

OPERATING ACTIVITIES REPORT AND ASX APPENDIX 5B For the Quarter ended 30 September 2017



Figure 1: Ooraminna as observed during geological field work conducted to aid optimal well placement as part of the 2018 drilling campaign.

HIGHLIGHTS

- A General Meeting of Shareholders was held on 19 July 2017 in accordance with a 249D notice received by the Company to vote on the removal of three incumbent non-executive directors and appointment of three new directors with all resolutions being voted down (64% of shares voted against removal).
- The amendments to the National Gas Rules arising out of the Gas Market Reform Group recommendation with respect to non-scheme pipelines (unregulated pipelines) passed through the legislative processes and commenced operations on 1 August 2017.
- On 10 August 2017 the Company announced an Equity Raising to support its Gas Acceleration Programme to drill four horizontal wells with the objective of substantially increasing its gas reserves in time to have delivery coincide with the Northern Gas Pipeline becoming operational in the second half of calendar year 2018. The equity raising was successful with planning of the drilling programme fully underway with drilling to occur in first quarter of calendar year 2018, raising net \$25.6 million.
- The Mereenie Joint Marketing Agreement (“JMA”) between the Mereenie Joint Venture participants (Central Petroleum Mereenie Pty Ltd as trustee for the Central Petroleum Mereenie Unit Trust and Macquarie Mereenie Pty Ltd) was announced on 25 September 2017 and remains subject to satisfaction of a condition precedent, being the coming into force of a grant of authorisation by the ACCC (or Australian Competition Tribunal on review of an ACCC decision) for joint marketing under the JMA.
- The Annual Report for the year ended 30 June 2017 was released to market on 25 September 2017 with a webinar by the Managing Director discussing the results and activities for the year held on 4 October 2017.

- Testing of the Stairway Sandstone at Mereenie from the previously drilled West Mereenie 15 continues free flowing gas at sustainable rates with a low nitrogen content of 2.6%. Additional recompletion opportunities have been identified.
- Dr Sarah Ryan and Martin Kriewaldt joined as Directors as part of Central's commitment to augment and strengthen the current Board.
- Cash balance at the end of the quarter was \$28.6 million.

MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

Having raised over \$25 million in this quarter, the Company is in a position to fully capitalise on its enviable position in respect of the gas shortage on the eastern seaboard. With the Northern Gas Pipeline scheduled to be completed in fourth quarter next calendar year, the Company will become physically connected to the east coast.

The pipeline reforms, aimed at putting downward pressure on transportation costs, should start to emerge next year and our expectation is that the all up transportation costs of delivering our gas to Sydney Citygate should be significantly lower than the reference rates currently offered. With brownfield production costs for new supply from our existing operating assets, we could (subject to pipeline tariff reform) have a total break-even cost structure of around \$5/GJ delivered at Sydney Citygate, which compares favourably with the recent assessment by the ACCC of their expectation that benchmark price should be \$7.77. This provides the financial capacity and pricing signal necessary to drive further investment in gas exploration and appraisal urgently needed for the east coast gas market. The Company expects pricing in the Southern States to stabilise between \$8 to \$10/GJ. Given that the uncontracted capacity of the Gladstone LNG plants approximates two trains and the AEMO concern of the domestic shortfall of 54-107 PJ in 2018, the timing of pipeline tariff reform and new supply available from the fourth quarter 2018 could not be better.

The Appraisal Drilling Programme, for which we raised the \$25 million, will commence in the first quarter next calendar year. A successful outcome may see the Company have eventually 450 PJ of reserves. The Company has issued the tender documents for the drilling contract and will be awarding the contract as soon as joint venture approval has been received. The contract for the TEG unit at Dingo has been awarded, with delivery expected next quarter.

We have reached agreement with our joint venturer on the joint marketing of Mereenie gas. This agreement has been submitted to the ACCC for interim approval, which interim approval will enable the active marketing of the Mereenie gas and enable joint venture approval for the Mereenie component of the Drilling Programme to be sought. Any sales as a result of the Mereenie marketing will naturally be subject to ACCC final approval.

The Directors have agreed on the appointment of two new directors to the Board, being Mr Martin Kriewaldt and Dr Sarah Ryan - both very experienced directors. To ensure the involvement of these new Directors in any further changes to the Board, the Company does not intend to make further changes to the Board until after the AGM.

Richard Cottee
Managing Director

REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (“THE QUARTER”)

EXPLORATION/DEVELOPMENT ACTIVITIES:

ATP 909, ATP 911 and ATP 912, Southern Georgina Basin – Queensland (CTP - 100% interest)

Central has now received the transfer of the previously TOTAL held 10% of the three permit areas. Following discussion with DNRM, Central has drafted and submitted a draft application for Project Status. The draft has been submitted to seek DNRM advice on the approach and detail required in the application to achieve the best possible outcome.



Figure 1: Seismic vibrator array providing energy to image sub-surface horizons.

Santos Stage 2 Farm out – Southern Amadeus Basin, Northern

At present a total of 932 km of seismic line data have been acquired—72% of the total 1,300 line km 2D required to meet Phase 2 Farm-in requirement.

There are good indications of improved seismic imaging as a result of the new acquisition parameters with improved definition of the Dukas Lead and the additional potential for a supra-salt lead. A five month extension to both phase 2 and phase 3 has been agreed. In addition, ~366 line km of new 2D seismic is currently being selected, acquisition is expected to restart in January 2018.



Figure 3: Line crew deploying equipment on AMSAN13-25 (10 meter group intervals)

Southern Amadeus Area	Total Santos Participating Interest after completion of Stage 1	Total Santos Participating Interest after completion of Stage 2
EP82 (excl. EP82 Sub-Blocks)	25%	40% (i.e. additional 15% earned)
EP105	25%	40% (i.e. additional 15% earned)
EP106 *	25%	40% (i.e. additional 15% earned)
EP112	25%	40% (i.e. additional 15% earned)

* Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.

The survey comprises two rounds. The first round of 2D seismic to mature the natural gas and helium prospective Dukas lead and to gather data for the Rossini lead has been completed. The second part of the seismic acquisition program will consist of additional 2D seismic lines over the Dukas Lead to bring the total program to 1,300 line km. Second round line locations are being confirmed for resumption of data acquisition in July 2018. Adverse weather conditions in the area have caused the focus to be concentrated on the Dukas Lead.

Central is actively reviewing data in these permits, seeking to upgrade a variety of exploration play types and targets, which could be prospective for hydrocarbons and/or helium.

The joint venture’s exploration endeavours on these four permits focus on maturing large sub-salt leads. The primary reservoir objective is the Heavitree Quartzite. Secondary reservoir objectives in the Neoproterozoic units include the Areyonga Fm and Pioneer Ss which are gas bearings in the Ooraminna field.

Amadeus Basin (includes EP115 North Mereenie Block), Northern Territory

Central's evaluation of inventory of leads and prospects is now completed. Play types and leads have been developed for the under-explored section underlying the proven Larapintine system, which is believed to be prospective for gas.

Other Exploration and Application Areas

Ooraminna Field

(CTP—100% interest)

Two wells have been drilled at Ooraminna with both wells having proved gas flow from the Pioneer Sandstone. Although the flow rates were sub-economic, it is encouraging to note that the wells were drilled in an area with apparent low natural fracture density within the Pioneer Sandstone. Structural mapping is currently being updated following recent reprocessing of the seismic data. This will be augmented by outcrop mapping to assist in structural definition between seismic lines. This updated mapping will be incorporated into a natural fracture model which will predict areas with the greatest fracture density. The Ooraminna field has an inferred closure area of ~175 km² and preliminary estimates of OGIP for the Pioneer formation range from ~125 Bcf to ~425 Bcf. Currently, there are no contingent resources certified at Ooraminna, however, demonstrating increased productivity through horizontal drilling in areas of predicted increased natural fracture density, is anticipated to lead to resource certification.

No significant developments occurred in Central's other exploration and application areas during the quarter. However, Central continues to work with stakeholders and progress discussions pertaining to the grant of application areas and rationalisation of low prospectivity areas.

PRODUCTION ACTIVITIES:

Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory

(CTP—50% interest (and Operator), Macquarie Mereenie Pty Ltd—50% interest)

During the Quarter:

- Following the signing of a Gas Supply Agreement with EDL NGD (NT) Pty Ltd (EDL) on 26 April 2017, to supply 9.85PJ of gas over five years to the Northern Territory Pine Creek Power Station operated by EDL, the delivery of gas from Mereenie to Pine Creek under the GSA commenced on 1 June 2017 and continued successfully for the quarter with the field maintaining 100% production of all gas volumes nominated by our customer.
- The maintenance team successfully conducted an annual shut down completing statutory inspections on 25 pressure safety valves (PSV's), 15 internal vessel inspections and 45 external vessel inspections. The project team successfully managed this project in three days down from two weeks under previous operatorship.
- Central continued to work with local environmental experts and improvements in water runoff, erosion control, and weed management plans.
- Central continues to work closely with local rangers and emergency services through active participation in emergency response exercises and real life search and rescue operations.
- Central continued to work on development planning for Mereenie to provide additional supply into the Northern Territory or the Northern Gas Pipeline (NGP) in 2018.
- An upgrade of the safety system was completed at Mereenie's CTP facility, providing emergency de-pressuring functionality.
- A new control panel was installed on one of the compressors at Mereenie's CTP facility, replacing an obsolete unit.

Stairway Sandstone at Mereenie

West Mereenie 15 was shut-in during the quarter to continue to gather pressure build-up data. Through additional decline curve and pressure transient analysis, it is confirmed that the well is producing via a dual porosity/permeability system, with natural fractures and matrix both contributing to production and the natural fractures enhancing the productivity and estimated ultimate recovery (EUR). Natural fractures have been identified in outcrop, core and wireline logs. Also, the Lower Stairway formation in the eastern part of the field produced ~2 Bcf from a vertical well. Natural fracture data gathering and modelling of the Upper and Lower Stairway Sandstone had been undertaken to determine areas with the greatest natural fracture density which are targets for the planned sub-horizontal wells West Mereenie 25 and 26. Preliminary estimates of original gas in place (OGIP) for both the Upper and Lower Stairway range from ~240 Bcf to ~400 Bcf and reserve auditor (NSAI) has certified 120 PJ of 2C resources. By targeting areas of predicted increased natural fracture density with sub-horizontal wells, improvements in productivity and EUR are predicted to convert contingent resources to reserves. Existing wells will also be utilized where possible in order to significantly reduce capital associated with converting resources to reserves.

Health, Safety and the Environment

- Training has been a priority with the appointment of a trainer to support our Operator, Maintainer positions and qualifications. The Registered Training Organisation (RTO) to support this process is Charles Darwin University.
- New crew change vehicles have been introduced. These vehicles represent an improvement to the safety of team members travelling to and from the field. New tracking systems have been incorporated into each vehicle to streamline safety and daily management by Logistics teams.
- HSE and Logistics have aligned to audit and improve our Contractor management structure.

Palm Valley - Northern Territory

(CTP—100% interest)

Palm Valley Stairway and Pacoota

The main producing reservoirs at Palm Valley are the Lower Stairway and Pacoota formations. To date, ~160 Bcf of gas has been produced from the naturally fractured reservoir. OGIP estimates vary greatly for the field, but all are in excess of 1 Tcf. With the current wells, the EUR is predicted to be around ~200 Bcf. This is a very low recovery factor for a naturally fractured reservoir and implies a large quantity of gas still remaining in the ground. Production performance and interference testing have shown that the existing wells may not be connected to the total estimated gas in place volume, which implies that there are other compartments of the field that have not been drained and contain gas in possibly producible quantities. To determine the possible location and size of these areas that could be segregated from the producing wells, a natural fracture model has been created with data from seismic, outcrop, image logs, production and core data. The model predicts hydrocarbon resources which are the target for a deviated infill appraisal well which will test the hypothesis, potentially leading to an increase in 2P reserves.

- All repairs completed at the plant and the plant remains on standby ready for production.
- Fracture modeling on Palm Valley main field using available surface fracture data as well as downhole log data completed, target area has been identified.
- Instrumentation engineering study conducted to determine scope of work to remotely operate field.
- Compressors started periodically.

Health, Safety and the Environment

- Upgrading and maintain Fire Safety Systems to continue CTP's ready/stand-by condition.
- Field personnel have recently been active at Palm Valley in the lead up to the drilling campaign. Site equipment and infrastructure has also been reviewed and inspected to ensure compliance.
- Local Traditional Owner personnel are assisting in local weed and combustible material management.

Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory

(CTP – 100% Interest)

During the Quarter:

- The field continued to supply Owen Springs Power Station.
- An upgrade of the safety system was completed at Mereenie's CTP facility, providing emergency de-pressuring functionality.
- A new control panel was installed on one of the compressors at Mereenie's CTP facility, replacing an obsolete unit.

Health, Safety and the Environment

- Central is maintaining a comprehensive training program to up-skill current capabilities and competencies.

Surprise Production License (L6) – Northern Territory

(CTP - 100% Interest)

- Surprise West remained shut-in during the quarter. The well has been temporarily shut-in to gather pressure data to assess the re-charge potential of the field. Should oil prices recover significantly, production can recommence after assessing the pressure build-up. Fluid level monitored regularly.

Health, Safety and the Environment

- Central continues complying with environmental monitoring and compliance during shut-in period.

2018 Drilling Campaign

Mereenie Stairway (CTP – 50% Interest),

Palm Valley Stairway/Pacoota and Ooraminna Pioneer Commitment wells (CTP 100% Interest)

During the quarter Central Petroleum managed to re-form a team of highly specialised drilling engineers to commence planning on the four (4) appraisal well campaign at Mereenie, Palm Valley and Ooraminna that is planned to commence in Q1 2018. The team has reviewed all aspects of the specialised drilling engineering required to successfully execute such an ambitious and exciting drilling program whilst optimizing on the synergy between the wells. The planning to date has concentrated on:

- Review of the lessons learnt from all wells drilled to date through the Stairway
- Review all offset well data
- Review the fracture modelling, planned well trajectories and drilling requirements
- Prepared detailed drilling programs for the first well in the program, remaining three wells ongoing
- Review hardware & service companies for program
- Peer reviewed the programs with leading industry experts
- Identified long lead items for the drilling program
- Commenced preparations to obtain appropriate regulatory approvals

West Merenie Appraisal Drilling Update

Based on geological well proposals, the modelling for two sub-horizontal wells targeting the Stairway Sandstone reservoir in the Merenie field has commenced. The targets are well defined, along with the offset well information for the modelling. The primary goal for the drilling phase is to place a deviated 6 inch open hole section into the Stairway Sandstone running parallel with the bedding plane penetrating multiple/high density naturally occurring fractures. Based on a history of formation damage when the sands were drilled with a water based drilling fluid, air has been selected as the preferred circulating medium.

The wells have been designed with 9 5/8 inch surface casing set into the top of the Stokes Siltstone, drilled as a vertical hole section from surface. The next hole section will build angle from vertical to land into the reservoir at near horizontal. This will be drilled in 8 1/2 inch hole and then cased with a 7 inch liner. The liner will be set on a hanger with a liner top packer 50m into the surface casing. Once cemented in place a Cement Bond Log will be performed across the liner and surface casing strings. After confirming the integrity of the casing strings, a tie back casing and Downhole Deployment Valve (DDV) will be installed. The DDV allows for the safe recovery of the drilling assemblies without the need to place fluids across the drilled interval. At the end of the drilling phase a completion assembly will be installed that allows for the suspension of the well with gas across the reservoir. A draft risk assessment and drilling program have been completed along with identifying the equipment that will be required.

Timing for the drilling operations will be dictated by the delivery time of long lead items plus obtaining the necessary regulatory approvals. Orders have been placed for the critical well construction items, and the drilling rig and third-party services are currently being tendered.

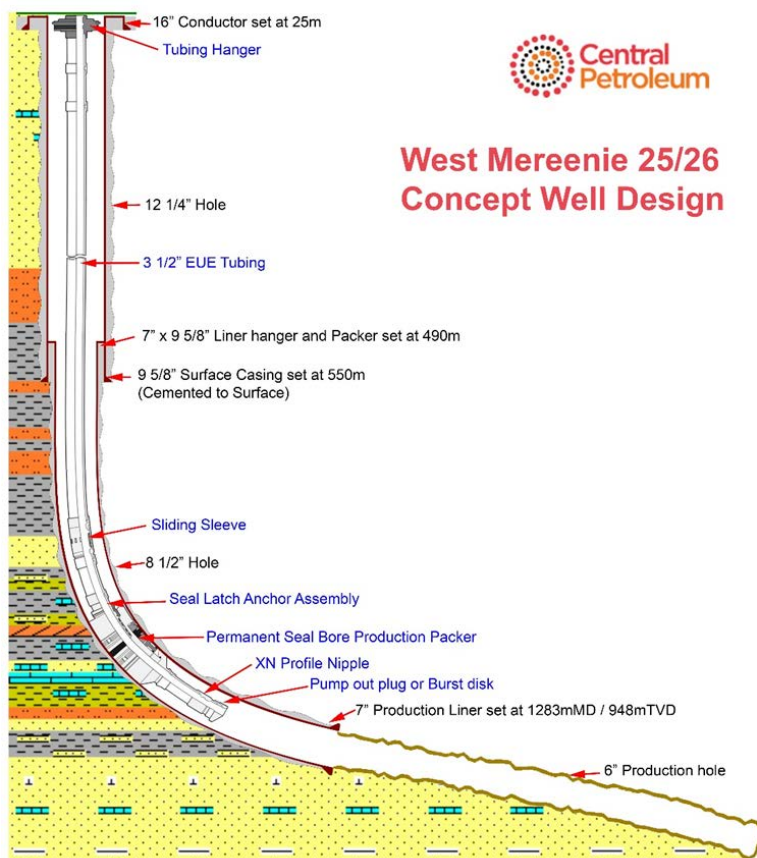


Figure 4: West Merenie 25/26 Concept Well Design

Ooraminna Appraisal Drilling Update

A vertical appraisal well is being planned as part of the Northern Territory drilling campaign. The well design is to set 9 5/8 inch surface casing at 400 to 500m and then an 8 ½ inch hole will be drilled to total depth to allow for a full reservoir evaluation and depth control. Once the data has been analysed a decision will be made as to further drilling or completion options. A high angle deviated/sub-horizontal side-track intersecting naturally occurring fractures in the Pioneer Sandstone is deemed to be a possible outcome.

Palm Valley Appraisal Drilling Update

Palm Valley 13 is planned as an appraisal well to evaluate the Stairway and Pacoota Sandstone and Horn Valley Siltstone reservoirs and to connect as many as possible of the naturally occurring fractures. It is proposed to drill the well as a high angle directional well from an existing well pad due to surface constraints. A well design and directional plan has been created that allows for a vertical surface hole to +/-500m followed by a directional build section to intersect the top of the reservoir. This section will be cased with 7 inch casing and air drilling to resume in 6 inch hole.

SALES – CENTRAL PETROLEUM EQUITY ADJUSTED SHARE**Sales Volumes**

Product	Unit	Q1 2017/18	Q1 2016/17	YTD 2017/18	YTD 2016/17
Gas	TJ	1,187	781	1,187	781
Crude and Condensate	bbls	29,246	28,765	29,246	28,765

Sales Revenue

Product	Unit	Q1 2017/18	Q1 2016/17	YTD 2017/18	YTD 2016/17
Gas, Crude and Condensate	\$'000	8,342	5,811	8,342	5,811

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 SEPTEMBER 2017

Petroleum Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82 (excl. EP 82 Sub-Blocks) ¹	Amadeus Basin NT	Santos	60	60	Santos	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 93 ⁷	Pedirka Basin NT	Central	100	0		
EP 97 ²	Pedirka Basin NT	Central	100	0		
EP 105 ¹	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 ⁴	Amadeus Basin NT	Santos	60	60	Santos	40
EP 107 ⁵	Amadeus/Pedirka Basin NT	Central	100	0		
EP 112 ¹	Amadeus Basin NT	Santos	60	60	Santos	40
EP 115 (excl. EP115 North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 North Mereenie Block	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125	Amadeus Basin NT	Santos	30	30	Santos	70
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie) ⁶	Amadeus Basin NT	Central	50	50	Macquarie	50
OL 5 (Mereenie) ⁵	Amadeus Basin NT	Central	50	50	Macquarie	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
RL 3 (Ooraminna)	Amadeus Basin NT	Central	100	100		
RL 4 (Ooraminna)	Amadeus Basin NT	Central	100	100		
ATP 909 ⁸	Georgina Basin QLD	Central	100	100		
ATP 911 ⁸	Georgina Basin QLD	Central	100	100		
ATP 912 ⁸	Georgina Basin QLD	Central	100	100		

Petroleum Permits and Licences under Application

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111 ³	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 ³	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131	Pedirka Basin NT	Central	100	100		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	Amadeus Basin NT	Central	100	100		
EPA 137	Amadeus Basin NT	Central	100	100		
EPA 147	Amadeus Basin NT	Central	100	100		
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		

Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 2	Amadeus Basin NT	Central	50	50	Macquarie	50
PL 30	Amadeus Basin NT	Central	100	100		

Notes

- ¹ Santos' right to earn and retain participating interests in the permit is subject to satisfying various obligations in their farmout agreement with Central. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.
- ² On 20 June 2016 Central submitted an application to the NT Department of Mines and Energy for consent to surrender EP 97. The application is currently under review.
- ³ Effective 1 May 2017, Santos exercised its option to acquire a 50% participating interest in and be appointed operator of EPA 111 and EPA 124, which was granted as part of Central's acquisition of a 50% interest in the Mereenie oil & gas field.
- ⁴ Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.
- ⁵ On 23 September 2016 Central submitted an application to the NT Department of Primary Industry and Resources for consent to surrender EP 107. The application is currently under review.

- 6 *As per Central's announcement dated 20 December 2016, Santos has sold its 50% interest in the Mereenie oil and gas field (OL 4 and OL 5) and the Mereenie to Alice Springs Pipeline (PL 2) to Macquarie Mereenie Pty Ltd (a subsidiary of Macquarie Group Limited) with effect on and from 1 January 2017.*
- 7 *On 25 January 2017 Central submitted an application to the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 93. The application is currently under review.*
- 8 *As per Central's announcement dated 27 February 2017, Total GLNG Australia has elected not to proceed with the Stage 2 Farmin into Central's Queensland Permits. As a result, Central will retain 100% interest in the acreage.*

CORPORATE

Cash Position

The Group began the Quarter with \$5.5M in cash and at 30 September 2017 held \$28.6M. Both cash positions are inclusive of the Group's share of cash held in Joint Venture bank accounts and funds held with Macquarie Bank to be used for allowable purposes under the Facility Agreement.

The share placement and rights issue resulted in net cash of \$25.6M received during the quarter.

Receipts from customers were \$8.2M for the quarter, compared to \$6.0M in the previous quarter reflecting the contribution of gas sales under the new EDL contract.

Cash outflows for the quarter comprise normal operational and administrative expenditures. A further \$1M principal repayment was made in respect of the Macquarie Bank loan facility together with the quarterly interest payment of \$1.5M.

The Group's cash balance at 30 September 2017 excludes take or pay receipts of \$1.6M for the quarter which will be received in January 2018 in accordance with the PWC Gas Supply and Purchase Agreement. In addition, there were a number of one-off expenditures during the quarter, including initial planning costs associated with the upcoming drilling program and payments relating to the failed Scheme of Arrangement.

The Company constantly reviews its costs in order to prudently manage its cash position.

Issued Securities of the Company

At 30 September 2017 the Company had 705,697,647 ordinary shares on issue, 24,052,789 share rights expiring on various dates and 58,560,435 unlisted options exercisable at various prices and with various expiry dates. Of the 58,560,435 unlisted options, 28,560,435 unlisted options will expire on 15 November 2017 unless exercised beforehand and at exercise prices of above \$0.40.

During the quarter, a total of 272,500,000 ordinary shares were issued of which 92,000,980 ordinary shares issued on 17 August 2017 at \$0.10 per share fully paid via a fully-underwritten institutional placement and 180,499,020 ordinary shares issued on 8 September 2017 at \$0.10 per share fully paid in accordance with a non-renounceable entitlement offer. Net proceeds raised from the placement and entitlement offer will be used to fund a A\$25 million four well drilling programme with the objective of substantially increasing Central's gas reserves in time to have delivery coincide with the Northern Gas Pipeline becoming operational in the second half of calendar year 2018. In addition, a total of 16,169 share rights previously granted to employees were cancelled during the quarter.

Richard Cottee



Managing Director
31 October 2017

General Legal Disclaimer

As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,158	8,158
1.2 Payments for		
(a) exploration & evaluation	(480)	(480)
(b) development	-	-
(c) production	(4,456)	(4,456)
(d) staff costs	(1,715)	(1,715)
(e) administration and corporate costs (net of recoveries)	(1,488)	(1,488)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	27
1.5 Interest and other costs of finance paid	(1,507)	(1,507)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	9	9
1.9 Net cash from / (used in) operating activities	(1,452)	(1,452)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(96)	(96)
	(b) tenements (see item 10)	–	–
	(c) investments	–	–
	(d) other non-current assets – Security Bonds	–	–
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	–	–
	(b) tenements and applications (see item 10 for tenements)	–	–
	(c) investments	–	–
	(d) other non-current assets – redemption of security bonds	71	71
2.3	Cash flows from loans to other entities	–	–
2.4	Dividends received (see note 3)	–	–
2.5	Other (refunded deposit to Joint Venture partner on withdrawal from Joint Venture)	–	–
2.6	Net cash from / (used in) investing activities	(25)	(25)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	27,250	27,250
3.2	Proceeds from issue of convertible notes	–	–
3.3	Proceeds from exercise of share options	–	–
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,688)	(1,688)
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	(1,000)	(1,000)
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other (provide details if material)	–	–
3.10	Net cash from / (used in) financing activities	24,562	24,562

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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,478	5,478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,452)	(1,452)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(25)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,562	24,562
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	Cash and cash equivalents at end of period	28,563	28,563

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances ¹	28,562	5,477
5.2	Call deposits	–	–
5.3	Bank overdrafts	–	–
5.4	Other (Cash on hand)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	28,563	5,478

¹ Includes share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter \$2,323,958; Previous Quarter \$1,421,848) to be used for allowable purposes under the Facility Agreement.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	281
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	–
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Includes Salaries, Directors fees and Superannuation contributions		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	–
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end ² \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	81,809	81,809
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Represents the Macquarie Bank Facility which is a secured 5 year partially amortising term loan maturing 30 September 2020 with quarterly principal and interest repayments. The weighted average interest rate at end of the current quarter was 7.28% (floating interest rate).

² Amortised remaining Facility limit. Original facility limit was \$90 million.

9. Estimated cash outflows for next quarter³	\$A'000
9.1 Exploration and evaluation	(1,550)
9.2 Development	–
9.3 Production	(4,055)
9.4 Staff costs (net of recoveries)	(224)
9.5 Administration and corporate costs (net of recoveries)	(492)
9.6 Other	
- Payments for property, plant & equipment	(1,360)
- Interest and debt repayments	(2,485)
9.7 Total estimated cash outflows	(10,166)

³ Outflows only, does not reflect proceeds from product sales, take or pay, or other income

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: ..31 October 2017.....

Print name:JOSEPH MORFEA.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.