Targeting production growth via new discoveries in the underexplored Amadeus Basin

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Central Petroleum Limited (ASX:CTP)
Central Petroleum Business Focus

**PRODUCTION**
- Northern Gas Pipeline opened January 2019, connecting NT producing fields to east coast gas market
- Gas volumes sold increased 111% year-on-year (FY19 versus FY18)
- FY19 revenues increased 70% from FY18 to $59.4 million
- FY19 EBITDAX $22.5 million, of which $19.8 million 2nd half FY19
- Generating strong operating cash flows

**PROJECTS**
- Project Range a new and significant project for Central
- Certified 2C contingent resource of 135PJ** (net to Central)
- High confidence of converting 2C resources into 2P reserves
- Potential to nearly double 2P gas reserve base and gas sales
- Opportunity to accelerate a final investment decision (FID) to supply the east coast market in 2022

**EXPLORATION**
- Over 180,000km² of underexplored permits in NT and Queensland
- Exploration capability augmented with experienced personnel and analytics.
- Dukas-1 well suspended with forward plan to come
- CY2020 exploration programme to drive new near-term growth
- Critical play-based mapping currently underway to progress large, less-mature targets.

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* EBITDAX is Earnings before Interest, Tax, Depreciation, Amortisation and Exploration cost
** Resources are as at 15 August 2019 and were independently certified by Netherland, Sewell & Associates. These resources were first reported to the market on 20 August 2019. PJ rounded to nearest full PJ. Central Petroleum Limited is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.
Amadeus Basin – An underexplored productive basin

- To date **39 exploration wells** have been drilled in the Amadeus Basin an area of ~**170,000km²**
- Of these there have been 22 wells reported oil and/or gas shows
- To date there have been **4 commercial discoveries**
  - 3 gas fields (Mereenie, Dingo and Palm Valley)
  - 1 oil field (Surprise)
- 13% of the dry holes have been drilled off structure
- 34% of the dry wells have failed due to poor pre-trap definition
- 27% due to trap failure (top seal or fault seal)
- 25% had poor reservoir
Amadeus Basin
Dormant exploration suppressing growth

- Only 14,500km of 2D seismic in 177,000 km² basin, most seismic dates from 1960’s and 1980’s, last regional seismic campaign undertaken by Santos in 2013
- Patchy periods of drilling activity but no large drilling campaigns to de-risk plays and understand key risks.
- 20 year lag from discovery to production indicative of the remoteness of the area from infrastructure and markets

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Amadeus Basin – Production history

- Important to note that Mereenie has been primarily developed as an oil field with a large gas cap.
- Most wells are sub-optimally located for gas production.
5 working petroleum systems have been confirmed in the Basin ranging in age from the Precambrian to the Ordovician

2 major orogenies (Petermann 550-530my and the Alice Springs 450-300my)

Sedimentary rocks ranging in age from 900my to 350my

Major evaporite intervals and compressional tectonics (a combination of thick skinned and thin skinned) just to make it more complicated

Challenging for seismic imaging

Conventional exploration targets with access to infrastructure

New commercial pathways to the east coast gas market make this an exceptionally attractive basin
Programme designed to drill the low hanging fruit now whilst working towards play based approach to address later drilling opportunities

- Focus on targets where Central has 100% interest
- Within granted exploration and production licenses
- No additional seismic is required
- In-field or near-field opportunities that leverage existing facilities
- Generally lower risk within proven plays
- Opportunity to quickly monetize resources
## CY2020 Exploration & appraisal program summary

Central’s exploration program is targeting >205PJs gas and 9.5Mbbls oil of risked mean prospective resources and conversion of another 54PJs of gas from 2C contingent resources to reserves.

<table>
<thead>
<tr>
<th>Target formation</th>
<th>Estimated well cost</th>
<th>P50</th>
<th>Mean</th>
<th>P10</th>
<th>Adjacent infrastructure</th>
<th>Existing Formation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Mereenie Stairway</td>
<td>Stairway $3m</td>
<td>54PJ(1)</td>
<td></td>
<td></td>
<td>Mereenie facilities</td>
<td>✓</td>
</tr>
<tr>
<td><strong>B</strong> Dingo Deep</td>
<td>Pioneer $9.05m</td>
<td>41PJ</td>
<td>63PJ</td>
<td>135PJ</td>
<td>Dingo facilities</td>
<td>✓</td>
</tr>
<tr>
<td><strong>C</strong> Orange-3</td>
<td>Arumbera / Pioneer</td>
<td>$13.08m</td>
<td>165PJ</td>
<td>571PJ</td>
<td>Dingo facilities</td>
<td>✓</td>
</tr>
<tr>
<td><strong>D</strong> Palm Valley West</td>
<td>Pacoota $4.77m</td>
<td>35PJ</td>
<td>51PJ</td>
<td>114PJ</td>
<td>Palm Valley facilities</td>
<td>✓</td>
</tr>
<tr>
<td><strong>E</strong> Palm Valley Deep</td>
<td>Arumbera $17.44m</td>
<td>80PJ</td>
<td>131PJ</td>
<td>299PJ</td>
<td>Palm Valley facilities</td>
<td>✓</td>
</tr>
<tr>
<td><strong>F</strong> Mamlambo (oil)</td>
<td>Pacoota $4.29m</td>
<td>24MMbbls</td>
<td>29MMbbls</td>
<td>60MMbbls</td>
<td>Surprise oil field</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Total unrisked**
- Gas: 559PJ(2)
- Oil: 29MMbbls

**Total risked**
- Gas: 259PJ(2)
- Oil: 9.5MMbbls

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**NOTE:** (1) NET 2C CONTINGENT RESOURCES; (2) INCLUDES MEREENIE STAIRWAY 2C CONTINGENT RESOURCES
**CY2020 Exploration Programme**

**EP115 (Wildcat Exploration)**
Under explored exploration permit includes leads in the oil prone section of the Amadeus Basin and a number of multiple Tcf pre-salt gas leads

**F Mamlambo (target 29 MMbbl)**
Large structure defined on an existing seismic grid only 8km from Surprise. Expected to be oil.

**A Mereenie Stairway (2C 54 PJ)**
Reperforating and testing existing wells. Undeveloped section of Mereenie with potential to convert existing 2C to 2P

**D Palm Valley West (target 51 PJ)**
Reduce exploration costs to firm up a strong lead - volumetrically significant potential tie-in to Palm Valley

**E Palm Valley Deep (target 131 PJ)**
Deeper reservoir (proven regionally), untested within the field. Minimal capex required in a success case with a potentially large prize. Additional plans to side-track into the productive Pacotca section for an additional 4bcf and extra production

**C Orange-3 (target 260 PJ)**
Existing wells have proven gas at shallow Arumbera level (productive zone at Dingo) with additional targets in deeper section, volumetrically significant and close tie-in to the Dingo gas pipeline

**B Dingo Deep (target 63 PJ)**
Targeting the Pioneer Formation which is proven to work on a regional basis, minimal capex required. Well will also intersect the proven Arumbera Formation in a crestal location for additional production opportunity
Proven Targets

- **Formation**: Stairway Sandstone, Horn Valley Siltstone, Pacoota Sandstone, Arumbera Sandstone, Pioneer Sandstone, Areyonga Formation

- **Drilling targets**:
  - **Stairway Sandstone**: Mamilambo, Mereenie Stairway
  - **Horn Valley Siltstone**: Palm Valley West
  - **Pacoota Sandstone**: Palm Valley
  - **Arumbera Sandstone**: PV Deep
  - **Pioneer Sandstone**: Dingo Deep
  - **Areyonga Formation**: Orange 2, Orange 3, Ooraminna 2

- **Legend**:
  - Drilling target (oil)
  - Drilling target (gas)
  - Gas shows
  - Gas Production
  - Oil Shows
  - Oil Production

- **Note**: The diagram indicates the presence of drilling targets and production sources across different formations and locations.
Dingo and Orange Structural Setting

- Dingo and Orange are large anticlines clearly defined by seismic data.
- Gas has been recovered from the Arumbera interval at both structures. Opportunity to demonstrate commercial flows at Orange.
- No penetrations have tested the deeper Pioneer interval at either field.
**Dingo Deep**

**Location**
Below existing Dingo gas field

**History**
Discovered in 1982 by Pancontinental. Remained undeveloped for commercial reasons until Central brought the field online in 2015. Commercial production from the Arumbera interval in two wells.

**Thesis**
Deeper targets which are proven regionally have not been tested to date within the Dingo Field.

**Activity**
Dingo Deep will re-enter Dingo-1 well and sidetrack around collapsed casing which is currently stopping production from the proven Arumbera level. Well will then continue to test the deeper Pioneer Formation.

**Opportunity**
Targeting 63PJ (mean recoverable) from the deeper Pioneer Sandstone level. Access to existing Dingo production facilities allows for lower-cost brownfield economics. In addition, the well provides a low-risk opportunity to accelerate production from the currently producing Arumbera formation through a horizontal sidetrack.
Location
Located on the Orange structure, 30km northwest of Dingo and adjacent to the current Dingo pipeline.

History
Two wells have been drilled on the Orange structure: Orange-1 did not intersect the Arumbera 1 sand (the productive reservoir in Dingo). Orange-2, drilled with overbalanced mud, flowed gas to surface at 0.4 mmscf/d on DST proving the existence of gas at the Arumbera level. Deeper intervals not yet tested.

Thesis
Drilling with air through the reservoir sections should improve deliverability (demonstrated with air drilling in the Dingo Field). Deeper targets have not been tested to date within the Orange Field.

Activity
Drill a vertical well in a crestal position to test the Arumbera and Pioneer Formations, using air drilling techniques.

Opportunity
The Orange structure is a large (112 km²) anticline with proven gas at the Arumbera Level, reducing exploration risk. Potential for an aggregate mean volume for the Arumbera and Pioneer levels of 260PJ. Access to existing Dingo production facilities allows for lower-cost brownfield economics.
Palm Valley Deep

Location
Below the existing Palm Valley gas field.

History
Gas first discovered in 1965 and is primarily reservoired in an extensive fracture system in the lower Stairway Sandstone, Horn Valley Siltstone and Pacoota Sandstone. The anticlinal structure is approximately 29km in length and 14km in width and field contains a 2P reserve of 25.83 PJ.

Thesis
No well penetration below the Pacoota Formation (the main productive zone) even though closure and potential reservoir targets exist at deeper levels. Primary deeper target (Arumbera Formation) is the proven reservoir at Dingo.

Activity
Drill a vertical well to near top Arumbera Formation and then deviate at angle of 45° to intersect fractures at an optimal angle; then drill a horizontal side-track production well in the productive Pacoota Formation.

Opportunity
Well location is already cleared and within an existing Production License. Access to existing Palm Valley production facilities allows for lower-cost brownfield economics. Provides a cost efficient opportunity to accelerate production from the currently producing Pacoota formation.
Mamlambo

Location | Located in L6 ~ 8km north-east of the Surprise Oil Field in the Johnstone Trough.

History | Surprise was discovered by Central in 2010 with oil reservoired in the Lower Stairway Formation. The Johnstone Trough is an oil prone region of the Amadeus Basin based on source rock modelling and the discovery of oil at Surprise and residual oil in the breach trap at Johnstone West.

Thesis | Primary objective is the Pacoota Sandstone, with secondary objectives in the Lower Stairway Sandstone. The Lower Stairway Sandstone is the productive interval at Surprise. Mamlambo is currently defined by twelve 2D seismic lines which indicates a structure in the order of 6.5 km².

Activity | Vertical slim-hole well utilising a mineral drilling rig to reduce cost and footprint.

Opportunity | Targeting a mean volume of 29 MMbbls of oil. The size of the potential resource could facilitate development of a micro-refinery for product sales throughout the NT with significantly lower transportation costs and higher sale margins.
Summary

1. Conventional producing gas assets, delivering meaningful free cashflows

2. Near-term high quality contracted revenues and significant, longer-term uncontracted capacity

3. East coast gas market opportunity now accessible

4. Meaningful optimisation opportunities exist within current production portfolio

5. Highly prospective, low-risk, drill ready targets within proven gas plays
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