Central Natural Resources, Inc.

911 Main St. Suite 1710
Kansas City, MO 64105

Financial Statements
for the period ended March 31, 2009

Central Natural Resources, Inc.
911 Main St. Suite 1710
Kansas City, MO 64105

May 15, 2009

Dear Shareholder,

Please find enclosed unaudited consolidated financial statements for Central Natural Resources, Inc. and subsidiaries representing the first quarter performance of your Company.

We at Central will be glad to answer any questions that you may have and contact information has been provided below for this purpose. Additionally, current trading and historical information for Central Natural Resources, Inc. may be found online at *www.pinksheets.com*. Current information and recent financials may be found at Central's website at *www.centralholdings.com*.

Sincerely,

Phelps C. Wood
President & CEO

Contact Information:
Central Natural Resources, Inc.

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CENTRAL NATURAL RESOURCES, INC.

Consolidated Statements of Operations
Three months ended March 31, 2009 and 2008
(Unaudited)

		Three months ended March 31, 2009	Three months ended March 31, 2008
Operating revenue:			
Mineral royalties	$	523,038	606,684
Oil and gas production		409,215	26,205
Total operating revenue		932,253	632,889
Oil and gas operating expenses		172,577	40,883
Depreciation, depletion, and amortization		246,874	15,078
General and administrative expenses		406,265	270,064
Total expenses		825,716	326,025
Other income:			
Realized oil and gas price risk management		285,000	—
Unrealized oil and gas price risk management		150,428	—
		435,428	—
Operating income		541,965	306,864
Nonoperating income :			
Investment income		1,248	57,634
Other		85	82
Total nonoperating income		1,333	57,716
Earnings before income taxes		543,298	364,580
Income taxes		187,863	106,132
Net earnings	$	355,435	258,448
Retained earnings at beginning of period		9,004,133	7,001,677
Deduct cash dividend paid of $0.20 per share in 2009 and 2008		(106,277)	(107,366)
Dividend equivalents on restricted stock units		(6,210)	(1,700)
Retained earnings at end of period		9,247,081	7,151,059
Earnings per share:			
Basic	$	0.67	0.48
Diluted		0.65	0.48
Weighted average number of shares of common stock outstanding:			
Basic		531,299	536,467
Diluted		544,499	540,967

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.

Consolidated Balance Sheets

March 31, 2009 and December 31, 2008

Assets		**2009** (Unaudited)	**2008**
Current assets:			
Cash and cash equivalents	$	2,836,675	4,139,786
Accounts receivable		675,657	672,887
Income tax receivable		263,441	153,836
Advance to operator		108,447	210,762
Rick management asset		847,746	697,318
Deferred income tax		18,097	74,951
Other		22,436	9,775
Total current assets		4,772,499	5,959,315
Note receivable from employee		29,450	29,450
Deferred finance charges		73,011	78,775
Equity securities at fair value		441,705	452,280
Investment in oil and gas limited partnership		1,407,882	1,407,882
Property, plant, and equipment:			
Oil and gas producing properties (successful efforts)		11,271,564	10,599,934
Mineral interest properties		1,668,137	1,668,137
		12,939,701	12,268,071
Less accumulated depletion, depreciation, and amortization		1,881,795	1,634,921
Net property, plant, and equipment		11,057,906	10,633,150
Total assets	$	17,782,453	18,560,852

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.

Consolidated Balance Sheets

March 31, 2009 and December 31, 2008

Liabilities and Stockholders' Equity		2009 (Unaudited)	2008
Current liabilities:			
Accounts payable and accrued expenses	$	165,513	226,033
Deferred income—advance oil lease bonus		895,627	895,627
Total current liabilities		1,061,140	1,121,660
Deferred compensation		75,401	114,403
Deferrred income-advance oil lease bonus		1,334,274	1,558,180
Deferred income taxes		767,691	567,139
Senior credit facility		4,200,000	5,200,000
Stockholders' equity:			
Preferred stock of $1 par value. Authorized 100,000 shares; no shares issued		—	—
Common stock of $1 par value. Authorized 2,500,000 shares; issued 563,224 shares issued in 2009 and 563,024 in 2008		563,224	563,024
Additional paid-in capital		1,305,485	1,187,699
Treasury stock—25,892 shares in 2009 and 2008		(726,780)	(726,780)
Retained earnings		9,247,081	9,004,133
Accumulated other comprehensive income, net of deferred taxes of $(24,262) in 2009 and $(15,401) in 2008		(45,063)	(28,606)
Total stockholders' equity		10,343,947	9,999,470
Total liabilities and stockholders' equity	$	17,782,453	18,560,852

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.

Consolidated Statements of Cash Flows
Three months ended March 31, 2009 and 2008
(Unaudited)

		2009	2008
Cash flows from operating activities:			
Net earnings	$	355,435	258,448
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:			
Depletion, depreciation, and amortization		246,874	15,079
Unrealized oil and gas risk management		(150,428)	—
Amortization of premiums and discounts of securities, net		—	(20,843)
Loss (gain) on sales of equity securities		6,181	(12,913)
Share-based payments		114,167	24,916
Deferred compensation		(39,002)	12,818
Deferred income taxes		266,267	80,658
Changes in assets and liabilities:			
Accounts receivable and other assets		(15,431)	73,162
Income tax receivable		(109,605)	(35,525)
Advance to operators		102,315	—
Deferred income—advance oil lease bonus		(223,906)	(62,349)
Accounts payable and accrued expenses		(60,520)	148,268
Net cash provided by operating activities		492,347	481,719
Cash flows from investing activities:			
Proceeds from note receivable		—	23,000
Proceeds from matured/called investment debt securities		—	2,500,000
Purchases of investment debt securities		—	(2,488,598)
Purchases of equity securities		(71,672)	(126,209)
Proceeds from sales of equity securities		50,748	112,169
Oil and gas capital expenditures		(671,630)	(318,062)
Net cash used in investing activites:		(692,554)	(297,700)
Cash flows from financing activities:			
Deferred finance charges		5,764	—
Purchase of treasury stock		—	(33,700)
Exercise of stock options/sale of restricted stock		200	200
Payment of dividends		(106,277)	(107,366)
Excess tax benefit of share-based compensation		3,619	—
Dividend equivalent on restricted stock units, net		(6,210)	(1,056)
Senior credit facility		(1,000,000)	—
Net cash provided in (used in)financing activities		(1,102,904)	(141,922)
Net increase (decrease) in cash and cash equivalents		(1,303,111)	42,097
Cash and cash equivalents, beginning of year		4,139,786	2,401,844
Cash and cash equivalents, end of year	$	2,836,675	2,443,941

See accompanying notes to consolidated financial statements.

Central Natural Resources, Inc.

Notes to Unaudited Consolidated Financial Statements – March 31, 2009

Basis of Presentation

In the opinion of Central Natural Resources, Inc. (the Company), the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2009, and the results of operations and cash flows for the periods ended March 31, 2009 and 2008.

The consolidated financial statements do not include all the disclosures required by accounting principles generally accepted in the United States of America. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2008.

The Company uses the Successful Efforts method of accounting for revenue and expenses from oil and gas production that has been detailed in the Company's previous reports. Revenue and expenses associated with oil and gas production is accrued in the period the revenue or expenses are generated. Exploration expenses, including geological and geophysical costs, rental and exploratory dry holes, are charged against income as incurred. There were no Exploration expenses recorded for the period ended March 31, 2009. Costs of successful wells and related production equipment and developmental dry holes are capitalized and amortized by field using the unit-of-production method as the oil and gas are produced.

Other - Property, plant and equipment is stated at cost less reserves for depreciation, depletion and amortization. Maintenance and repairs are expensed as incurred, except that costs of replacements or renewals that improve or extend the lives of existing properties are capitalized.

Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the estimated future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Proved gas properties are reviewed for impairment on a field-by-field basis when facts and circumstances indicate that their carrying amounts may not be recoverable. In performing this review, future cash flows are estimated by applying estimated future gas prices to estimated future production, less estimated future expenditures to develop and produce the reserves. If the sum of these estimated future cash flows (undiscounted and without interest charges) is less than the carrying amount of the property, an impairment loss is recognized for the excess of the carrying amount over the estimated fair value of the property based on estimated future cash flows.

Results of operations for interim periods are not necessarily indicative of results to be expected for a full year.

Stock Based Compensation

In the first quarter of 2009 the Company granted 20,000 and 2,250, respectively, restricted stock "units" (RSUs) to two employees of the Company, vesting in equal amounts over five years. Although these units do receive dividend equivalents, they do not represent shares of stock until distributed, nor do they vote.

In the first quarter of 2009 the Company granted 200 shares, of restricted stock to one employee of the Company, vesting in equal amounts over two years. The employee purchased the restricted shares at $1 per share and the difference between the purchase price and the then fair market value of the stock was recorded in shareholders equity as unearned restricted stock. The unearned restricted stock is amortized ratably to expense over the two year vesting period.

Options outstanding representing 4,400 and 4,500 shares at March 31, 2009 and March 31, 2008, respectively, are considered dilutive as the exercise price was less than the market price at the close of the period.

Investment Securities

The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value for held-to-maturity and available-for-sale securities by major security type at March 31, 2009 and December 31, 2008 are as follows:

March 31, 2009	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Available-for-sale: Equity securities	511,030	10,961	(80,286)	441,705

December 31, 2008	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Available-for-sale: Equity securities	496,286	18,404	(62,410)	452,280

Investment income (loss) consists of the following for each of the periods ended March 31:

	Three Months ended March 31,	
	2009	2008
Realized gains (losses) on sales of equity securities	(6,181)	12,913
Dividend Interest	2,185	4,335
Interest Income	5,244	40,386
Total	1,248	57,634

Investments in debt securities are classified as held-to-maturity securities, which are carried at amortized cost. Investments in marketable equity securities are classified as available-for-sale securities, which are carried at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

A decline in the market value of any available-for-sale or held-to-maturity security below cost that is deemed to be other than temporary, results in a reduction in carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. Other than temporary impairment is analyzed quarterly on an individual security basis based on the length of time and the extent to which market value has been less than cost; the financial condition and any specific events which effect the issuer; and the Company's intent and ability to hold the security. During the three months ended March 31, 2009, the Company recognized no impairment charge for marketable equity securities.

Investment in oil and gas partnership represents the purchase in 2007 and 2006 of an equity interest, by a subsidiary of the Company, in non-marketable securities for which the Company does not possess significant influence. A single cash distribution in the amount of $22,097 was received by the Company in 2008. The Company has no influence over when and in what amount distributions will be made. This investment is long-term, illiquid investment and as such, there is no guarantee that if the Company wished to sell its interest, that it would be able to do so. This investment is accounted for at cost. The carrying amount is periodically reviewed for other-than-temporary impairment.

Oil and Gas Activity

In the first quarter the Company made a $95,000 investment for a 10% working interest in two developmental wells in Moore Co., TX (Texas Panhandle). At this time, the wells have been successfully completed and the Company expects that production will flow to market in the near future.

Senior Credit Facility

During the first quarter the Company reduced the amount of its outstanding loan with two payments (in January and March) totaling $1 million, resulting in an outstanding balance of $4.2 million as of March 31, 2009. Subsequent to Central’s reduction to its loan balance, the Company’s lender, Union Bank of California, lowered the Company’s borrowing base by $900,000 to $4.3 million due to a change in the bank’s pricing calculations for oil and gas reserve values. The Company believes that it has adequate liquidity in the form of cash and cash equivalents and that the recent borrowing base changes will not adversely affect the Company in the future.

As of March 31, 2009, CNR was in compliance with its covenants with regard to the UBOC Credit Facility and was current with all required interest payments. The loan's interest rate is a floating rate based on a spread over either the London Interbank Offered Rate (LIBOR) plus 250 basis points (2.50%) or the Prime Rate (or equivalent thereof) plus 50 basis points (0.5%). As of March 31, 2009, the loan bore interest based on a spread of 250 basis points over the one-month LIBOR rate, for an interest rate of 3.05688%, interest due April 14, 2009.

The Credit Facility is discussed in further detail under "Senior Credit Facility" in the Company's Annual Report for the fiscal year ended December 31, 2008.

Risk Management

In the period ended March 31, 2009, an unrealized gain of $150,428 was recorded under Non-Operating Income as "Unrealized oil and gas price risk management". This non-cash item represents the change, in this case the increase, in the Risk Management asset from December 31, 2008 (the last reporting date) to March 31, 2009. This change over the three-month period is due to the decline in average oil and natural gas prices over this period creating an increased spread between the settlement price and the spot price. Risk management cash settlement costs are recorded on the income statement as "Realized oil and gas price risk management" and represent cash payments made to CNR to cover the differential between the hedged price and the settlement price.

The Risk Management transactions are explained in further detail in the Company's Annual Report for the fiscal year ended December 31, 2008.

Subsequent Event

Subsequent to the quarter ended March 31, 2009, the Company reduced the amount of its outstanding loan with a single principle payment of $200,000, resulting in an outstanding loan balance of $4.0 million as of May 12, 2009.