



Interim Report

Half-year ended 31 December 2020

Central Petroleum Limited
ABN 72 083 254 308

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Forward-looking statements

This document contains forward-looking statements, including (without limitation) statements of current intention, opinion, predictions and expectations regarding Central's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact, are not certain and are susceptible to change and may be affected by a variety of known and unknown risks, variables and changes in underlying assumptions or strategy that could cause Central's actual results or performance to differ materially from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate. Central makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement (whether express or implied) or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this document reflect expectations held at the date of this document. Except as required by applicable law or the Australian Securities Exchange (ASX) Listing Rules, Central disclaims any obligation or undertaking to publicly update any forward-looking statements.

CHAIR'S LETTER

Dear Shareholders,

I am pleased to be writing to you, for the first time as your Chair, to outline the financial performance of your company for the half year ending 31 December 2020, together with an overview of our activities in that time.

Regarding our financial performance, we are reporting a net profit after tax of \$2.5m for the half year, which is up 15% on the previous half reflecting lower exploration activity, corporate cost savings and lower interest and depreciation charges. This performance was achieved on the back of Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration of \$12.9 million, an increase of 51% on the previous half excluding the benefit of the \$7.7 million settlement for the transfer of a 50% interest in the Range CSG Project in the June 2020 half year. The strong result reflects our effective term-gas contracting strategies, cost containment initiatives and solid operations at Central's gas and oil fields in the Northern Territory.

Pleasingly, our cash balance remains strong at \$38.5 million up from \$25.9 million at 30 June 2020, and importantly our net debt of \$31.2 million has decreased from \$46.1 million as at 30 June 2020.

After the market turbulence of early 2020, the last six months have seen global energy markets starting to recover, which has given us the confidence and opportunity to lay the groundwork for an active 2021, with a busy schedule of drilling and growth activities planned.

Rising spot gas prices on the east coast have seen increasing demand from our as-available customers throughout the period and sales volumes overall were steady compared with the preceding six months. Sales would have been higher in aggregate if not for the impact of planned maintenance at Mereenie, Dingo and the Northern Gas Pipeline and seasonal demand reductions in December. Even with the lingering market constraints, our producing assets have provided sustaining cash flows which have covered all our operating and corporate costs, debt service and capital expenditure for the six months.

With market confidence improving, we are in a solid financial position to progress with several important growth projects in 2021.

In coming months we will drill two new production wells at Mereenie and re-complete four existing wells to increase the production capacity of the Mereenie field toward 45 TJ/day (Central share 22.5 TJ/day) by mid-year. This campaign will target more than 40 PJ of gas for future sale (Central share 20 PJ). To help finance this investment, we pre-sold 3.5 PJ of gas in December 2020 for delivery in 2022/2023.

The Range Coal Seam Gas Project in Queensland was reactivated in November and a three-well pilot program is scheduled to commence in April 2021, with production testing planned for mid year. Results from the pilot wells will be critical in determining optimal production rates and designing cost efficient surface facilities, both of which play an important part of a Final Investment Decision which we anticipate in H1 2022, allowing for first gas from Range to be delivered by 2024.

Preparations for our proposed exploration program of up to four wells in the Amadeus Basin are almost complete. The wells will target significant gas and oil resources in formations known to be productive in other fields. It is intended that the Amadeus exploration program will be funded from a partial farm-out of our producing fields. Our progress with a preferred farm-out partner is tracking well with a target of first quarter CY2021 to announce agreed terms of this transaction, allowing us to plan for exploration drilling to begin in Q3 CY2021.

The Federal Government's Energy Plan announced last year identifies the important role of natural gas in the transition to reliable renewable energy and promotes large emerging basins for new supply and new gas pipelines for efficient gas delivery. As a large under-explored basin with over 30 years of production, the Amadeus Basin promises to play an important role in Australia's energy future. We have made direct representations to the Federal Government to have the Amadeus Basin included in its plans to help develop gas supplies from emerging basins. The targets of our 2021 Amadeus exploration program are complemented by larger sub-salt leads such as Dukas and Zevon, which we hope to advance through 2021 and beyond.

Our agreement with Australian Gas Infrastructure Group (AGIG) as a potential foundation customer for the proposed Amadeus to Moomba Gas Pipeline (AMGP) brings the possibility of a new, shorter and more cost-efficient route to get our Amadeus Basin gas to eastern markets.

At this time it's appropriate for me to acknowledge the efforts of Central's management and staff in ensuring gas continues to be delivered to our customers safely and without interruption during the COVID 19 pandemic. In addition, we appreciate the constructive engagement from all our stakeholders including our joint venture partners and various Government agencies. We also acknowledge the Traditional Owners and custodians of the land on which we operate, and thank them for their continued and crucial support of our operations. And finally, to our shareholders, we thank you for your continued support.

All up, having weathered the market challenges of 2020, the foundation is set for the implementation in 2021 of these growth initiatives which have the potential to add significant value to your company. We look forward to keeping you up to date as we work to deliver on these opportunities.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. McCormack', written in a cursive style.

Mick McCormack
Chair
23 February 2021

DIRECTORS' REPORT

31 December 2020

The Directors present their report on the consolidated entity consisting of Central Petroleum Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The names of the Directors of the Company in office during the half-year and until the date of this report are:

Mr Michael (Mick) McCormack (Chair, appointed as Director on 1 September 2020)
Mr Leon Devaney (Managing Director and CEO)
Mr Stuart Baker
Ms Katherine Hirschfeld AM
Dr Agu Kantsler
Dr Julian Fowles (resigned 31 October 2020)
Mr Wrixon Gasteen (resigned 28 November 2020)

Directors have held office for the period and until the date of this report unless otherwise stated.

Operating highlights

The principal continuing activity of the consolidated entity ("the Group") during the period was the exploration, development and production of hydrocarbons.

Highlights for the half-year reporting period and up to the date of this report

- Sales of oil and gas were steady at 5.11 PJE for the half year, compared with 5.19 PJE sold in the previous six months to 30 June 2020, but 28% below December 2019 half year levels due to weak market conditions.
- Operating revenue was \$28.9 million, slightly lower than the \$29.3 million recognised in the previous six months to June and 19% lower than the \$35.7 million in the half year ending December 2019.
- Secured a new Gas Supply Agreement to supply 3.5 PJ of gas over calendar years 2022 and 2023. The sale proceeds were pre-paid in full in December 2020 and will help finance new production capacity at Mereenie in 2021.
- Stronger cash position, with net debt of \$31.2 million, down from \$46.1 million at 30 June, including cash balances of \$38.5 million.
- Extended the Group's finance facility for a further 12 months to 30 September 2022.
- Restarted work on the Range CSG Project in the Surat Basin, with a three well appraisal program planned to be drilled in April 2021.
- Executed a Memorandum of Understanding with Australian Gas Infrastructure Group with the aim of becoming a foundation customer of a proposed new gas pipeline from Central's Amadeus Basin fields to the Moomba gas hub, potentially providing a more cost-efficient route to the larger east coast gas markets.
- A preferred bidder for an interest in Central's Amadeus Basin producing assets was selected and is conducting final due diligence.
- Welcomed Michael (Mick) McCormack to the Board and his subsequent appointment as Chair, bringing to Central his experience as one of Australia's energy industry leaders.

Operating and Financial Review

KEY FINANCIAL AND OPERATING DATA

The Consolidated Entity had an operating profit after income tax for the half year to 31 December 2020 of \$2.5 million (Dec 2019: \$3.2 million).

The above result was after expensing exploration costs of \$1.4 million (Dec 2019: \$1.1 million). The Group's policy is to expense all exploration costs as incurred. To assist understanding of the Group's underlying financial performance before exploration costs, earnings before interest, tax, depreciation, amortisation and exploration (EBITDAX) is reported below.

The result for the half year continues to reflect the significant market downturn that began in early CY2020 as well as natural field decline. Spot oil and gas prices are now starting to recover, but sales volumes were market-constrained for the first quarter of FY2021 and impacted by scheduled maintenance later in the period. The table below shows key metrics for the Group:

	Half year to:			Change from 6 months ending June 2020	
	31 December 2020	30 June 2020	31 December 2019		%
Net Sales Volumes					
- Natural Gas (TJ)	4,890	4,959	6,863	(69)	(1)%
- Oil & Condensate (Bbls)	37,810	39,315	49,701	(1,505)	(4)%
Sales Revenue (\$ '000)	28,933	29,333	35,713	(400)	(1)%
Gross Profit (AUD \$ '000)	14,688	12,875	18,785	1,813	14%
EBITDAX ¹ (AUD \$ '000)	12,911	16,244	17,159	(3,333)	(21)%
EBITDA ² (AUD \$ '000)	11,506	12,046	16,080	(540)	(4)%
EBIT ³ (AUD \$ '000)	5,020	4,978	6,714	42	1%
Statutory Profit after tax (AUD \$ '000)	2,538	2,210	3,201	328	15%
Net cash inflow from Operations ⁴ (AUD \$ '000)	17,629	7,435	8,292	10,194	137%
Capital expenditure ⁵ (AUD \$ '000)	2,804	1,480	1,377	1,324	89%
Cash balance (AUD \$ '000)	38,544	25,918	14,864	12,626	49%
Net debt (AUD \$ '000)	31,166	46,081	59,233	(14,914)	(32)%

Notes:

1. EBITDAX is Earnings before Interest, Tax, Depreciation, Amortisation and Exploration costs (refer reconciliation below).
2. EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation.
3. EBIT is Earnings before Interest and Taxation.
4. Cashflow from Operations includes cash outflows associated with Exploration activities.
5. Capital expenditure on tangible assets

EBITDAX

EBITDAX for the six months to December 2020 was \$12.9 million, down from \$16.2 million in the preceding six months which included the benefit of the \$7.7 million settlement for the transfer of a 50% interest in the Range project.

EBITDAX are earnings before interest, tax depreciation, amortisation, impairment and exploration. EBITDAX is used by management as an indicative measure of underlying operating profit from operations as it excludes non-cash items, the costs of finance and expensed exploration costs and is reconciled to statutory profit below:

It should be noted however that EBITDAX is only an indicative measure of underlying cash profit from operations. There are other significant non-cash items included in EBITDAX, such as share based payments (Dec 2020: \$921,000, June 2020: \$786,000, Dec 2019: \$1,151,000). Revenues recognised may also not reflect actual cash receipts, as some gas revenues relate to presold gas for which cash was received in previous periods and amounts received under take or pay gas contracts are not recognised as revenue until the gas is taken or forfeited by the customer.

Operating and Financial Review (continued)

Reconciliation of statutory profit before tax to EBITDAX

	Six months ending:		
	31 Dec 2020 \$'000	30 June 2020 \$'000	31 Dec 2019 \$'000
Statutory profit before tax	2,538	2,210	3,201
Net interest	2,482	2,768	3,513
EBIT	5,020	4,978	6,714
Depreciation and amortisation	6,486	7,068	9,366
EBITDA	11,506	12,046	16,080
Exploration expenses	1,405	4,198	1,079
EBITDAX	12,911	16,244	17,159

Revenue

The Group recorded \$28.9 million of operating revenue for the half year, consistent with \$29.3 million in the immediately preceding six months to June 2020, but 19% lower than \$35.7 million for the previous corresponding period in 2019. The drop in revenues from 2019 result from a 28% decrease in volumes, partly offset by higher realised prices, reflecting the significant market downturn that began in early CY2020 as well as natural field decline. Spot oil and gas markets are starting to recover, but sales volumes were market-constrained for the first quarter of FY2021 and impacted by scheduled maintenance in the second quarter. The Group's revenues were underpinned by fixed price contracted gas sales with take or pay provisions which provide a stable revenue base. Current firm gas supply contracts have various terms that extend beyond 2025, including 7.5 PJ in CY2022 and 5.2 PJ in CY2023.

Gross Profit

A Gross Profit of \$14.7 million was recorded, 14% higher than the six months to June 2020 which included the cost of returning higher volumes of previously over-lifted gas, but 22% lower than the December 2019 half year, reflecting the lower production revenues achieved. Unit costs of sale were slightly higher than the FY2020 average at \$2.78 /GJE (FY2020: \$2.71 /GJE) as fixed costs were spread over lower volumes.

The Group repaid 0.35 PJ of previously over-lifted gas volumes to its joint venture partner (June 2020: 0.63 PJ, Dec 2019: nil).

Other Expenses

Net employee and administration costs (including share based benefits) for the half year were \$1.8 million compared to \$2.4 million for the prior corresponding period, including the benefit from the JobKeeper subsidy for the first quarter. The annual Short Term Incentive Plan for key management personnel and their direct reports were awarded as share rights with a 3-year vesting period rather than as cash to preserve the Group's cash position.

Net Assets/Liabilities

At 31 December 2020 the Group had a net asset position of \$5.0 million compared to \$1.6 million at 30 June 2020. The improvement reflects the positive operating cash flows during the period.

Included in liabilities on the Group's balance sheet are amounts relating to pre-paid gas sales and take-or-pay receipts recognised as deferred revenue amounting to \$44.7 million (June 2020: \$33.9 million). These liabilities will be transferred to revenue as gas is supplied to the customer or forfeited under take-or-pay contracts and therefore do not represent a cash liability to the Group.

During the half year, 0.35 PJ of previously over-lifted gas was repaid to joint venture partners and 0.87 PJ of pre-sold gas was delivered.

Debt

The Group repaid \$2.0 million of loan principal during the period. EBITDAX of \$12.9 million covered service of loan facilities of \$4.2 million (x 3.0) during the half year. There were no new borrowings during the period.

Net debt including lease liabilities was \$31.2 million at 31 December 2020, significantly lower than the \$46.1 million at 30 June 2020 and \$59.2 million 12 months ago, due to loan repayments and a higher cash balance of \$38.5 million (June 2020: \$25.9 million; December 2019: \$14.9 million).

The balance of outstanding debt at 31 December 2020 was \$68.8 million. The loan facility with Macquarie Bank was extended for a further 12 months during the half year and is now due to expire on 30 September 2022. Principal repayments continue at \$1.0 million per quarter until 30 September 2021, then increase to \$2.0 million per quarter on and from 31 December 2021.

Operating and Financial Review *(continued)*

Net cashflow from operations

Net cashflow from operations was \$17.6 million (six months to June 2020: \$7.4 million, 2019 half year: \$8.3 million), with the increase reflecting receipts from the pre-sale of gas to be delivered in CY2022 and CY2023, lower interest costs and JobKeeper subsidies, partly offset by lower sales volumes.

Expenditure on exploration activities of \$1.3 million was relatively modest, as certain exploration programs were deferred in response to uncertain market conditions in 2020.

SAFETY AND ENVIRONMENT

Central continued its strong focus on Health, Safety and Environmental performance, implementing improvements across all operations. One MTI / LTI was recorded. There were no reportable environmental incidents in the half year.

Environmental, Aboriginal Areas Protection Authority and Central Land Council approvals were granted for the proposed Amadeus exploration drilling program and the new production wells planned for Mereenie.

PRODUCTION

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

(CTP – 50% interest [Operator], Macquarie Mereenie Pty Ltd – 50% interest)

During the half-year:

- Gas production was market-constrained, averaging 28.5 TJ/d over the half-year (100% JV), an increase of 10% on the preceding June half year as markets started to recover from the downturn in early CY2020.
- Oil sales averaged 205 barrels of oil per day over the half-year (Central's share) netting an average of A\$57.74 /bbl after selling and transport costs, an increase of 10% from A\$52.32 /bbl realised in the six months to June 2020.
- Field capacity was 32 TJ/d at 31 December.

A campaign to recompleat four existing wells and to drill two new crestal production wells is scheduled to commence in March 2021 with the aim of returning Mereenie's gross production capacity to around 45 TJ/d (100% JV) in 2021 and produce an additional 40 PJ of gas over the lifetime of these wells (20 PJ net to Central).

Palm Valley Gas Field (OL3) – Northern Territory

(CTP – 100% Interest)

Gas production averaged 9.6 TJ/d over the six months to December 2020, down 10% from the preceding six months due to scheduled maintenance on the Northern Gas Pipeline and natural field decline.

The successful horizontal PV13 well, which was commissioned in May 2019, continued to outperform and is declining slower than first anticipated. As a result of this success, another horizontal production well (PV12) is planned to be drilled using the wellbore of the proposed Palm Valley Deep exploration well which is part of the Amadeus exploration program planned for later in CY2021.

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

(CTP – 100% Interest)

The Dingo field supplies gas to the Owen Springs Power Station, with gas sales averaging 2.8 TJ/d over the half-year, a decrease of 18% from the 3.4 T/day sold in the preceding six months. The balance of the contracted volume of 4.4 TJ/d is subject to take-or-pay provisions and is paid annually to Central in January for the preceding year.

Operating and Financial Review *(continued)*

APPRAISAL / DEVELOPMENT

Range Gas Project (ATP2031) - Queensland

(CTP – 50% interest, Incitec Pivot Queensland Gas Pty Ltd – 50% interest)

In November 2020, Central and Incitec Pivot (IPL) agreed to restart activities required to reach a final investment decision (FID) for the development of the field. A three well pilot is planned to be drilled in April 2021 and put on test for up to six months to gather key subsurface and production data.

Other pre-FID activities including environmental studies, permit applications, engineering and design studies are underway, targeting FID in early 2022.

The 77km² tenement (ATP 2031) is strategically located in the heart of Queensland's coal seam gas (CSG) province which hosts thousands of CSG wells producing from the same coal measures at similar depths. The Range Gas Project contains an estimated 270 PJ of 2C contingent gas resource (Central share 135 PJ).

The Surat Basin remains one of Australia's premier gas production precincts, with the timing of the Range Gas Project positioned for development to take advantage of an expected shortfall of gas supply in eastern Australia by 2024.

EXPLORATION

Amadeus Exploration Program

Amadeus Basin, Northern Territory

Planning for Central's multi-well exploration program in the Amadeus Basin continued during the period. The proposed gas exploration program will target proven hydrocarbon-bearing formations that can be tied-in to existing infrastructure and includes three wells: Dingo Deep (Dingo 5); Orange 3; and Palm Valley Deep. Two of these wells (Palm Valley Deep and Dingo Deep) have been designed to produce from the shallower producing formations in addition to deeper exploration. The proposed Mamlambo exploration well, targeting oil in the L6 production licence area is also being considered.

If successful, and in conjunction with subsequent development, the program has the potential to more than double Central's recoverable oil and gas reserves.

Well designs have been finalised, tenders called and applications lodged for various approvals required for exploration in the Northern Territory. The exploration program is subject to the farm-out process currently underway, with drilling targeted to commence in Q3 CY2021.

Other Exploration Targets

The Amadeus Basin is an extensive underexplored basin with five working hydrocarbon systems demonstrated by proven oil and gas production. Central have identified many less-mature, but potentially company-changing, oil and gas prospects throughout the basin.

Other significant exploration activity during the half year included:

- **EP115**, Amadeus Basin, Northern Territory: located in the north-western section of the Amadeus Basin between the Mereenie Oil & Gas Field and the Surprise Oil Field, EP115 contains the Mamlambo oil prospect and several other large sub-salt targets, including the Zevon lead which has been defined as a very large closure (circa 1,600 km²) from seismic and gravity studies.

Planning for a 2D seismic survey in 2021 is underway to further define this lead.

- **EP112**, Amadeus Basin, Northern Territory (CTP – 30% interest, Santos (Operator) – 70%): Dukas-1 is a gas prospect with multi-TCF potential located approximately 175 km south west of Alice Springs.

The Dukas-1 exploration well was suspended at a depth of 3,704m in mid-2019, after encountering hydrocarbon-bearing gas from an over-pressured zone close to the primary target. During the half year, work progressed on reinterpreting seismic data incorporating data from Dukas-1 and assessing various options to either redrill the well or drill the structure from a new location using specialised high-pressure drilling equipment. No decision on the go forward plan has yet been made by the EP112 JV.

Santos have until 31 July 2021 to elect and notify Central it will be free-carried for \$3 million of future Dukas-1 well costs. Should Santos not carry Central (in exchange for the option to have an additional 30% equity in EP82) the EP112 JV interests will be 55% Santos / 45% Central.

Operating and Financial Review (*continued*)

COMMERCIAL

Amadeus to Moomba Gas Pipeline

In August, Central (as a potential foundation customer) executed a Memorandum of Understanding with its Mereenie JV partner, Macquarie Mereenie Pty Ltd and Australian Gas Infrastructure Group (AGIG) to progress towards FID for the development of a new 950km gas pipeline from the Amadeus Basin to the Moomba gas hub.

The proposed Amadeus to Moomba Gas Pipeline (AMGP) would cut 1,250 km from the current route to Moomba, offering more cost-efficient access to the deeper, higher-priced gas markets of south-eastern Australia.

The AMGP project is already well defined, having previously completed front-end engineering and design as the subject of a firm offer by AGIG under the North East Gas Interconnect selection process conducted in 2015. The AMGP project is targeting FID in late 2021, which AGIG advises would enable commencement of construction in 2022 and deliveries of first gas in Q1 of 2024.

Central's operated fields in the Amadeus Basin have approximately 200PJ of uncontracted conventional gas reserves (gross JV) which can be supplied to market through the AMGP. Further foundation supplies would be required for FID, either from other producers in the NT and/or success from Central's exploration program later this year.

Farm-out of Amadeus Basin tenements

Central is well advanced in a formal farm-out process for an interest in its Amadeus Basin producing tenements to fund a planned exploration program in 2021. Progress with a preferred farm-out partner is tracking well with a target of first quarter CY2021 to announce agreed terms of this transaction, allowing for exploration drilling to begin in Q3 CY2021.

Events since the end of the Half Year

No matters or circumstances have arisen since 31 December 2020 that will affect the Group's operations, results or state of affairs.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Rounding of amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of directors.



Michael (Mick) McCormack

Chair

Brisbane

23 February 2021

AUDITOR'S DECLARATION OF INDEPENDENCE

31 December 2020



Auditor's Independence Declaration

As lead auditor for the review of Central Petroleum Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Central Petroleum Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M Goddard', with a long horizontal flourish extending to the right.

Marcus Goddard
Partner
PricewaterhouseCoopers

Brisbane
23 February 2021

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Revenue from contracts with customers - sale of hydrocarbons	3(a)	28,933	35,713
Cost of sales		(14,245)	(16,928)
Gross profit		14,688	18,785
Other income	5	50	815
Exploration expenditure		(1,405)	(1,079)
Employee benefits and associated costs net of recoveries		(494)	(560)
Share based employment benefits		(921)	(1,151)
General and administrative expenses net of recoveries		(368)	(647)
Depreciation and amortisation		(6,486)	(9,366)
Finance costs		(2,526)	(3,596)
Profit before income tax		2,538	3,201
Income tax expense		-	-
Profit for the half-year		2,538	3,201
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		2,538	3,201
Total comprehensive income attributable to members of the parent entity		2,538	3,201
<u>Earnings per share</u>			
Basic earnings per share (cents)		0.35	0.45
Diluted earnings per share (cents)		0.34	0.41

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

	Notes	31 Dec 2020 \$'000	30 June 2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	38,544	25,918
Trade and other receivables		9,044	6,774
Inventories		2,631	2,581
Total current assets		50,219	35,273
Non-current assets			
Property, plant and equipment	7	104,480	107,845
Right-of-use assets	8	822	1,059
Exploration assets		8,722	8,722
Intangible assets		267	312
Other financial assets		2,656	2,656
Goodwill		3,906	3,906
Total non-current assets		120,853	124,500
Total assets		171,072	159,773
LIABILITIES			
Current liabilities			
Trade and other payables		6,460	5,287
Deferred revenue	3(b)	10,893	10,891
Borrowings	9	5,000	6,964
Lease liabilities	8	490	608
Provisions	10	2,907	4,774
Total current liabilities		25,750	28,524
Non-current liabilities			
Deferred revenue	3(b)	33,785	22,964
Borrowings	9	63,809	63,809
Lease liabilities	8	411	618
Provisions	10	42,280	42,276
Total non-current liabilities		140,285	129,667
Total liabilities		166,035	158,191
Net assets		5,037	1,582
EQUITY			
Contributed equity	11	197,776	197,776
Reserves	11	28,155	27,238
Accumulated losses		(220,894)	(223,432)
Total equity		5,037	1,582

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

Notes	Attributable to owners of Central Petroleum Limited			Total \$'000
	Contributed Equity \$'000	Option Reserve \$'000	Accumulated Losses \$'000	
Balance at 1 July 2019	197,776	25,310	(228,703)	(5,617)
Change in accounting policy – adoption of AASB 16 Leases	-	-	(140)	(140)
Profit for the half-year	-	-	3,201	3,201
Other comprehensive income	-	-	-	-
Total comprehensive profit for the half-year	-	-	3,201	3,201
Transactions with owners in their capacity as owners				
Share based payments	-	1,151	-	1,151
Share issue costs	-	(10)	-	(10)
Total transactions with owners	-	1,141	-	1,141
Balance at 31 December 2019	197,776	26,451	(225,642)	(1,415)
Balance at 1 July 2020	197,776	27,238	(223,432)	1,582
Profit for the half-year	-	-	2,538	2,538
Other comprehensive income	-	-	-	-
Total comprehensive profit for the half-year	-	-	2,538	2,538
Transactions with owners in their capacity as owners				
Share based payments	-	921	-	921
Share issue costs	-	(4)	-	(4)
Total transactions with owners	-	917	-	917
Balance at 31 December 2020	197,776	28,155	(220,894)	5,037

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020

	2020 \$'000	2019 \$'000
Cash flows from operating activities		
Receipts from customers	37,680	32,168
Interest received	50	97
Government grants	1,149	-
Other income	1	-
Tax related payments	-	(634)
Interest and borrowing costs	(2,021)	(2,821)
Payments for exploration expenditure	(1,286)	(1,257)
Payments to suppliers and employees	(17,944)	(19,261)
Net cash inflow from operating activities	<u>17,629</u>	<u>8,292</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,437)	(1,477)
Proceeds from the sale of property, plant and equipment	-	54
Net cash outflow from investing activities	<u>(2,437)</u>	<u>(1,423)</u>
Cash flows from financing activities		
Payments for issue of securities	(4)	(10)
Transaction costs related to borrowings	(221)	-
Repayment of borrowings	(2,000)	(9,501)
Principal elements of lease payments	(341)	(300)
Net cash outflow from financing activities	<u>(2,566)</u>	<u>(9,811)</u>
Net increase/(decrease) in cash and cash equivalents	12,626	(2,942)
Cash and cash equivalents at the beginning of the half-year	<u>25,918</u>	<u>17,806</u>
Cash and cash equivalents at the end of the half-year	<u><u>38,544</u></u>	<u><u>14,864</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

1. Basis of Preparation of Half-Year Report

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*. They present reclassified comparative information where required for consistency with the current reporting period's presentation or where otherwise stated. Central Petroleum Limited is a for-profit entity for the purpose of preparing the financial statements.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Central Petroleum Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated financial report is presented in Australian Dollars, which is Central Petroleum Limited's functional and presentation currency.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

(a) Going Concern

The interim financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period ended 31 December 2020, Central Petroleum Limited ("Central") recorded a net profit of \$2,538,000, had a net positive cash flow from operating activities (including exploration) of \$17,629,000 and had an overall net current asset position at 31 December 2020 of \$24,469,000. The Board and management monitor the Group's cash flow requirements to ensure it has sufficient funds to meet its contractual commitments and adjusts its spending, particularly with respect to discretionary exploration activity and corporate expenditures.

Supported by the cash assets at 31 December 2020 of \$38,544,000 and operating cash flow forecasts, the Group forecasts that over at least the next 12 months, it will have sufficient funds to meet its commitments and continue to pay its debts as and when they fall due. To date the Group has been successful in funding new projects through a combination of operating cash flows, borrowings, gas presales, farmouts and equity from new and existing shareholders.

During the current half-year, the Group extended its existing loan facility a further 12 months 30 September 2022.

Accordingly, the Directors believe the going concern assumption is appropriate.

(b) New and Amended Standards Adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2. Significant Changes in the Current Reporting Period

The financial position and performance of the Group was particularly affected by the following events and transactions during the half-year ended 31 December 2020:

- The Group amended and extended its existing loan facility a further 12 months to 30 September 2022.
- The Group announced a new Gas Supply Agreement to supply 3.5 PJ of gas over calendar years 2022 and 2023, with payment received in full in December 2020.
- Central and Incitec Pivot restarted work on the Range CSG Project in the Surat Basin, with a three well appraisal program to be drilled in 1H 2021.
- Executed a Memorandum of Understanding with Australian Gas Infrastructure Group with the aim of becoming a foundation customer of a proposed new gas pipeline from Central's Amadeus Basin fields to the Moomba gas hub, providing a more efficient route to the larger east coast gas markets.

For a detailed discussion about the group's performance and financial position please refer to our review of operations contained in the Directors' Report on pages 4 to 9.

3. Revenue from contracts with customers

(a) Revenue from contracts with customers

	2020 \$'000	2019 \$'000
Sale of hydrocarbon products – point in time		
Natural gas	26,750	31,684
Crude oil and condensate	2,183	4,029
	<u>28,933</u>	<u>35,713</u>

(b) Contract liabilities

	31 December 2020			30 June 2020		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Deferred Revenue from take or pay contracts ¹	2,714	21,989	24,703	2,714	18,977	21,691
Deferred Revenue from other contracts ²	8,179	11,796	19,975	8,177	3,987	12,164
Total	10,893	33,785	44,678	10,891	22,964	33,855

¹ Take-or-pay proceeds received are taken to revenue at the earlier of physical delivery of the gas to the customer, or upon forfeiture of the right to gas under the contract. No revenue has been recognised during the year for gas forfeited under take-or-pay contracts.

² Deferred Revenue from other contracts represents gas pre-sold to customers which is yet to be delivered. Amounts are recognised as Deferred Revenue when no cash settlement option exists for the customer. Where a cash settlement option previously existed, the amount transferred to Deferred Revenue is the equivalent fair value of that cash settlement option at the time that option ceased to be available.

During the period the Group secured a new Gas Supply Agreement to supply 3.5 PJ of gas over calendar years 2022 and 2023. The sale proceeds were pre-paid in full during the period and have been included as deferred revenue. Movements in contract liabilities during the period include the addition of deferred revenue associated with this new gas sales agreement, the delivery of gas under previous pre-paid gas sales agreements, as well as new take or pay amounts accrued.

4. Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The following operating segments are identified by management based on the nature of the business or venture.

(a) Producing Assets

Production and sale of crude oil, natural gas and associated petroleum products from fields that are in the production phase.

(b) Development Assets

Fields under development in preparation for the sale of petroleum products. There were no fields under development during the current or comparative reporting period.

(c) Exploration Assets

Exploration and evaluation of permit areas.

(d) Unallocated Items

Unallocated items comprise non-segmental items of revenue and expenses and associated assets and liabilities not allocated to operating segments as they are not considered part of the core operations of any segment.

(e) Performance Monitoring and Evaluation

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The consolidated entity's operations are wholly in one geographical location being Australia.

2020	Producing Assets 31 Dec 2020 \$'000	Exploration Assets 31 Dec 2020 \$'000	Unallocated Items 31 Dec 2020 \$'000	Consolidated 31 Dec 2020 \$'000
Revenue from contracts with customers				
Natural Gas	26,750	-	-	26,750
Crude oil and condensate	2,183	-	-	2,183
Total revenue from contracts with customers	28,933	-	-	28,933
Cost of sales	(14,245)	-	-	(14,245)
Gross profit	14,688	-	-	14,688
Other income excluding interest	5	-	1	6
Share based employment benefits ¹	-	-	(921)	(921)
General and administrative expenses	-	-	(30)	(30)
Employee benefits and associated costs	-	-	(832)	(832)
EBITDAX²	14,693	-	(1,782)	12,911
Depreciation and amortisation ¹	(6,134)	-	(352)	(6,486)
Exploration expenditure	(286)	(1,119)	-	(1,405)
Interest revenue	10	-	34	44
Finance costs	(2,326)	(5)	(195)	(2,526)
Profit/(loss) before income tax	5,957	(1,124)	(2,295)	2,538
Taxes	-	-	-	-
Profit / (Loss) for the period	5,957	(1,124)	(2,295)	2,538

¹ Non-cash item.

² EBITDAX is Earnings before Interest, Taxation, Depreciation and Amortisation, Impairment and Exploration expense

4. Segment Reporting (continued)

2019	Producing Assets 31 Dec 2019 \$'000	Exploration Assets 31 Dec 2019 \$'000	Unallocated Items 31 Dec 2019 \$'000	Consolidated 31 Dec 2019 \$'000
Revenue from contracts with customers				
Natural Gas	31,684	-	-	31,684
Crude oil and condensate	4,029	-	-	4,029
Total revenue from contracts with customers	35,713	-	-	35,713
Cost of sales	(16,928)	-	-	(16,928)
Gross profit	18,785	-	-	18,785
Other income excluding interest	-	724	8	732
Share based employment benefits ¹	-	-	(1,151)	(1,151)
General and administrative expenses	-	-	(270)	(270)
Employee benefits and associated costs	-	-	(937)	(937)
EBITDAX²	18,785	724	(2,350)	17,159
Depreciation and amortisation ¹	(9,015)	-	(351)	(9,366)
Exploration expenditure	(236)	(843)	-	(1,079)
Interest revenue	31	-	52	83
Finance costs	(3,253)	(9)	(334)	(3,596)
Profit/(loss) before income tax	6,312	(128)	(2,983)	3,201
Taxes	-	-	-	-
Profit / (Loss) for the period	6,312	(128)	(2,983)	3,201

¹ Non-cash item.

² EBITDAX is Earnings before Interest, Taxation, Depreciation and Amortisation, Impairment and Exploration expense

	Producing Assets \$'000	Exploration Assets \$'000	Unallocated Items \$'000	Consolidated \$'000
Total Segment Assets				
31 December 2020	142,764	11,133	18,256	172,153
30 June 2020	132,817	10,958	15,998	159,773
Total Segment Liabilities				
31 December 2020	(151,285)	(3,233)	(12,598)	(167,116)
30 June 2020	(141,530)	(3,301)	(13,360)	(158,191)

5. Other Income

	2020 \$'000	2019 \$'000
Profit on disposal of interests in Exploration tenements	-	680
Profit on disposal of property, plant and equipment	6	52
Interest revenue	44	83
	50	815

6. Cash and Cash Equivalents

	31 Dec 2020 \$'000	30 June 2020 \$'000
Cash at bank and on hand comprising:		
Corporate (a)	37,159	25,252
Joint arrangements (b)	1,385	666
	38,544	25,918

(a) \$17,836,000 of this balance relates to cash held with Macquarie Bank Limited to be used for allowable purposes under the Facility Agreement (30 June 2020: \$5,486,000), including, but not limited to, operating costs for the Palm Valley, Dingo and Mereenie fields, taxes, capital expenditure and debt servicing.

(b) This balance related to the Group's share of cash balances held under Joint Venture Arrangements.

7. Property, Plant and Equipment

	Freehold land and buildings \$'000	Producing assets \$'000	Plant and equipment \$'000	Total \$'000
30 June 2020				
Cost	3,869	98,384	67,800	170,053
Accumulated depreciation and impairment	(1,690)	(29,788)	(30,730)	(62,208)
Net book amount	2,179	68,596	37,070	107,845
31 December 2020				
Opening net book amount	2,179	68,596	37,070	107,845
Additions	-	559	2,245	2,804
Changes to rehabilitation estimates	-	16	-	16
Disposals and write offs	-	-	(1)	(1)
Depreciation charge	(175)	(3,651)	(2,358)	(6,184)
Closing net book amount	2,004	65,520	36,956	104,480
31 December 2020				
Cost	3,869	98,939	70,043	172,851
Accumulated depreciation and impairment	(1,865)	(33,419)	(33,087)	(68,371)
Net book amount	2,004	65,520	36,956	104,480

8. Leases

(a) Amounts recognised in the balance sheet

	31 Dec 2020 \$'000	30 June 2020 \$'000
(i) Right-of-use assets		
Land and buildings	510	673
Plant and equipment	312	386
	<u>822</u>	<u>1,059</u>
(ii) Lease liabilities		
Current	490	608
Non-current	411	618
	<u>901</u>	<u>1,226</u>

(b) Amounts recognised in the statement of profit or loss

	2020 \$'000	2019 \$'000
Depreciation charge of right-of-use assets		
Land and buildings	180	180
Plant and equipment	73	64
	<u>253</u>	<u>244</u>
Interest expense (included in finance costs)	38	55
Expense related to short-term leases (included in cost of sales and general and administrative expenses)	9	18
Cash outflow for leases	380	355

9. Borrowings

	31 Dec 2020 \$'000	30 June 2020 \$'000
(a) Current		
Debt facilities	5,000	6,964
	<u>5,000</u>	<u>6,964</u>
(b) Non-current		
Debt facilities	63,809	63,809
	<u>63,809</u>	<u>63,809</u>

The Macquarie Bank Facility consists of a number of tranches. Tranches A to D are structured as partially amortising term loans with a maturity date of 30 September 2022. The interest costs are based on fixed spreads over the periodic Bank Bill Swap (BBSW) average bid rate. The Group does not have any interest rate hedging arrangements in place.

9. Borrowings (continued)

Under the terms of the Facility, the Group is required to comply with the following key financial covenants:

1. The Group current ratio is at least 1:1, excluding amounts payable under the Macquarie debt facility and certain liabilities associated with gas sale agreements with Macquarie Bank.
2. The Net Present Value with a 10% discount rate (NPV10) of forecasted net cash flow from the Palm Valley, Dingo and Mereenie gas fields limited by the sales of only Proved Developed Producing reserves, divided by the outstanding loan amount must be greater than 1:3:1.

The terms and conditions of the Facility also require that amounts owing by certain Group companies to trade creditors for more than 90 days after the due date for payment do not exceed \$5 million. Certain Group entities are required to maintain, in aggregate, cash balances of at least \$5 million.

The Group remains compliant with these and all other financial covenants under the facility.

10. Provisions

	31 December 2020			30 June 2020		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee entitlements (a)	2,143	945	3,088	3,942	828	4,770
Restoration and rehabilitation (b)	33	38,152	38,185	120	37,988	38,108
Other:						
Joint Venture production over-lift (c)	731	3,183	3,914	712	3,460	4,172
Total	2,907	42,280	45,187	4,774	42,276	47,050

Movements in Provisions

	Employee Entitlements (a)	Restoration and Rehabilitation (b)	Other (c)	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	4,770	38,108	4,172	47,050
Additional provisions charged to profit or loss	746	28	110	884
Change in provision charged to property, plant and equipment	-	16	-	16
Unwinding of discount	-	151	-	151
Amounts used during the half-year	(2,428)	(118)	(368)	(2,914)
Carrying amount at 31 December 2020	3,088	38,185	3,914	45,187

- (a) The current provision for employee entitlements includes accrued short term incentive plans, severance entitlements, accrued annual leave and the unconditional entitlements to long service leave where employees have completed the required period of service. The amounts are presented as current, since the Group does not have an unconditional right to defer settlement of these obligations. However, based on past experience the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Current leave obligations that are not expected to be taken or paid within the next 12 months amount to \$556,000 (30 June 2020: \$788,000)
- (b) Provisions for future removal and restoration costs are recognised where there is a present obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.
- (c) Estimated future production costs to supply over-lifted gas. Under an Interim Gas Balancing Agreement with its joint venture partners, the Consolidated Entity has taken a higher proportion of natural gas produced from the Mereenie joint venture than its joint venture percentage entitlement. A provision has been recognised to reflect the expected additional production costs of rebalancing production entitlements between the joint venture partners from future operations.

11. Contributed Equity and Reserves

	31 Dec 2020 \$'000	30 June 2020 \$'000
Share capital		
723,442,389 ordinary shares	197,776	197,776
(30 June 2020: 723,288,869 ordinary shares)		
Reserves		
Share options reserve	28,155	27,238
	Half-Year Ended 31 December	
	2020	2019
	\$	\$
Movements in share capital:		
Balance at start of half year	197,776	197,776
Issues of ordinary shares	-	-
Transaction costs	-	-
Balance at the end of the half year	197,776	197,776
Movements in share options reserve:		
Balance at start of the half year	27,238	25,310
Share based payments costs	921	1,151
Transaction costs	(4)	(10)
Balance at the end of the half year	28,155	26,451
	2020	2019
	No. of securities	No. of securities
Movements in ordinary shares on Issue during the half-year:		
Balance at the beginning of the half-year	723,288,869	713,355,716
Exercise of employee share rights under LTIP	153,520	9,701,490
Balance at the end of the half-year	723,442,389	723,057,206

11. Contributed Equity and Reserves (continued)

Movement in Employee Share Rights

Class	Expiry Date	Plan Year Commencing	Balance at start of period	Issued during the period	Cancelled or lapsed during the period	Exercised during the period	Balance at the end of the period
Employee LTIP rights	05 Jan 2021	1 Jul 2015	7,305	-	-	(7,305)	-
Employee LTIP rights	08 Dec 2022	1 Jul 2016	579,386	-	-	-	579,386
Employee LTIP rights	03 Oct 2022	1 Jul 2017	4,601,645	20,271	-	(146,215)	4,475,701
Employee LTIP rights	23 May 2023	1 Jul 2017	16,868	-	-	-	16,868
Employee LTIP rights	28 Jun 2023	1 Jul 2017	135,920	-	-	-	135,920
Employee LTIP rights	22 May 2024	1 Jul 2018	6,444,398	-	(174,159)	-	6,270,239
Employee LTIP rights	12 Nov 2024	1 Jul 2018	1,837,109	-	-	-	1,837,109
Employee LTIP rights	30 Jun 2024	1 Jul 2019	7,353,175	30,545	(542,874)	-	6,840,846
Employee LTIP rights	30 Jun 2025	1 Jul 2020	-	9,917,120	-	-	9,917,120
Employee STIP rights ¹	30 Jun 2025	1 Jul 2019	-	3,692,054	-	-	3,692,054
Total			20,975,806	13,659,990	(717,033)	(153,520)	33,765,243

¹ Rights issued under the Short-Term Incentive Plan in lieu of cash with a 3 year vesting period.

Options

No options were granted during the period. There were no expired or cancelled options during the period.

12. Contingencies and Commitments

(a) Exploration and Capital Commitments

The Group has the following capital expenditure commitments:

	Consolidated	
	31 Dec 2020 \$'000	30 June 2020 \$'000
Due within one year	2,014	475
Total	2,014	475

The Group has contingent exploration expenditure commitments on various permit areas held in Australia.

	Consolidated	
	31 Dec 2020 \$'000	30 June 2020 \$'000
Within one year	10,950	10,578
Later than one year but not later than three years	64,896	55,087
Later than three years but not later than five years	-	8,100
Total	75,846	73,765

These commitments may be varied in the future as a result of renegotiations of the terms of exploration permits. In the petroleum industry it is common practice for entities to farm-out, transfer or sell a portion of their rights to third parties or relinquish (whole or part of the permit) and, as a result, obligations may be reduced or extinguished.

(b) Contingent Liabilities

There were no changes to contingent liabilities as outlined in the previous annual financial report to 30 June 2020.

13. Post Balance Date Events

There were no events that occurred subsequent to 31 December 2020 and up to the date of this report that will affect the Group's operations, result or state of affairs.

14. Related Party Transactions

There were no related party transactions during the period.

DIRECTORS' DECLARATION

31 December 2020

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 24 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and
- (a) there are reasonable grounds to believe that Central Petroleum Limited will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of Directors.

Michael (Mick) McCormack
Chair



Brisbane
23 February 2021

INDEPENDENT AUDITOR'S REVIEW



Independent auditor's review report to the members of Central Petroleum Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Central Petroleum Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Central Petroleum Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Marcus Goddard', with a long horizontal flourish extending to the right.

Marcus Goddard
Partner

Brisbane
23 February 2021

CORPORATE DIRECTORY

31 December 2020

Directors

Mr Michael (Mick) McCormack BSurv, GradDipEng, MBA, FAICD, Non-Executive Director and Chair
Mr Leon Devaney BSc MBA, Managing Director and Chief Executive Officer
Mr Stuart Baker BE(Elec), MBA, AICD, Non-Executive Director
Ms Katherine Hirschfeld AM, BE(Chem), HonFIEAust, FTSE, FIChemE, CEng, FAICD, Non-Executive Director
Dr Agu Kantsler BSc (Hons), PhD, GAICD, FTSE, Non-Executive Director

Group General Counsel and Company Secretary

Mr Daniel C M White LLB, BCom, LLM

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Stock Exchange Listing

Central Petroleum Limited shares are listed on the Australian Securities Exchange under the code CTP.