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TO: Manager, Company Announcements Australian Stock Exchange Limited

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Progress Report 190706

Pedirda Basin

Central Petroleum has called for tenders for the drilling of Blamore #1 in the Pedirka Basin with the option of further drilling during the period September to December 2006.

Plans for road construction are advanced and a sacred site inspection has been made over the drill sites. Once the access route has been inspected for sacred sites and hopefully cleared, road construction plans will be forwarded to the Northern Territory Department of Primary Industry, Fisheries and Mines for approval.

The Simpson Desert area of interest is an isolated location not accessed since 1987 and careful logistics planning is essential.

Blamore is the priority target with cumulative deterministic "low", "best" and "high" estimates of undiscovered petroleum initially in place of 75, 299, and 495 MMbbls. A probabilistic mean or "best" Prospective Resource of 44 MMbbls recoverable was calculated using a conservative recovery factor range of 20-22% in 6 stacked target reservoirs ranging from 1,300m to 2,050m in crestal depth.

Corresponding figures for the Avalon Prospect are 44, 110 and 267 "low", "best" and "high" in place and a probabilistic mean or "best" recoverable of 26 MMbbls using the same conservative recovery factors in 5 stacked horizons over similar depth ranges.

Amadeus Basin

A seismic acquisition and analysis programme over 5 prospects in the Amadeus Basin budgeted at \$3.5 million has been planned and a contract bid is under consideration. The structural analysis utilising recently flown aerial photography, Landsat and PAN data is continuing.

Farmouts

Discussion continues with several candidates concerning potential farmout agreements.

Sincerely,



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