justify a valuation quotient of US\$4-10/acre and a valuation for the 62m acres of the Amadeus, Pedirka and South Georgina projects of US\$248-620m or A\$231-577m. This relatively conservative valuation approach would translate into A\$0.18-0.46/share.

In the event of solid indications of recoverable reserves for core zones within CTP's properties, a considerably higher valuation basis would, indeed, be plausible. It is instructive, in this context, to look at how valuations per acre have surged in the two major US shale oil plays, the Bakken and Eagle Ford, over the past year or two as they have become de-risked. Valuations of over \$10,000 are no longer unusual for prime real estate.

As far as CTP's coal and associated GTL project is concerned, no valuation has been assigned given its early stage characteristics, long lead time and uncertainty regarding the CTP stake. Note that non-JORC defined steam coal resources sell for nominal amounts per tonne.

Financials: Cash flow imminent from EPT Surprise

Income statement: As yet no trading revenues

CTP has so far generated no trading revenues. The income statement therefore shows a series of heavy losses at the EBITDA and PBT levels related to outlays on corporate overheads and exploration activity. Unlike many oil and gas exploration concerns, CTP expenses exploration expenditure as incurred. In the year ended June 2011, the EBITDA loss was A\$37.2m of which exploration expenditure was A\$31.3m and the underlying overhead A\$5.9m. Reflecting high exploration activity EBITDA losses are expected to remain substantial in 2011/12 and probably 2012/13.

The positive news concerning the Surprise-1 Re-entry well at the beginning of January suggests that there may be modest revenues from test production in late 2011/12, although we exclude these from our current forecasts pending confirmation of a sales contract for the production from the EPT. Post 2011/12 significant revenues are clearly contingent on successful exploration activity.

Balance sheet and cash flow

Historically, CTP has been financed almost entirely by periodic equity injections. Between 2006 and 2010/11 CTP raised A\$91.8m in equity. A further A\$14.9m gross has been raised in 2011/12 through a A\$5m placing in September 2011 and a A\$9.9m shareholder purchase plan and placing in January 2012. The most recent fund-raising was undertaken at A\$0.055/share. Exploration and capital outlays over the period 2006 to 2010/11 were A\$64m with perhaps another \$7m so far in 2011/12. The variance between the equity raised and exploration outlays reflects a combination of the overhead related to operating the business and an increase in working capital requirements.

At the end of June 2011 CTP had a cash position of A\$9.5m (there was no debt), while net current assets were A\$12.1m. The balance sheet was therefore in good shape. During the six months to end December 2011 CTP has reported a cash outflow from operations and capital spending of A\$6.3m, which was to a large extent covered by the net proceeds of the September share placing

of A\$4.5m. There was, therefore, a cash position at the end of December of A\$7.7m. As of February 2012 we would estimate a cash balance of about A\$11m after allowing for the recent equity raise, the completion of drilling/testing at Surprise and overhead outlays for two months. We believe CTP's spending needs over the balance of 2011/12 are comfortably underpinned by the current cash position. Prospectively the key items of expenditure relate to an extended production test at Surprise, related outlays on tank storage capacity and general overhead that could be in the region of A\$3m. In addition, CTP has indicated that it is considering drilling another well in the vicinity of Surprise and shooting seismic. Assuming these projects are given the go ahead, we look for capital expenditure, including exploration outlays, to be around A\$14m in 2011/12. For 2012/13, subject to the availability of funding, we forecast capital/exploration spending of about A\$50m. This assumes three wells in the Amadeus/Pedirka and three in the South Georgina basins along with related outlays on seismic and plant and equipment. Further major drilling activity will clearly necessitate additional share issues and/or the involvement of joint venture partners.

Exhibit 5: Financial summary

	A\$ 000	2009	2010	2011	2012e	2013e
Year end 30 June		IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue		0	0	0	0	0
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
EBITDA		(12,649)	(12,193)	(37,244)	(18,730)	(55,845)
Operating Profit (before amort. and except.)		(12,748)	(12,435)	(37,509)	(19,000)	(56,120)
Intangible Amortisation		0	0	0	0	0
Exceptionals		0	0	0	0	0
Other		(527)	(327)	(94)	(150)	(150)
Operating Profit		(13,275)	(12,762)	(37,603)	(19,150)	(56,270)
Net Interest		508	952	959	0	0
Profit Before Tax (norm)		(12,240)	(11,483)	(36,550)	(19,000)	(56,120)
Profit Before Tax (FRS 3)		(12,767)	(11,810)	(36,644)	(19,150)	(56,270)
Tax		0	0	0	0	0
Profit After Tax (norm)		(12,170)	(11,483)	(36,514)	(19,000)	(56,119)
Profit After Tax (FRS 3)		(12,767)	(11,810)	(36,644)	(19,150)	(56,270)
Average Number of Shares Outstanding (m)		265.1	338.5	963.6	1,133.1	1,253.4
EPS - normalised (c)		(4.6)	(3.4)	(3.8)	(1.7)	(4.5)
EPS - normalised and fully diluted (c)		(4.6)	(3.4)	(3.8)	(1.4)	(3.7)
EPS - (IFRS) (c)		(4.8)	(3.5)	(3.8)	(1.7)	(4.5)
Dividend per share (c)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A	N/A
BALANCE SHEET						
Fixed Assets		10,934	14,259	13,802	14,535	19,540
Intangible Assets		0	148	72	75	80
Tangible Assets		10,558	10,682	11,317	12,047	17,047
Investments		376	3,429	2,413	2,413	2,413
Current Assets		37,629	51,517	13,787	8,014	7,520
Stocks		565	968	854	900	920
Debtors		1,133	13,019	3,469	3,500	3,600
Cash		35,931	37,530	9,464	3,614	3,000
Other		0	0	0	0	0
Current Liabilities		(5,092)	(9,264)	(1,643)	(1,700)	(57,051)
Creditors		(5,092)	(9,264)	(1,643)	(1,700)	(1,800)
Short term borrowings		0	0	0	0	(55,251)
Long Term Liabilities		0	0	(50)	(50)	(50)
Long term borrowings		0	0	0	0	0
Other long term liabilities		0	0	(50)	(50)	(50)
Net Assets		43,471	56,512	25,896	20,799	(30,041)
CASH FLOW						
Operating Cash Flow		(308)	(12,142)	(3,858)	(5,750)	(5,865)
Net Interest		508	952	959	0	0
Tax		0	0	0	0	0
Capex		(10,926)	(8,612)	(32,246)	(14,000)	(50,000)
Acquisitions/disposals		510	0	0	0	0
Financing		30,734	21,401	7,079	13,900	0
Dividends		0	0	0	0	0
Net Cash Flow		20,518	1,599	(28,066)	(5,850)	(55,865)
Opening net debt/(cash)		(15,413)	(35,931)	(37,530)	(9,464)	(3,614)
HP finance leases initiated		0	0	0	0	0
Other		0	0	0	0	0
Closing net debt/(cash)		(35,931)	(37,530)	(9,464)	(3,614)	52,251

Source: Edison Investment Research, Central Petroleum accounts

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A	N/A	Litigation/regulatory	○
			Pensions	◐
			Currency	◐
			Stock overhang	○
			Interest rates	◐
			Oil/commodity prices	◐

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 09-13e	N/A	ROCE 12e	N/A	Gearing 12e	N/A	Address:	
EPS CAGR 11-13e	N/A	Avg ROCE 09-13e	N/A	Interest cover 12e	N/A	Suite 3, Level 4, Southshore Centre, 85 The Esplanade, South Perth WA 6151	
EBITDA CAGR 09-13e	N/A	ROE 12e	N/A	CA/CL 12e	N/A	Phone	61 8 9474 1444
EBITDA CAGR 11-13e	N/A	Gross margin 12e	N/A	Stock turn 12e	N/A	Fax	61 8 9474 1555
Sales CAGR 09-13e	N/A	Operating margin 12e	N/A	Debtor days 12e	N/A	www.centralpetroleum.com.au	
Sales CAGR 11-13e	N/A	Gr mgn / Op mgn 12e	N/A	Creditor days 12e	N/A		

Principal shareholders		%	Management team
Brighten International Pty Ltd		2.1	CEO: John Heugh
National Nominees Ltd		2.1	John Heugh is a geologist with over 30 years' experience in petroleum and minerals exploration in Australia and overseas. He is one of the two founders of CTP and has worked as a consultant to or with sub-contractors working for a number of petroleum companies including Esso, Santos, Ampol, Bridge Oil, Arco, Chevron and Kuwait Foreign Petroleum Corp.
Citicorp Nominees Ltd		1.3	
Mark Philip Shawcross		1.2	
Renlyn Bell Investments Pty		1.0	
JP Morgan Nominees Australia Ltd		0.9	CFO: Bruce Elsholz
RBJ Nominees Pty Ltd		0.9	Bruce Elsholz is an accountant with around 30 years' experience in the upstream oil and gas sector in Australia and Canada. He has worked previously for Hudbay, Encore Canada, Repcol, Coplex and Hartogen.
Forthcoming announcements/catalysts	Date *		
AGM	November		
Annual results	September	Chairman: Dr Henry Askin	
Interim results	March	Dr Askin is a geophysicist with over 40 years' experience of oil exploration. He spent some 25 years with Shell and latterly was Exploration Manager Shell Development (Australia) Ltd in Melbourne. Previously Dr Askin held a number of senior positions, including International Seismic Processing Manager General Manager, Shell India.	
<i>Note: * = estimated</i>			
Companies named in this report			
Baraka Energy (ASX: BKP), Beach Energy (ASX: BPT), BG Group (LON: BG), Buru Energy (ASX: BRU), ConocoPhillips (NYSE: COP), Drillsearch Energy (ASX: DLS), Falcon Oil & Gas (CVE: FO), Hess (NYSE: HES), Magnum Hunter Resources (NYSE: MHR), New Standard Energy (ASX: NSE), Norwest Energy (ASX: NWE), PetroFrontier (CVE:PFC), Santos (ASX: STO), Triangle Petroleum (NYSEAMEX:TPLM)			

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