



Market Update

16 May 2022

Central Petroleum Limited (ASX:CTP)



Recent Highlights

Solid March Quarter Performance

- Revenue up 11%
- Average sales price up to \$6.69 / GJe
- Reserves upgrade

Debt Refinance

- 3 year extension
- Same low interest rate
- Ability to expand if needed

Exploration drilling underway

- Currently drilling at circa 1,700m
- Working to mitigate cost pressure on drilling program
- Considering additional P3 appraisal target for PV12 well

Strong markets and access to spot sales

- Marketing term gas from 2023
- Very strong market pricing price signals
- Actively selling into strong spot markets

Sub-salt exploration

- JV Planning and approvals moving forward for 3 wells in 2023
- Increasing interest in sub-salt helium and hydrogen
- Considering F/O opportunities for Zevon seismic program

Range testing underway

- Water level being drawn-down slowly (~50%)
- Initial visibility once water is fully drawn down
- Early gas production indicates good gas saturation



Solid March Quarter Performance

Sales volumes 1.23 PJe

Up 3.8%

Sales revenues \$8.5m

Up 11%

Realised sales prices \$6.69/GJe

Gas up 3.9%

Oil up 37.3%

Cash balance \$18.9m

Down from \$23.6m (December 2021)

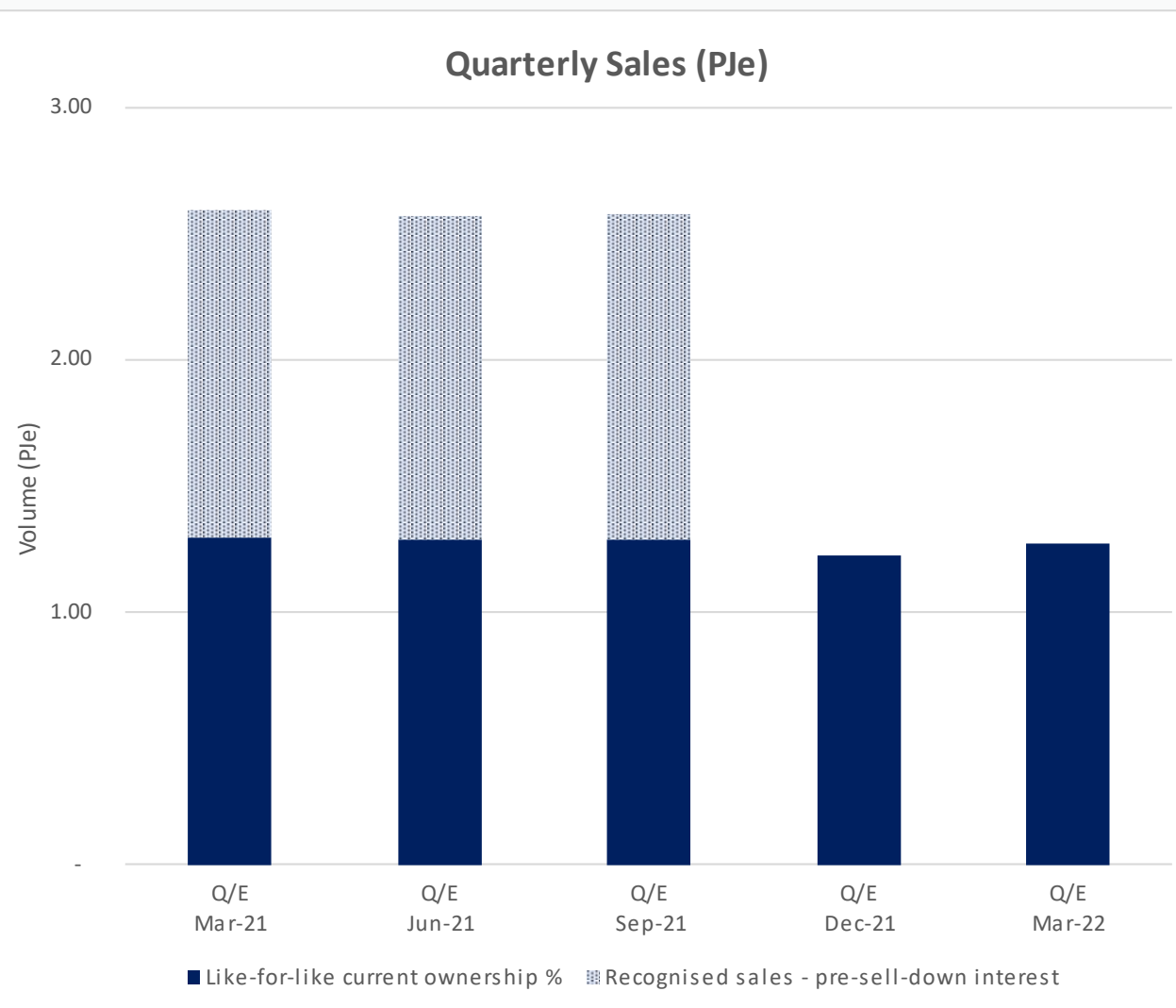
+ \$0.8m net cash flow from operations/corporate

- \$2.5m debt service

- \$1.4m sustaining CAPEX

- \$1.7m exploration

Net Debt \$15.0m



Reserves upgrade

Increase in 2P reserves before production was a result of:

- Strong performance at the Dingo field – decline rates and losses are lower than previously forecast
- Continued outperformance of the Palm Valley 13 well

Offset by a slight reduction at Mereenie following incorporation of data acquired during the 2019 development activities.

1P reserves also benefitted from the inclusion of reserves attributed to the new Mereenie production wells.

Oil and Gas Reserves and Resources: CTP Share					
Reserves category	As at 30 June 2021	Disposal Adjustment on Completion of Asset Sale	Production 1 July 2021 to 31 Dec 2021	Other Adjustments	As at 31 Dec 2021
	(PJe)	(PJe)	(PJe)	(PJe)	(PJe)
1P	118.1	(59.6)	(3.4)	7.1	62.2
2P	151.7	(76.4)	(3.4)	3.5	75.4
3P	195.9	(98.5)	(3.4)	(1.8)	92.2
2C	240.5	(52.7)	-	-	187.8

Reserves and contingent resources

The reserves and contingent resources for the Mereenie, Palm Valley and Dingo fields in this report are as at 31 December 2021 and were first reported to ASX on 3 March 2022.

The contingent resources for the Range Gas Project were first reported to ASX on 21 August 2019.

The Mereenie contingent gas resources include 27 PJ attributable to the Mereenie Stairway formation.

The total aggregated reported 1P reserves may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

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.

Additional details and statements relevant to reserves and resources on this page are provided in Appendix 1.

Extension of debt facility

	Existing facility	New facility
Expiry	30 September 2022	30 September 2025
Principal repayments	\$2.0m per quarter	\$1.125m per quarter
Early termination fee	Lesser of: <ul style="list-style-type: none"> • 2.5% of prepayment; and • Interest on remaining term 	Nil

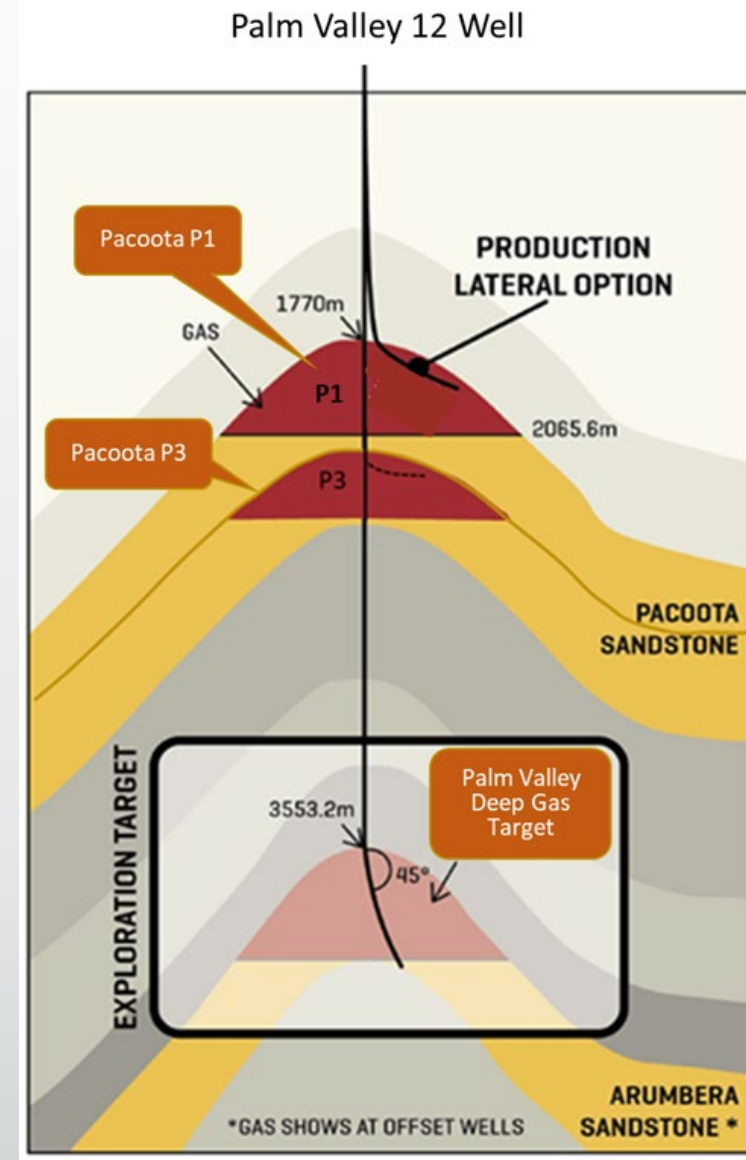


Debt facility:

- Extended by three years to September 2025
- Substantially the same terms as the existing facility
- Provision for additional draw-down of \$5m, subject to approval
 - flexibility for future development activity

PV12 and Dingo-5 drilling update

- Currently drilling PV12 at circa 1,700m
- Drilling program cost increase (\$3.1m as at 30 April)
 - Broad based cost pressures, some one-off, others ongoing (e.g. fuel prices)
 - Contingency available within the existing budget
 - Cost increase can be covered under Central's free-carry
 - Actively pursuing cost mitigation strategies
- Pacoota-3 (P3) appraisal being considered for PV12 well
 - Potential opportunity for commercialisation of a new gas resource through existing PV facilities (shallower than deep targets)
 - Decision for an appraisal lateral to be made after intersection and analysis of the interval (top of P3 anticipated within a week)
 - P3 vertical section expected to be logged, including an FMI (fracture imaging)
- Total depth anticipated around mid-June, including P3 logging for the upcoming vertical section



Continuing strong gas market

- Actively marketing firm gas supply from 2023
- Term gas markets continue to be very strong, with existing contracts escalating by CPI
- New transport arrangements allow access to east coast spot markets:
 - ✓ Improves the opportunity to sell all of our non-firm production on a day (~2 TJ/d on average)
 - ✓ Spot markets have been very tight recently, with prices north of \$30/GJ
- Strong gas markets help to offset other cost pressures within the business and provide funding for additional growth activities
- Current PV12 drilling program targeting new production for both firm and non-firm sales

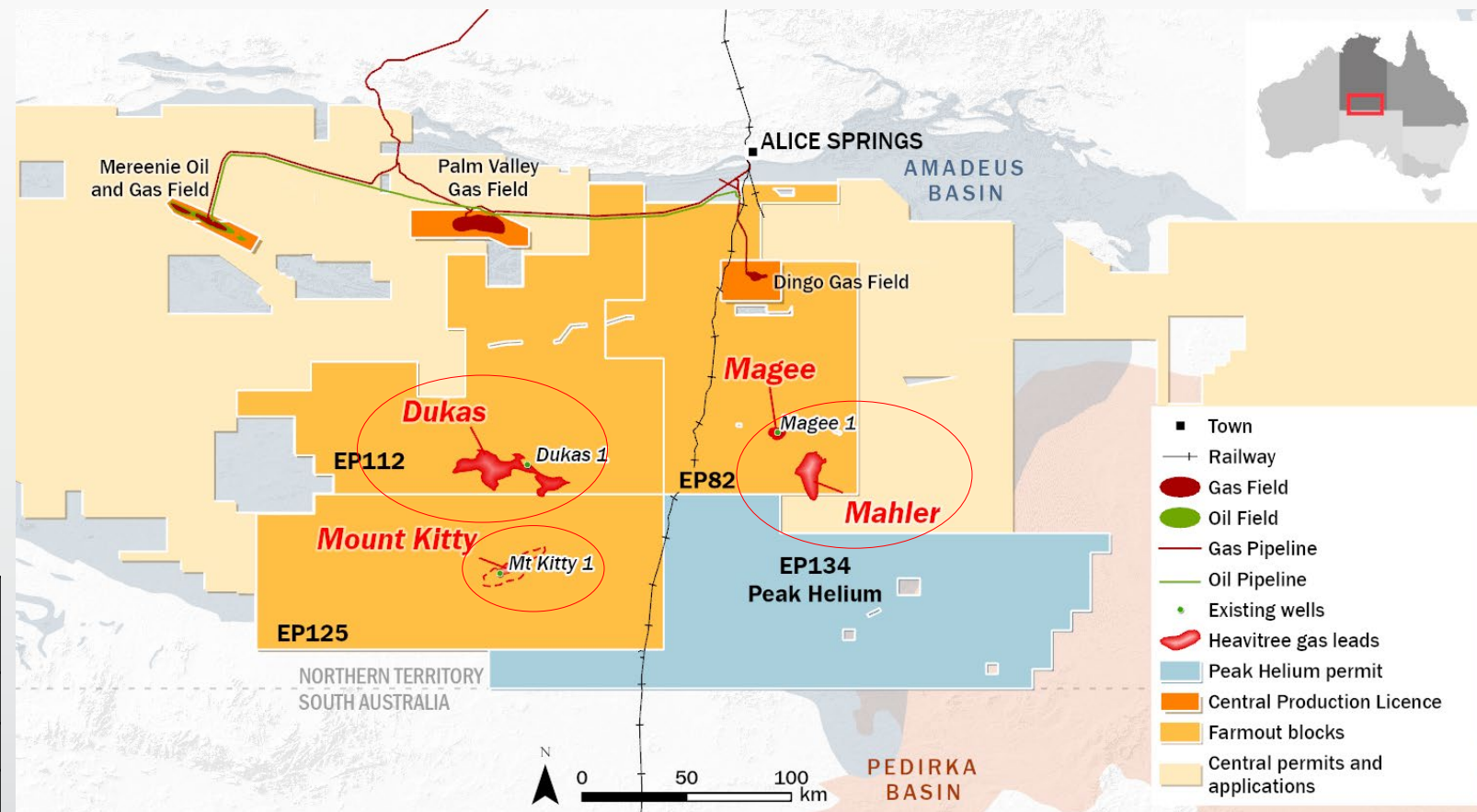


Three sub-salt exploration wells on-track for 2023

- Planning and approvals are underway for all three wells (Dukas, Mt Kitty, and Mahler)
- On-track for drilling in 2023
- Expecting to drill Mahler in preference to Magee

Peak will fund Central's costs for two major exploration wells targeting sub-salt structures where previous drilling has confirmed the presence of hydrocarbons, helium and hydrogen.

Ownership interests			
Exploration Permit	After farmouts*		
	Central	Peak	Santos
EP 82	29%	51%	20%
EP 112	35%	35%	30%
EP 125	24%	56%	20%



Completion of Central's farmout with Peak is subject to the usual conditions precedent for a transaction of this nature being met by 30 June 2022 (which may be extended by mutual agreement), including Joint Venture, Central Land Council, royalty holders and NT regulatory approvals.

* Subject to satisfaction of conditions precedent under the relevant farmouts

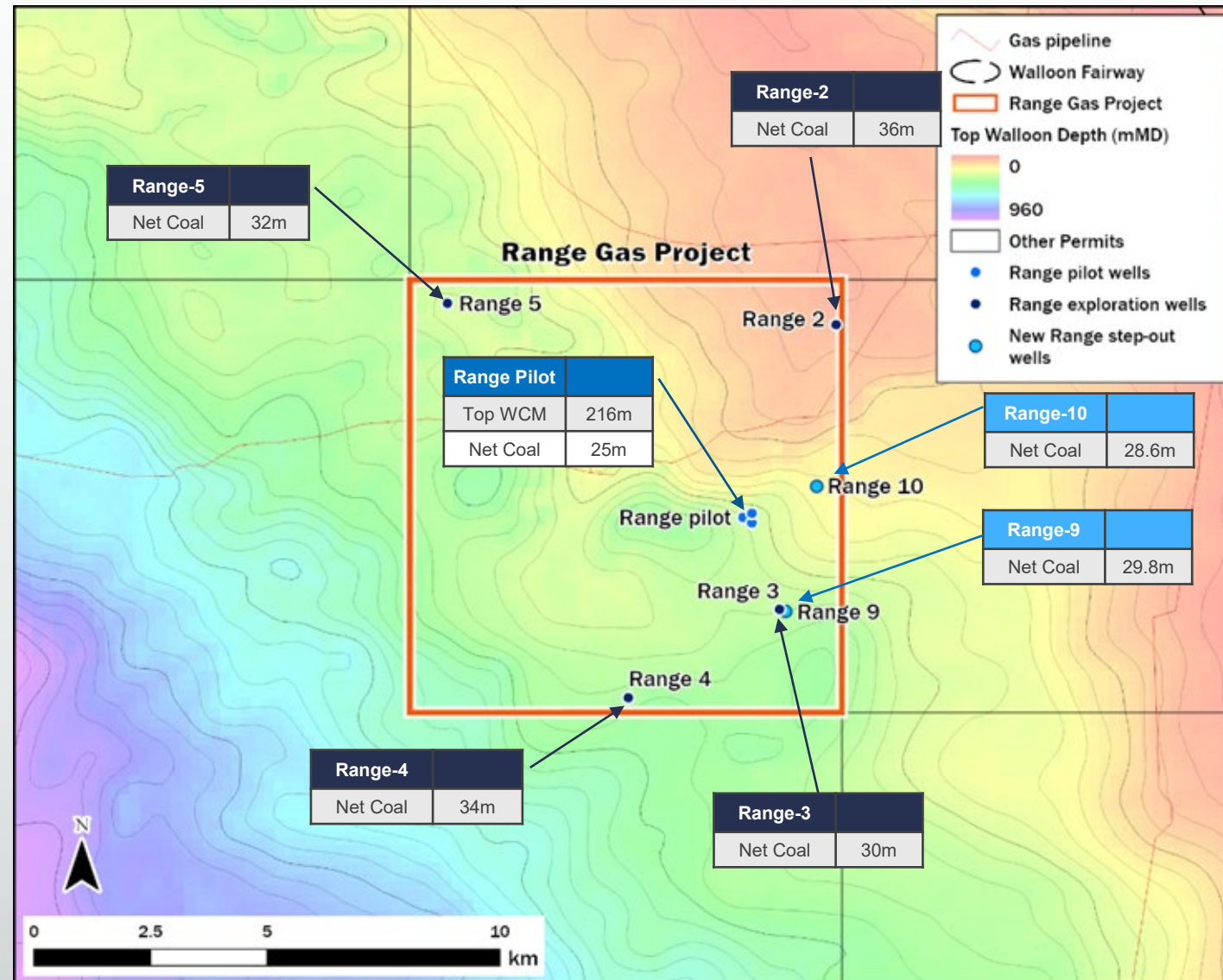
Range CSG pilot

Recent activity

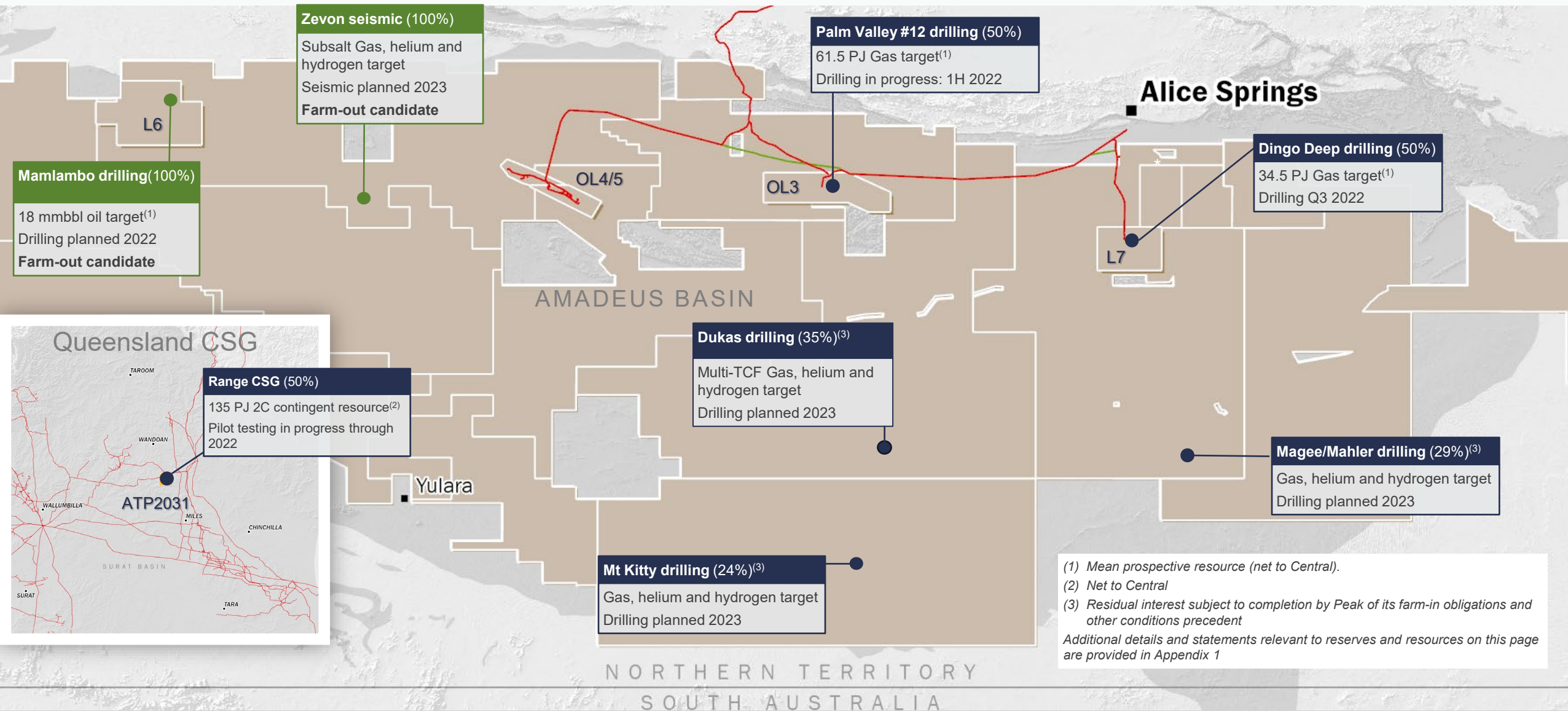
- Two new step-out pilot wells (Range 9 and 10) were drilled in February
- Confirmed thicker net coals within c.2km of the initial pilot location
- New wells were completed with downhole pumps and extended production testing commenced on 4 April
- Gas breakthrough was observed immediately upon commencement of pumping – indicates presence of fully saturated coals

Current and planned operations

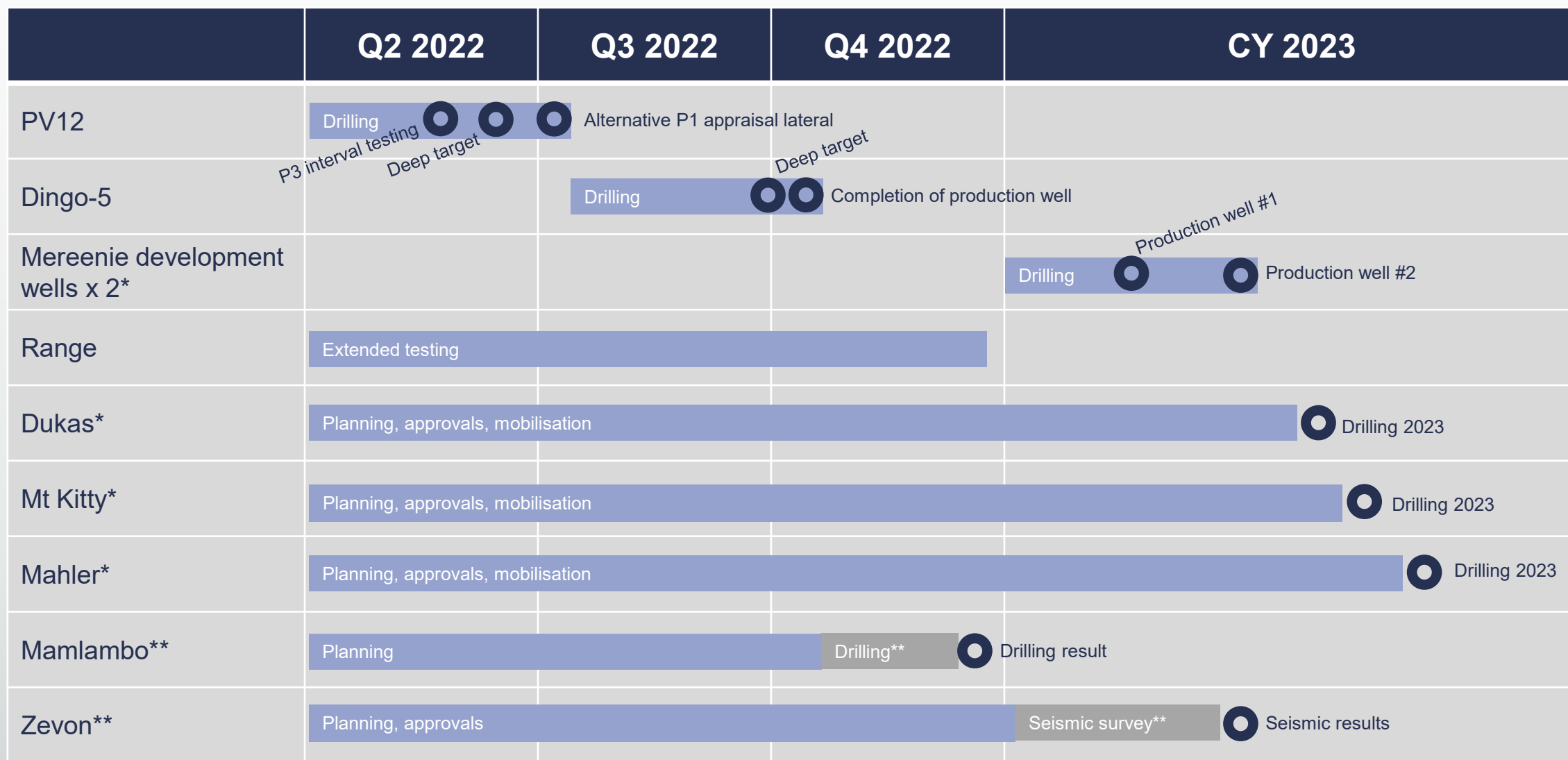
- Water levels in the wells are gradually being drawn-down (currently about halfway)
- Gas rates at Range 9 and 10 are over 9,000 scfd in aggregate and expected to continue increasing as water drawdown continues
- Range 6 well (one of the original 3 pilot wells) to return to testing this month
- Ongoing testing to continue over a period of at least several months



Near-term activity (CTP Share)



Near-term growth activities



* Subject to JV approvals

** Subject to farmout discussion or alternative funding strategies



Appendix 1

Reserves and Resources Information

Appendix 1: Reserves and Resources information

Reserves and contingent resources

Central – existing fields (Central share)	Units	Reserves		Contingent Resources	
		Proved	Proved & Probable	Proved, Probable & Possible	Best estimate
		1P	2P	3P	2C
Mereenie oil	mmbbl	0.39	0.43	0.49	0.05
Mereenie gas	PJ	31.5	40.3	51.3	45.6
Palm Valley	PJ	11.8	13.3	15.6	6.8
Dingo	PJ	16.6	19.4	22.5	—
Total Amadeus (oil converted at 5.816 PJ/mmbbl)	PJe	62.2	75.4	92.2	52.7
Range CSG	PJ	—	—	—	135.1
Total Central reserves and resources	PJe	62.2	75.4	92.2	187.8

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Appendix 1: Reserves and Resources information

Prospective Resources – Amadeus exploration targets (Central Share)

Lead / Prospect	Target formation	Permit	Permit Interest	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
Oil prospects				mmbbls	mmbbls	mmbbls	mmbbls
Mamlambo	Pacoota	L6	100%	3	13	39	18

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 the asset sale which completed on 1 October 2021.

The volumes of Prospective Resources included in the presentation for the Mamlambo oil prospect are as at 9 February 2022 as first reported to ASX on 10 February 2022.

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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