



13 March 2014

SURPRISE UPDATE

Central Petroleum Limited (**ASX:CTP**) ("**Company**" or "**Central**") advises that the Surprise West-1 well has commenced production. The initial flow rates from Surprise West-1 have exceeded expectation, producing around 675 barrels of oil (flush production, not on pump) in an initial 24 hour period.

This initial 24-hour flush production is very encouraging, flowing at a rate of around 70% higher than the maximum flow rate achieved during the extended production test.

A pump has been installed and following final commissioning later this week will be available to enhance production and oil recovery over the life of the well. Initial storage tanks and related production infrastructure have been installed at site in order to make production available for sale.

The Company plans to announce the initial flow rate of the well when on pump for a continuous period of 24 hours.

This production is the start of the Company's first sustained organic regular cash flow which, will be cash positive at the current Tapis crude oil price, with operating netback⁽¹⁾ margins forecast to be between A\$50-60/bbl depending on volumes.

With this initial result for Surprise West-1, the Company looks forward to its Surprise East-1 drilling campaign scheduled for next quarter. Combined with gas production from the recently announced acquisition of the Palm Valley and Dingo Gas Fields, Central is crystallising its evolution into an integrated exploration and production company.

(1) Company's internal calculation of sales net of royalties, production and transportation expenses.

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