

Qld Investors Club

14 September 2021
Central Petroleum Limited (ASX:CTP)



Gas supply shortfall looming

The Sydney Morning Herald

Morrison's plan for 'gas-led recovery'

David Crowe, 15 September 2020

The Morrison government will open up new gas supplies and back construction of a gas-fired power station in a mammoth new plan that aims to prevent an energy price spike.
Prime Minister Scott Morrison will today promise a "gas-led recovery" from the recession by making sure Australian manufacturers can gain access to the energy they need to compete with overseas rivals.

THE AUSTRALIAN

Gas-fired manufacturing to get economy back to work

Jared Lynch, 7 October 2020

The Morrison government is betting on a "gas-fired recovery" as part of its multibillion-dollar plan to lower carbon emissions and resuscitate the country's manufacturing sector.

FINANCIAL REVIEW

Role for gas, no need for coal: Grattan

Angela Macdonald-Smith, 12 April 2021

Australia does not need coal-fired power stations to keep electricity bills down, but rushing to 100 per cent renewable energy will be "expensive" without major technology breakthroughs to provide back-up power during long winter wind droughts.

FINANCIAL REVIEW

Gas shortage looms for NSW, Vic by 2024

Mark Ludlow, 16 February 2021

Australia will face an east coast gas shortage unless decisive action is taken to bring forward new projects over the next two years, the Australian Competition and Consumer Commission says.



Energy minister ramps up campaign for gas

Rebecca Gredley, 13 April 2021

The federal energy minister has launched a strident defence of gas, claiming those against expanding the fossil fuel's role in Australia are against the interests of the nation.

FINANCIAL REVIEW

High gas prices prompt calls for cut in exports

Angela Macdonald-Smith and Mark Ludlow, 7 July 2021

Manufacturers are sounding the alarm as east coast gas prices surge to levels not seen since 2016, thanks to cold winter weather and gas having to be diverted to generate electricity after the breakdown of coal-fired generators.

The Amadeus Basin

30 years of proven commercial production

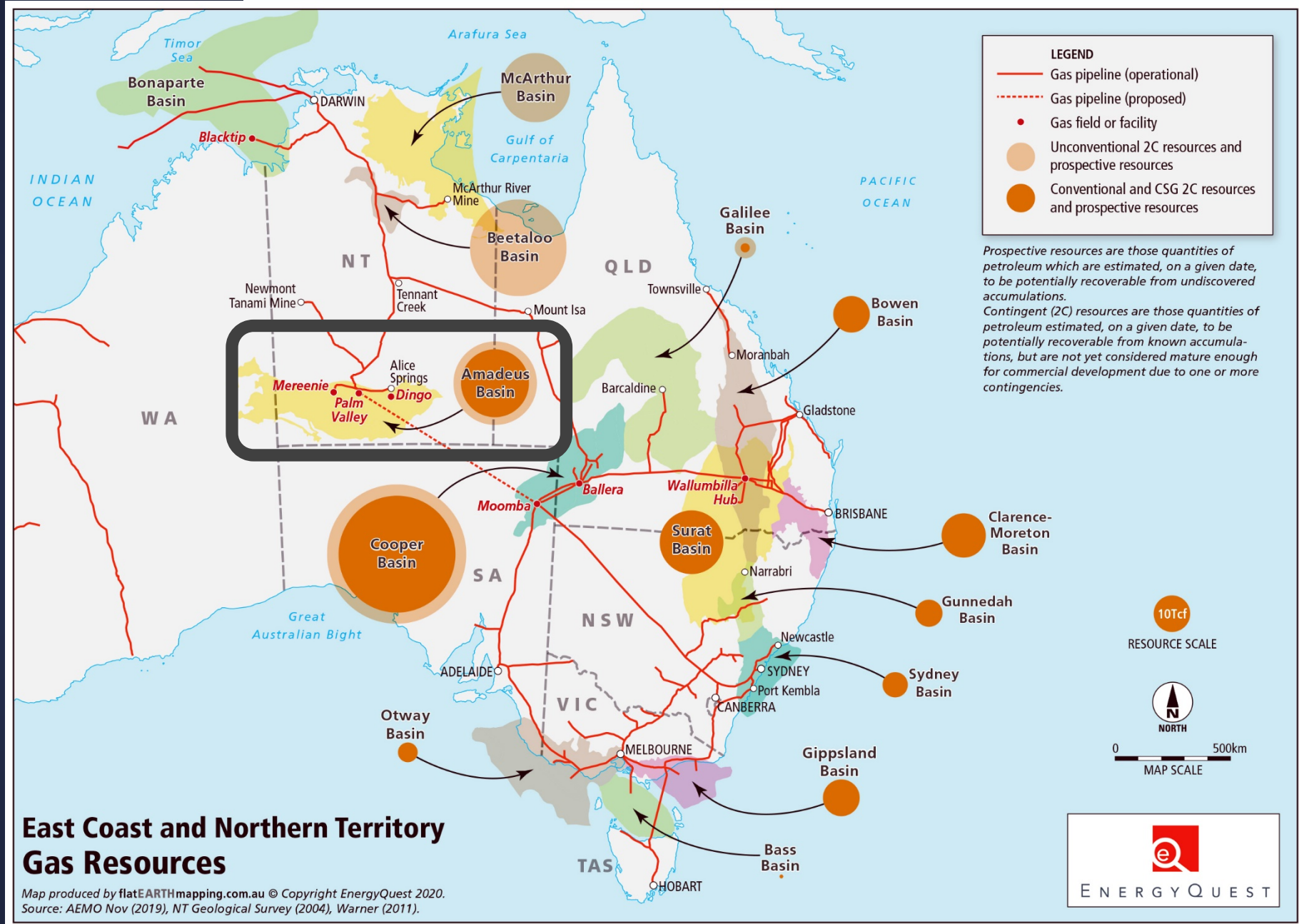
200 PJ of existing uncontracted 2P reserves

Large underexplored basin (53 Tcf total resource*)

Conventional gas focus, with large unconventional upside

Potential for direct connection to Moomba (AMGP)

* total Amadeus 2C resources and prospective resources from EnergyQuest compilation based on independent sources

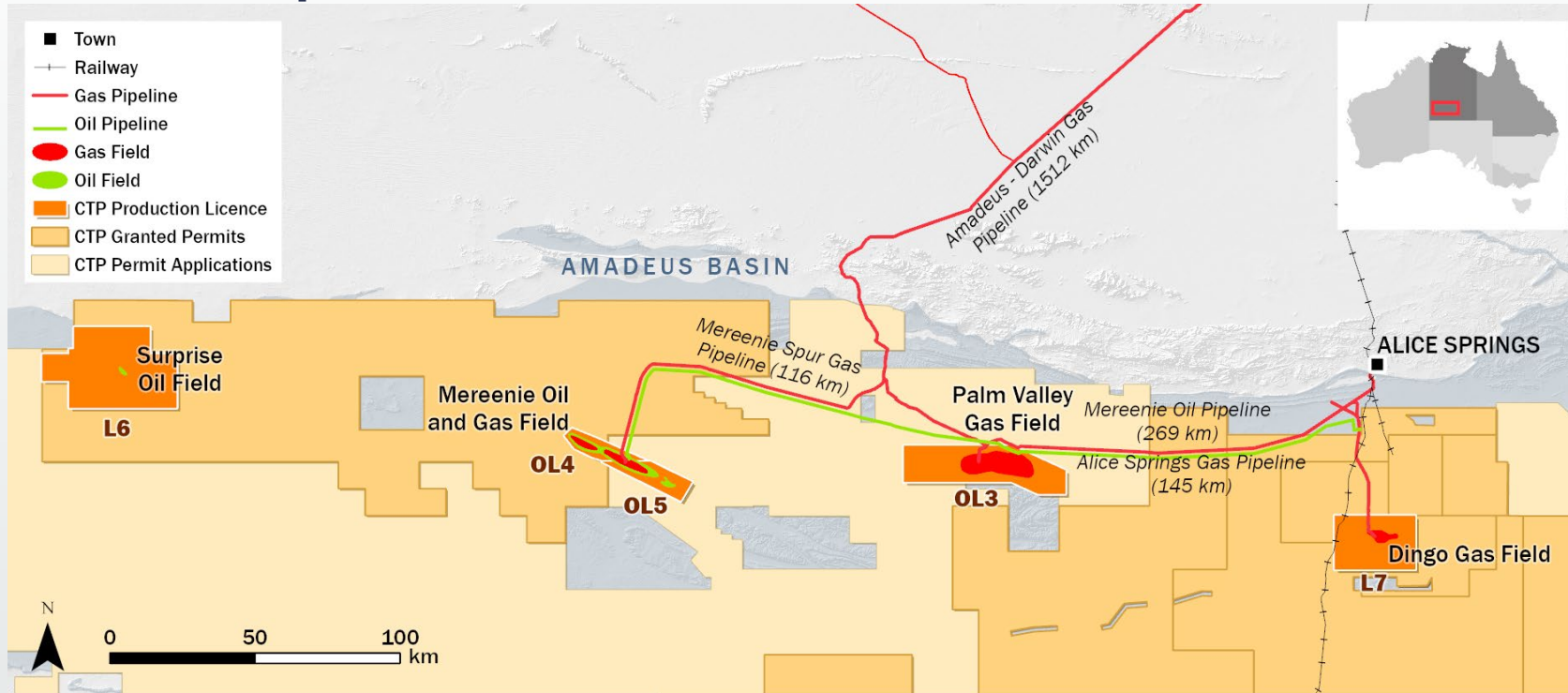


Production assets

Central's exploration opportunities are underwritten by a portfolio of long-producing, cash-generating assets in the Amadeus Basin



Proven production

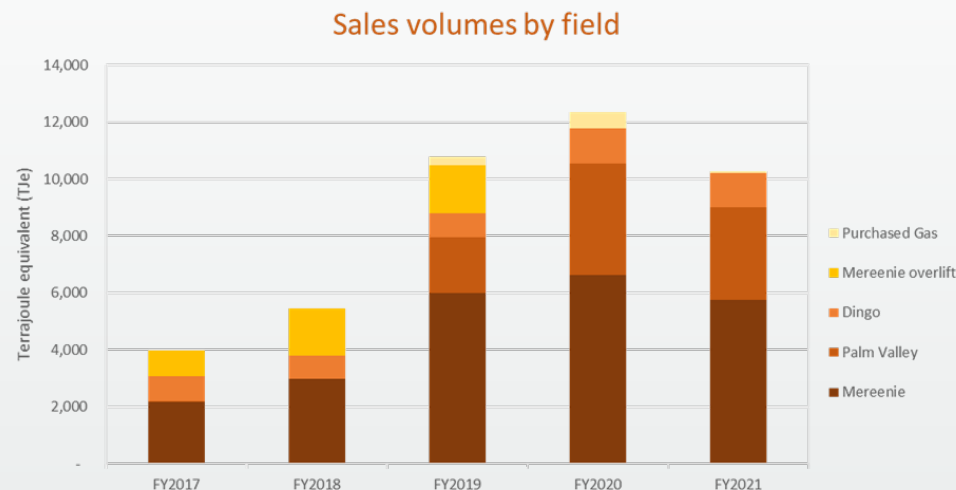


- Operator for three producing oil and gas fields in Central Australia that are surrounded by Central's basin-wide exploration portfolio
- 25% interest in Mereenie, 50% interest in Palm Valley and Dingo⁽¹⁾
- Funded drilling program targeting an increase in total operated production capacity from 44 TJ/d to 63 TJ/d (from 14 TJ/d to 20 TJ/d net to Central⁽¹⁾) over next 9 months

(1) Net to Central following completion of the asset sale expected to complete in Q1 FY2022

Strong record of production growth

- Record annual sales volumes and revenues (\$65m) in FY2020 (triple that of 2017)
- Solid financial foundation that provides downside protection
- Over 10 years of gas reserves at current production rates
- Recent sale¹ of 50% of producing assets to NZOG and Cue for \$85m, booking a profit of \$35m-\$40m
- Swapping short-term production to fund near-term growth opportunities through new exploration and development wells



Sales volume 10.3 PJe

- **Down 17% on FY2020**
- Weaker markets in first half; natural field decline
- New Mereenie wells coming online this month

Revenues \$59.8M

- **Down 8% from \$65.0M in FY2020**
- Lower volumes
- Higher realised oil prices

Cash \$37.2M

Net Debt \$31.3M

- **Cash up \$13.3M from June 2020; net debt down \$14.8M**
- Includes proceeds from new pre-sale agreement

1. Transaction expected to complete Q1 FY2022



Sell-down of producing assets to NZOG / Cue

Allows Central to pursue multiple avenues for growth

✓ Value accretive	\$85m consideration ⁽¹⁾ for 50%, with an expected \$35m - \$40m profit ⁽¹⁾ , delivers a strong signal for the underlying value and quality of Central's Amadeus Basin Producing Assets
✓ Accelerates Growth	Provides \$40m free-carry for near term exploration and development, which would facilitate approximately \$100m (gross JV) investment across the Sale Assets without any further cash outlay from Central
✓ Diversifies risk	Accelerating growth in the Amadeus Basin while sharing and diversifying geological, exploration and development risk through a new joint venture
✓ Aligned partner	Introduces technically capable partner(s) with financial capacity and aligned objectives
✓ Operatorship	Central retains operatorship
✓ Balance Sheet	Strengthens Central's balance sheet through reduction of debt (by \$30m) and deferred gas liabilities (by \$21m) ⁽²⁾

Note: (1) Estimated value if the Transaction had completed at 1 August 2021 and subject to final determination of the completion adjustment and movements in liabilities associated with the Sale Assets between the effective date and the eventual completion date; (2) Based on Central's expected book value for these liabilities if the Transaction had completed on 1 August 2021



Funding for accelerated growth

The \$40 million free carry will fund Central's share of circa \$100m⁽¹⁾ of current and near-term development investment across the Amadeus Basin Producing Assets without any cash outlay from Central

Identified activities include:

Mereenie	✓ Recently completed four well re-completion program
	✓ Two new production wells drilled (to be commissioned this month)
	✓ Flare Gas Recovery Project to lower emissions and increase sales volume (underway)
	✓ Future production wells ⁽²⁾
Palm Valley	✓ Palm Valley Deep exploration well with a lateral option to access existing production formation
	✓ New future production well
Dingo	✓ Dingo Deep exploration well with option to access existing production formation
+ Other development activities across the Sale Assets up to the \$40m free carry cap	

Notes: (1) Gross JV including Macquarie Mereenie 50% interest; (2) Subject to JV approval

Surat Basin CSG

Central's Range CSG project in Queensland's premier gas province is moving towards FID

Range CSG Project

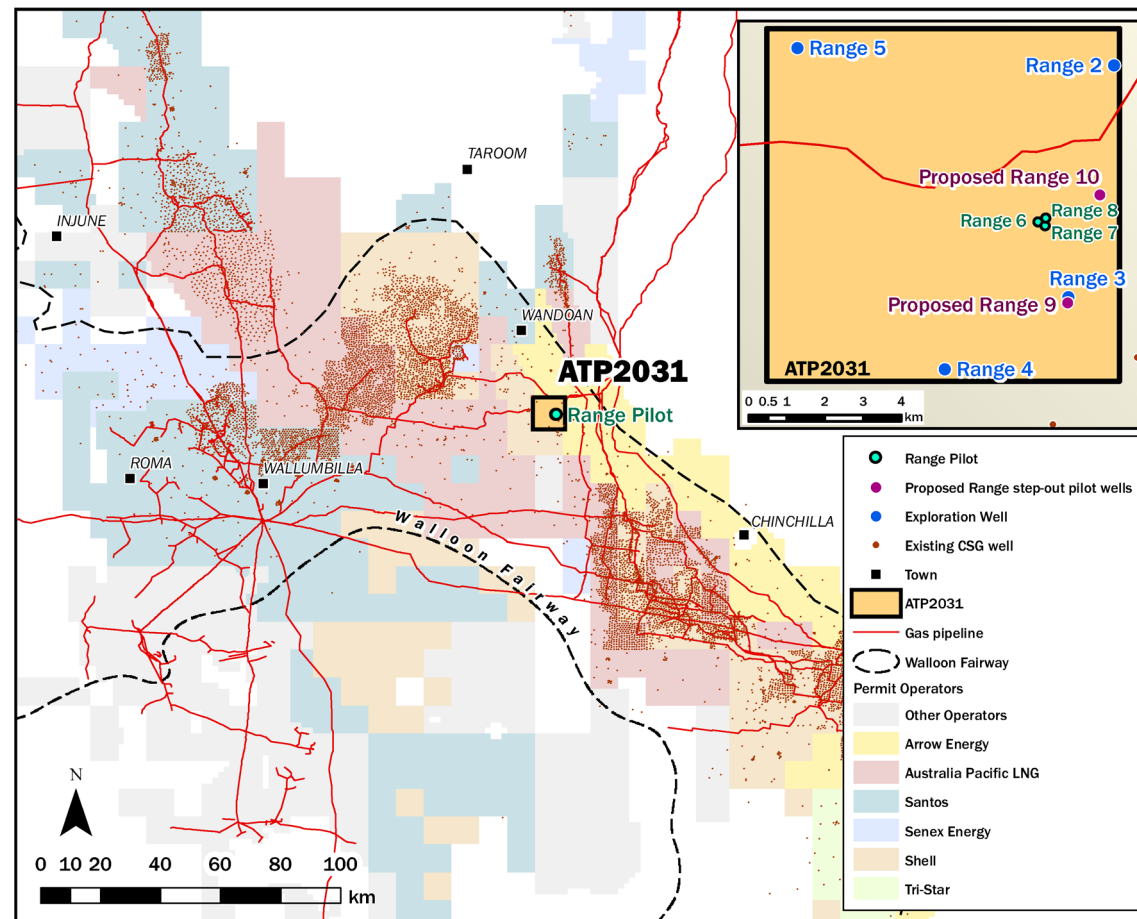
- Joint venture with Incitec Pivot (50% interest)
- Surat Basin - surrounded by major CSG developments and infrastructure
- Potential to almost double Central's 2P reserves base and annual sales volumes
- Aiming to supply to east coast market's forecast supply shortage by 2024
- Close to Federal Government's proposed Wallumbilla Gas Supply Hub



Range CSG pilot commissioned

Potential to almost double Central's 2P reserves base and annual sales volumes

- Three well pilot drilled and commissioned in June quarter
- Early gas breakthrough – producing 50,000 scfd by mid August
- Lower-than-expected initial water rates requires an extended dewatering period
- Currently rotating shut-ins for interference testing
 - Seeing good communication between wells
- Two new pilot step-out wells to be drilled in the December Qtr
 - New wells will be spaced at a greater distance (circa 2km)
 - Designed to accelerate technical understanding of gas and water production profiles
- Continuing to progress key approvals and BOO tender process
- Some delay to project schedule, targeting late 2022 for FID and late 2024 for first gas



Amadeus Basin Exploration targets



Significant exploration upside in next two years

Immediate targets drilling 2021

Targeting lower risk 192 PJ of gas (96 PJ net to Central)¹

- A Palm Valley Deep (target 123 PJ) (61.5 PJ net to Central)¹**
Testing deeper reservoir (proven at Dingo) in existing field
- B Dingo Deep (target 69 PJ) (34.5 PJ net to Central)¹**
Testing deeper reservoir in existing field (gas shows in formation at Ooraminna)

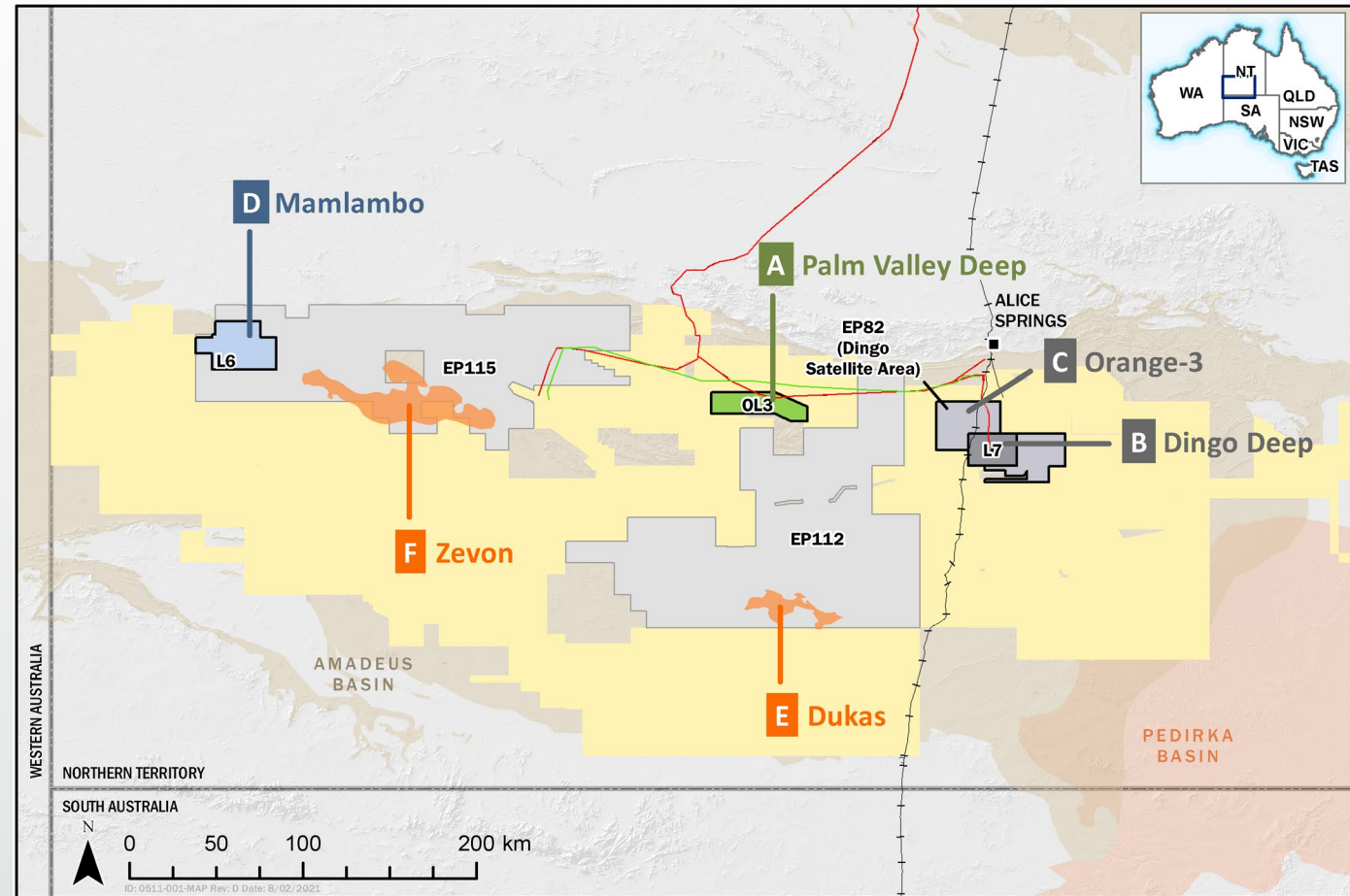
Other near-term targets

Targeting lower risk 401 PJ of gas and 29 mmbbl of oil

- C Orange-3 (target 401 PJ)**
Targeting gas at the shallow Arumbera level (productive zone at Dingo) plus additional targets in deeper sections
- D Mamlambo (target 29 mmbbl oil)**
Large structure currently defined on an existing seismic grid only 8km from the Surprise oil field.

PLUS further multi-Tcf targets

- E Dukas (target multi-tcf)**
Targeting the pre-salt Heavitree Formation. A success will open a major new major gas play within the Amadeus Basin.
- F Zevon (potential target multi-tcf)**
Targeting pre-salt reservoir system with potential for hydrocarbons, Helium and Hydrogen.



(1) Net to Central following completion of the asset sale announced 25 May 2021.

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.

Additional details and statements relevant to resources on this page are provided in the Appendix to this presentation.

Near term exploration program

Our most significant exploration program for years has the potential to unlock major new resources in the Amadeus Basin.

Two well exploration program

- Two new wells confirmed – starting late 2021

Could more than double Central's oil and gas reserves

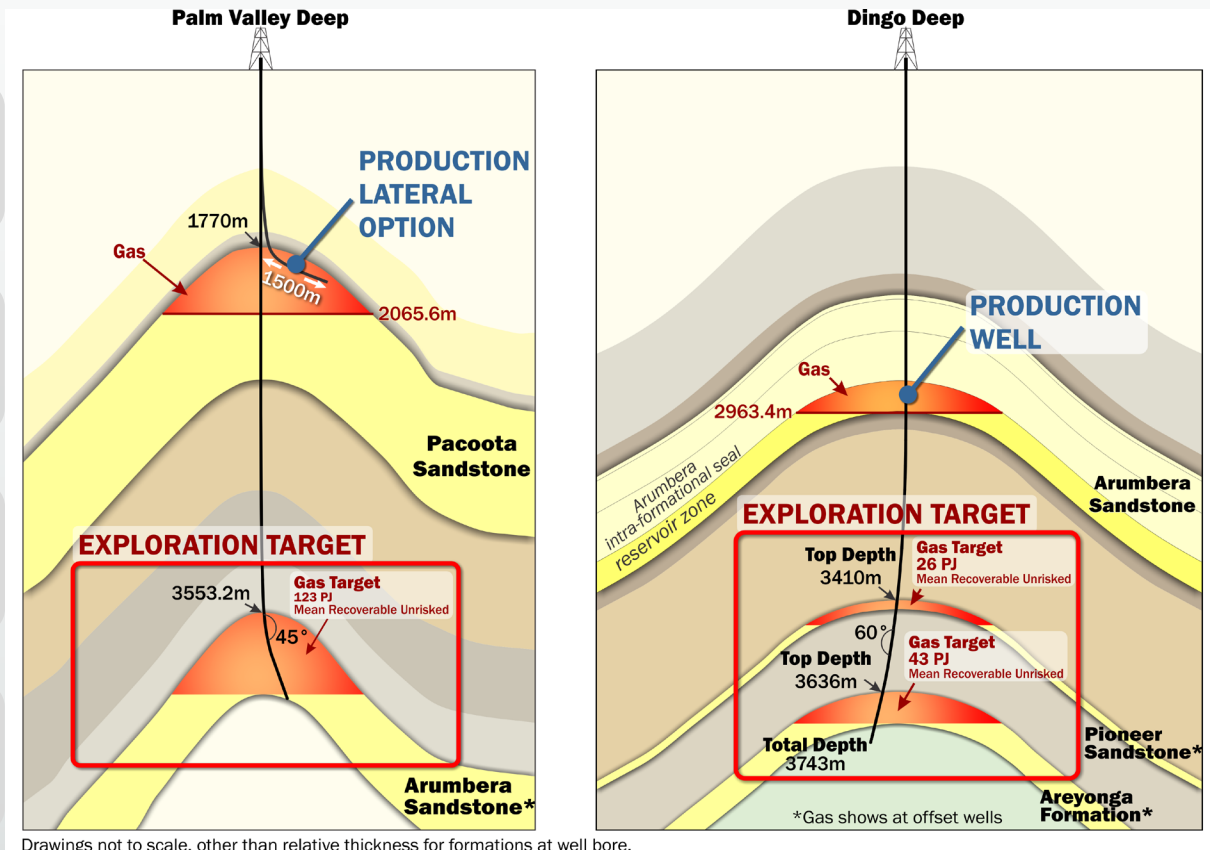
- Targeting lower risk 96 PJ of gas⁽¹⁾
- Could replace Central's divested reserves

Starting late 2021

- Long lead items ordered

Fully-funded

- Costs of Palm Valley and Dingo wells are carried by NZOG / Cue



(1) Net to Central following completion of the asset sale announced 25 May 2021.

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.

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Growth-focussed outlook

Several important growth projects are in progress

Increasing production capacity

- Two new Mereenie production wells and a Palm Valley production lateral targeting total operated production capacity increase from 44 TJ/d to 63 TJ/d within next 9 months (from 14 TJ/d to 20 TJ/d net to Central⁽¹⁾)

Range pilot

- Three well pilot drilled and on test at the Range CSG Project
- Producing early gas
- Two new step-out wells to be drilled to accelerate FID process

Near-term exploration program

- Two new exploration wells planned for Amadeus Basin starting late 2021
- Potential to replace Central's divested reserves

Longer-term exploration

- Other conventional oil and gas targets throughout Amadeus Basin
- Several multi-Tcf sub-salt plays (e.g. Zevon seismic and Dukas drilling)

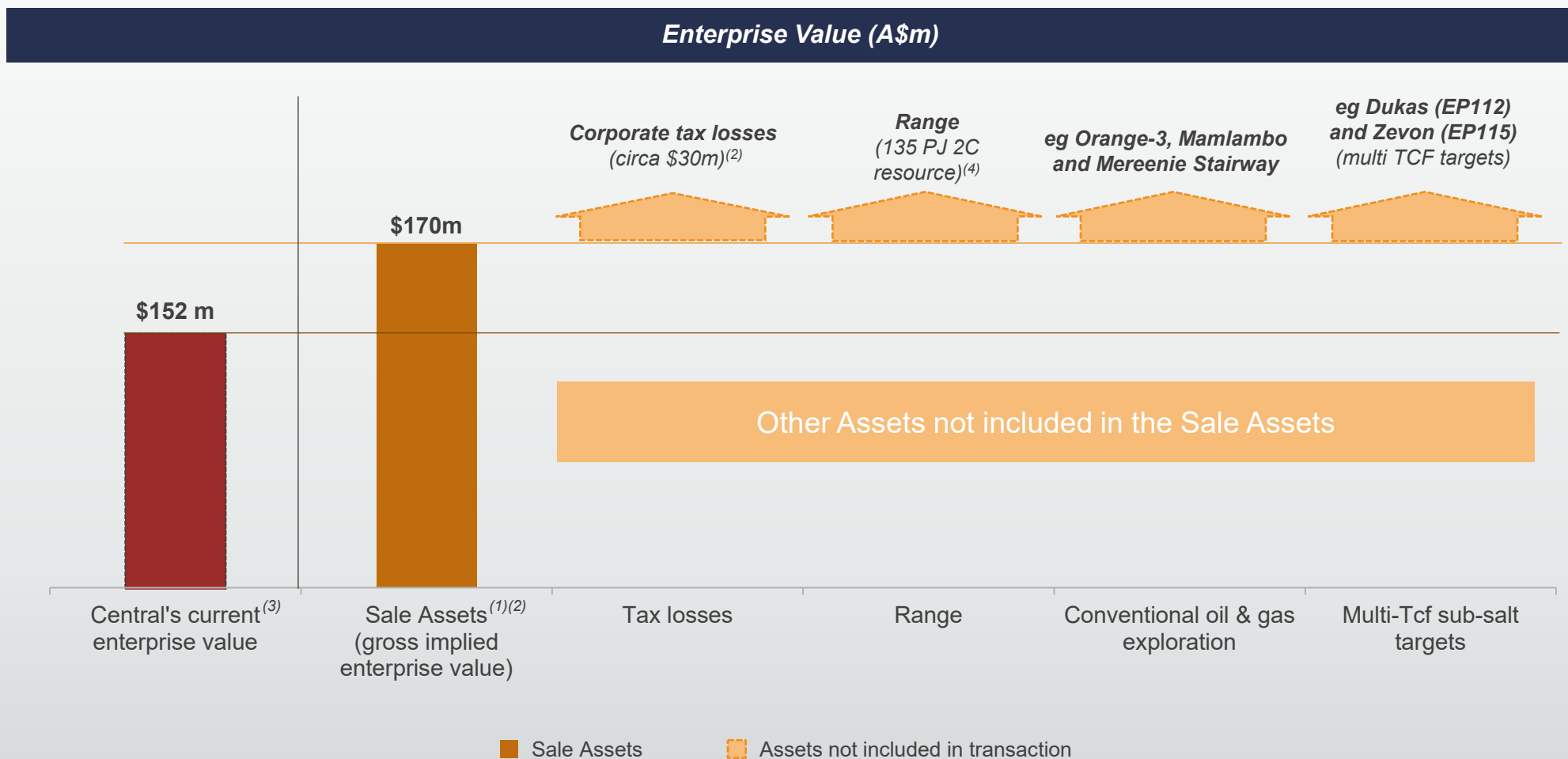
Helium & Hydrogen opportunities

- Pursuing other valuable non-hydrocarbon gases in the Amadeus Basin
- Mt Kitty-1 and Magee-1 wells measured 9% and 6% Helium respectively

(1) Net to Central following completion of the asset sale announced 25 May 2021



Unlocking value



Note: (1) Implied value for 100% of Sale Assets, based on total consideration of \$85m for 50% interest sold; (2) Estimated value at the assumed completion date of 1 August 2021 and subject to final determination of the completion adjustment and movements in liabilities associated with the Sale Assets between the effective date and the expected completion date; (3) Based on last close share price of \$0.105 per share (as at 21 May 2021), net debt as at 31 March 2021 (\$31m) and deferred gas obligations as at 31 December 2020 (\$45m); (4) Refer Appendix 2 for further information on reserves and resources

Company Snapshot

Central operates the largest on-shore gas producing fields in the Northern Territory



Brisbane head office / NT Operations

90 employees



10.3 PJe of sales FY2021

\$59.8M sales revenue FY2021



\$5.4M maiden profit after tax in FY2020



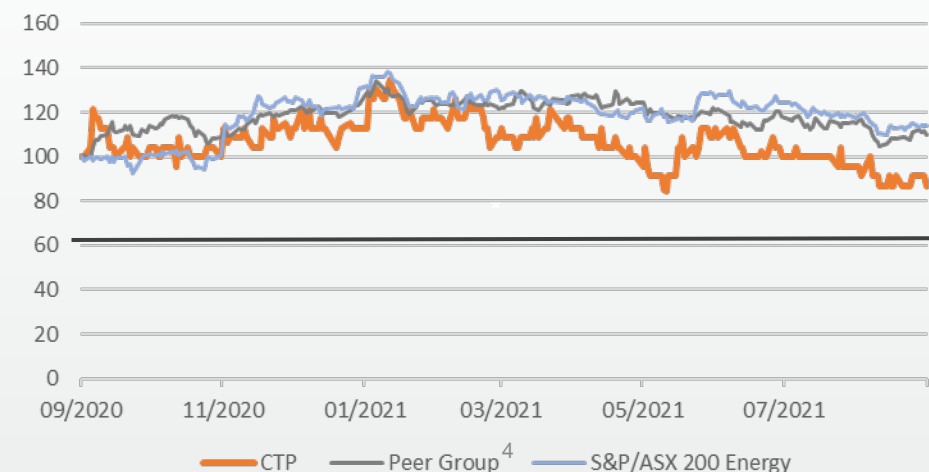
Recently sold 50% operating assets for \$85m

\$85M market cap³

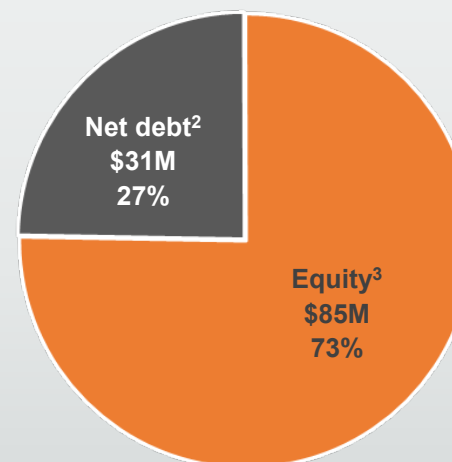
Reserves ¹	Unit	1P	2P	2C
Gas	PJ	59	75	188
Oil	MMBBL	0.38	0.49	0.05

1. Net to Central, assuming asset sale completes as expected in Q1 FY2022. Further details and statements relevant to this page are provided in the Appendix to this presentation
2. As at 30 June 2021: Net debt = borrowings \$66.8M + leases \$1.5M less cash and cash equivalents \$37.2M
3. Equity = Market capitalisation at 30 June 2021
4. Peer group of 13 companies

Relative share price performance - 12 Months

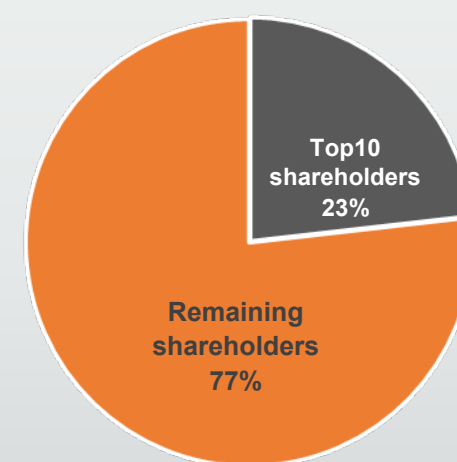


Capital Structure²



Shareholders: 7,391

Shareholders



Total shares: 724,093,661

Appendix 2: Reserves and Resources information

Oil and Gas Reserves and Resources CTP Share As at 30 June 2020	Before transaction (PJe)	After transaction (PJe)
Proved (1P)	127.7	61.7
Proved and probable (2P)	161.2	78.4
Proved, probable and possible (3P)	205.4	100.5
Contingent (2C)*	240.5	187.5

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, adjusted for Central's reduced interests as a result of the sale transaction announced on 25 May 2021.

* Includes 2C contingent resources for the Range Gas Project first reported to the market on 20 August 2019.

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.

Prospective Resources – Amadeus exploration targets (CTP Share after transaction)

Lead / Prospect	Target formation	Permit	Permit Interest (after transaction)	Low Estimate P90 Recoverable (PJ)	Best Estimate P50 Recoverable (PJ)	High Estimate P10 Recoverable (PJ)	Mean Recoverable (PJ)
Dingo Deep	Pioneer	L7	50%	2.5	8.5	27.5	13.0
	Areyonga	L7	50%	5.0	16.0	44.0	21.5
Orange-3	Arumbera	EP82(DSA)	100%	14	49	148	71
	Pioneer	EP82(DSA)	100%	15	67	233	107
	Areyonga	EP82(DSA)	100%	49	168	456	223
Palm Valley Deep	Arumbera	OL3	50%	13	37.5	140	61.5
Aggregate Gas					344		497

Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect as first reported to ASX on 7 August 2020 for Dingo, Orange and Palm Valley, adjusted for Central's reduced interests as a result of this Transaction.

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.

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.

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.



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