CENTRAL PETROLEUM LIMITED

ABN 72 083 254 308

ASX:CTP

# Activities Report and ASX Appendix 5B

## REVIEW OF OPERATIONS FOR THE QUARTER ENDED 30 JUNE 2022

## Highlights

- **Cash balance** at the end of the quarter was $21.6 million, compared to the $18.9 million balance at 31 March 2022, reflecting:
    - Strong commodity prices contributing to a $6.8 million positive net cash flow from operations (before exploration and finance costs).
    - Ongoing exploration activity ($0.9 million expended) including the Range CSG pilot activities.
    - $0.6 million of capital expenditure, being mainly sustaining CAPEX.
    - Principal and interest repayments under debt facilities of $2.5 million.
- **Access to East Coast spot gas markets**: In early May, Central entered into gas transport and spot trading arrangements allowing for the delivery of uncontracted gas into the eastern Australian markets. Through May and June, Central supplied gas into spot markets at an average delivered price of $34/GJ, generating over $2m (CTP share) in revenue from uncontracted production.
- **Sales revenue** for the year was $42.2 million and $10.1 million for the quarter, up 18.7% from the March quarter with stronger pricing more than offsetting lower volumes:
    - **Unit sales prices** across the portfolio increased by 26.9% to an average of $8.49/GJe (Gigajoule equivalent), up from $6.69/GJe in the March quarter, reflecting Central's new access to historically high east coast spot gas markets.
    - **Sales volumes** for the quarter were 6.5% lower at 1.19 PJe (Petajoule equivalent) from 1.27 PJe in the March quarter largely as a result of planned maintenance on the Northern Gas Pipeline, taking the sales volume for the full year to 6.27 PJe.
- **Revised Amadeus exploration program**: The current drilling program was revised to target lower-risk appraisal and development opportunities potentially capable of increasing near-term production after considering historically high domestic gas prices and the difficult drilling conditions encountered at this crestal Palm Valley 12 location when drilling towards the original deeper Arumbera target.
- **Current drilling activity:** Central commenced drilling the Palm Valley 12 (PV 12) exploration well in April. After encountering gas shows while drilling through the lower P2/P3 unit of the Pacoota Sandstones, a side-track lateral appraisal well commenced in July to evaluate this zone. If successful, the lower P2/P3 would be a new gas resource that could be connected into the existing Palm Valley production system.
- **Debt facility extended by three years**: the term of Central's $32.8 million debt facility was extended in April by three years, with maturity now at 30 September 2025. The extended debt facility has substantially the same terms as the existing facility, but with reduced quarterly principal repayments.
- **Net Debt** was $10.2 million at 30 June, down from $15.0 million at the end of March due to higher cash balances.

**Investor and Media Inquiries**

**Leon Devaney (MD and CEO)**

**+61 (07) 3181 3800**

# Message from Managing Director and CEO

We saw the business continue to contend with several cross currents over the quarter. Cost pressures, along with supply chain and COVID disruptions, were challenges, particularly within our exploration drilling program where cost and schedule overruns were compounded by very difficult geological drilling conditions.

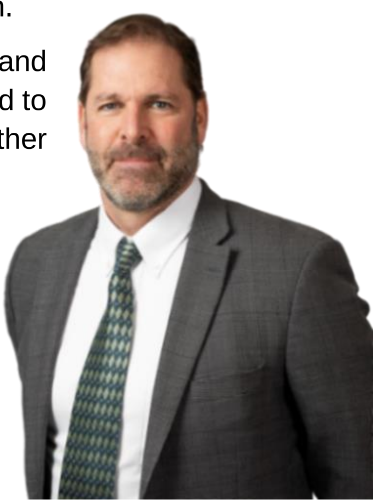
At the same time, we have seen a near perfect storm in energy markets with geopolitical issues, off-line coal fired generation and colder weather resulting in historically high pricing for electricity, gas and oil. These factors have prompted us to reprioritise our capital toward near-term production and lower appraisal risk.

Our revised PV12 drilling program has essentially swapped the deep exploration target with an appraisal lateral targeting the lower P2/P3 sandstones where we observed gas shows. Our Dingo deep exploration well has also been deferred to facilitate investment in near-term production increases. Whilst deferral of deep exploration is disappointing, focussing on lower risk appraisal and development gives us the best opportunity to materially increase near-term production for sale into historically high priced domestic gas markets.

Importantly, the capital allocation decisions we made this last quarter will facilitate our participation in the three new sub-salt exploration wells to be drilled in the Amadeus Basin which is expected to commence within 12 months. Our subsalt exploration program is a strategic priority that gives us three separate opportunities for potentially company-making discoveries of natural gas, helium and naturally-occurring hydrogen.

In addition to the currently scheduled exploration, we are actively pursuing farmout opportunities to fund an exploration well at Mamlambo that has the potential to open up our oil-prone western flank, and a seismic program across our Zevon prospect which could become a fourth sub-salt exploration drilling target.

We have finalised transport and spot trading arrangements that have enabled us to deliver uncontracted non-firm gas into eastern markets for the first time. This commercial milestone was well timed as it allowed us to help deliver gas into a very short east coast gas market. Since commencement of spot sales in May, we have supplied 61 TJ (Central share) of gas into eastern spot markets at an average delivered price of $34/GJ, generating over $2 million in revenue from our uncontracted non-firm production.



Whilst comprising a small portion of our current sales portfolio, these spot sales and high oil prices boosted overall revenues by 19% from last quarter and contributed to our $21.6 million cash balance at 30 June. Our financial position has been further strengthened through the three year extension of our debt facility in April.

Our GM Exploration, Dr Duncan Lockhart will be leaving Central at the end of August. I thank Duncan for his contribution to Central's exploration efforts over the past three years and wish him well in his future endeavours. Kevan Quammie, manager of our subsurface and appraisal team, will now also oversee the exploration function.

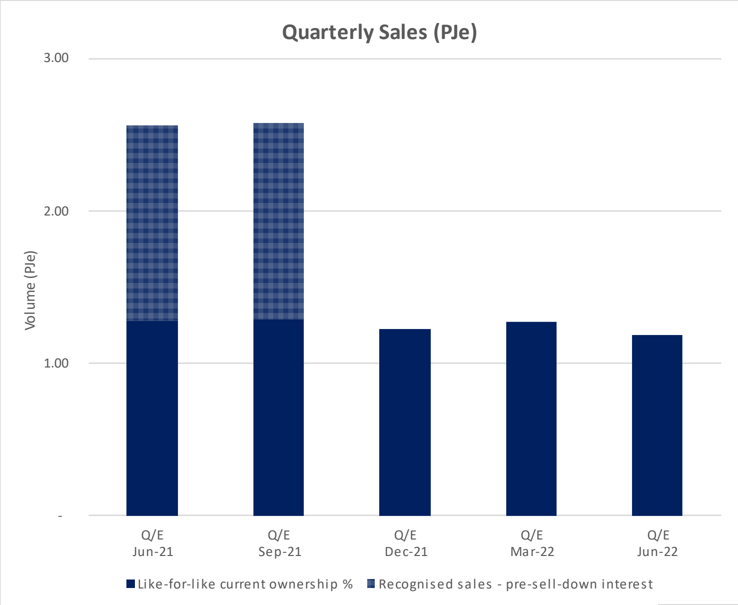
This past quarter has seen strength in the oil and gas markets provide an increased incentive for Central to bring more gas to market and we look forward to sharing the results from our revised programs as the year progresses.

Leon Devaney

**Leon Devaney**
**Managing Director and Chief Executive Officer**

# Production Activities

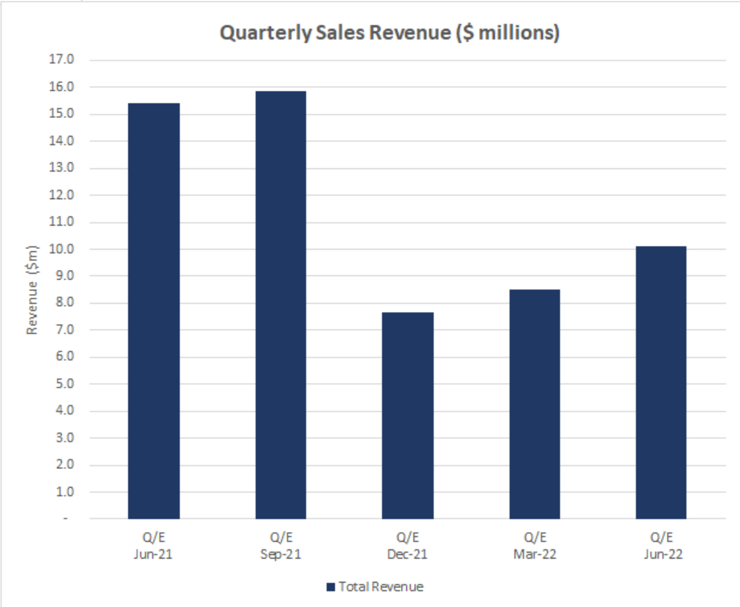
## SALES VOLUMES




Scheduled maintenance on the Northern Gas Pipeline restricted gas sales during the quarter, which resulted in sales volumes being 6.5% lower than the previous quarter at 1.19 PJe, (including 0.18 PJ of overlift repayment gas).

Firm long-term gas supply contracts in the Northern Territory accounted for 85% of June quarter volumes, with the balance being supplied into the high-demand east coast spot markets for the first time, utilising new gas transport and spot trading arrangements which came into effect in early May.

## SALES REVENUE




Sales revenue was $10.1 million in the June quarter, up 18.6% from the previous quarter, notwithstanding the lower volumes supplied. This sharp leap in revenues was attributable to the supply of uncontracted gas into the high-priced spot markets on the east coast (which averaged $34/GJ, delivered), contract escalation and higher oil prices. The portfolio gas price rose 31% and realised oil prices increased a further 9% from the March quarter.

Central's unaudited $42.2 million full year revenue was lower than FY2021 due to the lower ownership interests from 1 October 2021, but after adjusting for that impact, revenues were 12.7% higher than FY2021 on a like-for-like basis. This was achieved on lower like-for-like volumes (down 2% on FY2021), with the realised oil price 76% higher in FY2022 and the average gas portfolio price up 9% on FY2021.

| Sales revenue | | FY2022 | | Full year | |
|---|---|---|---|---|---|
| **Product** | **Unit** | **Q3** | **Q4** | **2021** | **2022*** |
| Gas | $'000 | **7,105** | **8,675** | **54,355** | **36,255** |
| Crude and Condensate | $'000 | **1,410** | **1,431** | **5,472** | **5,896** |
| **Total Sales Revenue** | **$'000** | **8,515** | **10,106** | **59,827** | **42,151** |
| Revenue per unit | $/GJe | **$6.69** | **$8.49** | **$5.83** | **$6.73** |

*Unaudited. Central's revenues from 1 October 2021 reflect a reduced share of production following completion of the sale of 50% of its interests in the Mereenie, Palm Valley and Dingo fields to NZOG and Cue.

## MEREENIE OIL AND GAS FIELD (OL4 AND OL5) – NORTHERN TERRITORY

CTP - 25% interest (and Operator), Macquarie Mereenie Pty Ltd - 50%, NZOG Mereenie Pty Ltd - 17.5%, Cue Mereenie Pty Ltd - 7.5%
*(Interests from 1 October 2021)*

Gross gas sales from the field were impacted by outages on the Northern Gas Pipeline (NGP) and natural field decline, averaging 30.5 TJ/day across the quarter (100% JV), compared to 33 TJ/d in the March quarter.

The sales capacity of the Mereenie field was approximately 32 TJ/d (100% JV) at the end of the quarter.

Oil sales averaged 374 bbls/d (100% JV) during the quarter.

Central is planning to increase production from Mereenie in late 2022, with the joint venturers to consider a development program consisting of up to six recompletions of existing wells this year, potentially followed by two new development wells.

## PALM VALLEY (OL3) – NORTHERN TERRITORY

CTP - 50% interest, NZOG Palm Valley Pty Ltd - 35%, Cue Palm Valley Pty Ltd - 15%
*(Interests from 1 October 2021)*

The Palm Valley field produced at an average of 5.8 TJ/d over the quarter (Central share: 2.9 TJ/d), lower than the 6.4 TJ/d produced in the March quarter as a result of the NGP outage and natural field decline.

Sales capacity was approximately 5.8 TJ/d (100% JV) at the end of the quarter.

There is an opportunity for Palm Valley production to be increased later this year, with a lateral appraisal well currently being sidetracked from the Palm Valley 12 exploration well into the lower P2/P3 zone of the Pacoota Sandstone. If the lower P2/P3 lateral is not successful, a lateral appraisal well will be drilled into the existing P1 production zone. The proposed lateral well design is similar to the successful PV 13 well drilled in 2019, which produced at a plateau rate of 7 TJ/d for 12 months and has already produced approximately 5.7 PJ (100% JV) of gas in its first three years of production.

## DINGO GAS FIELD (L7) – NORTHERN TERRITORY

CTP - 50% interest, NZOG Dingo Pty Ltd - 35%, Cue Dingo Pty Ltd - 15%
*(Interests from 1 October 2021)*

The Dingo gas field supplies gas directly to the Owen Springs Power Station in Alice Springs. Nominated volumes supplied over the quarter averaged 3.8 TJ/d (Central share 1.9 TJ/d), 11.6% lower than those in the prior quarter. The daily contract volume of 4.4 TJ/d (Central share 2.2 TJ/d) is subject to take-or-pay provisions under which Central is paid its share annually in January for the previous calendar year's shortfall.

Higher nominations throughout FY2022 resulted in aggregate sales volumes 10.7% higher than in FY2021.

# Appraisal Activities

## RANGE GAS PROJECT (ATP 2031) – QUEENSLAND

CTP - 50% interest, Incitec Pivot Queensland Gas Pty Ltd - 50% interest

An extended production test of the new pilot step-out wells (Range-9 and 10) commenced in early April, with water production controlled to allow for a gradual drawdown. One of the original pilot wells, Range-6 was returned to production and production testing of the three wells continues. Gas flows have been gradually increasing and the pilot wells are currently producing gas at an aggregate 40,000 scfd.

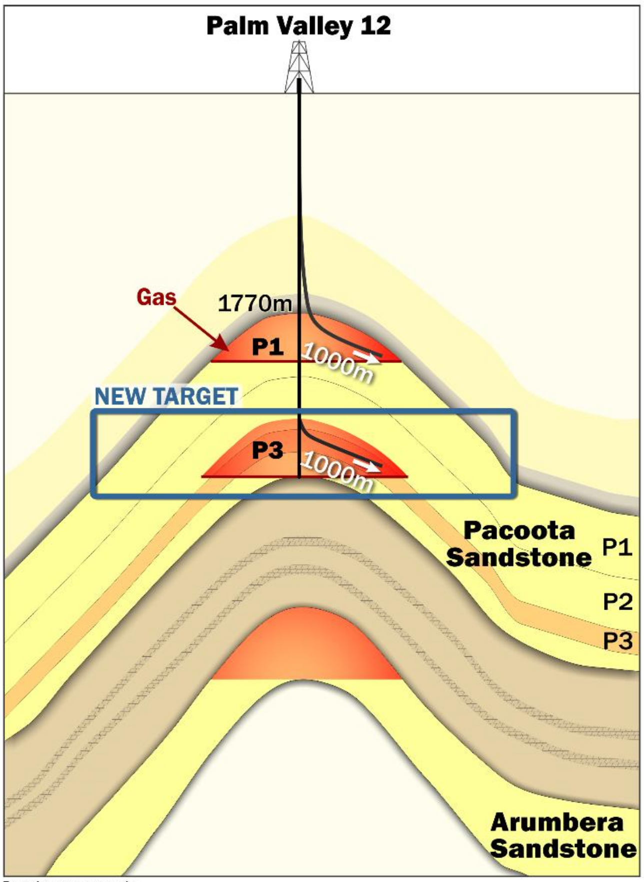
The new wells are intended to provide key information regarding reservoir productivity (initially via water rates), gas desorption (when gas is first produced), zonal contribution (how much each coal seam is contributing) and the initial production profiles of gas and water ramp-up.

# Exploration Activities

## PALM VALLEY 12 EXPLORATION WELL

CTP - 50% interest, NZOG Palm Valley Pty Ltd - 35%, Cue Palm Valley Pty Ltd - 15%

Drilling commenced on the PV12 exploration well in permit (OL3) on 17 April, with the primary target being the Arumbera Sandstone at an anticipated vertical depth of 3,560m (PV Deep). Drilling continued towards the PV Deep target through the quarter, with the schedule heavily impacted by the intersection of extensive natural fractures in the Pacoota Sandstones.



Drawing not to scale.

Gas shows were recorded whilst drilling through both the currently productive P1 Sandstone and the P2/P3 Sandstones located 90m below the P1. The presence of gas in the P2/P3 Sandstones indicates the potential for a new, significant gas resource at Palm Valley.

The vertical PV12 well intersected a major fracture zone within the lower P2 Sandstone which resulted in total lost circulation while drilling. The naturally occurring fractures in the Palm Valley field are sub-vertical and oriented in an east-west direction. The best method to appraise these natural fracture sets is to therefore drill laterally and underbalanced in a north-south direction to intersect as many open fractures as possible.

Having reached a depth of 2,335m, the joint venturers decided on 12 July to replace the original PV Deep target with the lower P2/P3 target at a depth of approximately 2,060m. The new lower P2/P3 target could be comparable in size to the PV Deep target with reduced drilling risk (relative to drilling a further 1,225m to the deeper Arumbera Sandstone target at this crestal location) and a lateral P2/P3 well is considered to have a higher chance of commercial success than the deeper target. A new P2/P3 gas resource would also be quicker and cheaper to commercialise than the deep target.

The vertical well was plugged-back and the PV12 ST1 lateral well is currently drilling into the P2/P3 Sandstones. It is planned to drill approximately 450m horizontally through the lower P2 Sandstone and then continue a further 450m horizontally into the P3 Sandstone.

If the P2/P3 exploration objective is unsuccessful, the well will be plugged back and a second lateral well side-tracked to test the shallower Pacoota (P1) Sandstone (approx. 1,770m depth), which is the current producing zone for the Palm Valley gas field. This sidetrack has the potential to become a production well.

The PV12 lateral appraisal wells are each designed as a deviated well extending up to 1,000m within the Pacoota Sandstones. The lateral design is similar to the successful PV13 appraisal well drilled in 2019, which had a lateral extension of only 300m and has already produced approximately 5.7 PJs in its first three years of production (gross JV).

## DINGO DEEP EXPLORATION

CTP - 50% interest, NZOG Dingo Pty Ltd - 35%, Cue Dingo Pty Ltd - 15%

The planned Dingo Deep exploration well has been deferred to prioritise capital for near term production enhancement activities at Mereenie or Palm Valley (with any future Dingo Deep exploration program subject to Joint Venture approval). The Dingo field is not currently connected to the east coast market as it supplies gas directly to a single customer. Commercialisation options for success at Dingo Deep would have required construction of new surface infrastructure and modifications to the Amadeus Gas Pipeline and Alice Springs Pipeline to transport gas to the East Coast market.

## AMADEUS SUB-SALT EXPLORATION

### Southern Amadeus Basin

Dukas (EP112), Mt Kitty (EP125) and Mahler (EP82), operated by Santos.

CTP – 35% interest (EP112); 24% interest (EP125); 29% interest (EP82), each post-farmout to Peak Helium (Amadeus Basin) Pty Ltd (see Annexure 1)

The three sub-salt exploration wells are planned to be drilled in the Southern Amadeus Basin in 2023, targeting hydrocarbons, helium and naturally occurring hydrogen.

The operator, Santos, has commenced key activities for the three well program, including rig contracting, ordering long lead items and environmental and land access approvals.

### Northern Amadeus Basin

Zevon (EP115)

CTP – 100% interest

Planning for a seismic program continued, with site visits undertaken for cultural heritage approvals.

# Health, Safety and Environment

Central recorded one MTI in the June quarter. There was one potentially reportable environmental incident involving a spill of potable water which included low concentrations of a foaming agent at the Palm Valley-12 drilling site. The full extent of the spill is still being determined. The Company's TRIFR (Total Recordable Injury Frequency Rate) at the end of the quarter was 6.2.

# Business Development

## SUB-SALT EXPLORATION FARM-OUT

In February, Central entered into a farmout of interests in three Amadeus Basin exploration tenements to Peak Helium (Amadeus Basin) Pty Ltd ("Peak"). Under the farmout, Central will be free carried (i.e. funded) by Peak for two new sub-salt exploration wells (capped at $20 million gross cost per well), one at the Mahler prospect (EP 82) and the other at the Mt Kitty prospect (EP 125).

Combined with the planned Dukas exploration well, a total of three sub-salt exploration wells are now being planned for drilling in the southern Amadeus Basin in 2023, targeting hydrocarbons, helium and naturally-occurring hydrogen.

Completion of Central's farmouts to Peak is subject to the usual conditions precedent for a transaction of this nature including Joint Venture, Central Land Council, royalty holders and NT regulatory approvals. Progress towards completion continued during the quarter, with the satisfaction date extended during the quarter to 31 July 2022 (from 30 June 2022).

# Corporate

## CASH POSITION

Cash balances were $21.6 million at the end of the quarter, up from $18.9 million held at the end of March.

The net cash inflow from operations for the quarter was $5.5 million after exploration costs and finance charges. Key components of operating cash flow included:

- Cash receipts from customers during the quarter of $10.8 million, benefitting from strong oil prices and spot gas sales into higher-priced east coast markets.
- Exploration expenditure of $0.9 million, including the Range CSG pilot operations and planning for the 2023 Amadeus sub-salt exploration program.
- Cash production costs of $3.5 million for the current quarter.
- Staff and administration costs of $0.5 million, net of recoveries from joint ventures.
- Interest charges of $0.5 million.

Capital expenditure amounted to $0.6 million, being largely sustaining CAPEX.

Under the carry arrangements relating to the partial asset sale, the new joint venturers at Mereenie, Palm Valley and Dingo agreed to pay $40 million of Central's share of certain future exploration and development costs in those fields. In the June quarter $4.9 million of Central's exploration costs and $0.3 million of development CAPEX costs were carried under these arrangements. At the end of June, $21.1 million remained available for future use.

Fees, salaries, annual incentives and superannuation contributions paid to Directors during the quarter amount to $0.24 million as disclosed at item 6.1 of the Appendix 5B.

The statement of cash flows for the quarter and financial year to 30 June 2022 are attached to this report as Appendix 5B.

## EXTENSION OF DEBT FACILITY

In April, Central extended its $32.8 million loan facility by three years, with the partially-amortising facility now expiring on 30 September 2025.

The terms remain substantially the same as the existing facility, with the following changes:

| | 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:<br>• 2.5% of prepayment; and<br>• Interest on remaining term | Nil |

Following completion of the 2021 Mereenie recompletion and development well program, and continued strong production from PV13, the loan facility has the potential to be increased whilst remaining in compliance with all financial covenants. Accordingly, as part of the loan facility extension, there is provision for Central to draw-down up to $5 million to provide funding flexibility for certain development activity, subject to bank approval.

## ISSUED CAPITAL

At the end of the quarter there were 725,907,449 ordinary shares on issue.

Leon Devaney

Leon Devaney
Managing Director and Chief Executive Officer
29 July 2022

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

# Annexure 1: Interests in Petroleum Permits and Licences

as at 30 June 2022

## PETROLEUM PERMITS AND LICENCES GRANTED

| Tenement | Location | Operator | CTP Consolidated Entity Registered Legal Interest (%) | CTP Consolidated Entity Beneficial Interest (%) | Other JV Participants Participant Name | Other JV Participants Beneficial Interest (%) |
|---|---|---|---|---|---|---|
| EP 82 (excl. EP 82 Sub-Blocks)[1(a)] | Amadeus Basin NT | Santos | 60 | 60 | Santos QNT Pty Ltd ("Santos") | 40 |
| EP 82 Sub-Blocks | Amadeus Basin NT | Central | 100 | 100 | | |
| EP 105 | Amadeus/Pedirka Basin NT | Santos | 60 | 60 | Santos | 40 |
| EP 112 [1(b)&2] | Amadeus Basin NT | Santos | 30 | 45 | Santos | 55 |
| EP 115 (excl. EP 115 North Mereenie Block) | Amadeus Basin NT | Central | 100 | 100 | | |
| EP 115 North Mereenie Block [3] | Amadeus Basin NT | Santos | 60 | 100 | | |
| EP 125 [1(c)] | Amadeus Basin NT | Santos | 30 | 30 | Santos | 70 |
| OL 3 (Palm Valley)[4] | Amadeus Basin NT | Central | 100 | 50 | NZOG Palm Valley Pty Ltd<br>Cue Palm Valley Pty Ltd | 35<br>15 |
| OL 4 (Mereenie) [4] | Amadeus Basin NT | Central | 50 | 25 | Macquarie Mereenie Pty Ltd ("Macquarie Mereenie")<br>NZOG Mereenie Pty Ltd ("NZOG Mereenie")<br>Cue Mereenie Pty Ltd ("Cue Mereenie") | 50<br>17.5<br>7.5 |
| OL 5 (Mereenie) [4] | Amadeus Basin NT | Central | 50 | 25 | Macquarie Mereenie<br>NZOG Mereenie<br>Cue Mereenie | 50<br>17.5<br>7.5 |
| L 6 (Surprise) | Amadeus Basin NT | Central | 100 | 100 | | |
| L 7 (Dingo) [4] | Amadeus Basin NT | Central | 100 | 50 | NZOG Dingo Pty Ltd ("NZOG Dingo")<br>Cue Dingo Pty Ltd ("Cue Dingo") | 35<br>15 |
| RL 3 (Ooraminna) | Amadeus Basin NT | Central | 100 | 100 | | |
| RL 4 (Ooraminna) | Amadeus Basin NT | Central | 100 | 100 | | |
| ATP 909 | Georgina Basin QLD | Central | 100 | 100 | | |
| ATP 911 | Georgina Basin QLD | Central | 100 | 100 | | |
| ATP 912 | Georgina Basin QLD | Central | 100 | 100 | | |
| ATP 2031 | Surat Basin QLD | Central | 50 | 50 | Incitec Pivot Queensland Gas Pty Ltd | 50 |

## PETROLEUM PERMITS AND LICENCES UNDER APPLICATION

| Tenement | Location | Operator | CTP Consolidated Entity Registered Interest (%) | CTP Consolidated Entity Beneficial Interest (%) | Other JV Participants Participant Name | Other JV Participants Beneficial Interest (%) |
|---|---|---|---|---|---|---|
| EPA 92 | Wiso Basin NT | Central | 100 | 100 | | |
| EPA 111 [5] | Amadeus Basin NT | Santos | 100 | 50 | Santos | 50 |
| EPA 120 | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 124 [6] | Amadeus Basin NT | Santos | 100 | 50 | Santos | 50 |
| EPA 129 | Wiso Basin NT | Central | 100 | 100 | | |
| EPA 130 | Pedirka Basin NT | Central | 100 | 100 | | |
| EPA 131 [7] | Pedirka Basin NT | Central | 100 | 0 | | |
| EPA 132 | Georgina Basin NT | Central | 100 | 100 | | |
| EPA 133 [8] | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 137 | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 147 | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 149 | Amadeus Basin NT | Central | 100 | 100 | | |

| Tenement | Location | Operator | CTP Consolidated Entity Registered Interest (%) | CTP Consolidated Entity Beneficial Interest (%) | Other JV Participants Participant Name | Other JV Participants Beneficial Interest (%) |
|---|---|---|---|---|---|---|
| EPA 152 [6] | Amadeus Basin NT | Central | 100 | 100 | | |
| EPA 160 | Wiso Basin NT | Central | 100 | 100 | | |
| EPA 296 | Wiso Basin NT | Central | 100 | 100 | | |

# PIPELINE LICENCES

| Pipeline Licence | Location | Operator | CTP Consolidated Entity Registered Interest (%) | CTP Consolidated Entity Beneficial Interest (%) | Other JV Participants Participant Name | Other JV Participants Beneficial Interest (%) |
|---|---|---|---|---|---|---|
| PL 2 [4] | Amadeus Basin NT | Central | 50 | 25 | Macquarie Mereenie | 50 |
| | | | | | NZOG Mereenie | 17.5 |
| | | | | | Cue Mereenie | 7.5 |
| PL 30 [4] | Amadeus Basin NT | Central | 100 | 50 | NZOG Dingo | 35 |
| | | | | | Cue Dingo | 15 |

*Notes:*

1 *As announced on 9 February 2022, Central entered into a farmout of various interests in certain Amadeus Basin exploration tenements to Peak Helium (Amadeus Basin) Pty Ltd subject to the usual conditions precedent for a transaction of this nature being met by 31 July 2022. Upon completion, Peak Helium (Amadeus Basin) Pty Ltd will earn partial transfer of Central's interest in three permits as follows:*

*(a) 31% in EP82, excluding Dingo Satellite Area (Central's interest will change from 60% to 29%);*

*(b) 10% in EP112 (Central's interest will change from 45% to 35%); and*

*(c) 6% in EP125 (Central's interest will change from 30% to 24%).*

2 *As announced on 2 August 2021, Santos did not elect that Central be carried for the first $3 million of Dukas-1 well costs and therefore its interest in EP112 (including Dukas-1 well) will decrease from 70% to 55% (Central's interest in EP112 will increase from 30% to 45%).*

3 *On 12 December 2019 Central received notice from Santos of its intention to withdraw from EP 115 North Mereenie Block effective 31 January 2020.*

4 *On 1 October 2021 Central completed the sale of 50% of its existing interests in Mereenie, Palm Valley and Dingo to subsidiaries of New Zealand Oil & Gas Ltd and Cue Energy Resources Ltd, effective 1 July 2020.*

5 *On 16 December 2021 Central received notice from the NT Department of Industry Tourism and Trade that EPA 111 had been placed in moratorium for a period of 5 years from 9 December 2021 until 9 December 2026.*

6 *On 22 March 2018 (in respect of EPA 124) and on 23 March 2018 (in respect of EPA 152) Central received notice from the NT Department of Primary Industry and Resources (now Department of Industry Tourism and Trade) that EPA 124 and EPA 152, respectively, had been placed in moratorium for a period of 5 years from 6 December 2017 until 6 December 2022.*

7 *This exploration permit application has been disposed. Transfer of the registered interest is awaiting the grant of an exploration permit.*

8 *This exploration permit application was placed into moratorium on 22 October 2015 for a five (5) Year period which ended on 22 October 2020. On 25 February 2021, Central was provided with consent to negotiate the grant of this exploration permit.*

## *General Legal Disclaimer*

*As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by Central Petroleum Limited (**Company**) in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programs which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.*

*This document may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, the Company and its subsidiaries and each of their agents, directors, officers, employees, advisors and consultants do not undertake any obligation to update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such a statement. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "forecast", "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statements.*

*The Company is not the sole source of the information used in third party papers, reports or valuations ("Third Party Information") as referred herein and the Company has not verified their content nor does the Company adopt or endorse the Third Party Information. Content of any Third Party Information may have been derived from outside sources and may be based on assumptions and other unknown factors and is being passed on for what it's worth. The Third Party Information is not intended to be comprehensive nor does it constitute legal or other professional advice. The Third Party Information should not be used or relied upon as a substitute for professional advice which should be sought before applying any information in the Third Party Information or any information or indication derived from the Third Party Information, to any particular circumstance. The Third Party Information is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information in the Third Party Information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. To the maximum extent permitted by law, the Company and its subsidiaries and each of their directors, officers, employees, agents and representatives give no undertaking, representation, guarantee or warranty concerning the truth, falsity, accuracy, completeness, currency, adequacy or fitness for purpose of the any information in the Third Party Information.*

*No right of the Company or its subsidiaries shall be waived arising out of, related to or in connection with this document.* 

# Appendix 5B

# Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

| |
|---|
| CENTRAL PETROLEUM LIMITED |

| ABN | Quarter ended ("current quarter") |
|---|---|
| 72 083 254 308 | 30 JUNE 2022 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 10,825 | 44,333 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | (877) | (10,121) |
| | (b) development | – | – |
| | (c) production and gas purchases | (3,529) | (24,530) |
| | (d) staff costs net of recoveries | (306) | (1,701) |
| | (e) administration and corporate costs (net of recoveries) | (154) | (1,981) |
| 1.3 | Dividends received (see note 3) | – | – |
| 1.4 | Interest received | 19 | 59 |
| 1.5 | Interest and other costs of finance paid | (485) | (2,472) |
| 1.6 | Income taxes paid | – | – |
| 1.7 | Government grants and tax incentives | – | 11 |
| 1.8 | Other (provide details if material) | – | 42 |
| **1.9** | **Net cash from / (used in) operating activities** | **5,493** | **3,640** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | – | – |
| | (b) tenements | – | – |
| | (c) property, plant and equipment | (628) | (10,791) |
| | (d) exploration & evaluation (if capitalised) | – | – |
| | (e) investments | – | – |
| | (f) other non-current assets | – | – |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | – | – |
| | (b) tenements | – | – |
| | (c) Producing properties including property, plant and equipment (net of transaction costs) | – | 28,305 |
| | (d) investments | – | – |
| | (e) other non-current assets | – | – |
| 2.3 | Cash flows from loans to other entities | – | – |
| 2.4 | Dividends received (see note 3) | – | – |
| 2.5 | Other - (lodgement) or redemption of security deposits | – | (108) |
| **2.6** | **Net cash from / (used in) investing activities** | **(628)** | **17,406** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | – | – |
| 3.2 | Proceeds from issue of convertible debt securities | – | – |
| 3.3 | Proceeds from exercise of options | – | – |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | – | (3) |
| 3.5 | Proceeds from borrowings | – | – |
| 3.6 | Repayment of borrowings | (2,000) | (36,000) |
| 3.7 | Transaction costs related to loans and borrowings | – | – |
| 3.8 | Dividends paid | – | – |
| 3.9 | Other (principal elements of lease payments) | (123) | (561) |
| **3.10** | **Net cash from / (used in) financing activities** | **(2,123)** | **(36,564)** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 18,905 | 37,165 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 5,493 | 3,640 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (628) | 17,406 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (2,123) | (36,564) |
| 4.5 | Effect of movement in exchange rates on cash held | – | – |
| **4.6** | **Cash and cash equivalents at end of period** | **21,647** | **21,647** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances[1] | 21,647 | 18,905 |
| 5.2 | Call deposits | – | – |
| 5.3 | Bank overdrafts | – | – |
| 5.4 | Other (cash on hand) | – | – |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **21,647** | **18,905** |

[1] *Includes the Group's share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter $4,724,762, Previous Quarter $4,096,280) to be used for allowable purposes under the Facility Agreement.*

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 245 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | – |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Directors Fees, Salaries, and superannuation contributions.

| **7.** | **Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 30,809 | 30,809 |
| 7.2 | Credit standby arrangements | – | – |
| 7.3 | Other (please specify) | – | – |
| 7.4 | **Total financing facilities** | 30,809 | 30,809 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | – |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 – Represents the Macquarie Bank loan facility which is a secured partially amortising term loan maturing 30 September 2025 with quarterly principal and interest repayments. The interest rate at the end of the current quarter is 7.31% (floating interest rate).

| **8.** | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | 5,493 |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | – |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | 5,493 |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 21,647 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | – |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 21,647 |
| 8.7 | **Estimated quarters of funding available (Item 8.6 divided by Item 8.3)** | **N/A: Positive Operating cashflow** |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022................................................................

Authorised by: Leon Devaney, Managing Director and CEO.............
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.