



June 2020 Quarterly Update

7 August 2020

Central Petroleum Limited (ASX:CTP)





Highlights

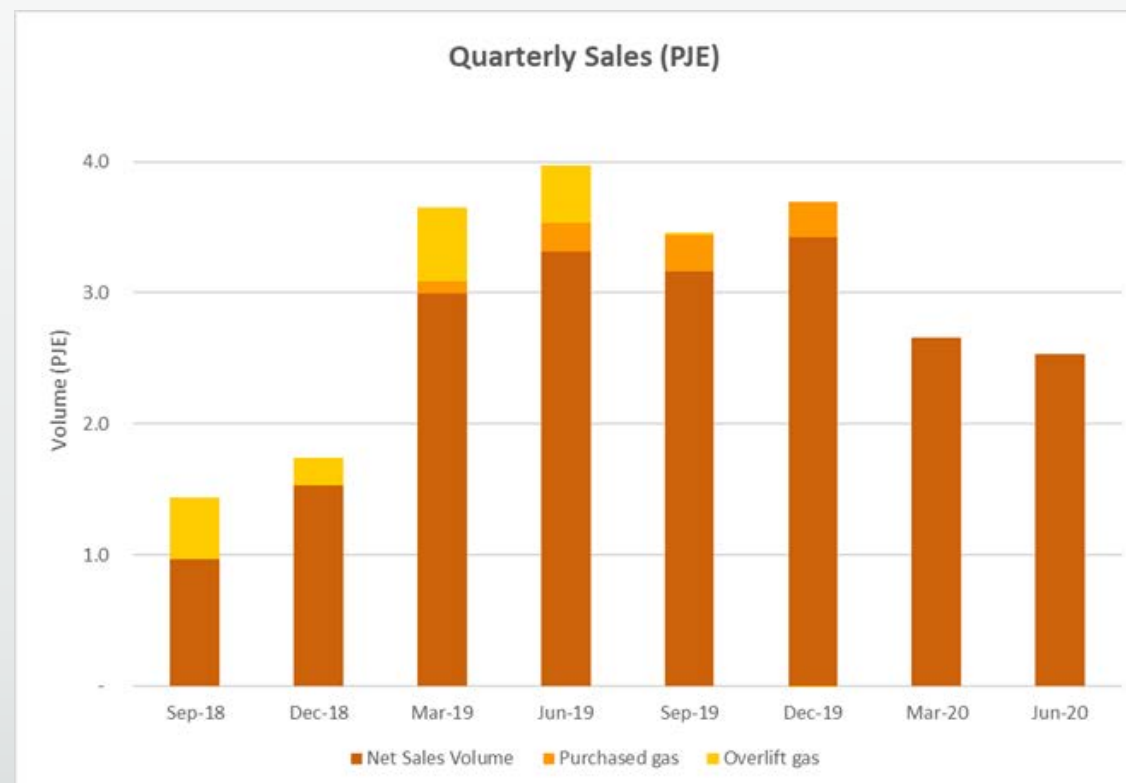
- Record annual sales volumes and revenues despite challenging market conditions in 2H
 - Quarterly results reflect depressed market conditions, but demonstrate the value of our long-term, firm gas supply contracts
- Central's business is financially resilient and positioned to ride-out market cycles
 - \$25.9 million cash balance
 - Corporate costs reduced and discretionary expenditures paused
- Proved and Probable (2P) oil and gas reserves were upgraded by 22.5 PJE (16%)
- Reached agreement with Santos on the forward plan for the Dukas exploration well
- Continued excellent safety record, with no MTIs or LTIs for more than a year
- Focus on returning to growth mode



Sales volumes

Record annual sales volume: 12.34 PJE, up 14% on FY2019

- June quarter sales of 2.53 PJE, down 4.7% from March quarter
 - Historically weak spot gas market conditions
 - Lower customer nominations from Dingo field (covered by take-or-pay provisions)
 - Gas balancing fluctuations at Mereenie
 - Compressor maintenance at Palm Valley
- Volumes essentially reflect our portfolio of fixed-price, long-term gas supply agreements
 - 96% of June quarter sales from long term, fixed price contracts
- Returned 0.18 PJ of previously over-lifted gas





Revenues

Record annual sales revenues: \$65 million, up 9.6% on FY2019

		FY20	FY20	FY19	FY20
Product	Unit	Q3	Q4	Full year	Full year
Gas	\$'000	13,987	13,288	49,658	58,960
Crude and Condensate	\$'000	1,297	760	9,700	6,086
Total Sales Revenue	\$'000	15,284	14,048	59,358	65,046
Revenue per unit	\$/GJE	\$5.75	\$5.55	\$5.50	\$5.27

- June quarter revenues of \$14 million, down 8.1% from March quarter
- Average unit sales price of \$5.55/GJE across portfolio, down 3.5% from last quarter
 - Realised oil prices down 35% (includes lagged pricing from record lows in February)
 - Fixed-price, term sales contracts provide stability in unit pricing



Strong FY2020 financial performance

Metric	Unit	June Qtr.	FY2020 Full year	FY2019 Full year	Comment
Sales volume	PJE	2.5	12.3	10.8	Includes purchased gas sold. June quarter sales include minimal spot sales and reflect firm contracted volumes.
Sales revenue	\$M	14.0	65.0	59.4	Includes revenue for pre-sale deliveries and sales of purchased gas. Oil revenues lower due to historically low prices.
Average sales price	\$/GJE	5.55	5.27	5.50	Unit prices include lower oil prices, supported by strong firm sales portfolio and a new firm contract commencing in January.
Net cash flows:					Operating: Full year includes \$3.1M exploration costs and \$5.1M of interest costs. Investing: Full year includes Range proceeds of \$7.7M received in January. Financing: \$11.5M of loan repayments for the full year.
- Operating	\$M	1.8	15.7	2.5	
- Investing	\$M	(0.9)	4.7	(15.4)	
- Financing	\$M	(1.1)	(12.3)	3.5	
Net cash flows	\$M	(0.2)	8.1	(9.4)	Cash balance steady for June Qtr
Debt repaid	\$M	1.0	11.5	14.0	Scheduled loan repayments at \$1.0M through September 2020 and then \$2.0M per quarter thereafter.
Net gearing	%	43%	43%	52%	Net gearing based on Market Capitalisation (30 June 2020 share price)
Cash balance	\$M	25.9	25.9	17.8	

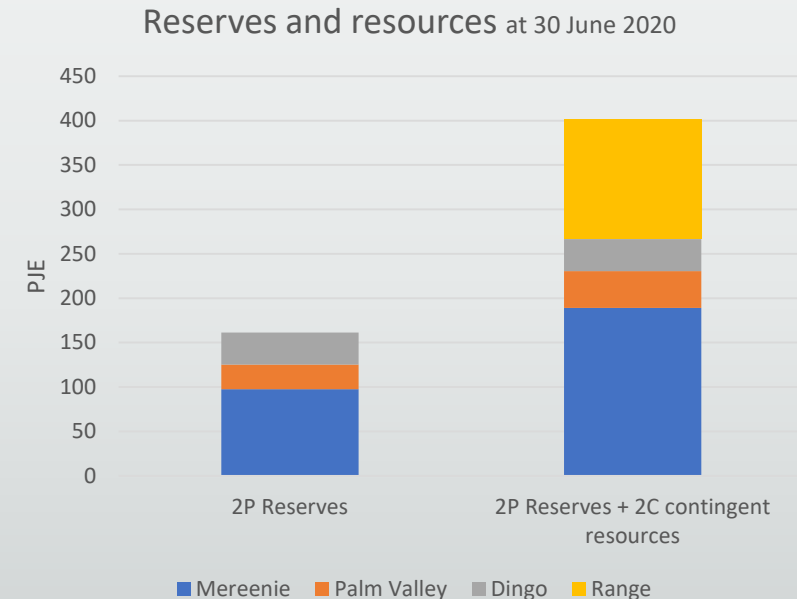
Reserves upgrade

16% increase in 2P reserves

Oil and Gas Reserves and Resources CTP Share	As at 30 June 2019 (PJE)	Production 1 July 2019 – 30 June 2020 (PJE)	Reserve Upgrade (PJE)	As at 30 June 2020* (PJE)
Proved (1P)	124.1	(11.1)	14.7	127.7
Proved and probable (2P)	149.8	(11.1)	22.5	161.2
Proved, probable and possible (3P)	175.5	(11.1)	41.0	205.4
Contingent (2C)*	240.4	-	0.1	240.5

* As reported to ASX on 24 July 2020, including 2C contingent gas resources of 135 PJ at the Range Gas Project in Queensland which were first reported to the market on 20 August 2019. Oil reserves and contingent resources have been converted to Petajoule equivalents (PJE), using a conversion factor of 5.816 PJ/mmbbls

- Increase driven by field performance at Mereenie and excellent sustained production from the PV13 well at Palm Valley
- Significant 105 PJ of 2C contingent gas resource at Mereenie and Palm Valley
 - Stairway Sandstones through lateral drilling from existing Mereenie wells
 - Palm Valley replication of PV13 success through lateral drilling from existing wells and proposed PV Deep exploration well





Growth activity update

Exploration programme

- Prioritising three high potential gas prospects for drilling, plus Stairway appraisal at Mereenie
- Planning and approvals continue to be advanced
- Drilling schedule (subject to funding) planning to start in 1H 2021

Farm-out process

- Farm-out to be used to fund exploration programme drilling in 2021
- Solid interest from credible counterparties
- Currently in non-binding discussions with short-listed parties

Dukas – multi-TCF target

- Dukas forward plan now agreed and underway
- Well design and cost under consideration, with decision targeting end of year
- Potential for \$3M carry for Central, drilling target 1H 2022

Range Gas Project

- Focus on restarting pilot program and FID activity
- Exploring structured funding solutions to accelerate activity
- Production commencement could align with market recovery window from 2023

Markets

- Domestic spot gas markets continue to reflect very weak energy markets globally
- East coast spot pricing at historic lows, unsustainable long-term
- Term gas market remains resilient, reflecting strong market recovery from 2022/23

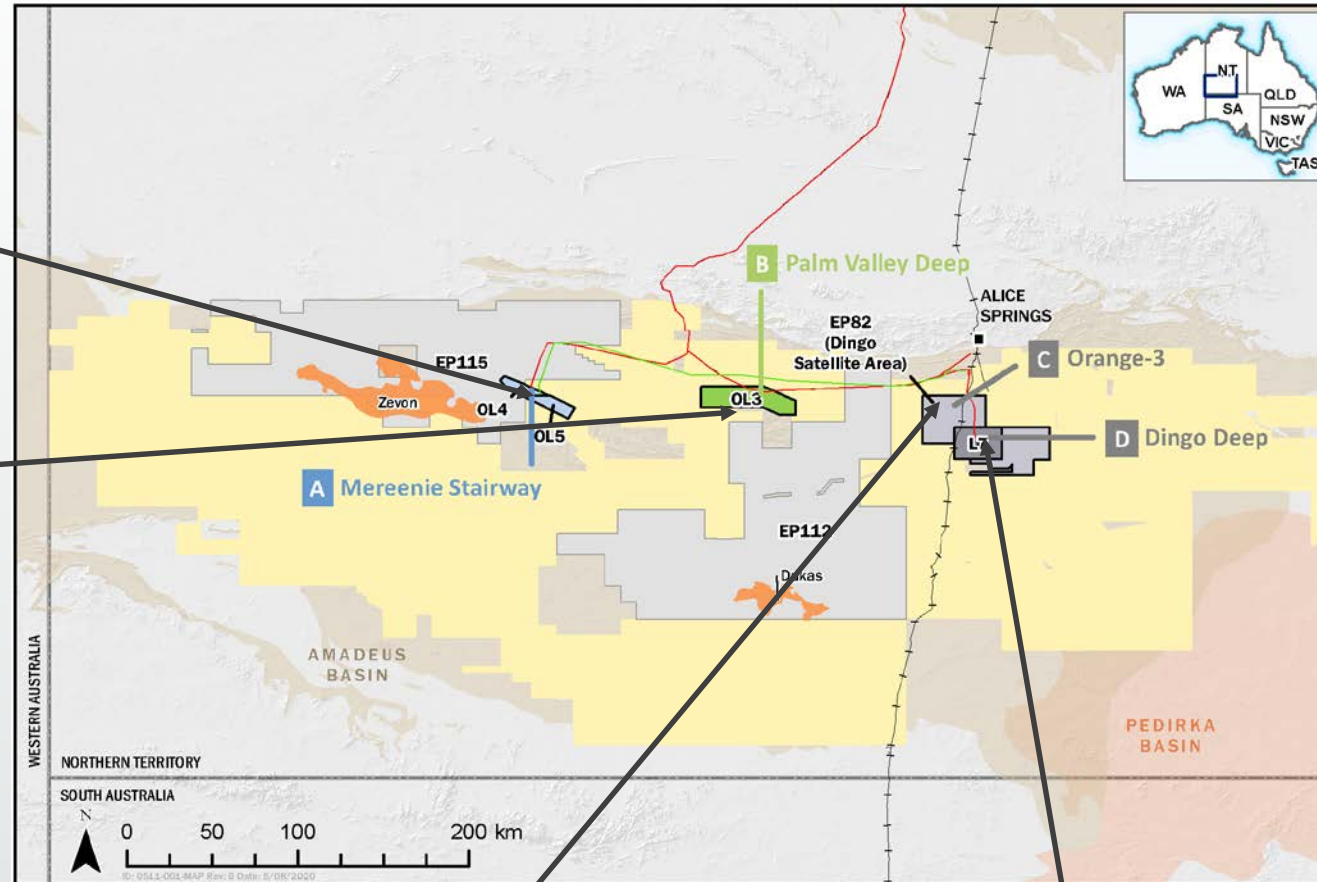
Amadeus exploration programme – priority targets

A Mereenie Stairway (2C 54 PJ)

Reperforating and testing existing wells. Undeveloped section of Mereenie with the potential to convert existing 2C to 2P

B Palm Valley Deep (target 123 PJ)

Deeper reservoir (proven at Dingo), untested within the field. Minimal capex required in a success case with a potentially large prize. Additional plans to sidetrack horizontally into the productive Pacoota section for extra production that could be tied in immediately.



C Orange-3 (target 401 PJ)

Existing wells have proven gas at the shallow Arumbera level (productive zone at Dingo) additional targets identified in deeper section of the structure which are volumetrically significant and close to the existing Dingo pipeline

D Dingo Deep (target 69 PJ)

Well will be located crestally in the field and provide an additional production well at the proven Arumbera level and also target additional deeper targets

Cautionary statement: the estimated target quantities of petroleum that may *potentially be recovered* by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



Updated exploration and appraisal targets

- Additional technical work has led to an increase in the overall potential volumes being targeted
 - Reviewed mapping and depth conversion
 - Regional geological work identified an additional target level in both Orange and Dingo Deep (Areyonga Formation)
- Focus of exploration will now be upon selected gas prospects
 - Brownfield - all within existing fields
 - Substantial (30%) increase in prospective resource for three main candidates

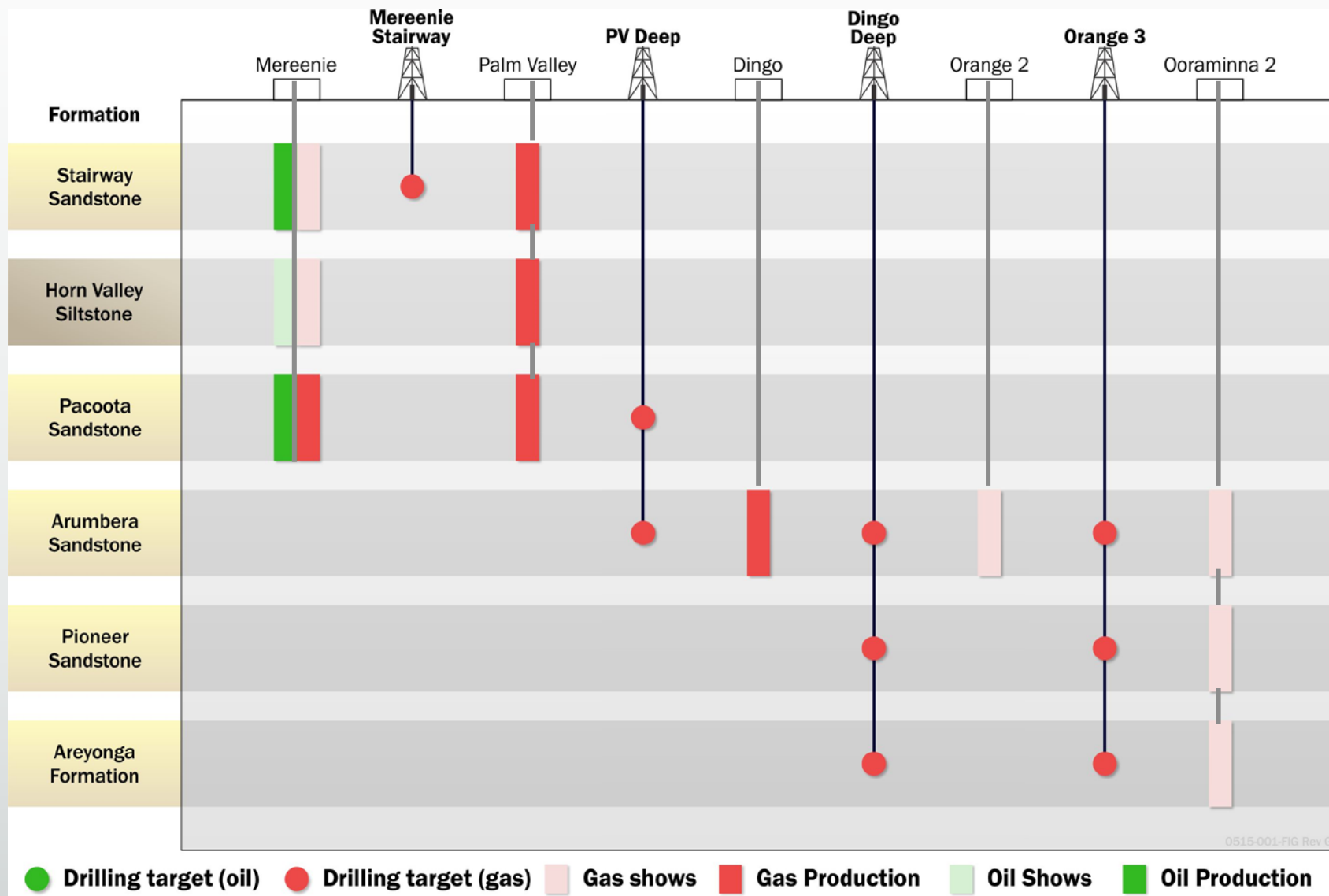
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Prospective Resource Consolidated mean recoverable ¹		
Lead / Prospect	Previous ² (PJ)	Updated (PJ)
Dingo Deep	63	69
Orange-3	260	401
Palm Valley Deep	131	123
Aggregate Total	454	593

2C Contingent Resource	
Appraisal target	2C Contingent (PJ)
Mereenie Stairway ³	54

- The volumes of prospective resources represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect. Further details and statements relevant to this page are provided on page 15 of this presentation.
- As first reported to ASX on 11 October 2019.
- As first reported to ASX on 13 November 2018.

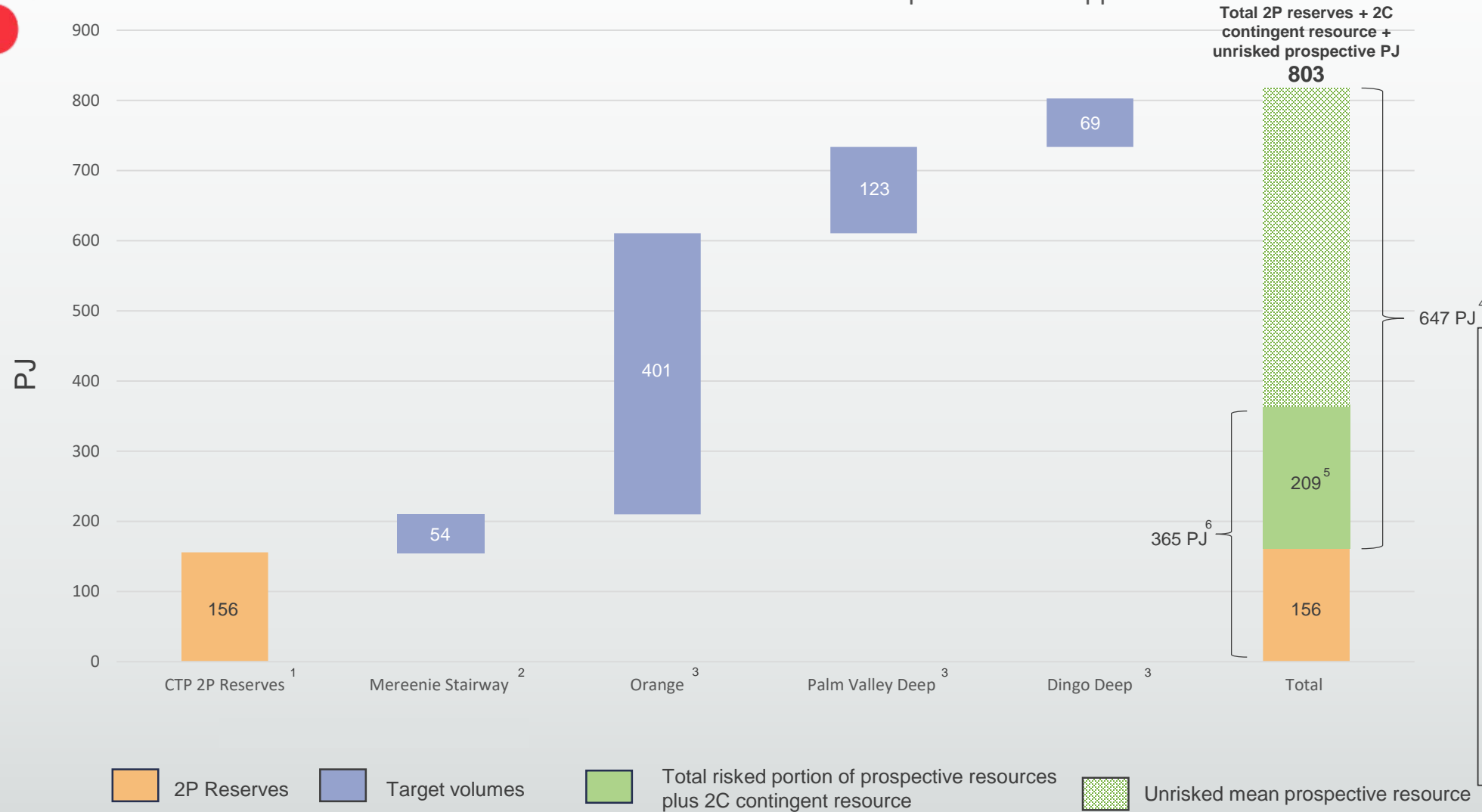
Prioritised exploration and appraisal



- All prioritised targets have been proven as hydrocarbon bearing based on previous exploration drilling
- Ooraminna 2 is the closest offset well from Orange and flowed gas from the Pioneer Formation on test with good gas shows at the Areyonga level
- Areyonga Formation is a target for both Dingo Deep and Orange-3 prospects

Potential to more than double reserves base

Potential volume additions from Amadeus Exploration and Appraisal



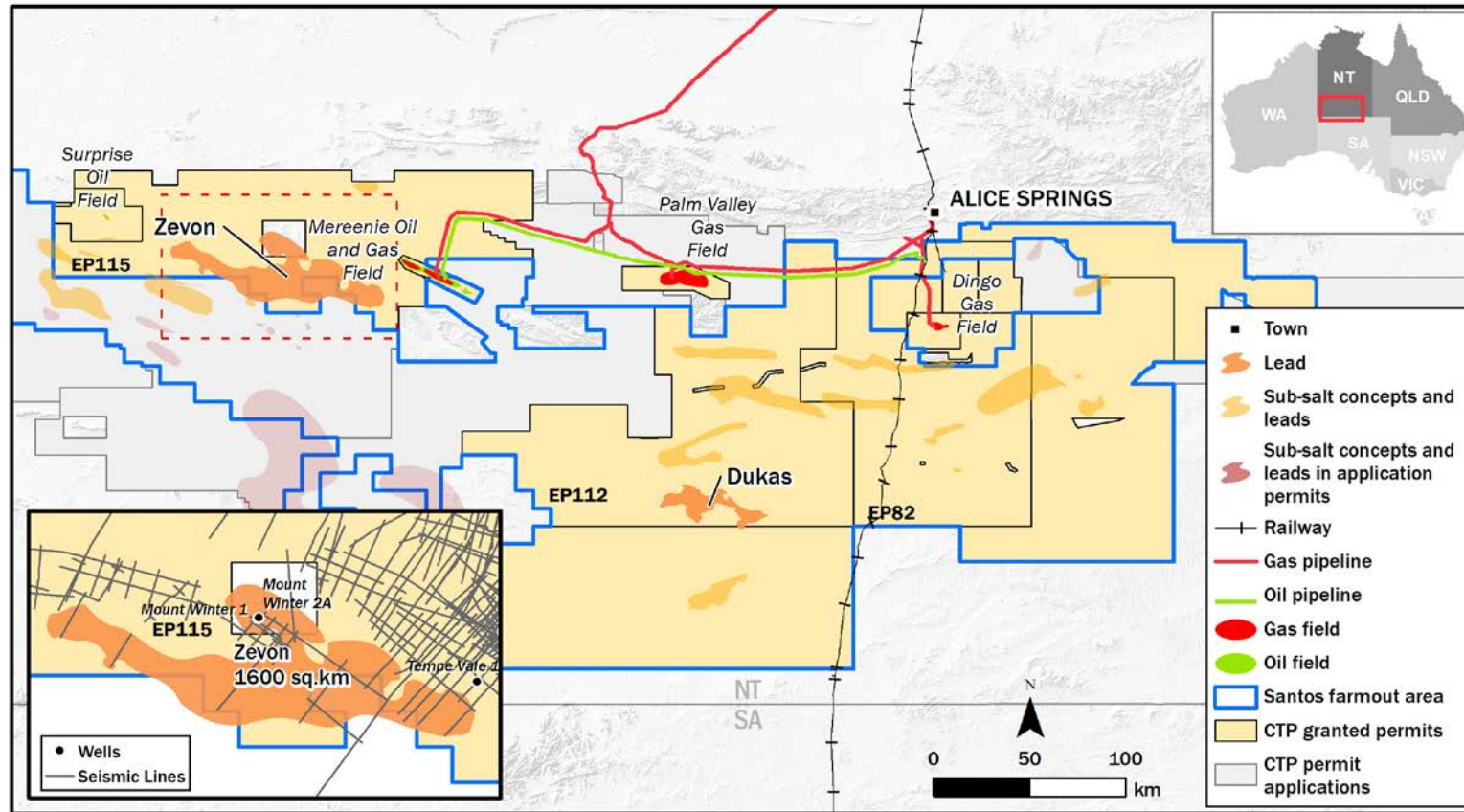
Notes:

1. 2P gas reserves at 30 June 2020
2. Mereenie Stairway 2C contingent resource (CTP share)
3. Unrisked mean prospective resource
4. Total unrisked mean prospective resource plus 2C contingent resource
5. Total risked prospective resources plus 2C contingent resource
6. Risked mean resource plus 2P reserves plus 2C contingent resource

Further details and statements relevant to this page are provided on page 15 of this presentation.

EP115 Exploration potential

Central's permits contain several sub-salt leads with multi-TCF potential



- EP115 is an exploration permit held by Central (100%) located in the north-western section of the Amadeus Basin adjacent to the Mereenie oil and gas field
- The western section of the permit is located in the oil prone Johnstone Trough
- The permit surrounds L6 in which Surprise oil field and the Mamlambo prospect are located
- Zevon is a very large closure (~1600km²) which is currently defined on existing low quality seismic and gravity
- Same play as Dukas
- Multi-TCF potential
- Planning for 500km 2D seismic survey underway
- Potential to combine drilling with Dukas in 2022



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Key takeaways

- Priority has been weathering a severe market downturn while preserving shareholder value
- Quality producing assets and fixed term gas contracts providing Central with critical base cash-flow and financial flexibility
- Anticipated domestic market rebound from 2022
- Company-changing growth strategies remain valid, targeting market recovery
- Focus is now on prudently restarting and accelerating growth ASAP

“We are balancing prudent financial management with our objective of pursuing company-changing growth that is aligned with a strong market recovery from 2022.”

Central Petroleum MD and CEO, Leon Devaney

Reserves and resources information

Prospective Resources – Amadeus exploration targets

Lead / Prospect	Target formation	Depth (mMD)	Permit	Permit Interest	Low Estimate P90 Recoverable (PJ)	Best Estimate P50 Recoverable (PJ)	High Estimate P10 Recoverable (PJ)	Mean Recoverable (PJ)
Dingo Deep	Pioneer	3500	L7	100%	5	17	55	26
	Areyonga	3600	L7	100%	10	32	88	43
Orange-3	Arumbera	2700	EP82(DSA)	100%	14	49	148	71
	Pioneer	3400	EP82(DSA)	100%	15	67	233	107
	Areyonga	3700	EP82(DSA)	100%	49	168	456	223
Palm Valley Deep	Arumbera	3600	OL3	100%	16	75	280	123
Aggregate Gas						408		593

Contingent Resources

Appraisal target	Target formation	Permit	Permit Interest	2C Contingent (PJ)
Mereenie Stairway	Stairway	OL4/5	50%	54

Reserves and contingent resources

Reserves and contingent resources for the Mereenie, Palm Valley and Dingo fields in this report are as at 30 June 2020 and were first reported to ASX on 24 July 2020.

2C contingent resources for the Range Gas Project and Mereenie Stairway were first reported to the market on 20 August 2019 and 13 November 2018 respectively.

Central confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisked recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect as at 5 August 2020.

Inputs required for these analyses have been derived from offset wells and fields relevant to each play and field. Recovery factors used have been derived from analogous field production data.

Qualified petroleum reserves and resources evaluator statement

The information contained in this report regarding the prospective resources is based on, and fairly represents, information and supporting documentation reviewed by Mr Kevan Quammie who is a full-time employee of Central Petroleum holding the position of Development & Appraisal Manager. Mr Quammie holds an M.Sc. Petroleum and Natural Gas Engineering from the Pennsylvania State University, is a member in good standing of the Society of Petroleum Engineers, is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Cautionary statement: the estimated quantities of petroleum that may *potentially be recovered* by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



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This ASX announcement was approved and authorised for release by Leon Devaney, Managing Director and Chief Executive Officer

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