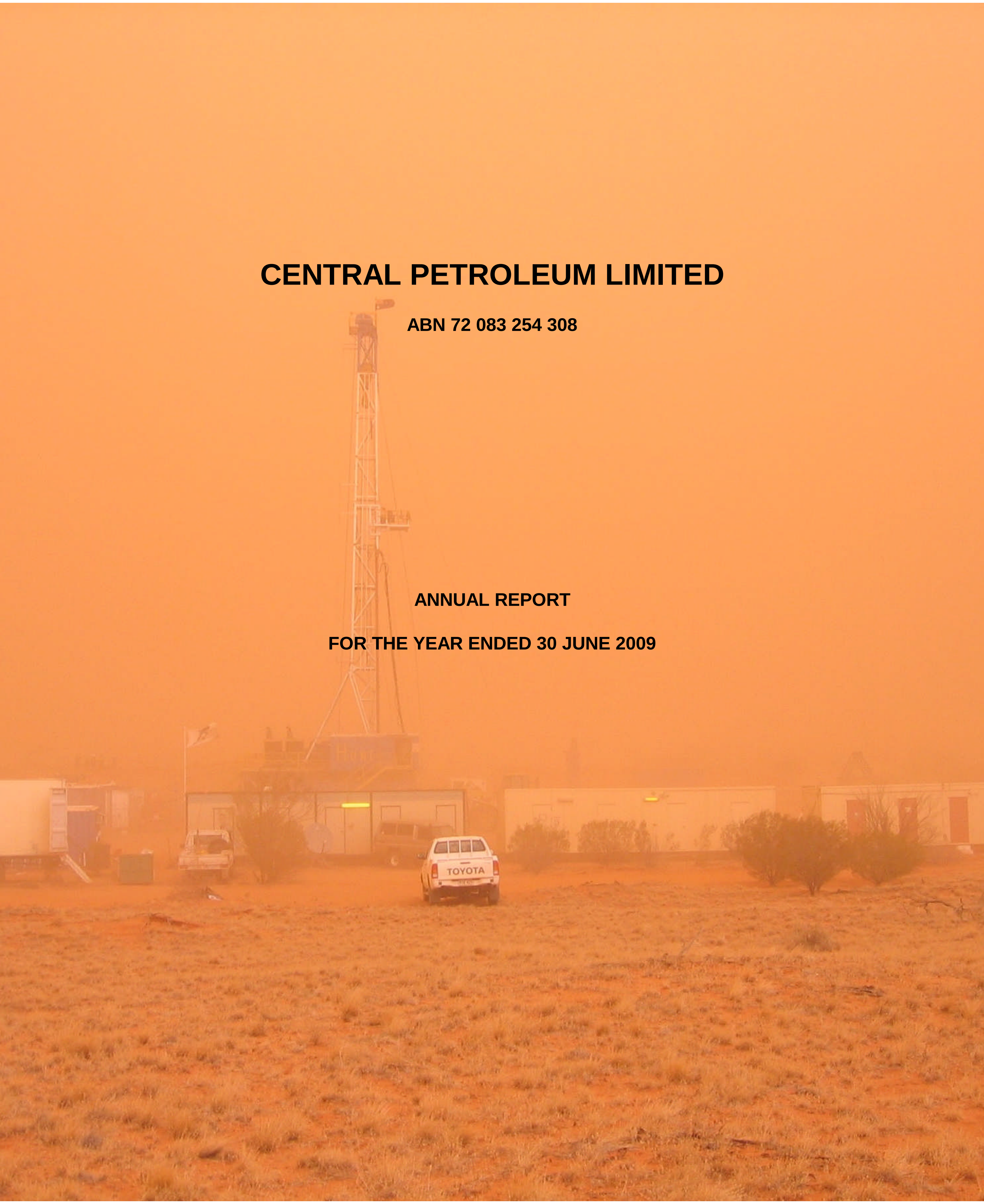
CENTRAL PETROLEUM LIMITED

ABN 72 083 254 308

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009



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CORPORATE DIRECTORY

DIRECTORS

Henry J Askin BSc (Hons) PhD MPESA MSEG MEAGE, Non-executive Chairman
John P Heugh BSc (Hons) MAAPG MPESA, Managing Director
Richard W Faull BCom CPA, Non-executive Director
William J Dunmore BSc MSc, Non-executive Director

CHIEF FINANCIAL OFFICER AND JOINT COMPANY SECRETARY

Bruce Elsholz BCom CA (appointed 31 August 2009)

JOINT COMPANY SECRETARY

Kim Hogg BCom (appointed 13 July 2009)

REGISTERED OFFICE

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SHARE REGISTRAR

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STOCK EXCHANGE LISTING

Central Petroleum Limited shares and options are listed on the Australian Securities Exchange Limited under the codes ‘CTP’ (shares) ‘CTPO’ (options) and ‘CTPOA’ (options).

CHAIRMAN'S LETTER

Fellow shareholders,

This has been an eventful year for your company in many ways, and while details of individual items have been disclosed as they emerged, an overview summary is in order.

The standout feature of course was the takeover in November last year of our Joint Venture/Farminee participant Petroleum Exploration Australia (PXA) by QGC and the acquisition of QGC by the BG Group immediately thereafter. This dealing allowed PXA to pay outstanding cash calls for some $4.8 million owing to your company, and installed the BG Group as the new farminee and JV participant.

In January 2009 a further farm-out was concluded with Trident Energy Limited on terms similar to the previous PXA agreement whereby 20% of specified costs are to be paid to earn 10% equity in permit EP 115 in the Amadeus Basin. Extension of this agreement to include application area EPA 111 was concluded in February.

Subsequently in August 2009, a Term Sheet was agreed with Energy Infrastructure and Resources Limited (EIR) covering application area EPA 130. Once granted, it is envisaged that EIR will contribute 60% to the cost of a specified work programme to earn 25% equity in the permit. The BG Group does not participate in this area, having previously transferred the PXA farm-in interest (20%) to Great Southern Gas Limited. When concluded, Central Petroleum's holding will reduce to 55%.

Various discussions with interested parties continue on an on-going basis.

Regarding permit management, the decision of the Central Land Council to reject our application for EPA 92 was challenged in the Federal Court. In May 2009, prior to the full hearing, the CLC agreed to an order of consent whereby the rejection of the application was set aside. Areas of contention remain, but the Company is working in good faith to resolve these.

Following our discovery of what appears to be a major Permian coal province in the Pedirka Basin, application was made for several coal tenements over the discovery areas. This was precautionary, given that there is a history of uncertainty as to whether Petroleum or Mining Regulations would apply to syngas produced by Underground Coal Gasification (UCG). I am pleased to say that very recently most of these applications have been granted.

I am also pleased to confirm that your company is in a sound financial position, having successfully completed a rights issue in June this year. The issue was heavily over subscribed, raised over $30 million, and together with the renewal of the rolling bond facility by shareholder vote at the General Meeting held 8 June 2009, has provided a solid basis to support our future exploration.

In my last letter, I reported at some length the results of the 2008 seismic survey, and the drilling of Blamore-1 and CBM93001. The well Simpson-1 was completed later, encountering residual oil and intersecting an aggregate 7 m of Permian coal in seams greater than 2 m thick. An independent appraisal report on potential coal tonnages (the Maynard Report) concludes there is an "Exploration Target Potential" in excess of 1 trillion tonnes shallower than 1000 m with a similar amount below that depth. These are very large numbers indeed, and the implications for the production of syngas and syncrude are examined in more detail in the Directors' Report.

With these results it will not surprise shareholders that the next exploration activity will include drilling to better define these coal deposits. Additional seismic survey is also planned, as well as the drilling of the gas prospect Ooraminna-2. This Phase 1 programme is described in the Directors' Report as is the Phase 2 work to follow. It is intended to commence Phase 1 in Q4.09, with Phase 2 to follow in Q1.10. On present plans Phase 2 will include drilling Magee-2 as a helium prospect and Johnstone-1 as an oil prospect as well as additional coal exploration wells.

I am aware that there has been concern with the delay in starting up our Phase 1 activities. What must be realized is that Central Petroleum is now within a Joint Venture and work activities are subject to the approval procedures and voting rules specified in the Joint Operating Agreement. Therefore except in several pre-agreed specific instances, your company is required to obtain Operating Committee approval before undertaking major works, and delays are not necessarily within the control of the company.

That being said, your company has expanded its operational and technical capacity by engaging a Drilling Manager and an Exploration Manager, both of whom have senior industry experience. A seismic survey designed to further evaluate promising leads is ready to go, and drilling prospects targeting helium, hydrocarbon gas and oil are scheduled in the Phase 1 and 2 programmes, as are coal delineation wells This is overall a highly promising programme, with each well in itself having the capacity to be a company maker. I am sure that progress will be watched with keen interest.

As in the past, I will close this letter with a comment on the oil price. After hitting a midyear record of US$147 per bbl, by mid-September 2008 it had dropped to US$97.16 and I remarked that many would be surprised if it stayed that low for long. Being aware of the success rate of oil price predictions I should have known better. It continued on down to a low of US$30.28 on 23 December 2008, and has only slowly recovered. However since September 8 it has been trading at mostly over US$71 per barrel, which is very comfortably over our breakeven cost forecasts for syncrude production. What happens over the next 12 months remains to be seen, but a firming into the range US$80 to US$100 seems to be on the cards.

Dr. Henry J. Askin
Chairman

Melbourne, 28 September, 2009.

Your directors present their report on the Consolidated Entity, consisting of Central Petroleum Limited ("Company" or "CTP") and the entities it controlled, for the financial year ended 30 June 2009 and the auditors report thereon.

DIRECTORS

The names of the directors of the parent company in office at any time during or since the end of the financial year are:

Henry J Askin
John P Heugh
Richard W Faull
William J Dunmore

Directors have held office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the financial year was petroleum exploration.

There was no significant change in the nature of the Consolidated Entity's activities during the year.

OPERATING RESULT

The Consolidated Entity had an operating loss after income tax for the year ended 30 June 2009 of $12,769,465 (2008: $12,172,224).

At 30 June 2009 consolidated cash reserves available totalled $35,930,650.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

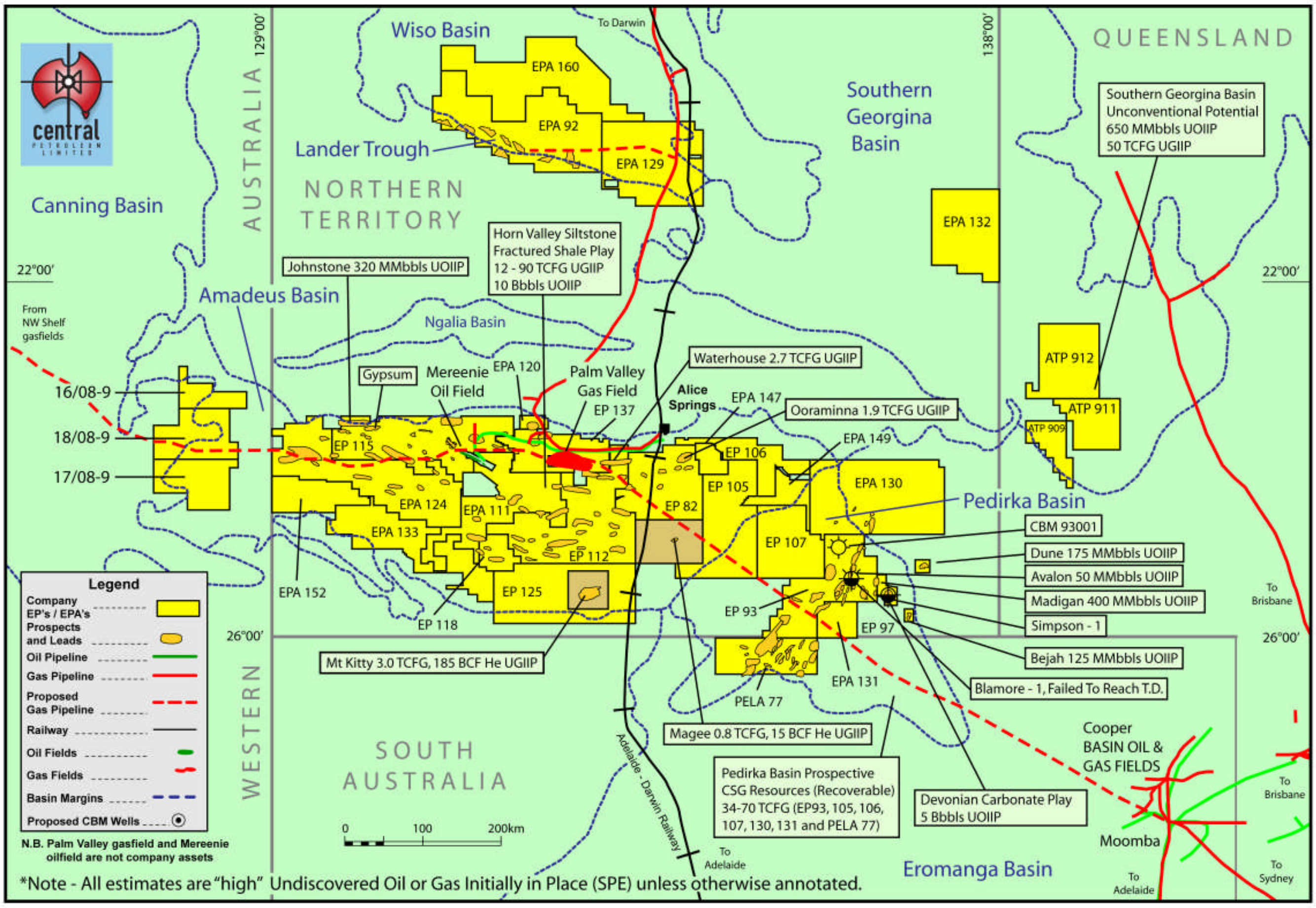
REVIEW OF OPERATIONS

Exploration Activities

The Company has been reviewing its exploration plans for the remainder of 2009 and further to 2010 with its farm-in participants Petroleum Exploration Australia Limited, Trident Energy Limited, He Nuclear Limited and Rawson Resources Limited. A robust exploration programme has been planned subject to the agreement of the various Joint Ventures involved. The Company has also been reviewing its general rationale for future operations and objectives in central Australia.

The Company's main goal is to discover and produce hydrocarbons and helium, thereby maximising shareholder returns by enhanced share value and potentially by dividend payments. It aims to operate a central Australian petroleum hub connected to appropriate infrastructure to allow the export to domestic and overseas markets of both primary energy resources and value added petroleum and helium products. The Company plans to potentially capitalise on early cash flow from any oil discoveries but is seeking to build gas resources to a threshold point where value-adding processes such as LNG and or GTL for example can be brought into play. Helium production and sales are regarded as an intrinsic part of this overall strategy. Apart from conventional gas reservoir potential, the Company has had independent estimates of over 10,000 trillion cubic feet in UCG "syngas" prospective recoverable resources and as well has produced in-house estimates coupled with external independent reports of up to c.200 trillion cubic feet of gas in CSG and other unconventional reservoirs.

The substantial cash injection received by the Company during the last quarter (see below) has provided the Group with the resources to enable it to carry out an expanded works program in Central Australia, where the Company has numerous prospective permits.



A proposed drilling and seismic programme for commencement later in 2009 has been put to the existing joint venture participants, and discussions are continuing as the participants assess the proposals which have not been fully finalised as at the date of this report.

The programme proposed by Central Petroleum Ltd includes:

Phase One planned to commence Q4 calendar year 2009

- 5 fully cored CSG wells (Pedirka Basin) with an optional second 5 wells drilled back to back subject to the results of the first 5;
- Flow testing of CBM 93001 drilled in 2008;
- Ooraminna-2 gas, 2 TCFG UGIIP - this prospect has already flowed gas to surface but was not tested satisfactorily on Ooraminna-1 in 1963. A well with a deviated interval has been proposed to better access anticipated fracture production systems;
- 2D seismic survey - up to 1,350 line km (Amadeus and Pedirka basins) which is planned to run over into calendar year 2010;
- Gore$_{TM}$ geochemical surveys over the Johnstone, Surprise and Stuart prospects in EP 115.

The total cost of Phase One is estimated to be circa $32 million inclusive of drilling, seismic, management, geology and geophysics with CTP's costs to be circa $20.7 million if all joint venture participants contribute to the maximum contractual percentage.

Ooraminna Seismic Survey used to position the Ooraminna 2 well location

Phase Two planned to commence by Q1 calendar year 2010

- Magee-2 gas, condensate, Helium, 0.5 BCFG, 15 BCFG Helium UGIIP - this prospect has already flowed gas to surface in the Magee-1 well in 1992 and is a subsalt play;
- Johnstone-1 oil 300 MMbbls UOIIP Ordovician (a Mereenie style of play);
- Optional Mt Kitty-1 gas, condensate, Helium 3 TCFG, 180 BCFG Helium UGIIP-430 km2 in aerial closure – this prospect has not been drilled before and is a subsalt play type of enormous dimensions - this would be drilled subject to the success of Magee 2;
- Up to an additional 4 conventional wells provisional upon the results of proposed seismic and the drilling of the Johnstone, Magee and Ooraminna prospects.

The total cost of Phase Two is estimated to be up to circa $57 million with CTP's share projected to be up to circa $35 million if all joint venture participants contribute to the maximum contractual percentage.

Note: these conditional programmes proposed are solely CTP's in-house proposal and at the time of preparation of this report have not been endorsed in full by all of the Company's farm-in joint venture participants. It is subject to appropriate approvals by joint venture participants, funding, contingencies including the availability of suitable personnel and equipment, weather and may be subject to approval or modification by the appropriate joint venture and/or the Northern Territory Department of Regional Development Primary Industries Fisheries and Resources (RDPIFR). "UOIIP" refers to Undiscovered Oil Initially In Place at "high" estimate and "UGIIP" refers to Undiscovered Gas Initially in Place at "high" estimate.

Central Petroleum Limited is the Operator of all of the Joint Venture operations.

Management Changes

As advised in the March 2009 Quarterly Report, additional support staff have been appointed. These include Mr Tim Green who replaced Mr Randy Frazier as Drilling Manager on the departure of the latter from the country, and an Exploration Manager, Mr Stewart Bayford. Subsequent to June 30th 2009, Mr Julian Tambyrajah resigned as Chief Financial Officer and Company Secretary with the position being filled by Mr Kim Hogg. Mr Hogg continues as Joint Company Secretary and Mr Bruce Elsholz has taken up the position of Chief Financial Officer and Joint Company Secretary. Further appointments and consultancy positions are being considered as exploration activities ramp up.

Additional office accommodation has been leased in anticipation of an expansion in staff numbers as the joint ventures gather pace. Although a commercial oil discovery has not yet been made, the recently acquired and processed seismic data and of course the drilling results obtained to date have allowed great progress to be made in the understanding of the basins involved.

Corporate

The Company has emerged from the Global Financial Crisis in a very strong position with a total of $35.9 million in banked funds as at June 30th 2009. The Group continues with various discussions and preliminary negotiations concerning additional farm-outs, strategic stabilising investment relationships, technology based joint ventures and capital raising avenues.

The main highlights of the financial year were:

1. In the Pedirka Basin the drilling of Blamore and CBM-93001 in EP 93 and the drilling of Simpson 1 in the Simpson Prospect Block in EP97 which resulted in the discovery of thick sequences of coal and residual oil columns.

2. The release of independent reports as a result of the 2008 drilling campaign summarising 'exploration target potential" of over 1 trillion tonnes of coal above a cut off depth of 1,000m and a Prospective Recoverable Resource of up to over trillion barrels of synfuel being potentially available from Underground Coal Gasification and subsequent Liquefaction processes in the Pedirka Basin.

3. The raising of over $30 million in a combined heavily oversubscribed renounceable rights issue and a series of placements under the provisions of ASX Listing Rule 7.1. The combined raising was facilitated by Patersons Securities Limited as Lead Managers to the issue but was not underwritten.

4. The novation of the DB Zwirn rolling convertible bond facility to Asia Convertible Bond Opportunities, LLC (ACBO) on 9th April 2009. Since then $1 million has been drawn down and converted to Company shares. At the time of preparation of this report, a total of $73 million is potentially and conditionally available to the Company via this facility with approval by the ASX and the Company Shareholders to draw down up to $50,000,000 in the period to 9 July 2010 with no further approval required. The approval was gained with a convincing majority of Shareholders. To date the Company has offered a total of 295,753,128 shares in rights issues to shareholders to compensate for any dilutionary effects of the rolling convertible bonds arrangement.

5. The out of court agreement with the Central Land Council to withdraw its non-consent to the granting of Exploration Permit Application EPA 130 and to pay costs to the Company.

6. The negotiation and appointment on 27 July 2009, subsequent to 30 June 2009 of Patersons Corporate as corporate advisors to the Company for a 12 month period.

Blamore 1

Financial

The financial statements show the cash movements and other information for the year ended 30 June 2009. In summary, cash at the beginning of the year was $15.4 million and cash at the end of the year was $35.9 million, representing a net increase in cash of $20.5 million. The movement mainly reflects the proceeds of the capital raising initiatives undertaken by the Company as outlined above, as well as cash contributions from Joint Venture participants, with payments for administration, sundry exploration costs, environmental, heritage and sacred site clearances and other expenditure including legal and corporate costs associated with the capital raising.

Farm-ins / Farm-outs

Petroleum Exploration Australia Limited ("PXA"):

EP-82 (remaining area outside of the Magee Prospect Block), EP-93, EP-105, EP-106, EP-107, EP-112,EP-118, EP-125 (remaining area outside of the Mt Kitty Prospect Block), EPA-92, EPA--120, EPA-124, EPA-129, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EP-149, EP-152, ATP-909, ATP- 911, ATP-912, PELA -77, PEPA 16/08-9,PEPA 18/08-9, PEPA 17/08-9.

PXA continued as a Joint Venture participant with a 20% equity interest to be funded at the 40% level in accordance with the terms of a formal farm-out agreement executed on 15 February 2008. The terms of this agreement include the funding by PXA of 40% of up to 3 wells and 40% of up to $3 million of seismic for PXA to maintain a 20% interest in the permits and permit applications operated by the Company. During the last quarter of 2008, all of the shares of PXA were acquired by the Queensland Gas Company Limited, now owned by the BG Group. It has been confirmed via public documents that a total of $18.5 million was paid to PXA shareholders less circa $5 million which was paid directly to the Group to settle outstanding cash call amounts owed to the Group by PXA and further that the only assets bought with the purchase of PXA were the various farm-in arrangements and interests of PXA in the Group's operated acreage.

PXA-Rawson Resources Limited-Merlin Energy Limited

EP 97 Simpson, Bejah and Dune Prospect Blocks.

PXA and Rawson Resources Limited ("Rawson") continued as Joint Venture participants in the Simpson, Bejah and Dune Prospect Blocks within EP 97 owned by Rawson. The joint venture consists of Merlin Energy Limited (a wholly owned subsidiary of the Company) as operator of the prospect blocks retaining a 65% interest in each block with Rawson being free carried for the first well in each block plus an initial 100 km of seismic in the Simpson Block to retain a 20% interest in each prospect block. PXA may retain a 15% interest by funding the initial works over each prospect block at the 22.5% level. The initial seismic and the first well in the Simpson Prospect Block have been completed by the joint venture resulting in the discovery of a significant residual oil column in the Poolowanna Formation. Negotiations are under way to allow the Joint Venture to earn the interest in the Bejah Block by drilling a second well in the Simpson Block rather than by drilling the Bejah Prospect itself.

He Nuclear Limited

EP 82 Magee and EP 125 Mt Kitty Prospect Blocks

He Nuclear Limited (HEN) has continued as Joint Venture participant with a 25% participating interest to be funded at the 50% level of exploration within the Mt Kitty (EP125) and Magee (EP82) Prospect Blocks.

New seismic shot in the Magee area has produced some outstanding results which have dramatically enhanced the potential of the Magee Prospect Block. These results have been announced separately but include the potential of the Magee Prospect Block to host 1.4 TCFG and up to 15 BCFG Helium in UGIIP. The Mt Kitty Prospect Block has potential to host 3.0 TCFG and 180 BCFG Helium in UGIIP. It is anticipated that both the Mt Kitty and the Magee prospects will be drilled in the next drilling campaign subject to various contingencies. HEN is a privately owned unlisted company being developed under the auspices of Martin Place Securities, (MPS) and Mr. Ian Mutton, a prominent corporate lawyer specialising in the Trade Practices area of law for large resources companies. Martin Place Securities is a boutique Sydney based stock-broking firm managed by Mr Barry Dawes as CEO, specialising in the resources industry.

Trident Energy Limited

EPA 111 and EP 115

On 28 June 2007, Frontier Oil & Gas Pty Ltd signed a Memorandum of Understanding with Trident Energy Limited ("Trident") whereby the privately-owned Melbourne-based oil junior will fund a $3 million seismic acquisition programme and the drilling of three exploration wells at the 20% level to earn a 10% interest in the Amadeus basin block EP 115. This agreement was formalised on 16th January 2009 via the execution of farm-in and joint operating agreements with ancillary documents together with the payment to the Group of $550,000 representing 20% of previous expenditure within EP 115. Trident now joins the Group's wholly owned subsidiary, Frontier Oil & Gas Pty Ltd and PXA, a wholly owned subsidiary of QGC, a BG Australia Company, in a joint venture for the exploration of this highly prospective property which hosts, inter alia, the Johnstone Oil Prospect, with an estimated UOIIP of 300 MMbbls.

On 23 February 2009, Trident Energy executed a similar farm-in agreement over EPA 111 on a 20% for 10% basis with essentially the same terms as the EP 115 (announced 16 January 2009) farm-in agreement.

Trident is focusing on risk reduction through the application of leading-edge exploration methods to high-grade seismically-defined prospect portfolios, particularly in modelling petroleum systems and high-tech geochemistry, including the "GoreTM" technique.

Energy Infrastructure Limited

EPA 130

Subsequent to 30 June 2009, Energy Infrastructure Limited (EIR) and the Company reached agreement on the terms of the farm-out by the Company of a 25% participating interest in the yet to be granted EPA 130. The agreed terms include the Company remaining as Operator, ongoing premium reserve payments to the Company of $10,000,000 per potential discovery tranche of 3P reserves of one trillion cubic feet of gas or oil equivalent and a 60% to 25% "promote" on the costs of initial exploration including the first 3 wells and the first $3 million of seismic. The agreement is subject to Board approval of final documentation and subject to the grant of the permit application. EIR is an unlisted public company headed up by Mr Rohan Gillespie, a former BHPB executive and under the terms agreed, EIR may nominate another company in place of itself in the proposed formal agreement.

Competent Persons Statement

The information in this Report which relates to mineral (coal) Exploration Results is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report of the matters based on his information in the form and context in which it appears. Potential volumetrics of gas may be categorised as undiscovered prospective recoverable gas in accordance with AAPG/SPE guidelines. Since some oil volumetrics are derived from gas estimates the corresponding categorisation applies.

Resource estimates included in this report by the Company, have not been reviewed by either PXA, QGC, Trident Energy Limited or He Nuclear Limited. Therefore those resource estimates represent the views of the Company and are not necessarily held by PXA, QGC, Trident Energy Limited or He Nuclear Limited. The Company is interested in UCG applications in its own right, outside of the Joint Venture with PXA and references to UCG potential do not necessarily reflect the views of PXA or QGC.

Exploration programme recommendations in this report have not been approved by relevant Joint Venture participants and accordingly constitute a proposal only.

INFORMATION ON DIRECTORS

Henry J Askin BSc (Hons) PhD MSEG MEAGE MPESA

Independent Non Executive Chairman

Dr Askin has over 40 years of experience in the oil exploration industry, of which some 25 years were with the Shell Group of Companies, most recently as a consultant. He is based in Melbourne.

From 1990 until his retirement in December 1997, he was exploration manager with Shell Development (Australia) Pty. Ltd. in Melbourne. Throughout this period he was Shell's representative on the APPEA Exploration Committee, and was a Director of the various Shell companies established pursuant to operations in the Indonesia Australia Zone of Cooperation.

Dr Askin's previous appointments with the Shell Group were in Australia, Oman, Norway, The Netherlands and India. During this time he held various positions including seismic interpreter, chief geophysicist, seismic processing manager, deputy head of new exploration ventures and, immediately prior to returning to Australia, general manager of Shell India.

While his career has ranged from seismic interpretation and prospect generation to senior management, Dr. Askin has contributed to the practice of geophysics in the wider sense, most notably in the co-authorship of a paper read at the EAEG meeting in Belgrade (1987) which received the inaugural best paper award. He is a life member of the Society of Exploration Geophysicists, an active member of the European Association of Geoscientists and Engineers, and a member of the Petroleum Exploration Society of Australia.

Dr Askin is a non-executive director of Bass Strait Oil Company Ltd. Within the last three years, he has not been a director of any other listed public company.

John Heugh BSc (Hons) MAAPG, MPESA

Managing Director

A practising Geologist, Mr Heugh has over 25 years experience in many aspects of petroleum and mineral exploration, with 15 years experience in oil field exploration and development, both on shore and off shore, in Australia and overseas, supplemented by 10 years metallics, environmental and general geology experience.

He has worked as a consultant to or with sub-contractors working for a number of petroleum companies, including Esso, Wapet, Pancontinental Petroleum, Santos, Western Mining Corporation, Bridge Oil, Ampol, Kuwaiti Foreign Petroleum Corporation, Arco and Chevron-Texaco. Mr Heugh also has expertise in technical sales management, general management, exploration, joint venture and contract negotiation and management, project generation, logistics, engineering technical support and remote area operations.

He has undertaken specialist correspondence studies in oilfield drilling technology and development at the University of Texas and has completed advanced management courses with the Australian Institute of Management.

He holds an honours degree in Science, majoring in Geology from the University of New England in New South Wales. Mr Heugh is Chairman of the Curtin University Centre of Excellence in Petroleum Geology and Engineering Annual Symposia on Extreme Operations, Petroleum. He is a member of the Gerson Lerhman Council of Energy Advisers, the Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists. Within the last three years, Mr Heugh has not been a director of any other listed public company.

Richard Faull BCom CPA

Non Executive Director

Mr Faull has had over 25 years experience as a Director, Executive and Company Secretary in mining and petroleum exploration companies. He is currently a Director and Company Secretary of Fleurieu Mines NL and Barranco Resources NL. Within the last three years, Mr Faull has not been a director of any other listed public company.

Mr Faull has a degree in Commerce from the University of Western Australia and is a member of CPA Australia.

William J Dunmore BSc MSc

Independent Non Executive Director

Mr Dunmore is an experienced reservoir and production engineer with significant transaction, analysis and financial modelling experience gained by consultancies and employment with a number of banks, financial institutions and petroleum companies including Barclays Bank, Unicredit HVB, British Gas, HBOS/BankWest, Rothschilds, Gaffney Cline and Associates, BHP Petroleum, Schlumberger, Hardman, Mobil, Lasmo, Petrobras, CSX, Total, Nippon Oil, Powergen, Mosbacher, Unocal and Svenska Petroleum. He has over 30 years of direct relevant experience internationally. He has been engaged to appear as an expert witness. Within the last three years, Mr Dunmore has not been a director of any other listed public company.

COMPANY SECRETARIES

Bruce Elsholz BCom CA

Mr Elsholz was appointed as Chief Financial Officer and Company Secretary effective from 31 August 2009. Mr Elsholz has around 25 years experience in the upstream oil and gas sector. He has held senior financial roles with a number of exploration and production companies in Australia and Canada. He also has approximately ten years experience as Company Secretary with a number of ASX listed entities.

Kim A Hogg BCom

Mr Hogg was appointed as Company Secretary on 13 July 2009. Mr Hogg is a principal of a public practice providing specialist services to clients seeking to raise capital and list on the ASX. Mr Hogg completed a Bachelor of Commerce degree in 1984 at the University of Western Australia. He is currently the company secretary of a number of companies listed on ASX.

DIRECTORS' MEETINGS

The number of directors' meetings held and the number of meetings attended by each of the directors of the Company during the financial year are:

	Number of meetings held at which eligible to attend	Number of meetings attended
Henry Askin	10	10
John Heugh	10	10
Richard Faull	10	10
William Dunmore	10	9

Business of the directors was often effected by written resolutions signed by all of the directors who were eligible to vote on the resolution.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

- In June 2009 the Company successfully concluded a renounceable rights issue and subsequent placement through the issue of 307,231,395 shares at $0.10 per share to raise $30.7 million before costs;
- The Company continued its exploration activities in conjunction with its joint venture partners, including the drilling of Blamore and CBM 93001 in EP 93 and the drilling of Simpson 1 in the Simpson Prospect Block in EP97. A total of approximately $10 million was incurred in exploration expenditure during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at Note 27 to the Financial Statements, have arisen since the end of the financial year which significantly affected or may effect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

LIKELY DEVELOPMENTS

The Consolidated Entity will continue to explore its exploration acreage in Australia as well as, subject to operational contingencies, undertake its planned 6 well 2009 drilling and approximately 1,350 kms of seismic acquisition programmes.

Further information about likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years has not been included in this report because, in the opinion of the directors, disclosure of the information may prejudice the interests of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity is subject to significant environmental regulation with regard to its exploration activities.

The Consolidated Entity aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company and the Consolidated Entity are not aware of any breach of environmental legislation for the year under review.

INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year the Company has paid insurance premiums of $18,498 in respect of directors' and officers' liability and legal expenses' insurance contracts for current and former directors and officers of the Consolidated Entity. This insurance cover runs to after the close of the financial year.

NUMBER OF EMPLOYEES

The Company had eleven employees at 30 June 2009.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the year. Stanton International Services, a related entity of Stantons International, provided tax compliance services amounting to $13,228.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of the non-audit services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which has been audited, report outlines the remuneration arrangements in place for directors and executives of the Company. For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and includes directors and executives in the Company receiving the highest remuneration.

KEY MANAGEMENT PERSONNEL

The key management personnel for the Group during the year were:

Directors

Dr Henry Askin	Non-Executive Chairman
Mr John Heugh	Managing Director
Mr Richard Faull	Non-Executive Director
Mr William Dunmore	Non-Executive Director

Executives

Mr Tim Green	Drilling, Operations and Production Manager	Appointed 11 May 2009
Mr Stewart Bayford	Exploration Manager	Appointed 1 June 2009
Mr Julian Tambyrajah	Chief Financial Officer and Company Secretary	Appointed 17 November 2008; resigned 10 July 2009
Mr Randy Frazier	General Manager Drilling, Operations & Production	Resigned 19 January 2009
Mr Bernard Crawford	Chief Financial Officer and Company Secretary	Appointed 18 August 2008; departed 6 November 2008.
Mr Mark Di Silvio	Chief Financial Officer and Company Secretary	Resigned 15 August 2008

REMUNERATION POLICY

The remuneration policy of the Company is to pay its directors and executives amounts in line with employment market conditions relevant to the oil exploration industry.

The performance of the Company depends upon the quality of its directors and executives and the Company strives to attract, motivate and retain highly qualified and skilled management.

The remuneration of directors and executives consists of the following key elements:

(i) Annual Salary (Executives and Managing Director only);
(ii) Directors Fees (Directors only);
(iii) Participation in the Incentive Option Scheme;
(iv) Payment of superannuation benefits in line with Australian regulatory guidelines; and
(v) Participation in performance-based bonuses over and above salary arrangements where applicable and in line with defined key performance indicators.

DETAILS OF REMUNERATION

Details of the remuneration of the directors and the key management personnel of Central Petroleum Ltd and the Consolidated Entity are set out in the following tables.

Table 1: Remuneration of Directors and Highest Paid Executives

		SHORT-TERM		POST-EMPLOYMENT		SHARE-BASED PAYMENTS		
		Salary/ fees $	Non-monetary benefits $	Superannuation contributions $	Retirement Benefits $	Options $	Total $	Value of options as proportion of remuneration %
Directors								
Henry Askin	2009	70,000	1,850	6,300		111,855	190,005	59%
	2008	85,666	3,635	6,000	-	208,880	304,181	69%
John Heugh	2009	412,459	1,850	32,798		111,855	558,962	20%
	2008	284,947	3,635	25,645	-	522,200	836,427	62%
Richard Faull	2009	50,000	1,850	4,500		55,928	112,278	50%
	2008	70,189	3,635	6,589	200,000	208,880	489,293	43%
William Dunmore	2009	63,673	1,850	-		55,928	121,451	46%
	2008	23,750	3,635	-	-	208,880	236,265	88%
Sub-total	2009	596,132	7,400	43,598	-	335,566	982,696	34%
	2008	464,552	14,540	38,234	200,000	1,148,840	1,866,166	62%
Other Key Management Personnel								
Tim Green[1]	2009	34,655	1,849	3,145	-	47,947	87,596	55%
	2008	-	-	-	-	-	-	-
Stewart Bayford[2]	2009	22,580	1,849	1,875	-	47,740	74,044	64%
	2008	-	-	-	-	-	-	-
Julian Tambyrajah[3]	2009	115,271	1,850	10,073	-	55,016	182,210	30%
	2008	-	-	-	-	-	-	-
Bernard Crawford[4]	2009	87,716	1,850	3,844	-	21,628	115,038	19%
	2008	-	-	-	-	-	-	-
Mark Di Silvo[5]	2009	16,322	1,850	2,019	-	(41,661)	(21,470)	N/A
	2008	133,942	3,633	12,055	-	125,662	275,292	46%
Randy Frazier[6]	2009	141,156	1,850	13,618	-	(20,244)	136,380	N/A
	2008	122,038	3,633	10,983	-	72,244	208,898	35%
Sub-total	2009	417,700	11,098	34,574	-	110,426	573,798	19%
	2008	255,980	7,266	23,038	-	197,906	484,190	41%
Total Remuneration	**2009**	**1,013,832**	**18,498**	**78,172**	**-**	**445,992**	**1,556,494**	**29%**
	2008	**720,532**	**21,806**	**61,272**	**200,000**	**1,346,746**	**2,350,356**	**57%**

[1] Appointed 11 May 2009.
[2] Appointed 1 June 2009.
[3] Appointed 17 November 2008; resigned 10 July 2009.
[4] Appointed 18 August 2008; departed 6 November 2008.
[5] Appointed 25 September 2007; resigned 15 August 2008.
[6] Appointed 29 January 2008; resigned 11 January 2009.

DETAILS OF REMUNERATION (continued)

The fair values of options granted were calculated at the dates of grant using a Black-Scholes valuation model. The values are allocated to each reporting period evenly over the period from grant date to vesting date. The values disclosed for 2009 are the portions of the fair values applicable to and recognised in this reporting period.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant date	*Expiry date*	*Fair value per option*	*Exercise price*	*Price of shares on grant date*	*Estimated volatility*	*Risk free interest rate*	*Dividend yield*
8 Jun 09	31 Mar 14	$0.0373	$0.37	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	$0.0412	$0.32	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	$0.0450	$0.28	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	$0.0482	$0.25	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	$0.0519	$0.22	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	$0.0547	$0.20	$0.12	63.8%	4.78%	0%
11 Dec 08	17 Nov 11	$0.0288	$0.25	$0.08	98.0%	3.86%	0%
31 Aug 08	31 Aug 11	$0.0447	$0.30	$0.12	90.5%	6.17%	0%

Table 2: Compensation Options – Granted and Vested during the year

	Year	Number of options granted	Grant date	Average fair value at grant date	Average exercise price per option	Expiry date	Number of options vested	Proportion of options vested %
Directors								
Henry Askin	2009	2,500,000	8 Jun 09	$0.045	$0.288	31 Mar 14	2,500,000	100%
	2008	2,000,000	3 Jan 08	$0.104	$0.382	3 Jan 12	2,000,000	100%
John Heugh	2009	2,500,000	8 Jun 09	$0.045	$0.288	31 Mar 14	2,500,000	100%
	2008	5,000,000	3 Jan 08	$0.104	$0.382	3 Jan 12	5,000,000	100%
Richard Faull	2009	1,250,000	8 Jun 09	$0.045	$0.288	31 Mar 14	1,250,000	100%
	2008	2,000,000	3 Jan 08	$0.104	$0.382	3 Jan 12	2,000,000	100%
William Dunmore	2009	1,250,000	8 Jun 09	$0.045	$0.288	31 Mar 14	1,250,000	100%
	2008	2,000,000	3 Jan 08	$0.104	$0.382	3 Jan 12	2,000,000	100%
Other Key Management Personnel								
Tim Green[1]	2009	2,400,000	8 Jun 09	$0.055	$0.20	31 Mar 14	800,000	33%
	2008	-	-	-	-	-	-	-
Stewart Bayford[2]	2009	2,400,000	8 Jun 09	$0.055	$0.20	31 Mar 14	800,000	33%
	2008	-	-	-	-	-	-	-
Julian Tambyrajah[3]	2009	4,000,000	*Note 7*	*Note 7*	$0.25	*Note 7*	1,333,332	33%
	2008	-	-	-	-	-	-	-
Bernard Crawford[4]	2009	1,500,000	31 Aug 08	$0.045	$0.30	31 Aug 11	500,000	33%
	2008	-	-	-	-	-	-	-
Mark Di Silvo[5]	2009	-	-	-	-	-	-	-
	2008	2,000,000	8 Nov 07	$0.08	$0.30	30 Nov 10	800,000	40%
Randy Frazier[6]	2009	-	-	-	-	-	-	-
	2008	3,000,000	17 Mar 08	$0.054	$0.30	31 Mar 11	1,000,000	33%
Total compensation options	2009	**17,800,000**	**-**	**-**	**-**	**-**	**10,933,332**	**61%**
	2008	**16,000,000**	**-**	**-**	**-**	**-**	**12,800,000**	**80%**

[1] Appointed 11 May 2009.
[2] Appointed 1 June 2009.
[3] Appointed 17 November 2008; resigned 10 July 2009.
[4] Appointed 18 August 2008; departed 6 November 2008.
[5] Appointed 25 September 2007; resigned 15 August 2008.
[6] Appointed 29 January 2008' resigned 11 January 2009.
[7] 2 million granted 11.12.08 expiring 17.11.11 (fair value $0.029); 2 million granted 8.6.09 expiring 31.3.14 (fair value $0.055)

DETAILS OF REMUNERATION (continued)

Table 3: Options granted as part of remuneration and shares issued on exercise of options

	Value of options granted during the year ($)	Value of options lapsed during the year ($)	Remuneration consisting of options for the year (%)
Directors			
Henry Askin	111,855	-	59%
John Heugh	111,855	-	25%
Richard Faull	55,928	-	50%
William Dunmore	55,928	-	63%
Other key management personnel			
Tim Green	131,168	-	55%
Stewart Bayford	131,168	-	66%
Julian Tambyrajah	166,916	(111,900)	30%
Bernard Crawford	66,983	(45,355)	51%
Mark Di Silvio	-	(32,266)	0%
Randy Frazier	-	(109,400)	32%

No options were exercised during the year, and no shares were issued on exercise of compensation options. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. Since 30 June 2009, 2,666,668 options have lapsed due to Mr Tambyrajah's resignation. There were no shares issued on exercise of compensation options in the corresponding 2008 period.

Table 4: Shareholdings of key management personnel

	Held at beginning of year	Held at date of appointment	Renouncable rights issue purchase	Received on exercise of options	Net change other	Held at date of departure	Held at end of year
Directors							
Henry Askin							
2009	1,200,000	N/A	1,200,000	-	-	N/A	2,400,000
2008	1,000,000	N/A		-	200,000	N/A	1,200,000
John Heugh							
2009	5,753,803	N/A	-	-	(70,000)	N/A	5,683,803
2008	5,100,001	N/A		165,000	488,802	N/A	5,753,803
Richard Faull							
2009	1,680,001	N/A	631,099	-	-	N/A	2,311,100
2008	1,400,001	N/A	-	-	280,000	N/A	1,680,001
William Dunmore							
2009	666,666	N/A	300,000	-	(190,000)	N/A	776,666
2008	600,000	N/A	-	-	66,666	N/A	666,666
Executives							
Tim Green							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Bayford							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julian Tambyrajah							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Crawford							
2009	N/A	-	-	-	-	-	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Di Silvio							
2009	-	-	-	-	-	-	N/A
2008	-	N/A	-	-	-	N/A	-
Randy Frazier							
2009	-	-	-	-	-	-	N/A
2008	-	N/A	-	-	-	N/A	-

DETAILS OF REMUNERATION (continued)

Table 5: Option holdings of key management personnel

	Held at beginning of year	Options exercised	Granted as remuneration	Net change other	Held at end of year *
Directors					
Henry Askin					
2009	2,800,000	-	2,500,000	600,000	5,900,000
2008	400,000	-	2,000,000	400,000	2,800,000
John Heugh					
2009	9,550,000	-	2,500,000	-	12,050,000
2008	2,665,000	(165,000)	5,000,000	2,050,000	9,550,000
Richard Faull					
2009	3,500,000	-	1,250,000	315,550	5,065,550
2008	1,000,000	-	2,000,000	500,000	3,500,000
William Dunmore					
2009	2,600,000	-	1,250,000	150,000	4,000,000
2008	300,000	-	2,000,000	300,000	2,600,000

** All of the options had vested and were exercisable at the end of the year.*

	Held at beginning of year	Held at date of appointment	Options exercised	Granted as remuneration	Net change other	Held at date of departure	Held at end of year @
Executives							
Tim Green							
2009	N/A	-	-	2,400,000	-	N/A	2,400,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Bayford							
2009	N/A	-	-	2,400,000	-	N/A	2,400,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julian Tambyrajah							
2009	N/A	-	-	4,000,000	-	N/A	4,000,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Crawford							
2009	N/A	-	-	1,500,000	(1,000,000)	500,000	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Di Silvio							
2009	2,000,000	N/A	-	-	(1,200,000)	800,000	N/A
2008	-	N/A	-	2,000,000	-	N/A	2,000,000
Randy Frazier							
2009	3,000,000	-	-	-	(2,000,000)	1,000,000	N/A
2008	-	N/A	-	3,000,000	-	N/A	3,000,000

@ The vesting profile for options held at the end of the period was as follows:

	2009			2008		
Executive	**Holding at end of year**	**Vested during the year**	**Exercisable at end of year**	**Holding at end of year**	**Vested during the year**	**Exercisable at end of year**
Tim Green	2,400,000	800,000	800,000	N/A	N/A	N/A
Stewart Bayford	2,400,000	800,000	800,000	N/A	N/A	N/A
Julian Tambyrajah	4,000,000	1,333,332	1,333,332	N/A	N/A	N/A
Bernard Crawford	N/A	500,000	500,000	N/A	N/A	N/A
Mark Di Silvio	N/A	-	800,000	2,000,000	800,000	800,000
Randy Frazier	N/A	-	1,000,000	3,000,000	1,000,000	1,000,000

SERVICE AGREEMENTS

The details of service agreements of the key management personnel of Central Petroleum Limited and the Consolidated Entity are as follows:

John Heugh, Managing Director:

- The term of the agreement, which was entered into in April 2005 and extended in December 2008, is for the period through until 7 March 2015;
- Mr Heugh's base salary is presently $300,000 per annum. In addition, superannuation at the statutory 9% rate is applicable, and Mr Heugh receives a director's fee of $50,000 per annum;
- The agreement provides for the provision of 3 months' notice for termination in specified circumstances or the payment of 3 months' salary in lieu of notice. In certain circumstances, the termination provisions require payment of the equivalent of seven times the annual average of the base salary for the period of three years prior to the termination of the contract. There is no entitlement to a termination payment in the event of a conviction for any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute.
- The terms of employment also require the Company to maintain an appropriate level of Directors and Officers' Liability Insurance and provide rights relating to indemnity, insurance, and access to documents.

Tim Green, Drilling, Operations and Production Manager

- The term of the agreement is 4 years, commencing 11 May 2009;
- Mr Green's base salary is $250,000 per annum. In addition, superannuation at the statutory 9% rate is applicable. The salary is to be reviewed annually.
- the Company may terminate the employment at any time in the first 6 months of employment by either giving 1 month's written notice or payment in lieu thereof. Thereafter, increasing periods of notice are required, depending on the length of service, up to a maximum of 3 months' notice or payment in lieu.

Stewart Bayford, Exploration Manager

- The term of the agreement is 4 years, commencing 1 June 2009;
- Mr Bayford's base salary is $250,000 per annum. In addition, superannuation at the statutory 9% rate is applicable. The salary is to be reviewed annually.
- the Company may terminate the employment at any time in the first 6 months of employment by either giving 1 month's written notice or payment in lieu thereof. Thereafter, increasing periods of notice are required, depending on the length of service, up to a maximum of 3 months' notice or payment in lieu.

Julian Tambyrajah, Chief Financial Officer and Company Secretary

- Mr Tambyrajah resigned on 10 July 2009.
- The term of the agreement was 4 years, commencing 17 November 2008.
- Mr Tambyrajah's base salary was $180,000 per annum. In addition, superannuation at the statutory 9% rate was applicable. The salary was to be reviewed annually.

Prior to his resignation from the position of General Manager Drilling, Operations & Production on 11 January 2009, the Company held an Executive Services Agreement with Mr Randy Frazier in an executive capacity. The term of employment was for four years commencing in January 2008. His base salary was $285,000 per annum plus superannuation at the statutory 9% rate.

Prior to his resignation from the position of Chief Financial Officer and Company Secretary on 15 August 2008, the Company held an Executive Services Agreement with Mr Mark Di Silvio in an executive capacity. The term of employment was for four years starting in September 2007. His base salary was $175,000 per annum plus superannuation at the statutory 9% rate.

The Company has agreed to terms of engagement with Dr Henry Askin, Mr Richard Faull and Mr William Dunmore whereby they are appointed as non-executive directors of the Company. The terms of appointment are subject to the Company's Constitution. The terms of engagement also require the Company to maintain an appropriate level of Directors and Officers' Liability Insurance and provide rights relating to indemnity, insurance, and access to documents. Dr Askin is entitled to receive a non-executive director's fee of $70,000 per annum, plus superannuation benefits. Messrs Faull and Dunmore are entitled to receive non-executive directors' fees of $50,000 per annum. Mr Dunmore's fees prior to 1 January 2009 were $25,000 per annum.

Signed in accordance with a resolution of the Directors:

John Heugh - Director
Perth, 30 September 2009

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30 September 2009

Board of Directors
Central Petroleum Limited
Suite 3 Level 4 South Shore Centre
85 The Esplanade
SOUTH PERTH WA 6151

Dear Sirs

RE: CENTRAL PETROLEUM LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Central Petroleum Limited.

As Audit Director for the audit of the financial statements of Central Petroleum Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)

K G Lingard
Director

Introduction

The Company is committed to the principles of good corporate governance and high ethical standards in business as articulated by the ASX Corporate Governance Council ("the ASXCGC"). The Company seeks to follow the best practice recommendations for listed companies to the extent that it is practicable.

Therefore, the Company acknowledges the ASXCGC's *Corporate Governance Principles and Recommendations* (2nd Edition) (the "Recommendations") that took effect for the financial year from 1 July 2008 to 30 June 2009. However, the Company is yet to make the transition to these revised Recommendations but is presently considering an appropriate system of control and accountability to best fit its business and operations commensurate with these Recommendations.

ASX Listing Rules require listed companies to disclose the extent to which they have complied with the Recommendations. Set out below are the principal corporate governance practices of the Company. Any instances of non-compliance with the Recommendations and reasons for such variance are summarised in the table at the end of this statement.

Role of the Board of Directors

The Board of Directors guides and monitors the business and affairs of the Company on behalf of its shareholders, by whom the directors are elected and to whom they are accountable.

The Board's primary role is the protection and enhancement of long-term shareholder value. The Board is responsible for the overall corporate governance of the Company, including engaging with management in the development of strategic and business plans, preparation of annual budgets and establishment of goals for management and monitoring the achievement of those goals on a regular basis. Management will report to the Board and execute the directives of the board.

The Board is also responsible for:

- reviewing the performance of the Managing Director and senior management;
- planning the development, retention and succession of the management team;
- reviewing and ratifying systems of risk management and internal compliance, including approving and monitoring the policies and procedures relating to occupational health and safety and the environment;
- approving and monitoring financial and other reporting, including the progress of major capital expenditure and capital management;
- approving and monitoring acquisitions and divestitures; and
- preparing, implementing and monitoring policies to ensure that all major developments affecting the financial position and state of affairs of the Company and any subsidiaries are announced to the ASX in strict accordance with the Listing Rules.

The Board has also established a framework for the management of the Company, including a system of internal control and business risk management and the establishment of appropriate ethical standards. The Board conducts annual reviews of its processes to ensure that it is able to carry out its functions effectively and in an efficient manner.

Structure and composition of the Board

The Board consists of four directors - the managing director and three non–executive directors. The directors bring a broad range of relevant expertise, both nationally and internationally, to the Board. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report. The number of board meetings and the attendance of the directors are set out in the Directors' Report.

The roles of Chairman and the Managing Director are not exercised by the same individual as there is a clear division of responsibility between the Chairman, Dr Askin and the Managing Director, Mr Heugh.

Independence of non-executive directors and the Chairman of the Board

The Board has assessed the independence of the non-executive directors and the Chairman.

Although Messrs Askin, Faull and Dunmore hold 2,400,000, 2,311,100 and 776,666 fully paid ordinary shares respectively, the Board considers these holdings to be immaterial, being significantly below the holdings threshold to be considered as substantial shareholders as defined by the Corporations Act.

The non-executive directors have no business or other relationship which is likely to compromise their independence. Individual directors are required to keep the board advised of any interests that could potentially create conflict with those of the Company.

Under the Constitution of the Company, the directors, other than the Managing Director, are obliged to present one third of their company for retirement and potential re-election at each annual general meeting of the Company.

In the proper performance of their duties, each director has the right to seek a reasonable level of independent professional advice on matters concerning the Company at the Company's expense, after obtaining the Chairman's approval, which will not be unreasonably withheld. Each director has the right of access to all relevant Company information and to the Company's executives.

Business risk management

The Board acknowledges that it is responsible for the overall internal control and risk management framework. Accordingly, the Board has implemented the following control framework:

Financial reporting: A comprehensive annual budget is approved by the directors. Monthly results are reported against budget and revised forecasts are prepared regularly;

Special functional reporting: The Board has identified a number of key areas which are subject to regular reporting to the board such as safety, environmental, insurance and legal matters; and

Investment appraisal: The Company has set clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements. Capital expenditure and revenue commitments above a certain size require prior board approval. Procedures exist to ensure that business transactions are properly authorised and executed.

Reporting and assurance

When considering the financial reports, the Board receives a written statement declaration in accordance with section 295A of the Corporations Act, signed by the Managing Director and Chief Financial Officer that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Similarly, in a separate written statement the Managing Director and Chief Financial Officer also confirm to the Board that the Company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period-end that would materially change the position.

Ethical standards

The directors acknowledge the need for, and continued maintenance of, the highest standards of ethical conduct by all directors and employees of the Company. All directors, executives and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information and act with their highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Company, customers, suppliers and the community.

The Board has developed a Code of Conduct reflecting its high standards and expectations. The Code of Conduct will be regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism.

The Code of Conduct is available on the Central Petroleum Limited website.

Continuous disclosure

The directors are committed to keeping the market fully informed of material developments to ensure compliance with the Listing Rules and the Corporations Act. At each Board meeting, specific consideration is given as to whether any matters should be disclosed under the Company's continuous disclosure policy.

The practice of senior management is to review and authorise any Company announcement to ensure that the information is factual, timely, clearly expressed and contains all material information so that investors can make appropriate assessments of the information for investment decisions.

Share Trading

The Company has adopted a Share Dealing Code for the directors and employees, which is appropriate for a company whose shares are admitted to trading on the ASX, and the Company will take all reasonable steps to ensure compliance by its directors and any relevant employees. The Share Dealing Code is summarised as follows:

- Consistent with the legal prohibitions on insider trading contained in the Corporations Act, all employees, officers and directors are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information.
- Unpublished price sensitive information is information, which a reasonable person would expect to have a material affect on the price or value of the Company's securities. Examples may include:
  - the financial results of the Company and any of its subsidiaries;
  - projections of future earnings or losses;
  - changes in senior management; and
  - results of drilling and or production testing.

It should be noted that either positive or negative information may be material.

An employee, officer or director, whilst in possession of unpublished price sensitive information, is subject to three restrictions:

- they must not deal in securities affected by information;
- they must not cause or procure anyone else to deal in those securities; and
- they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly in directly, for dealings in securities.

Employees, officers, and directors are required to advise the Company Secretary of their intentions prior to undertaking any transaction in the Company's securities. If an employee, officer or director is considered to possess unpublished price sensitive information, they will be precluded from making a security transaction until one trading day after the time of public release of that information.

Conflict of Interest

Directors and Senior Management are required to advise the Chairman of any existing or potential conflict of interest. When necessary, the Chairman will refer the matter to the board for determination.

Related party matters

Directors and senior management are required to advise the Chairman of any related party contract or potential contract. The Chairman will inform the board and the reporting party will be required to remove himself/herself from all discussions and decisions involving the matter. Prior board approval will be required for all proposed contracts.

Shareholder relations

The directors aim to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company.

Information on all major developments affecting the Company is available to shareholders through:

- the Company's annual report;
- quarterly and half yearly reports;
- the annual general meeting of the Company and other meetings called to obtain approval for board actions as appropriate. All shareholders who are unable to attend these meetings will be encouraged to communicate issues or ask questions by writing or emailing to the Company; and
- mandatory ASX announcements on the Company website.

The Company will take advantage of technology, such as the Company website, to provide greater opportunities for effective communication with shareholders and to encourage participation at meetings. The intended practice of the Company is to place on the website all company announcements and related information, such as financial statements and pubic presentations.

Committees

The Board has not established any committees. The Board considers that the management method used is cost effective and practical and matters are reviewed and approved by the Board as a whole.

On matters of audit and remuneration, the Board has policies that were established to protect the integrity of the Company's financial reporting and to review the remuneration policies and practices of the Company to ensure that it remunerates fairly and responsibly.

The audit policy of the Board includes the requirement to:

- oversee the effectiveness of the Company's accounting and financial policies and controls;
- oversee the independence of the external auditors; and
- make recommendations to the Board on the appointment of external auditors and reviewing the performance of the external auditors. The independent external auditor reports directly to the Board and is required to attend the annual general meeting of the members of the Company to answer shareholder questions about the audit and the preparation and content of the audit reports.

The remuneration policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated directors and employees. The policy is designed for:

- decisions in relation to executive and non-executive remuneration policy;
- decisions in relation to remuneration packages for executive directors and senior management;
- decisions in relation to merit recognition arrangements and termination arrangements; and
- ensuring that any equity-based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders.

Non-executive directors' remuneration policy

The structure of non-executive directors' remuneration is distinguished from that of executives. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors, as approved by shareholders, is not to exceed $250,000 per annum. Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation.

Executive directors' remuneration policy

Executive directors are employed pursuant to employment agreements. A summary of the Managing Director's employment agreement is set out in the Remuneration Report.

Compliance with the Recommendations

The Board has reviewed its current practices in light of the revised Recommendations with a view to making amendments where applicable after considering the Company's size and the resources it has available. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position with regard to the adoption of these revised Recommendations. As noted above, it is expected the Company will reassess the revised Recommendations in the near future.

Requirement		Comply	Explanation/ Reference
Principle 1. Lay solid foundations for management and oversight			
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	No	The Company has not formalised the functions reserved to the Board and those delegated to management. However, the responsibilities of the Board are set out earlier in this Statement.

Requirement		Comply	Explanation/ Reference
Rec 1.2	Companies should disclose the process for evaluating the performance of senior executives.	No	The Company has not disclosed the process for evaluating the performance of senior executives. The full Board is responsible for the evaluation of senior management.
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	Refer above.
Principle 2. Structure the board to add value			
Rec 2.1	A majority of the board should be independent directors.	Yes	
Rec 2.2	The chair should be an independent director.	Yes	Refer above.
Rec 2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes	Refer above.
Rec 2.4	The board should establish a nomination committee.	No	The Company currently does not have a nomination committee. Because of the Company's size, the Board believes that such a formal committee would contribute little to its effective management. Nomination matters are reviewed and approved by the Board as a whole.
Rec 2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	No	The Company has not disclosed the process for evaluating the performance of the Board, its committees and individual directors. The full Board is responsible for this function. However, because of the size and structure of the Board a formal performance evaluation process is not conducted.
Rec 2.6	Companies should provide the information indicated in Guide to reporting on Principle 2.	Yes	Refer above.
Principle 3. Promote ethical and responsible decision-making			
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ▪ the practices necessary to maintain confidence in the company's integrity; ▪ the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and ▪ the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	Refer above and the Company's website.
Rec 3.2	Companies should establish a policy concerning trading in Company securities by directors, officers and employees and disclose the policy or a summary of that policy.	Yes	Refer above.
Rec 3.3	Companies should provide the information indicated in Guide to reporting on Principle 3.	Yes	Refer above and the Company's website.

Requirement		Comply	Explanation/ Reference
Principle 4. Safeguard integrity in financial reporting			
Rec 4.1	The board should establish an audit committee.	No	The Company currently does not have an audit committee. Because of the Company's size, the Board believes that an audit committee would contribute little to its effective management. Audit matters are reviewed and approved by the Board as a whole. Disclosure of the Company's audit policy is set out above.
Rec 4.2	The audit committee should be structured so that it: ▪ consists only of non-executive directors; ▪ consists of a majority of independent directors; ▪ is chaired by an independent chair who is not the chair of the board; and ▪ has at least three members.	No	Refer Recommendation 4.1 above.
Rec 4.3	The audit committee should have a formal charter.	No	Refer Recommendation 4.1 above.
Rec 4.4	Companies should provide the information indicated in Guide to reporting on Principle 4.	Yes	Refer above.
Principle 5. Make timely and balanced disclosure			
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	No	The Company has not established a formal, written continuous disclosure policy. However, the Board is acutely aware of the continuous disclosure regime and believes there are strong informal systems in place to ensure compliance. Disclosure of the Company's approach to continuous disclosure is set out above.
Rec 5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	Yes	Refer above.
Principle 6. Respect the rights of shareholders			
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	Yes	The Company has not established a formal, written shareholder communications policy. However, disclosure of the Company's approach to shareholder relations is set out above.
Rec 6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Yes	Refer above.

Requirement		Comply	Explanation/ Reference
Principle 7. Recognise and manage risk			
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	No	The Company has not established a formal, written risk management policy. Disclosure of the Company's approach to risk management is set out above.
Rec 7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	No	The Company has not established a formal, written risk management and internal control system. Disclosure of the Company's approach to risk management and internal control is set out above.
Rec 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Refer above.
Rec 7.4	Companies should provide the information indicated in Guide to Reporting on Principle 7.	Yes	Refer above.
Principle 8. Remunerate fairly and responsibly			
Rec 8.1	The board should establish a remuneration committee.	No	The Company currently does not have a remuneration committee. Because of the Company's size, the Board believes that a remuneration committee would contribute little to its effective management. Remuneration matters are reviewed and approved by the Board as a whole. Disclosure of the Company's remuneration policy is set out above.
Rec 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Refer above.
Rec 8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	Refer above.

Central Petroleum Limited
ABN 72 083 254 308

Income Statement
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue	2	734,655	950,407	565,548	783,462
Share based employment benefits		(596,762)	(1,443,342)	(596,762)	(1,443,342)
Administrative expenses		(1,362,316)	(906,189)	(1,326,840)	(903,179)
Borrowing Costs		(57,184)	(270,000)	(57,113)	(270,000)
Consultancy fees		(117,058)	(86,193)	(117,058)	(86,193)
Depreciation & Write Offs		(98,591)	(76,615)	(98,591)	(76,615)
Employee benefits		(1,742,012)	(1,530,622)	(1,742,012)	(1,530,622)
Exploration expenditure		(10,001,380)	(8,668,978)	(422,954)	(83,202)
Insurance expense		(68,708)	(33,083)	(68,708)	(33,083)
Legal fees		(270,248)	(395,999)	(265,004)	(395,999)
Provision for doubtful debts		-	-	(6,906,030)	(9,357,870)
Travel and accommodation		(141,741)	(92,969)	(141,741)	(92,969)
Foreign currency gains		69,865	-	69,865	-
Recovery of operating costs		882,015	381,359	882,015	381,359
Loss before income tax	3	(12,769,465)	(12,172,224)	(10,225,385)	(13,108,253)
Income tax expense	4	-	-	-	-
Loss after income tax		(12,769,465)	(12,172,224)	(10,225,385)	(13,108,253)
Net loss attributable to members of the parent entity	17	**(12,769,465)**	**(12,172,224)**	**(10,225,385)**	**(13,108,253)**
Basic and diluted loss per share					
Ordinary shares (cents)	18	(4.82)	(6.68)		

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT ASSETS					
Cash and cash equivalents	6	35,930,650	15,413,345	35,114,786	15,404,544
Trade and other receivables	7	1,133,388	1,673,021	562,400	635,569
Inventories	8	565,168	468,322	565,168	468,322
TOTAL CURRENT ASSETS		**37,629,206**	**17,554,688**	**36,242,354**	**16,508,435**
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	-	-
Property, plant and equipment	9	389,580	193,182	389,580	193,182
Investments in controlled entities	10	-	-	9,807,854	9,807,853
Exploration assets	11	10,168,783	10,263,783	-	-
Other financial assets	12	376,150	1,376,150	336,150	1,336,150
TOTAL NON-CURRENT ASSETS		**10,934,513**	**11,833,115**	**10,533,584**	**11,337,185**
TOTAL ASSETS		**48,563,719**	**29,387,803**	**46,775,938**	**27,845,620**
CURRENT LIABILITIES					
Trade and other payables	13	4,790,367	3,097,318	1,678,802	2,775,431
Provisions	14	301,944	97,542	301,944	97,542
TOTAL CURRENT LIABILITIES		**5,092,311**	**3,194,860**	**1,980,746**	**2,872,973**
TOTAL LIABILITIES		**5,092,311**	**3,194,860**	**1,980,746**	**2,872,973**
NET ASSETS		**43,471,408**	**26,192,943**	**44,795,192**	**24,972,647**
EQUITY					
Issued capital	15	68,685,229	39,234,061	68,685,229	39,234,061
Reserves	16	6,436,405	5,839,643	6,436,405	5,839,643
Accumulated losses	17	(31,650,226)	(18,880,761)	(30,326,442)	(20,101,057)
TOTAL EQUITY		**43,471,408**	**26,192,943**	**44,795,192**	**24,972,647**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Issued Capital & shares to be issued	Reserves	Accumulated Losses	Total
	$	$	$	$
Total equity at 30 June 2007	**19,907,100**	**1,997,257**	**(6,708,537)**	**15,195,820**
Loss for the period	-	-	(12,172,224)	(12,172,224)
Capital receipts pending allotment	(511,238)	-	-	(511,238)
Share issues net of costs	10,827,034	-	-	10,827,034
Share based payments	(200,000)	1,643,342	-	1,443,342
Placement - MPS clients	1,259,400	-	-	1,259,400
Options Entitlement Issue	-	2,199,044	-	2,199,044
Share options exercised	7,951,765	-	-	7,951,765
Total equity at 30 June 2008	**39,234,061**	**5,839,643**	**(18,880,761)**	**26,192,943**
Loss for the period	-	-	(12,769,465)	(12,769,465)
Share based payments	-	596,762	-	596,762
Entitlements Issue	25,701,353	-	-	25,701,353
Share placements	5,727,576	-	-	5,727,576
Share issue costs	(1,977,761)	-	-	(1,977,761)
Total equity at 30 June 2009	**68,685,229**	**6,436,405**	**(31,650,226)**	**43,471,408**

Parent Entity	Issued Capital & shares to be issued	Reserves	Accumulated Losses	Total
	$	$	$	$
Total equity at 30 June 2007	**19,907,100**	**1,997,257**	**(6,992,804)**	**14,911,553**
Loss for the period	-	-	(13,108,253)	(13,108,253)
Capital receipts pending allotment	(511,238)	-	-	(511,238)
Share issues net of costs	10,827,034	-	-	10,827,034
Share based payments	(200,000)	1,643,342	-	1,443,342
Placement - MPS clients	1,259,400	-	-	1,259,400
Options Entitlement Issue	-	2,199,044	-	2,199,044
Share options exercised	7,951,765	-	-	7,951,765
Total equity at 30 June 2008	**39,234,061**	**5,839,643**	**(20,101,057)**	**24,972,647**
Loss for the period	-	-	(10,225,385)	(10,225,385)
Share based payments	-	596,762	-	596,762
Entitlements Issue	25,701,353	-	-	25,701,353
Share placements	5,727,576	-	-	5,727,576
Share issue costs	(1,977,761)	-	-	(1,977,761)
Total equity at 30 June 2009	**68,685,229**	**6,436,405**	**(30,326,442)**	**44,795,192**

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		Parent Entity	
	Note	2009 $	2008 $	2009 $	2008 $
Cash flows from operating activities					
Interest		588,664	789,100	588,664	777,456
Payments to suppliers and employees		(10,227,538)	(10,029,408)	(4,128,569)	(1,041,019)
Net cash (outflow) from operating activities	21 (a)	(9,638,874)	(9,240,308)	(3,539,905)	(263,563)
Cash flows from investing activities					
Purchase of inventories		-	(407,834)	-	(407,834)
Purchase of plant and equipment		(295,499)	(110,152)	(295,499)	(110,152)
Proceeds from sale of plant and equipment		510	-	510	-
Long Term Investments & Bonds		1,000,000	(1,336,150)	1,000,000	(1,336,150)
Exploration expenditure		-	(75,000)	-	-
Purchase of shares in controlled entities		-	-	-	(2)
Loans to controlled entities (net of receipts)		-	-	(6,906,032)	(8,982,868)
Net cash inflow/(outflow) from investing activities		705,011	(1,929,136)	(6,201,021)	(10,837,006)
Cash flows from financing activities					
Proceeds from issue of shares and options		31,428,929	21,835,669	31,428,929	21,835,669
Share issue and listing costs		(1,977,761)	(484,665)	(1,977,761)	(484,665)
Net cash inflow from financing activities		29,451,168	21,351,004	29,451,168	21,351,004
Net increase in cash and cash equivalents held		**20,517,305**	**10,181,560**	**19,710,242**	**10,250,435**
Cash and cash equivalents at the beginning of the financial year		**15,413,345**	**5,231,785**	**15,404,544**	**5,154,109**
Cash and cash equivalents at the end of the financial year	**6**	**35,930,650**	**15,413,345**	**35,114,786**	**15,404,544**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report of Central Petroleum Limited and its controlled entities is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and has also been prepared on an accrual basis and is based on historical costs.

The financial report is presented in Australian dollars.

The financial report of Central Petroleum Limited and its controlled entities for the financial year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 30 September 2009.

Central Petroleum Limited is a company limited by shares, incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The Group has one business activity, being the exploration for gas and petroleum resources. This activity is carried out from the Group's principal business office in Perth, Western Australia, and currently in one geographical segment, being Australia, principally in the Northern Territory.

Statement of compliance

The consolidated financial report of Central Petroleum Limited and controlled entities, complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the year ended 30 June 2009. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on consolidated financial report	Application date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the consolidated entity's financial statements, and it is unlikely to impact the current disclosure of operating segments.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The consolidated entity has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the consolidated entity's financial report.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the consolidated entity's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The consolidated entity has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009

New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on consolidated financial report	Application date for Group
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The consolidated entity does not have share-based payment arrangements that are affected by these amendments.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The consolidated entity may enter into some business combinations during a future financial year and may therefore require adoption of the amendments.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the consolidated entity changes its ownership interest in an existing subsidiary in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the consolidated entity's income statement.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	These amendments are unlikely to have any impact on the consolidated entity.	1 July 2009

New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on consolidated financial report	Application date for Group
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the ‘cost method’ and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the consolidated entity enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a ‘carry-over basis’ rather than at fair value.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ▪ quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ▪ inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ▪ inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The consolidated entity has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on consolidated financial report	Application date for Group
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	This interpretation proposes that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 January 2009	The Interpretation is unlikely to have any impact on the consolidated entity since it does not currently undertake hedging activities.	1 July 2009
Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ▪ the scope of AASB 2; and ▪ the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2—Group and Treasury Share Transactions. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	The consolidated entity does not have share-based payment arrangements that are affected by these amendments.	1 July 2010

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) **Principles of consolidation**

The consolidated financial report combines the financial report of the Company, being the parent entity, and its controlled entities ("the Consolidated Entity"). Where an entity either began or ceased to be controlled during the financial year, the results are included only from the date control commenced or up to the date control ceased. The balances and effects of transactions between controlled entities included in the consolidated financial report have been eliminated.

Joint Ventures

Jointly controlled assets

The proportionate interests in the assets and expenses of joint venture activities have been incorporated in the financial statements under the appropriate headings. Expenditure incurred on behalf of joint venture partners that remains outstanding at the balance sheet date is recorded as a liability of the Group and a corresponding debtor is recognised within other receivables.

Jointly controlled entities

The proportionate interests in the assets, liabilities, income and expenses of joint venture entities are incorporated in the financial statements under the appropriate headings. Transactions and balances between the Group and jointly controlled entities are eliminated to the extent of the Group's proportionate interests.

(b) **Property, plant and equipment**

Each class of property, plant and equipment is carried at fair value less any applicable accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts. The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation of plant and equipment is calculated on a reducing balance basis so as to write off the net costs of each asset over the expected useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

The expected useful life for each class of depreciable assets is:

Class of Fixed Asset	***Expected useful life***
Leasehold Improvements	2 – 6 years
Plant and Equipment	2 – 10 years

(c) **Impairment of assets**

At each reporting date, the Consolidated Entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of an asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

(d) **Leases**

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Consolidated Entity will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the period in which they are incurred.

(e) **Exploration expenditure**

Exploration and evaluation costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(f) **Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group with effect from 30 June 2007. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated Group is Central Petroleum Limited. The members of the tax-consolidated group are identified at note 10.

(g) **Trade and other receivables**

Receivables are recognised and carried at the original amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence the Consolidated Entity will not collect the debts. Bad debts are written off when identified.

(h) **Trade and other payables**

Liabilities for trade and other amounts are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity.

(i) **Inventories**

Inventories comprise raw materials and finished goods and are valued at the lower of cost and net realisable value. Costs are allocated on a first in first out basis or weighted average cost basis.

(j) **Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(k) **Share-based payments**

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for options ("equity-settled transactions"). The Company has also issued options to suppliers. The cost of these equity settled transactions with employees and suppliers is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuation using the Black-Scholes model. In valuing equity-settled transactions as they relate to employees, no account has been taken of any performance conditions, other than conditions linked to the price of shares of Central Petroleum Limited if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

(l) **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding overdrafts.

(m) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(n) **Revenue recognition**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(o) **Critical accounting judgements and key sources of estimate uncertainty**

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions regarding carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Key judgements in applying the entity's accounting policies

(i) Rehabilitation

The Group recognises any obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken exploration and evaluation activity. The Group has made a provision for future restoration expenditure relating to work previously undertaken based on management's estimation of the work required.

(o) **Critical accounting judgements and key sources of estimate uncertainty (*cont.*)**

(ii) Share-based payments

The Group is required to use assumptions in respect of their fair value models, and the variable elements in these models, used in determining share based payments. The directors have used the Black-Scholes model to evaluate options, which requires estimates and judgements to quantify the inputs.

(iii) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the lease itself or, if not, whether it successfully recovers the related exploration and evaluation expenditure through sale. Factors that impact recoverability may include (but are not limited to) the level of resources and reserves, the cost of production, future legal changes and commodity price changes.

Acquisition expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that the capitalised acquisition expenditure is determined not to be recoverable in future, profits and net assets will be reduced in the period in which this determination is made.

(iv) Provision for intercompany receivables

The company provides loans to its subsidiaries in order for them to fund their exploration activities. In assessing the recoverability of these intercompany receivables, management has determined that the ability of the subsidiaries to repay these loans is dependent on the success of exploration activities. Given the inherently high risk nature of mineral exploration, there is not certainty that sufficient income will be generated by these projects to repay the amounts due to the parent company. As a result, all intercompany receivables have been provided for in full at balance date.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
2. REVENUE				
Interest	565,298	815,511	565,298	803,867
Other	169,357	134,896	250	(20,405)
Total revenue	**734,655**	**950,407**	**565,548**	**783,462**

3. LOSS BEFORE INCOME TAX

Loss before income tax has been determined after:-

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Personnel expenses				
Wages and salaries	1,465,923	1,165,896	1,465,923	1,165,896
Superannuation	135,572	102,016	135,572	102,016
Other associated on-costs	140,517	85,162	140,517	85,162
Share-based payments	596,762	1,443,342	596,762	1,443,342
Total personnel expenses	**2,338,774**	**2,796,416**	**2,338,774**	**2,796,416**
Other expenses				
Depreciation expense	98,591	76,615	98,591	76,615
Exploration expenditure written off	10,001,380	8,668,978	422,954	83,202

4. INCOME TAX

The Consolidated Entity is in a tax loss position and is not yet in a situation whereby it can satisfy AASB112 for the recognition of its tax losses. Accordingly, no current or deferred income tax benefits have yet been brought to account.

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Income tax expense				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	**-**	**-**	**-**
Numerical reconciliation of income tax expense and prima facie tax benefit				
Loss from ordinary activities before income tax expense	(12,769,465)	(12,172,224)	(10,225,385)	(13,108,253)
Prima facie tax benefit at 30%	3,830,840	3,651,667	3,067,616	3,932,476
Non-deductible items	(43,337)	(204,648)	(41,804)	(204,246)
Share based payments	(179,029)	(433,003)	(179,029)	(433,003)
Provisions	(140,175)	(12,045)	(2,211,985)	(1,931,551)
Capital raising costs	(293,911)	185,208	(293,830)	185,128
Capitalised exploration expenditure	(142,500)	142,500	-	
Benefit of tax loss not recognised	(3,031,888)	(3,329,679)	(340,968)	(1,548,804)
Income tax expense	**-**	**-**	**-**	**-**
Deferred tax assets				
Provisions	174,760	20,045	174,760	20,045
Capital raising costs	760,002	480,215	759,760	480,215
Undeducted losses	7,937,538	4,905,696	7,937,538	4,905,696
Deferred tax assets not recognised	8,872,300	5,405,956	8,872,058	5,405,956
Deferred tax liabilities				
Capitalised exploration expenditure	-	(142,500)	-	(142,500)
Net deferred tax assets not recognised	**8,872,300**	**5,263,456**	**8,872,058**	**5,263,456**

5. AUDITOR'S REMUNERATION

Audit	60,620	41,601	60,620	41,601
Tax compliance services *	13,228	2,800	13,228	2,800
	73,848	**44,401**	**73,848**	**44,401**

**Tax compliance services were provided by Stantons International Services, a related entity of the auditor.*

6. CASH AND CASH EQUIVALENTS

Cash at bank	34,849,520	15,413,345	34,033,656	15,404,544
Cash on short term deposit	1,081,130	-	1,081,130	-
	35,930,650	**15,413,345**	**35,114,786**	**15,404,544**

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
7. TRADE AND OTHER RECEIVABLES				
Current				
Other receivables	104,043	124,655	18,645	29,330
GST input tax credits	340,468	662,589	285,433	133,921
Prepayments	43,943	472,318	43,943	472,318
Joint venture receivables	644,934	413,459	-	-
Receivables due from joint ventures	-	-	214,379	-
	1,133,388	**1,673,021**	**562,400**	**635,569**
Non-current				
Loans to controlled entities	-	-	19,223,865	12,317,834
Provision for impairment	-	-	(19,223,865)	(12,317,834)
	-	**-**	**-**	**-**

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 24.

8. INVENTORIES

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Drilling materials	**565,168**	**468,322**	**565,168**	**468,322**

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Plant and equipment, at cost	548,187	257,981	548,187	257,981
Less: Accumulated depreciation	(165,261)	(91,950)	(165,261)	(91,950)
	382,926	**166,031**	**382,926**	**166,031**
Leasehold improvements, at cost	93,194	91,150	93,194	91,150
Less: Accumulated amortisation	(86,540)	(63,999)	(86,540)	(63,999)
	6,654	**27,151**	**6,654**	**27,151**
Total carrying value	**389,580**	**193,182**	**389,580**	**193,182**
Reconciliation				
Plant and equipment				
Carrying amount at beginning of the year	166,031	112,451	166,031	112,451
Additions	293,455	101,557	293,455	101,557
Disposals	(510)	-	(510)	-
Depreciation	(76,050)	(47,977)	(76,050)	(47,977)
Carrying amount at end of the year	**382,926**	**166,031**	**382,926**	**166,031**
Leasehold improvements				
Carrying amount at beginning of the year	27,151	47,193	27,151	47,193
Additions	2,044	8,596	2,044	8,596
Amortisation	(22,541)	(28,638)	(22,541)	(28,638)
Carrying amount at end of the year	**6,654**	**27,151**	**6,654**	**27,151**

10. INVESTMENT IN CONTROLLED ENTITIES

Details of investments in the ordinary share capital of controlled entities is as follows:

	Place of Incorporation	Equity Holding 2009 %	Equity Holding 2008 %	Cost of Parent Entity's Investment 2009 $	Cost of Parent Entity's Investment 2008 $
Parent Entity					
Central Petroleum Limited	Western Australia			-	-
Controlled Entities					
Merlin Energy Pty Ltd	Western Australia	100	100	26,400	26,400
Merlin West Pty Ltd	Western Australia	100	100	1	1
Helium Australia Pty Ltd	Victoria	100	100	4,098,250	4,098,250
Ordiv Petroleum Pty Ltd	Western Australia	100	100	710,400	710,400
Frontier Oil & Gas Pty Ltd	Western Australia	100	100	4,972,800	4,972,800
Central Green Pty Ltd	Western Australia	100	100	1	1
Central Geothermal Pty Ltd	Western Australia	100	100	1	1
Merlin Coal Pty Ltd	Western Australia	100	-	1	-
				9,807,854	**9,807,853**

Merlin Coal Pty Ltd was incorporated on 3 December 2008.

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
11. EXPLORATION ASSETS				
Excess of fair value of tenements in controlled entities over the carrying value	**10,168,783**	**10,263,783**	**-**	**-**
12. OTHER FINANCIAL ASSETS				
Security bonds on exploration permits & DBZ Bond	**376,150**	**1,376,150**	**336,150**	**1,336,150**
13. TRADE AND OTHER PAYABLES				
Trade payables	1,330,676	3,036,877	1,143,342	2,714,990
Payables to joint ventures	-	-	367,918	-
Joint venture partner contributions payable	3,292,149	-	-	-
Tax liabilities and superannuation	167,542	60,441	167,542	60,441
	4,790,367	**3,097,318**	**1,678,802**	**2,775,431**

Trade payables are usually non-interest bearing provided payment is made within the terms of credit. The Group's exposure to liquidity and currency risks related to trade and other payables is disclosed in Note 24.

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
14. PROVISIONS				
Employee entitlements	151,944	97,542	151,944	97,542
Site rehabilitation	150,000	-	150,000	-
	301,944	**97,542**	**301,944**	**97,542**

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
15. ISSUED CAPITAL				
564,244,921 [2008: 252,308,265] fully paid ordinary shares	**68,685,229**	**39,234,061**	**68,685,229**	**39,234,061**

The following movements in issued capital occurred during the year:

	Number of shares			
	2009	2008	2009 $	2008 $
Balance at beginning of year	252,308,265	130,885,252	39,234,061	19,395,862
July 2008 placement of shortfall	200,000	-	30,000	-
September 2008 placement of shortfall	4,505,261	-	675,789	-
June 2009 rights issue	257,013,526	-	25,701,353	-
June 2009 placement	50,217,869	-	5,021,787	-
July 2007 exercise of share options	-	38,741,251	-	7,748,250
July 2007 share Issue to MPS clients @ $0.20	-	6,297,000	-	1,259,400
October 2007 share issue @ $0.25 per share to vendors of EP105-107	-	1,500,000	-	375,000
March 2008 loan shares to MPSSSF	-	2,941,176	-	273,069
April to June 2008 DBZ conversion of bonds	-	39,838,664	-	6,000,000
May 2008 conversion of 30-Jun-10 options	-	14,057	-	3,514
June 2008 conversion of 20-Feb-11 unlisted options @ $0.20	-	1,000,000	-	200,000
June 2008 rights issue	-	31,090,865	-	4,663,630
Capital raising costs	-	-	(1,977,761)	(684,664)
Balance at end of year	**564,244,921**	**252,308,265**	**68,685,229**	**39,234,061**

Options

Options granted during the year

The following options over unissued ordinary shares were granted by the Company during the year:

Date of Issue	Class	Expiry Date	Exercise Price	Number of Options
19 Jun 2009	Listed options (CTPO)	31 Mar 2014	$0.16	78,841,502
22 Jun 2009	Listed options (CTPO)	31 Mar 2014	$0.16	74,774,220
11 Jul 2008	Unlisted Employee Options	31 Jul 2011	$0.33	200,000
31 Aug 2008	Unlisted Employee Options	31 Aug 2011	$0.30	1,500,000
11 Dec 2008	Unlisted Employee Options	17 Nov 2011	$0.25	2,000,000
8 Jun 2009	Unlisted Employee Options	19 Jan 2012	$0.25	1,000,000
8 Jun 2009	Unlisted Employee Options	16 Feb 2012	$0.25	250,000
8 Jun 2009	Unlisted Employee Options	23 Feb 2012	$0.25	200,000
8 Jun 2009	Unlisted Employee Options	31 Mar 2014	$0.20	9,700,000
8 Jun 2009	Unlisted Director Options	31 Mar 2014	$0.22	1,500,000
8 Jun 2009	Unlisted Director Options	31 Mar 2014	$0.25	1,500,000
8 Jun 2009	Unlisted Director Options	31 Mar 2014	$0.28	1,500,000
8 Jun 2009	Unlisted Director Options	31 Mar 2014	$0.32	1,500,000
8 Jun 2009	Unlisted Director Options	31 Mar 2014	$0.37	1,500,000

15. ISSUED CAPITAL (cont'd)

Options exercised during the year

There were no options over unissued ordinary shares exercised during the year.

Options lapsed during the year

The following options over unissued ordinary shares lapsed during the year:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Employee Options	30 Nov 2010	$0.30	1,200,000
Unlisted Employee Options	31 Aug 2011	$0.30	1,000,000
Unlisted Employee Options	31 Mar 2011	$0.30	2,200,000

Unissued shares under option

At balance date, unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise Price	Number of Options
Listed options (CTPO)	31 Mar 2014	$0.16	153,615,722
Listed options (CTPOA)	30 Jun 2010	$0.25	95,947,703
Unlisted Employee Options	31 Jan 2010	$0.25	300,000
Unlisted Employee Options	31 May 2010	$0.20	21,250,000
Unlisted Employee Options	30 Nov 2010	$0.30	1,800,000
Unlisted Employee Options	20 Feb 2011	$0.20	7,000,000
Unlisted Employee Options	31 Mar 2011	$0.30	1,450,000
Unlisted Employee Options	31 Jul 2011	$0.33	200,000
Unlisted Employee Options	31 Aug 2011	$0.30	500,000
Unlisted Employee Options	17 Nov 2011	$0.25	2,000,000
Unlisted Employee Options	19 Jan 2012	$0.25	1,000,000
Unlisted Employee Options	16 Feb 2012	$0.25	250,000
Unlisted Employee Options	23 Feb 2012	$0.25	200,000
Unlisted Employee Options	31 Mar 2014	$0.20	9,700,000
Unlisted Director Options	3 Jan 2012	various	11,000,000
Unlisted Director Options	31 Mar 2014	various	7,500,000

None of the options entitle holders to participate in any share issue of the Company or any other entity.

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
16. RESERVES				
Share options reserve	**6,436,405**	**5,839,643**	**6,436,405**	**5,839,643**
The following movements in the share options reserve occurred during the year:				
Balance at beginning of year	5,839,643	1,997,257	5,839,643	1,997,257
Share based payments	596,762	3,842,386	596,762	3,842,386
Balance at the end of the year	**6,436,405**	**5,839,643**	**6,436,405**	**5,839,643**

This reserve is used to record the value of share based payments provided to employees and directors as part of their remuneration. Refer to Note 23 for further details of share based payments.

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

17. ACCUMULATED LOSSES

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Accumulated losses at the beginning of the financial year	(18,880,761)	(6,708,537)	(20,101,057)	(6,992,804)
Net loss for the financial year	(12,769,465)	(12,172,224)	(10,225,385)	(13,108,253)
Accumulated losses at the end of the financial year	**(31,650,226)**	**(18,880,761)**	**(30,326,442)**	**(20,101,057)**

18. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 30 June 2009 was based on the following:

	Consolidated 2009 $	Consolidated 2008 $
Loss attributable to ordinary shareholders		
Net loss for the year	(12,769,465)	(12,172,224)
	Number 2009	**Number 2008**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used as the denominator in the calculation of basic loss per share	265,061,154	182,344,081

Diluted earnings per share must be calculated where potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share in the current period, they are not considered dilutive, and not shown. The number of potential ordinary shares is set out in Note 15.

19. SEGMENT REPORTING

The operations of the Consolidated Entity involve a single industry segment being that of petroleum exploration in Australia.

20. RELATED PARTY DISCLOSURES

Details of key management personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Dr Henry Askin	Non-Executive Chairman
Mr John Heugh	Managing Director
Mr Richard Faull	Non-Executive Director
Mr William Dunmore	Non-Executive Director

Executives

Mr Tim Green	Drilling, Operations and Production Manager	Appointed 11 May 2009
Mr Stewart Bayford	Exploration Manager	Appointed 1 June 2009
Mr Julian Tambyrajah	Chief Financial Officer and Company Secretary	Appointed 17 November 2008; resigned 10 July 2009.
Mr Randy Frazier	Drilling, Operations and Production Manager	Resigned 19 January 2009
Mr Bernard Crawford	Chief Financial Officer and Company Secretary	Appointed 18 August 2008; departed 6 November 2008.
Mr Mark Di Silvio	Chief Financial Officer and Company Secretary	Resigned 15 August 2008

20. RELATED PARTY DISCLOSURES (continued)

Key management personnel remuneration

Information regarding remuneration of individual directors and executives and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report on pages 12 to 17.

Aggregate compensation of the key management personnel was as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Short term benefits	1,013,832	720,532	1,013,832	720,532
Non monetary benefits	18,498	21,806	18,498	21,806
Post employment benefits	78,172	61,272	78,172	61,272
Termination benefits	-	200,000	-	200,000
Share-based payments	445,992	1,346,746	445,992	1,346,746
	1,556,494	**2,350,356**	**1,556,494**	**2,350,356**

Equity holdings

Shares

The movement during the reporting period in the number of ordinary shares in Central Petroleum Limited held, directly, indirectly or beneficially by each key management person, is as follows:

	Held at beginning of year	Held at date of appointment	Renouncable rights issue purchase	On exercise of options	Net change other	Held at date of departure	Held at end of year
Directors							
Henry Askin							
2009	1,200,000	N/A	1,200,000	-	-	N/A	2,400,000
2008	1,000,000	N/A		-	200,000	N/A	1,200,000
John Heugh							
2009	5,753,803	N/A	-	-	(70,000)	N/A	5,683,803
2008	5,100,001	N/A		165,000	488,802	N/A	5,753,803
Richard Faull							
2009	1,680,001	N/A	631,099	-	-	N/A	2,311,100
2008	1,400,001	N/A	-	-	280,000	N/A	1,680,001
William Dunmore							
2009	666,666	N/A	300,000	-	(190,000)	N/A	776,666
2008	600,000	N/A	-	-	66,666	N/A	666,666
Executives							
Tim Green							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Bayford							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julian Tambyrajah							
2009	N/A	-	-	-	-	N/A	-
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Crawford							
2009	N/A	-	-	-	-	-	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Di Silvio							
2009	-	-	-	-	-	-	N/A
2008	-	N/A	-	-	-	N/A	-
Randy Frazier							
2009	-	-	-	-	-	-	N/A
2008	-	N/A	-	-	-	N/A	-

20. RELATED PARTY DISCLOSURES (continued)

Equity holdings (continued)

Options over ordinary shares

The movement during the reporting period in the number of options over ordinary shares in Central Petroleum Limited held, directly, indirectly or beneficially by each key management person, is as follows:

	Held at beginning of year	Held at date of appointment	Options exercised	Granted as remuneration	Net change other	Held at date of departure	Held at end of year *
Directors							
Henry Askin							
2009	2,800,000	N/A	-	2,500,000	600,000	N/A	5,900,000
2008	400,000	N/A	-	2,000,000	400,000	N/A	2,800,000
John Heugh							
2009	9,550,000	N/A	-	2,500,000	-	N/A	12,050,000
2008	2,665,000	N/A	(165,000)	5,000,000	2,050,000	N/A	9,550,000
Richard Faull							
2009	3,500,000	N/A	-	1,250,000	315,550	N/A	5,065,550
2008	1,000,000	N/A	-	2,000,000	500,000	N/A	3,500,000
William Dunmore							
2009	2,600,000	N/A	-	1,250,000	150,000	N/A	4,000,000
2008	300,000	N/A	-	2,000,000	300,000	N/A	2,600,000

** All of the options had vested and were exercisable at the end of the year.*

	Held at beginning of year	Held at date of appointment	Options exercised	Granted as remuneration	Net change other	Held at date of departure	Held at end of year @
Executives							
Tim Green							
2009	N/A	-	-	2,400,000	-	N/A	2,400,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Bayford							
2009	N/A	-	-	2,400,000	-	N/A	2,400,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julian Tambyrajah							
2009	N/A	-	-	4,000,000	-	N/A	4,000,000
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Crawford							
2009	N/A	-	-	1,500,000	(1,000,000)	500,000	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Di Silvio							
2009	2,000,000	N/A	-	-	(1,200,000)	800,000	N/A
2008	-	N/A	-	2,000,000	-	N/A	2,000,000
Randy Frazier							
2009	3,000,000	N/A	-	-	(2,000,000)	1,000,000	N/A
2008	-	N/A	-	3,000,000	-	N/A	3,000,000

@ The vesting profile for options held at the end of the period was as follows:

	Holding at end of year	Vested during the year
Tim Green	2,400,000	800,000
Stewart Bayford	2,400,000	800,000
Julian Tambyrajah	4,000,000	1,333,332
Bernard Crawford	N/A	500,000
Mark Di Silvio	N/A	-
Randy Frazier	N/A	-

20. RELATED PARTY DISCLOSURES (continued)

Transactions with key management personnel

During the year ended 30 June 2009 the Company paid $26,173 (2008: nil) to Dunmore Consulting, a business in which Mr Dunmore is the principal, for the provision of corporate advisory services.

This transaction is on normal commercial terms and conditions no more favourable than those available to other parties.

Non-key management personnel disclosures

Wholly-owned Group

Details of the Company's interests in wholly-owned controlled entities are set out at Note 10. Details of dealings with these entities are set out below.

Loans

The loans to the controlled entities are unsecured, interest-free and of no fixed term, and have been provided to fund exploration activities and sundry administration expenses.

The ultimate recoupment of the loans is dependent upon successful development and commercial exploitation, or alternatively, sale of respective tenement interests.

Balances with Controlled Entities

The aggregate amounts receivable from the wholly-owned controlled entities by the Company at balance date and movements during the year are shown below:

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Balance at beginning of year	-	-	12,317,834	2,959,964
Loans advanced	-	-	17,053,796	15,259,331
Loan repayments received	-	-	(10,147,765)	(5,901,461)
Balance at end of year	**-**	**-**	**19,223,865**	**12,317,834**

The balances at the end of the year have been fully provided for as doubtful debts by the Parent Entity. Refer Note 7.

21. CASH FLOW INFORMATION

(a) Reconciliation of cash flows from operating activities with the loss after income tax

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Loss after income tax	(12,769,465)	(12,172,224)	(10,225,385)	(13,108,253)
Adjustments for:				
Depreciation and amortisation	98,591	76,615	98,591	76,615
Provision for doubtful debts	-	-	6,906,030	9,357,870
Share-based payments	596,762	1,443,342	596,762	1,443,342
Foreign exchange (gain)/loss	-	20,405	-	20,405
Changes in assets and liabilities relating to operating activities:				
(Increase)/Decrease in receivables/prepayments	539,633	(1,301,824)	73,169	(569,927)
(Increase)/Decrease in inventories	(96,846)	-	(96,846)	-
Decrease in exploration assets	95,000	-	-	-
Increase/(Decrease) in creditors	1,693,049	2,668,350	(1,096,628)	2,491,357
Increase/(Decrease) in provisions	204,402	25,028	204,402	25,028
Net cash (outflow) from operating activities	**(9,638,874)**	**(9,240,308)**	**(3,539,905)**	**(263,563)**

(b) Details of non-cash financing activities

Issue of shares to Traditional Oil Pty Ltd on acquisition of permits	**-**	**375,000**	**-**	**375,000**

22. CONTINGENCIES AND COMMITMENTS

(a) Exploration contingencies and commitments

The Consolidated Entity has exploration expenditure commitments on the following permits:

EPs 82, 93, 97, 105, 106, 107, 112, 115, 118, and 125.

	2009 $	2008 $
Not longer than 1 year	29,677,000	9,723,000
Longer than 1 year and not longer than 5 years	21,650,000	21,350,367
Longer than 5 years	-	-
	51,327,000	31,073,367

The Consolidated Entity has contingent exploration expenditure commitments on the following permit applications, none of which had been granted at balance date:

EPAs 92, 111, 120, 124, 129, 130, 131, 132, 133, 137, 147, 149, 152, 160, PELA 77, ATPs 909, 911, 912 and PEPAs 17/08-9, 18/08-9 and 16/08-9.

	2009 $	2008 $
Not longer than 1 year	2,245,000	2,095,000
Longer than 1 year and not longer than 5 years	149,980,000	104,530,000
Longer than 5 years	-	-
	152,225,000	106,625,000

In the petroleum industry it is common practice for entities to farm-out, transfer or sell a portion of their rights to third parties or relinquish them altogether and, as a result, obligations may be reduced or extinguished.

Contingent Joint Venture Payments

In all Permits but for EP97 and the areas of Permits EP 82 and EP 125 enclosed by the He Nuclear Limited Farm-in Blocks of Magee and Mt Kitty, the Company via its wholly owned subsidiaries is the Farmor and remains the Operator with a Participating Interest of between 60-70%. Under the terms of the relevant Farm-out Agreements, each Farm-in Participant must fund at a 2:1 “promote” its pro-rata share at its Participating Interest level of the first $3 million of Seismic Works. Further to the respective Farm-out Agreements, the respective Joint Ventures on a permit by permit basis, if successful in developing commercial production are obliged to refund the promoted portion only paid by each Participant for their pro-rata share of Seismic Works from net production. Such contingent payments from net production in the current joint ventures range between 30 and 40% of the promoted portion only of Seismic Works i.e. half of between $450,000 to $600,000 per Permit involved.

In the He Nuclear Limited Joint Venture over the Magee (within the EP82 Permit) and Mt Kitty (within EP 125 Permit) Prospect Blocks, a similar arrangement exists with the current Participating Interest of He Nuclear Limited at 25% but the Seismic Works are not capped and are determined by the Operational Committee established over each Prospect Block.

In all Permits and Prospect Blocks in current joint ventures, the payments contingent on the possible establishment of commercial production referred to above may be alternatively paid out by the Farmor at its sole discretion in cash within 12 months of the possible establishment of commercial production.

In relation to the Trident Energy Limited (Trident) Farm-in arrangement for permit EP 115 and application EPA 111 held by Frontier Oil & Gas Pty Ltd (a wholly owned subsidiary of Central Petroleum Limited) and conditionally by Petroleum Exploration Australia Limited (PXA) on a 80/20 basis, the total cumulative requirement for seismic funding by Trident over both permits is $1.2 million at the promoted 20% level. Half of this expenditure relevant to any particular permit is refundable to Trident from any successful production which may eventuate.

As partial consideration under the terms of the purchase agreement for EPs 105, 106 and 107, the Company is required to pay the vendor the sum of $1,000,000 within twelve months following the commencement of any future commercial production from the permits.

22. CONTINGENCIES AND COMMITMENTS (continued)

(b) Operating lease commitments

The Consolidated Entity has non-cancellable operating leases for office premises in Perth expiring on 28 February 2012 and Alice Springs expiring 30 June 2010.

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Non-cancellable operating lease payments				
Not longer than 1 year	259,421	56,070	259,421	56,070
Longer than 1 year and not longer than 5 years	358,538	-	358,538	-
Longer than 5 years	-	-	-	-
	617,959	**56,070**	**617,959**	**56,070**

There are no other material contingent liabilities or contingent assets of the Consolidated Entity and Parent Entity at the balance date other than those shown above.

23. SHARE-BASED PAYMENTS

The values of share-based payment transactions were calculated by using the Black-Scholes or binomial option pricing models.

Movements of share-based payments during the year for which options were issued:

	2009		2008	
	Options No.	Weighted average exercise price $	Options No.	Weighted average exercise price $
Balance at the beginning of the year	46,200,000	0.26	29,550,000	0.20
Granted during the year	22,350,000	0.245	18,100,000	0.35
Forfeited/lapsed during the year	(4,400,000)	0.30	(450,000)	0.30
Exercised during the year	-	-	(1,000,000)	0.20
Balance at the end of year	64,150,000	0.25	46,200,000	0.26

The following share-based payments were made during the **2009** financial year:

Grant date	Expiry date	Number of options	Average fair value per option	Exercise price	Price of shares on grant date	Estimated volatility	Risk free interest rate	Dividend yield
8 Jun 09	31 Mar 14	1,500,000	$0.0373	$0.37	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	1,500,000	$0.0412	$0.32	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	1,500,000	$0.0450	$0.28	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	1,500,000	$0.0482	$0.25	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	1,500,000	$0.0519	$0.22	$0.12	63.8%	4.78%	0%
8 Jun 09	31 Mar 14	9,700,000	$0.0547	$0.20	$0.12	63.8%	4.78%	0%
8 Jun 09	19 Jan 12	1,000,000	$0.0272	$0.25	$0.12	63.8%	4.78%	0%
8 Jun 09	16 Feb 12	250,000	$0.0283	$0.25	$0.12	63.8%	4.78%	0%
8 Jun 09	23 Feb 12	200,000	$0.0283	$0.25	$0.12	63.8%	4.78%	0%
11 Jul 08	31 Jul 11	200,000	$0.1156	$0.33	$0.24	90.0%	6.58%	0%
31 Aug 08	31 Aug 11	1,500,000	$0.0447	$0.30	$0.12	90.5%	6.17%	0%
11 Dec 08	17 Nov 11	2,000,000	$0.0288	$0.25	$0.08	98.0%	3.86%	0%

23. SHARE-BASED PAYMENTS (continued)

The following share-based payments were made during the **2008** financial year:

Grant date	Expiry date	Number of options	Average fair value per option	Exercise price	Price of shares on grant date	Estimated volatility	Risk free interest rate	Dividend yield
29 Oct 07	30 Nov 10	3,450,000	$0.0833	$0.30	$0.20	90%	6.65%	0%
3 Jan 08	3 Jan 12	11,000,000	$0.1044	$0.28 - $0.50	$0.19	90%	6.75%	0%
17 Mar 08	31 Mar 11	3,650,000	$0.0537	$0.30	$0.14	87%	6.23%	0%

During the year, the following options were forfeited due to employee departures:

Option series (by expiry date)	Exercise price	2009 Number of options	2008 Number of options
30 Nov 2010	$0.30	1,200,000	450,000
31 Mar 2011	$0.30	2,200,000	-
31 Aug 2011	$0.30	1,000,000	-

24. FINANCIAL INSTRUMENTS

The Consolidated Entity's principal financial instruments are cash and short-term deposits. The Consolidated Entity also has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Consolidated Entity's risk management objective with regard to financial instruments and other financial assets include gaining interest income and the policy is to do so with a minimum of risk.

(a) *Credit Risk*

The credit risk on financial assets of the Consolidated Entity which have been recognised in the balance sheet is generally the carrying amount, net of any provision for doubtful debts. The Consolidated Entity trades only with recognised banks and it is considered that the credit risk is minimal. There are no significant concentrations of credit risk within the Consolidated Entity.

The aging of the Consolidated Entity's and Parent Entity's receivables at reporting date was:

Trade receivables	**Gross**		**Impairment**	
Consolidated	**2009 $**	**2008 $**	**2009 $**	**2008 $**
Past due: 0 – 30 days	4,411	1,200,703	-	-
Past due: 31 – 150 days	1,071,761	-	-	-
Past due: 151 – 365 days	13,273	-	-	-
Past due: More than 1 year	-	-	-	-
	1,089,445	**1,200,703**	**-**	**-**

Trade receivables	**Gross**		**Impairment**	
Parent Entity	**2009 $**	**2008 $**	**2009 $**	**2008 $**
Past due: 0 – 30 days	-	163,251	-	-
Past due: 31 – 150 days	518,457	-	-	-
Past due: 151 – 365 days	-	-	-	-
Past due: More than 1 year	-	-	-	-
	518,457	**163,251**	**-**	**-**

Based on historic default rates, the Group and Parent believe that no impairment allowance is necessary in respect of receivables past due by up to 150 days. The trade receivables relate predominantly to cash calls made against joint venture partners. The Parent is the Operator of a number of exploration joint ventures, and there is the risk that joint venture partners may not contribute to all or any of the cash calls raised by the Operator. The amounts receivable may be mitigated to some extent by unspent contributions.

24. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity Risk

The following are the contractual maturities of financial assets and liabilities:

2009	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	35,930,650	-	-	-	35,930,650
Trade and other receivables	1,089,445	-	-	-	1,089,445
Other financial assets	-	-	376,150	-	376,150
	37,020,095	**-**	**376,150**	**-**	**37,396,245**
Financial Liabilities					
Trade and other payables	(4,790,367)	-	-	-	(4,790,367)
	(4,790,367)	**-**	**-**	**-**	**(4,790,367)**
Company					
Financial Assets					
Cash and cash equivalents	35,114,786	-	-	-	35,114,786
Trade and other receivables	518,457	-	-	-	518,457
Other financial assets	-	-	336,150	-	336,150
	35,633,243	**-**	**336,150**	**-**	**35,969,393**
Financial Liabilities					
Trade and other payables	(1,678,802)	-	-	-	(1,678,802)
	(1,678,802)	**-**	**-**	**-**	**(1,678,802)**

2008	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	15,413,345	-	-	-	15,413,345
Trade and other receivables	1,200,703	-	-	-	1,200,703
Other financial assets	-	-	1,376,150	-	1,376,150
	16,614,048	**-**	**1,376,150**	**-**	**17,990,198**
Financial Liabilities					
Trade and other payables	(3,097,318)	-	-	-	(3,097,318)
	(3,097,318)	**-**	**-**	**-**	**(3,097,318)**
Company					
Financial Assets					
Cash and cash equivalents	15,404,544	-	-	-	15,404,544
Trade and other receivables	163,251	-	-	-	163,251
Other financial assets	-	-	1,336,150	-	1,336,150
	15,567,795	**-**	**1,336,150**	**-**	**16,903,945**
Financial Liabilities					
Trade and other payables	(2,775,431)	-	-	-	(2,775,431)
	(2,775,431)	**-**	**-**	**-**	**(2,775,431)**

24. FINANCIAL INSTRUMENTS (continued)

(c) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Consolidated	Weighted Average Effective Interest Rate		Floating interest rate		Fixed interest		Non-interest bearing		Total	
	2009 %	2008 %	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial Assets:										
Cash and cash equivalents	3.1	6.72	35,930,650	15,413,345	-	-	-	-	35,930,650	15,413,345
Trade and other receivables	0.0	0.0	-	-	-	-	1,089,445	1,200,703	1,089,445	1,200,703
Other financial assets	5.4	7.7	-	-	336,150	1,336,150	40,000	40,000	376,150	1,376,150
			35,930,650	**15,413,345**	**336,150**	**1,336,150**	**1,129,445**	**1,240,703**	**37,396,245**	**17,990,198**
Financial Liabilities:										
Trade and other payables	0.00	0.00	-	-	-	-	4,790,367	3,097,318	4,790,367	3,097,318
			-	**-**	**-**	**-**	**4,790,367**	**3,097,318**	**4,790,367**	**3,097,318**
Net Financial Assets/(Liabilities)			**35,930,650**	**15,413,345**	**336,150**	**1,336,150**	**(3,660,922)**	**(1,856,615)**	**32,605,878**	**14,892,880**

Parent Entity	Weighted Average Effective Interest Rate		Floating interest rate		Fixed interest		Non-interest bearing		Total	
	2009 %	2008 %	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial Assets:										
Cash and cash equivalents	3.1	6.72	35,114,786	15,404,544	-	-	-	-	35,114,786	15,404,544
Trade and other receivables	0.0	0.0	-	-	-	-	518,457	163,251	518,457	163,251
Other financial Assets	5.4	7.7	-	-	336,150	1,336,150	-	-	336,150	1,336,150
			35,114,786	**15,404,544**	**336,150**	**1,336,150**	**518,457**	**163,251**	**35,969,393**	**16,903,945**
Financial Liabilities:										
Trade and other payables	0.00	0.00	-	-	-	-	1,678,802	2,775,431	**1,678,802**	2,775,431
			-	**-**	**-**	**-**	**1,678,802**	**2,775,431**	**1,678,802**	**2,775,431**
Net Financial Assets/(Liabilities)			**35,114,786**	**15,404,544**	**336,150**	**1,336,150**	**(1,160,345)**	**(2,612,180)**	**34,290,591**	**14,128,514**

Interest Rate Sensitivity

A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 10% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below based on the average amount of interest bearing financial instruments held. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit or Loss		Equity	
	10% Increase	**10% Decrease**	**10% Increase**	**10% Decrease**
2009				
Group				
Cash and cash equivalents	56,530	(56,530)	-	-
Company				
Cash and cash equivalents	56,530	(56,530)	-	-
2008				
Group				
Cash and cash equivalents	81,551	(81,551)	-	-
Company				
Cash and cash equivalents	80,387	(80,387)	-	-

24. FINANCIAL INSTRUMENTS (continued)

(d) Currency Risk

The Group's exposure to currency risk is limited due to its ongoing operations being in Australia and all associated contracts completed in Australian dollars.

(e) Fair Values

The carrying amounts of cash, cash equivalents, financial assets and financial liabilities, approximate their fair values.

25. INTERESTS IN JOINT VENTURES

Details of joint ventures in which the Group has an interest are as follows:

	Principal activities	**Consolidated**		**Parent**	
		2009	**2008**	**2009**	**2008**
		%	**%**	**%**	**%**
PXA Broadacre JV					
(Excluding TRI PXA 11,115)	Oil and gas exploration	80	80	-	-
PXA Rawson JV	Oil and gas exploration	65	65	-	-
PXA TRI 111,115	Oil and gas exploration	70	70	-	-
HEN Magee 82, Mt Kitty 125	Oil and gas exploration	75	75	-	-

PXA = Petroleum Exploration Australia
TRI = Trident Energy Limited
HEN = He Nuclear Limited

The Company's interests in the assets and liabilities of the joint ventures are included in the Company's balance sheets in accordance with the accounting policy described in Note 1(a) under the following classifications:

	Consolidated		**Parent**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Current assets				
Cash and cash equivalents	239,136	-	-	-
Trade and other receivables	442,561	-	-	-
Current liabilities				
Trade and other payables	(60,067)	-	-	-

26. CONVERTIBLE NOTES

During the year ended 30 June 2008, Central Petroleum Limited entered into an $80,000,000 Bond Subscription Agreement with D.B. Zwirn Mauritius Trading No. 3 Limited ("DBZ"). DBZ novated the Bond Subscription Agreement to Asia Convertible Bond Opportunities, LLC on 9 September 2008.

No transactions were completed in relation to the Bond Subscription Agreement during the year ended 30 June 2009. However, the terms of the Bond Subscription Agreement were changed in relation to the price at which the Convertible Bonds may be converted into shares. The conversion price is now the lower of:

(a) 125% of the average of the closing prices per Share on the ASX for the 25 Trading Days immediately prior to the date the Convertible Bond is issued; or

(b) 90% of the average of the closing prices per Share on the ASX in any 5 consecutive Trading Days during the 25 Trading Days immediately preceding the conversion date.

There is a minimum conversion price of $0.08.

The conversion price may be altered upon the occurrence of a range of events, in accordance with the formulae set out in the Bond Agreement.

Other principle terms and conditions of the agreement remain unchanged. These include:

- Maturity Date: 5 years from date of issue
- Interest: zero, except in the event of default or early redemption, whereby the interest rate is 6%.
- Bond Issue and Conversion: Bonds are issued in tranches of $1,000,000 each. Each tranche must be fully converted into ordinary shares of the Company before subscription and issue of the next tranche can be completed.

26. CONVERTIBLE NOTES (continued)

- Redemption: The bonds mature and must be redeemed by the Company five years after the date of issue. The bond holder has the option to require redemption at any time after one year of issue. The Company may exercise the right of early redemption after one year, but must pay interest at a rate of 6% if it does so.

Subsequent to balance date, the Company issued the seventh tranche of 100 convertible bonds at an issue price of $10,000 each to Asia Convertible Bond Opportunities, LLC for a total subscription amount of $1,000,000. The bonds were subsequently converted to shares in August 2009 at a price of $0.08 per share, resulting in the issue of 12,500,000 shares. A total of $7,000,000 has been raised following the conclusion of this latest issue, leaving a balance of $73 million available under the facility.

27. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 30 June 2009 the following events have occurred:

- On 29 July 2009 the Company, pursuant to the Bond Subscription Agreement approved by shareholders in general meeting on 21 December 2007 and again on 8 June 2009, issued the seventh tranche of 100 convertible bonds at an issue price of $10,000 each to Asia Convertible Bond Opportunities, LLC for a total subscription amount of $1,000,000. The bonds were subsequently converted to shares in August 2009 at a price of $0.08 per share, resulting in the issue of 12,500,000 shares.
- A total of 61,420 options were exercised for $0.16 raising $9,827 in cash.
- Mr Julian Tambyrajah resigned as Company Secretary and Chief Financial Officer effective 10 July 2009. Mr Kim Hogg was appointed as replacement on 13 July 2009 on an interim basis, pending the recruitment and appointment of a full-time replacement; and
- The Company appointed Mr Bruce Elsholz as Company Secretary and Chief Financial Officer effective 31 August 2009.
- In September 2009, Energy Infrastructure Limited (EIR) and the Company reached agreement on the terms of the farm-out by the Company of a 25% participating interest in the yet to be granted EPA 130. The agreed terms include the Company remaining as Operator, ongoing premium reserve payments to the Company of $10,000,000 per potential discovery tranche of 3P reserves of one trillion cubic feet of gas or oil equivalent and a 60% to 25% “promote” on the costs of initial exploration including the first 3 wells and the first $3 million of seismic. The agreement is subject to Board approval of final documentation and subject to the grant of the permit application. EIR is an unlisted public company headed up by Mr Rohan Gillespie, a former BHPB executive and under the terms agreed, EIR may nominate another company in place of itself in the proposed formal agreement.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Central Petroleum Limited ("the Company"):

a) the financial statements and notes set out on pages 26 to 53 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

   (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) the audited remuneration disclosures set out on pages 12 to 17 of the Directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures*, the Corporations Act 2001 and the Corporations Regulations 2001.

The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the directors:

JP Heugh
Director

Perth, 30 September 2009

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL PETROLEUM LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Central Petroleum Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Central Petroleum Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 17 of the directors' report for the year ended 30 June 2009. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Central Petroleum Limited for the year ended 30 June 2009 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL
(An Authorised Audit Company)
Stantons International

K G Lingard
Director

West Perth, Western Australia
30 September 2009

Details of shares and options as at 28 September 2009:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 28 September 2009 were:

Ordinary fully paid shares

	Name	No. of Shares	%
1.	Avatar Equities Pty Ltd <Avatar Share Trading A/C>	20,896,599	3.62
2.	National Nominees Limited	10,612,915	1.84
3.	Gascorp Australia Pty Ltd	10,000,000	1.73
4.	Strata Resources Ltd	10,000,000	1.73
5.	Ultragas Pty Ltd	10,000,000	1.73
6.	Advent Energy Ltd	6,250,000	1.08
7.	RBJ Nominees Pty Ltd <Superannuation Fund A/C>	6,000,000	1.04
8.	Mr John Phillip Heugh	5,683,803	0.99
9.	UBS Wealth Management Australia Nominees Pty Ltd	5,513,000	0.96
10.	ANZ Nominees Limited	5,353,975	0.93
11.	Citicorp Nominees Pty Limited	3,861,837	0.67
12.	Franze Holdings Pty Ltd	3,640,000	0.63
13.	Arora Constructions Pty Ltd	3,496,500	0.61
14.	Comsec Nominees Pty Limited	3,318,604	0.58
15.	Elphinstone Holdings Pty Limited	3,000,000	0.52
16.	Memphis Holdings Pty Ltd <Super Fund A/C>	3,000,000	0.52
17.	The Private Auto Mart Pty Ltd <The Walewski Investment Trust>	3,000,000	0.52
18.	Mr Stanislaus Keven Sheehan <Sheehan Family S/F A/C>	3,000,000	0.52
19.	Westtin Pty Ltd	3,000,000	0.52
20.	Agens Pty Limited <Mark Collins Family A/C>	2,846,800	0.49
		122,474,033	**21.23**

Options exercisable at $0.25 each on or before 30 June 2010

	Name	No. of Options	%
1.	Uris Holdings Inc	5,000,000	5.21
2.	Martin Place Securities Staff Superannuation Fund Pty Ltd	4,158,632	4.33
3.	ANZ Nominees Limited	3,867,500	4.03
4.	MEC Resources Ltd	3,447,661	3.59
5.	Alcardo Investments Limited <Styled 102501 A/C>	2,300,000	2.40
6.	Mr John Phillip Heugh	2,050,000	2.14
7.	Mr Tadeusz Kowalski	1,800,000	1.88
8.	Mr Robert John Buckeridge	1,700,000	1.77
9.	Mr Terrance McCarthy	1,650,000	1.72
10.	EPS Management Pty Ltd <The Philis Super Fund A/C>	1,402,000	1.46
11.	Prof. Alan Jonathan Berrick	1,187,260	1.24
12.	RBJ Nominees Pty Ltd <Superannuation Fund A/C>	1,100,000	1.15
13.	Agens Pty Ltd < Mark Collins Super Fund A/C>	1,054,812	1.10
14.	Optex Exchange Pty Limited <David Sutton Super Fund A/C>	1,041,800	1.09
15.	Mr Ian G & Mrs Catherine A Mathieson <Super Fund A/C>	1,014,600	1.06
16.	R B Long Investments Pty Ltd	1,000,000	1.04
17.	Rivermore Pty Limited	1,000,000	1.04
18.	Ms Yiqin Wang	1,000,000	1.04
19.	Mr Richard Boyer & Ms Lorraine Boyer <Boyer Super Fund A/C>	944,500	0.98
20.	Mr Savio Netto	920,732	0.96
		37,639,497	**39.23**

Options exercisable at $0.16 each on or before 31 March 2014

	Name	No. of Options	%
1.	Gascorp Australia Pty Ltd	5,000,000	3.26
2.	Strata Resources Ltd	5,000,000	3.26
3.	Ultragas Pty Ltd	5,000,000	3.26
4.	Dr. Kelvin Lo & Mrs Yoke Lo <Nu Piggie Super Fund A/C>	4,300,000	2.80
5.	Merrill Lynch (Australia) Nominees Pty Limited	3,750,000	2.44
6.	RBC Dexia Investor Services Australia Nominees Pty Limited	3,750,000	2.44
7.	Avatar Equities Pty Ltd <Avatar Share Trading A/C>	3,440,000	2.24
8.	Mr Terrance McCarthy	3,300,000	2.15
9.	Advent Energy Ltd	3,125,000	2.04
10.	ASB Nominees Limited	2,500,000	1.63
11.	Franze Holdings Pty Ltd	2,460,000	1.60
12.	National Nominees Limited	2,340,000	1.52
13.	Citicorp Nominees Pty Limited	1,950,500	1.27
14.	Camsport Pty Ltd	1,549,318	1.01
15.	UBS Wealth Management Australia Nominees Pty Ltd	1,305,750	0.85
16.	RBJ Nominees Pty Ltd <Superannuation Fund A/C>	1,250,000	0.81
17.	Mr John Ronald Taylor	1,171,796	0.76
18.	Mr Karl Lommerse	1,110,000	0.72
19.	Memphis Holdings Pty Ltd <Super Fund A/C>	1,080,000	0.70
20.	Dr. Per Michaelsen & Mrs Adriana Maria Perdomo Trujillo	1,050,000	0.68
		54,432,364	**35.44**

Distribution schedules

A distribution schedule of each class of equity security as at 28 September 2009:

Ordinary fully paid shares

Range	Holders	Units	%
1 - 1,000	75	23,173	0.00
1,001 - 5,000	557	2,057,353	0.36
5,001 - 10,000	877	7,157,191	1.24
10,001 - 100,000	3,066	123,452,625	21.40
100,001 - Over	927	444,115,999	77.00
Total	5,502	576,806,341	100.00

Listed options exercisable at $0.25 each on or before 30 June 2010

Range	Holders	Units	%
1 - 1,000	11	6,610	0.01
1,001 - 5,000	147	560,432	0.58
5,001 - 10,000	139	1,139,403	1.19
10,001 - 100,000	404	14,980,018	15.61
100,001 - Over	159	79,261,240	82.61
Total	860	95,947,703	100.00

Listed options exercisable at $0.16 each on or before 31 March 2014

Range	Holders	Units	%
1 - 1,000	20	12,519	0.01
1,001 - 5,000	283	881,176	0.57
5,001 - 10,000	228	1,788,671	1.16
10,001 - 100,000	712	30,257,506	19.70
100,001 - Over	229	120,614,430	78.55
Total	1,472	153,554,302	100.00

Substantial shareholders

The names of substantial shareholders in Central Petroleum Limited and the number of shares in which each substantial shareholder and their associates have a relevant interest are set out below:

Substantial shareholder	Number of Shares
The Strata Gas Group	30,000,000

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Restricted Securities

As at 28 September 2009, the Company had no restricted securities.

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 3,334 shares as at 28 September 2009):

Holders	Units
277	551,615

Holdings less than a marketable parcel of listed options exercisable at $0.25 each on or before 30 June 2010 (being 11,112 options as at 28 September 2009):

Holders	Units
305	1,791,598

Holdings less than a marketable parcel of listed options exercisable at $0.16 each on or before 31 March 2014 (being 5,682 options as at 28 September 2009):

Holders	Units
321	990,945

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative of a shareholder;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for their share, but in respect of partly paid shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited)..

On-Market Buy Back

There is no current on-market buy-back.

INTERESTS IN MINING TENEMENTS

Permits Granted

Tenement	Location	Registered Interest	Beneficial Interest
EP 82 (1)	Amadeus Basin NT	100	80
EP 93	Pedirka Basin NT	100	70
EP 97 (2)	Pedirka Basin NT	80	65
EP 105	Amadeus/Pedirka Basin NT	100	70
EP 106	Amadeus Basin NT	100	70
EP 107	Amadeus/Pedirka Basin NT	100	70
EP 112	Amadeus Basin NT	100	70
EP 115	Amadeus Basin NT	100	60
EP 118	Amadeus Basin NT	100	70
EP 125 (3)	Amadeus Basin NT	100	80
EL-27094	Pedirka Basin NT	100	100
EL-27100	Pedirka Basin NT	100	100
EL-27101	Pedirka Basin NT	100	100
EL-27102	Pedirka Basin NT	100	100
EL-27103	Pedirka Basin NT	100	100
EL-27104	Pedirka Basin NT	100	100
EL-27105	Pedirka Basin NT	100	100
EL-27106	Pedirka Basin NT	100	100
EL-27107	Pedirka Basin NT	100	100
EL-27108	Pedirka Basin NT	100	100
EL-27109	Pedirka Basin NT	100	100
EL-27110	Pedirka Basin NT	100	100
EL-27114	Pedirka Basin NT	100	100

(1) For the Magee prospect Block within EP 82 the groups beneficial interest is 75%.
(2) For the Simpson, Bejah and Dune prospect Blocks within EP 97.
(3) For the Mt Kitty prospect Block within EP 125 the groups beneficial interest is 75%.

Permits Under Application

Tenement	Location	Projected Interest	Projected Beneficial Interest
EPA 92	Lander Trough NT	100	70
EPA 111	Amadeus Basin NT	100	60
EPA 120	Amadeus Basin NT	100	70
EPA 124	Amadeus Basin NT	100	70
EPA 129	Lander Trough NT	100	70
EPA 130	Pedirka Basin NT	100	80
EPA 131	Pedirka Basin NT	100	70
EPA 132	Georgina Basin NT	100	70
EPA 133	Amadeus Basin NT	100	70
EPA 137	Amadeus Basin NT	100	70
EPA 147	Amadeus Basin NT	100	70
EPA 149	Amadeus Basin NT	100	70
EPA 152	Amadeus Basin NT	100	70
EPA 160	Lander Trough NT	100	70
ATP 909	Georgina Basin QLD	100	80
ATP 911	Georgina Basin QLD	100	80
ATP 912	Georgina Basin QLD	100	80
PELA 77	Pedirka Basin SA	100	70
16/08-9	Amadeus Basin WA	100	70
17/08-9	Amadeus Basin WA	100	70
18/08-9	Amadeus Basin WA	100	70
EL 27095	Pedirka Basin NT	100	100
EL 27096	Pedirka Basin NT	100	100
EL 27097	Pedirka Basin NT	100	100
EL 27098	Pedirka Basin NT	100	100
EL 27099	Pedirka Basin NT	100	100