Central Natural Resources, Inc.

911 Main St. Suite 1710
Kansas City, MO 64105

Financial Statements
for the period ended September 30, 2009

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

November 13, 2009

Dear Shareholder,

Please find enclosed unaudited consolidated financial statements for Central Natural Resources, Inc. and subsidiaries representing the third 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:

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CENTRAL NATURAL RESOURCES, INC.

Consolidated Statements of Operations
Nine months ended September 30, 2009 and 2008 and
Three months ended September 30, 2009 and 2008
(Unaudited)

	Nine months ended September 30,		Three months ended September 30,	
	2009	2008	2009	2007
Operating revenue:				
Mineral royalties	$ 1,423,240	2,407,258	453,873	984,630
Oil and gas production	1,261,819	1,481,090	416,599	1,078,220
Total operating revenue	2,685,059	3,888,348	870,472	2,062,850
Oil and gas operating expenses	478,773	370,852	135,127	238,298
Depreciation, depletion, and amortization	725,830	361,987	196,553	251,991
Impairment on oil & gas limited partnership	1,050,000	—	—	—
General and administrative expenses	1,082,632	896,574	261,052	254,508
Interest expense	110,659	93,187	34,514	74,511
Total expenses	3,447,894	1,722,600	627,246	819,308
Other Income (expenses)				
Realized oil and gas price risk management	888,000	(229,000)	289,000	(139,000)
Unrealized oil and gas price risk management	(506,136)	1,735,933	(317,790)	2,244,258
Operating income	(380,971)	3,672,681	214,436	3,348,800
Nonoperating income:				
Investment income (loss)	(227)	133,304	(4,543)	43,157
Other	7,380	10,647	7,265	10,512
Total nonoperating income	7,153	143,951	2,722	53,669
Earnings (loss) before income taxes	(373,818)	3,816,632	217,158	3,402,469
Income taxes	(182,526)	1,331,888	67,132	1,243,152
Net earnings	$ (191,292)	2,484,744	150,026	2,159,317
Retained earnings at beginning of period	9,004,133	7,001,677	8,438,041	7,108,870
Deduct cash dividend paid or $0.60 per share in 2009 and 2008	(318,433)	(321,700)	(106,079)	(107,166)
Dividend equivalents on restricted stock units	(19,029)	(5,700)	(6,609)	(2,000)
Retained earnings at end of period	8,475,379	9,159,021	8,475,379	9,159,021
Earnings per share:				
Basic	$ (0.36)	4.64	0.28	4.04
Diluted	(0.34)	4.53	0.26	3.94
Weighted average number of shares of common stock outstanding:				
Basic	530,861	535,789	530,388	535,076
Diluted	568,311	549,089	567,838	548,376

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.

Consolidated Balance Sheets

September 30, 2009 and December 31, 2008

Assets	2009 (Unaudited)	2008
Current assets:		
Cash and cash equivalents	$ 2,781,976	4,139,786
Accounts receivable	691,994	672,887
Income tax receivable	319,904	153,836
Advance to operator	3,941	210,762
Risk management asset	191,182	697,318
Deferred income tax	224,062	74,951
Other	26,332	9,775
Total current assets	4,239,391	5,959,315
Note receivable	8,000	29,450
Deferred charges	61,483	78,775
Equity securities, at fair value	544,015	452,280
Investment in oil and gas limited partnership	331,366	1,407,882
Property, plant, and equipment:		
Oil and gas producing properties (successful efforts)	11,864,366	10,599,934
Mineral interest properties	1,668,137	1,668,137
	13,532,503	12,268,071
Less accumulated depletion, depreciation, and amortization	2,360,783	1,634,921
Net property, plant, and equipment	11,171,720	10,633,150
Total assets	$ 16,355,975	18,560,852

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.
Consolidated Balance Sheets
September 30, 2009 and December 31, 2008

Liabilities and Stockholders' Equity		**2009** (Unaudited)	**2008**
Current liabilities:			
Accounts payable and accrued expenses	$	99,918	226,033
Deferred income—advance oil lease bonus		795,627	895,627
Total current liabilities		895,545	1,121,660
Deferred compensation		94,695	114,403
Deferred income advance oil lease bonus		986,460	1,558,180
Deferred income taxes		662,601	567,139
Senior credit facility		4,000,000	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		1,412,183	1,187,699
Treasury stock—32,836 shares in 2009 and 31,836 shares in 2008		(751,780)	(726,780)
Retained earnings		8,475,379	9,004,133
Accumulated other comprehensive income, net of deferred taxes of $9,516 in 2009 and $(15,401) in 2008		17,668	(28,606)
Total stockholders' equity		9,716,674	9,999,470
Total liabilities and stockholders' equity	$	16,355,975	18,560,852

See accompanying notes to consolidated financial statements.

CENTRAL NATURAL RESOURCES, INC.

Consolidated Statements of Cash Flows
Nine months ended September 30, 2009 and 2008
(Unaudited)

	2009	2008
Cash flows from operating activities:		
Net earnings	$ (191,292)	2,484,744
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depletion, depreciation, and amortization	725,862	361,987
Unrealized oil and gas risk management	506,136	(1,735,933)
Amortization of premiums and discounts of securities, net	—	(23,558)
Loss (gain) on sale of equity securities	19,506	(27,438)
Impairment on oil & gas limited partnership	1,050,000	—
Share-based payments	216,158	44,100
Deferred income taxes	(78,566)	(62,211)
Changes in assets and liabilities:		
Accounts receivable and other assets	(35,664)	(532,714)
Income tax receivable	(166,068)	398,851
Advance to operator	206,821	(341,455)
Deferred oil lease bonus	(671,720)	2,091,089
Deferred compensation	(19,708	64,579
Accounts payable and accrued expenses	(126,115)	225,090
Federal and state income taxes	—	208,444
Net cash provided by operating activities	1,435,350	3,155,575
Cash flows from investing activities:		
Proceeds from note receivable	21,450	23,000
Proceeds from matured investment debt securities	—	5,000,000
Purchases of investment debt securities	—	(2,488,598)
Purchase of equity securities	(166,658)	(330,930)
Proceeds from sales of equity securities	126,608	321,378
Oil and Gas capital expenditures	(1,264,432)	(533,001)
Purchase of oil and gas properties	—	(7,396,238)
Distributions from oil and gas limited partnership	26,516	—
Net cash (used in) provided by investing activities:	(1,256,516)	(5,404,389)
Cash flows from financing activities:		
Deferred finance charges	17,292	(84,539)
Purchase of Treasury stock	(25,000)	(178,011)
Exercise of stock options/sale of restricted stock	200	200
Dividend equivalents on restricted stock units, net	(19,029)	(3,545)
Excess tax benefit of share-based compensation	8,326	—
Payments of dividends	(318,433)	(321,700)
Bank loan	(1,200,000)	5,200,000
Net cash provided by (used in) financing activities	(1,536,644)	4,612,405
Net increase in cash and cash equivalents	(1,357,810)	2,363,591
Cash and cash equivalents, beginning of year	4,139,786	2,401,844
Cash and cash equivalents, end of period	$ 2,781,976	4,765,435

See accompanying notes to consolidated financial statements.

Central Natural Resources, Inc.

Notes to Unaudited Consolidated Financial Statements – September 30, 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 September 30, 2009, and the results of operations and cash flows for the periods ended September 30, 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 September 30, 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.

(1) Stock Based Compensation

The Company made no stock based grants in the third quarter of 2009. In the second quarter of 2009 and 2008, the Company granted 400 shares and 300 shares, respectively, of restricted stock "units" (RSUs) to each non-employee director, for a total of 2,000 shares and 1,500 shares, respectively, vesting over a period of 180 days, unless the recipient elects to defer receipt of the underlining shares. Although these units do receive dividend equivalents, they do not represent shares of stock until distributed, nor do they vote. No other stock based compensation was issued in the second quarter of 2009 or 2008.

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 September 30, 2009 and September 30, 2008, respectively, are considered dilutive as the exercise price was less than the market price at the close of the period.

(2) Investment Securities:

The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value for available-for-sale securities at September 30, 2009 and December 31, 2008 are as follows:

Central Natural Resources, Inc.

September 30, 2009	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Available-for-sale: Equity securities	516,830	51,715	(24,530)	544,015

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 September 30:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2009	2008	2009	2008
Realized gains on sales of equity securities	(19,506)	27,438	(9,960)	15,881
Dividends	9,415	11,347	2,728	3,142
Interest Income	9,864	94,519	2,689	24,134
Total	(227)	133,304	(4,543)	43,157

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, for financial reporting purposes. 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 September 30, 2009 the Company recognized no impairment charge for marketable equity securities.

(3) Oil and Gas Activity

During the third quarter of 2009, the Company invested $300,000 to acquire a 2% working interest in a prospect for an area in southeast Texas. At this time, no Authorization for Expenditures (AFE's) have been issued although the Company does expect that drilling will proceed in the future on property covered by this prospect.

(4) Note Payable to Bank

As of the period ending September 30, 2009, the Company had reduced the amount of its outstanding balance to $4.0 million. The Company's borrowing base remains $4.3 million. The Company believes that it has adequate liquidity in the form of cash and cash equivalents to fund it ongoing operations and commitments. 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.

As of September 30, 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 September 30, 2009, the loan bore interest based on a spread of 250 basis points over the one-month LIBOR rate, for an interest rate of 2.78438%, interest due January 13, 2010.

The maturity date of the Credit Facility is June 5, 2012.

(5) Risk Management

In the period ended September 30, 2009, an unrealized loss of $317,790 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 decrease, in the Risk Management asset from June 30, 2009 (the last quarterly reporting date) to September 30, 2009. This change over the three-month period is due to a combination of realization of hedge payments and the increase in average oil and natural gas prices over this period creating a decreased 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. In the three month period ended September 30, 2009, the Company recorded "realized oil and gas price risk management" income of $289,000.

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