

ASX ANNOUNCEMENT

ASX CODE: CTP

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TO: The Manager, Company Announcements ASX Limited

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SURPRISE-1 RE-ENTRY H STATUS

- Hunt Rig 3 stacking at Surprise
- Options for drilling second well under review
- Extended Production Testing with oil sales contract planned

Central Petroleum Limited (ASX:CTP) ("Central" or the "Company") advises that further initial flow testing of the Surprise-1 Re-entry H (S1REH) well has finished after recording a sustained flow rate via a 32/64" choke of 380 bbls/day with a low 4.4% drilling fluid and/or water cut as previously announced.

The final PBU (Pressure Build Up) was 523 PSI.

It is planned to seek agreement on a sales contract and the necessary permitting, approvals and logistics for oil production during an EPT (Extended Production Test), anticipated to commence within 2-3 months and to extend for up to several months. It is possible that further improvements in flow rate may be recorded during the EPT.

All relevant geological, petrophysical and flow testing data gathered from the drilling of S1REH as well as all available seismic data is being prepared for comprehensive analysis to better define the reservoir potential and design the most appropriate EPT.

Options for a second well at the Surprise prospect prior to running a 3D seismic programme and using the existing drilling rig are being examined.

Hunt Rig 3 is being released today to be stacked on site pending a determination of drilling plans going forward.

The Company's Share Purchase Plan with Shares available at \$0.055 to Shareholders on the Record Date (see ASX Announcement dated 23 September 2011) will remain open until and including 25 January 2012.

Further updates will be provided as significant information becomes available.

Any results or conclusions reported herein are based on preliminary data analysis and may be subject to change as more data becomes available. Nothing in this report represents or should be construed to represent any conclusions as to the ultimate flow capability of the well or to its commercial significance. Such conclusions must await, inter alia, further cleanup flow testing, extended production testing, data analysis and economic studies of potential commercial production and marketing scenarios.

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

- EP-82 (excluding the Central subsidiary Helium Australia Pty Ltd ("HEA") and Oil & Gas Exploration Limited ("OGE") (previously He Nuclear Ltd) Magee Prospect Block) - HEA 100%
- Magee Prospect Block, portion of EP 82 – HEA 84.66% and OGE 15.34%.
- EP-93, EP-105, EP-106, EP-107, EPA-92, EPA-129, EPA 130, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EPA-149, EPA-152, EPA-160, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 100% ("MEE").
- The Simpson, Bejah, Dune and Pellinor Prospect Block portions within EP-97 – MEE 80% and Rawson Resources Ltd 20%.
- EP-125 (excluding the Central subsidiary Ordiv Petroleum Pty Ltd ("ORP") and OGE Mt Kitty Prospect Block) and EPA-124 – ORP 100%.
- Mt Kitty Prospect Block, portion of EP 125 - ORP 75.41% and OGE 24.59%.
- EP-112, EP-115, EP-118, EPA-111 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd 100%.
- PEPA 18/08-9, PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 100%.

General Disclaimer and explanation of terms:

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. Unless otherwise annotated any potential oil, gas or helium UGIIP or UOIIP figures are at "high" estimate in accordance with the guidelines of the Society of Petroleum Engineers (SPE) as preferred by the ASX Limited but the ASX Limited takes no responsibility for such quoted figures.

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 relevant Joint Venture partners. Therefore those resource estimates, assessments of exploration results and opinions represent the views of Central only. Exploration programmes which may be referred to in this announcement or report have not been necessarily approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved. All exploration is subject to contingent factors including but not limited to weather, availability of crews and equipment, funding, access rights and joint venture relationships.

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