WE ARE READY

“Shortfall Is Our Pathway”

The foundations are laid

Noosa Mining Conference

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OUR COMPANY

- Holds 56,522,900 acres (228,740km^2) in exploration tenements of which 47% has received Native Title clearance
- Is an operator for the Southern Georgina joint venture which Total is farming into
- Will be the operator of the Mereenie oil and gas 50/50 venture with Santos
- Will operate its 100% owned oil gas fields at Palm Valley & Dingo
- Expected to earn $2 Million in first full year after all commitments & expenses (head office inclusive) following the acquisition of Mereenie, without NEGI
- Aims to have 380 PJ in 2P gas reserves, a catalyst for NEGI

OVERVIEW

- The $5bn North Australia funding in the Federal Budget has the NEGI pipeline as a qualified receipt
- NEGI decision projected to be worth $75 million P.A. of incremental revenues in 2019.
- Over half of the gas transported through the NEGI pipeline will be sourced in fields Central operate.
- NEGI construction currently in final bidding stage involving four of the industry’s biggest players (APA Group, Duet Group, Jemena and Merlin Energy)
- Current gas demand of approximately 700-800 PJ/P.A. With Gladstone it is predicted to increase to 2100 PJ/P.A. by 2017, creating a deep and liquid domestic market.

OVERVIEW

- Australian Domestic market in 2019 (NEGI first gas delivery) is 133 PJ/P.A short without NEGI according to EnergyQuest. With NEGI the domestic market will be 83 PJ/P.A short and growing.

- Australia's LNG export industry requires gas far in excess of Australia's current production, presenting further opportunity for Central Petroleum.

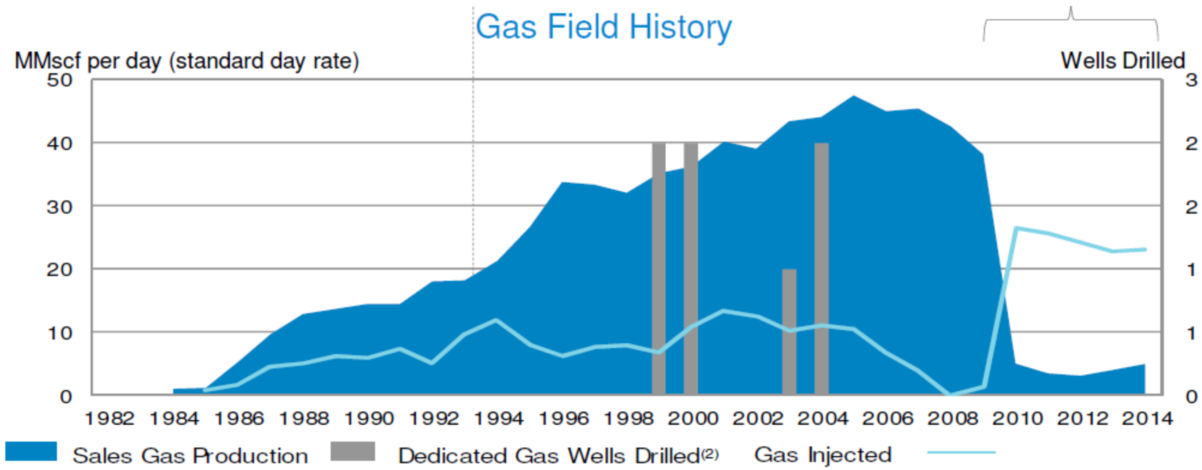
- Failure to act on projected gas shortfalls will cost Australia up to 300,000 domestic jobs as stated by NSW MP Anthony Roberts.

- Our competitors have presold into LNG at oil linked prices. Central's prices will be set at levels domestic industrial users can bear.

- We aim to produce gas at $1/GJ (ex. field operating costs), unconventional gas is currently costing $4/GJ

THE ASSET

Mereenie Oil & Gas Field



- Discovered in 1963 | Production in 1984
- Gas accumulation with an oil rim
- Recent Focus as Oil producer due to lack of gas markets
- Major long-term gas contract ended in 2008
- 5 discovered zones namely Stairway Sandstone formation and Pacoota Sandstone P1-4
- Since 2008 gas has primarily been re-injected
- 123 PJ internal estimate of 2P Reserves with 120 PJ of internal estimate of 2C*
- Present production capacity of 45 TJ/d (15PJ p.a.)
- Good gas flows whilst drilling the Stairway and Pacoota Sandstone 2 & 4 but not completed
- Significant existing infrastructure, including 270km pipeline to Alice Springs
- Present contracted gas sales of 5TJ/d (1.68 PJ p.a.)
- Gas reserves have not been developed due to lack of market

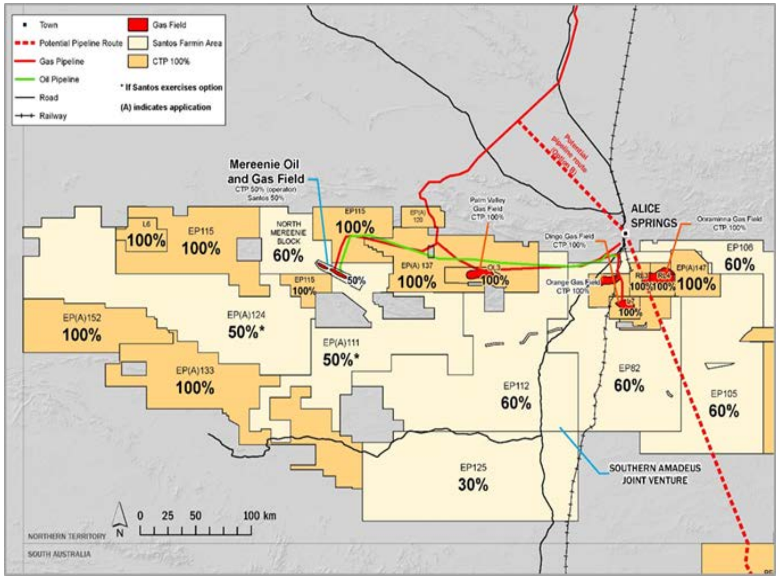
* Reserve Estimate is based on, and fairly represents, information and supporting documentation prepared by Larry Franks B.Eng (Mech), Principal of Naturally Fractured Development Pty Ltd and member of the Society of Petroleum Engineers.

BENEFITS OF FIELD CONSOLIDATION

Central Petroleum

Opportunity to rationalise operating activity and gas portfolio:

- ✓ Optimisation of all 3 gas fields in Central Australia (Mereenie / Palm Valley / Dingo)
- ✓ Potential to consolidate production across 3 fields
- ✓ Unit costs of production very volume sensitive
- ✓ Marginal production costs are much lower than-CTP's current production cost of $2/GJ



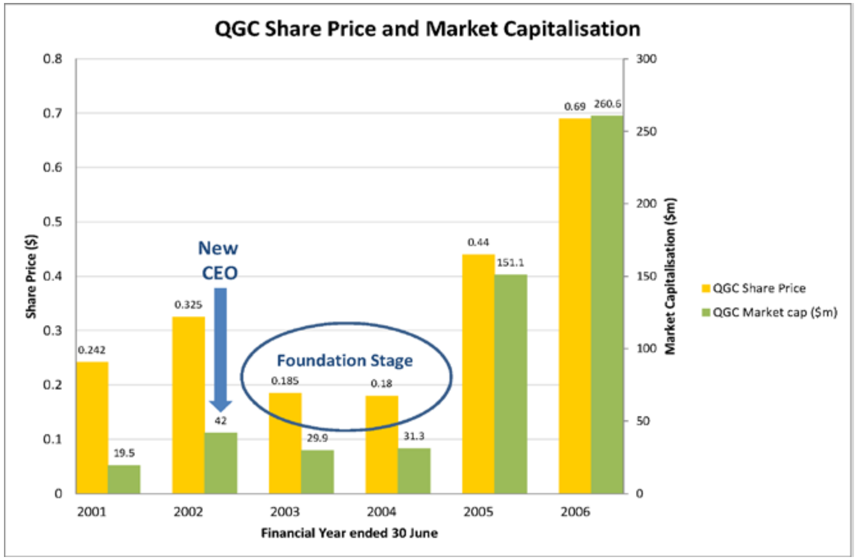
5-yr Average Annual Cash Flow ($Ms)		
	PV/D ⟶	MRN/PV/D
Revenue	19.4	32.4
Cash Flow Before Debt	11.3	20.0
Debt Service*	(9.2)	(10.2)
Free Cash Flow from Projects	2.1	9.8

** Includes principal amortisation and interest*

Generating $2M annually after all CTP corporate costs and expenses.

THE FOUNDATIONS OF SUCCESS

- In the last three years Central has laid the foundations necessary for market success by establishing supply contracts, field development, certified reserves and financing ahead of the NEGI domestic supply pipeline.
- Similarly, QGC took two years to lay its foundations which established local CSG supply. This made the proposed PNG pipeline unnecessary and changed fundamentally the market opportunities.
- After two years marking time, QGC's share price began its steady rise.
- Central's 50% acquisition of Mereenie places it in an advantageous position to capitalise on future gas demand created by the NEGI project and increasing LNG exports.
- Central petroleum now has a foothold on Australia's largest commercial gas acreage



Source: QGC Annual Report 30-June-2006 (page 38)

EXTRACT FROM QGC PROSPECTUS

Central Petroleum

Energy Outlook

In the last 5 years, the price of Australian thermal coal for export has approximately doubled, and oil prices have trebled. However, gas prices in Australia have remained relatively static, so much so that the price is now only about one-quarter of US or European gas prices.

Based upon the pricing relativities of alternate fuels, QGC's Board has taken the strategic view that gas prices in Australia will increase more than CPI in the longer term (5-15 years). The comparatively higher priced US and European markets will also have a benchmarking effect in terms of Australian gas pricing.

For these reasons, QGC will endeavour to focus upon shorter to intermediate term contracts (up to 5-10 years) and maintain flexibility to take advantage of expected higher prices in the longer term. The exceptions to this strategy will be in cases where:

- the contract price tracks the price of an external commodity in which gas is a major input such as electricity; or
- it is for a long term strategic purpose, such as augmenting pipeline infrastructure enabling QGC to open up more market opportunities; or
- a longer term is required for financing purposes.

4 August 2006 QUEENSLAND GAS COMPANY LIMITED 21

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