

# Investor Update

17 March 2023

Central Petroleum Limited (ASX:CTP)





# 1H FY2023 highlights

**Successful PV12 production well:** PV12 produced over target at over 10 TJ/day; expected payback <12 months

**Solid underlying revenue:** \$16.7m revenue off back of strong oil and gas prices

**Secured Debt Finance:** Additional \$12m available to fund new development

**Positive gas trend at Range pilot:** Gas rates increasing at the three single-well pilots

**Farmout and subsalt exploration progressing:** Farm-out completed, JV approval to drill 3 sub-salt exploration wells

**Marketing:** New gas sales agreements for 2023 and 2025 supply; Regulatory uncertainty remains for term supply; seeking regulation clarity for PV12 firm supply marketing discussions.

**Strategic review initiated:** Examining opportunities to realise value





# Mick McCormack

Central Petroleum Limited

Chair

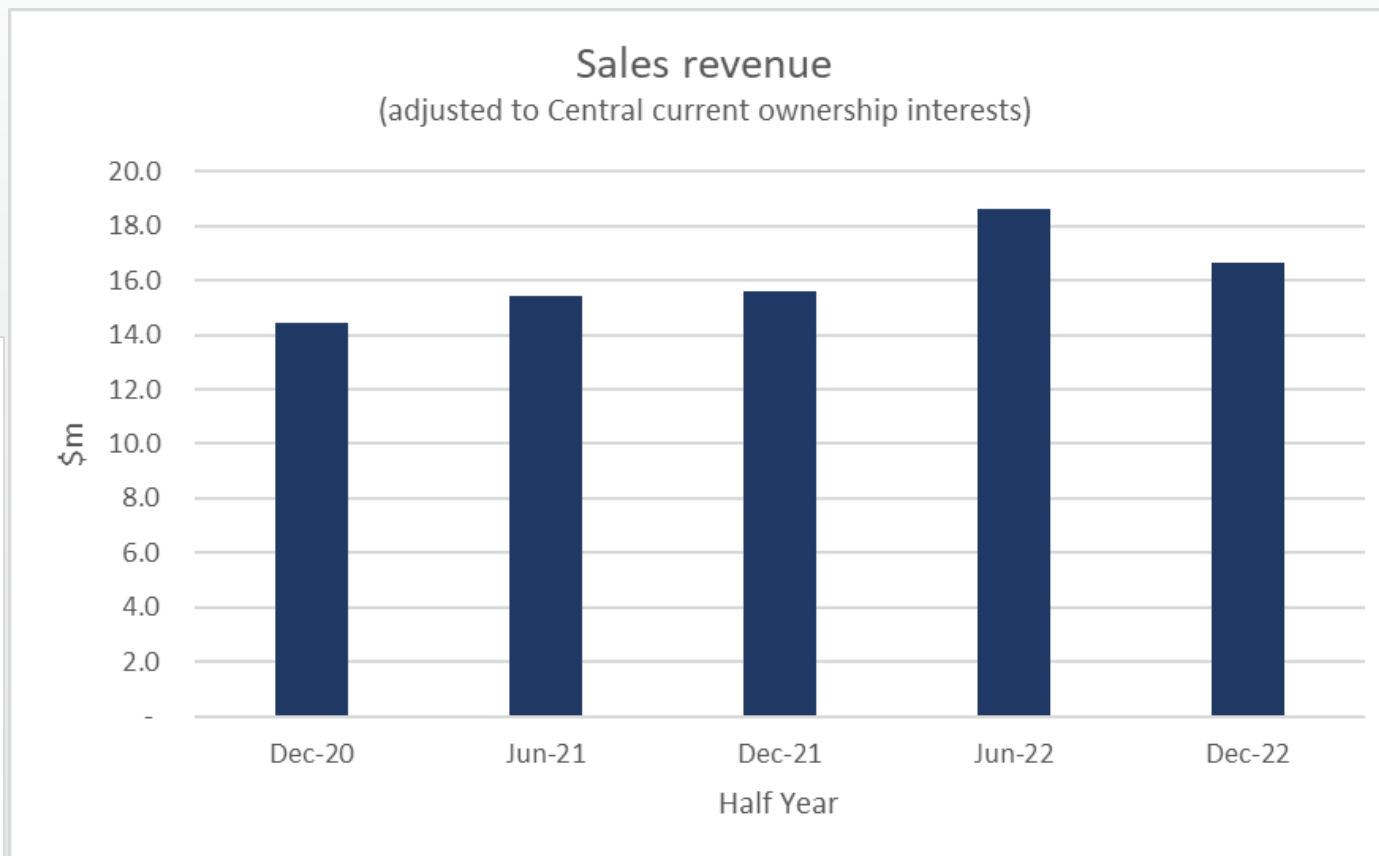
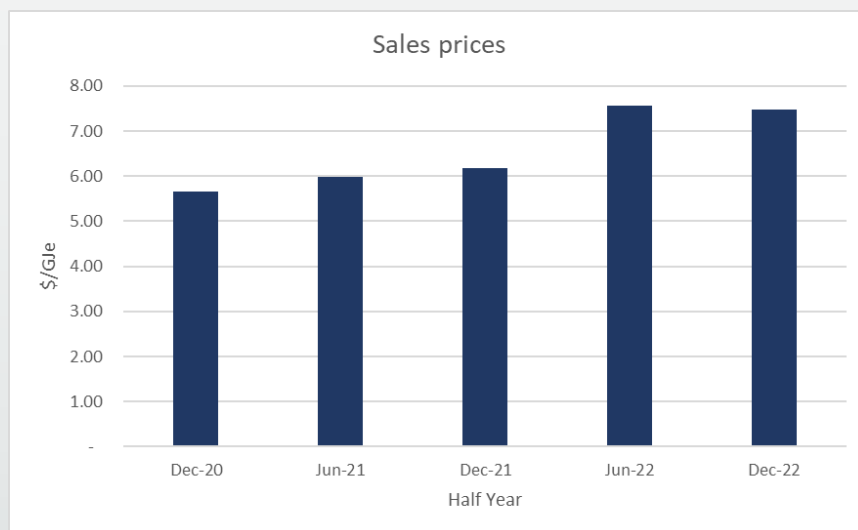
- Strategic review underway
- RBC Capital Markets completed an initial strategic review late last year
- Various opportunities for the Company to crystallise shareholder value have been identified and are currently being explored
- Decisions arising from the Strategic Review are expected to be made over the coming months



# Solid operational performance (Half year to 31 December 2022)

## Steady performance

- **Sales revenue** (1H FY2023): \$16.7m
- **Strong markets:** Realised gas price up 23% on 1H FY2022



## Sales volume

**2.23 PJ**

- Down 10% on previous half year
  - Down 11% from 1H FY2022 (adjusted for current ownership %)
- Impacted by temporary closure of NGP from September. Rebound expected in 2<sup>nd</sup> half.

## Underlying EBITDAX

**\$5.3m**

- Down \$5m from 1H FY2022
- Reduced ownership % from Oct 2021 and NGP outage

## Net loss

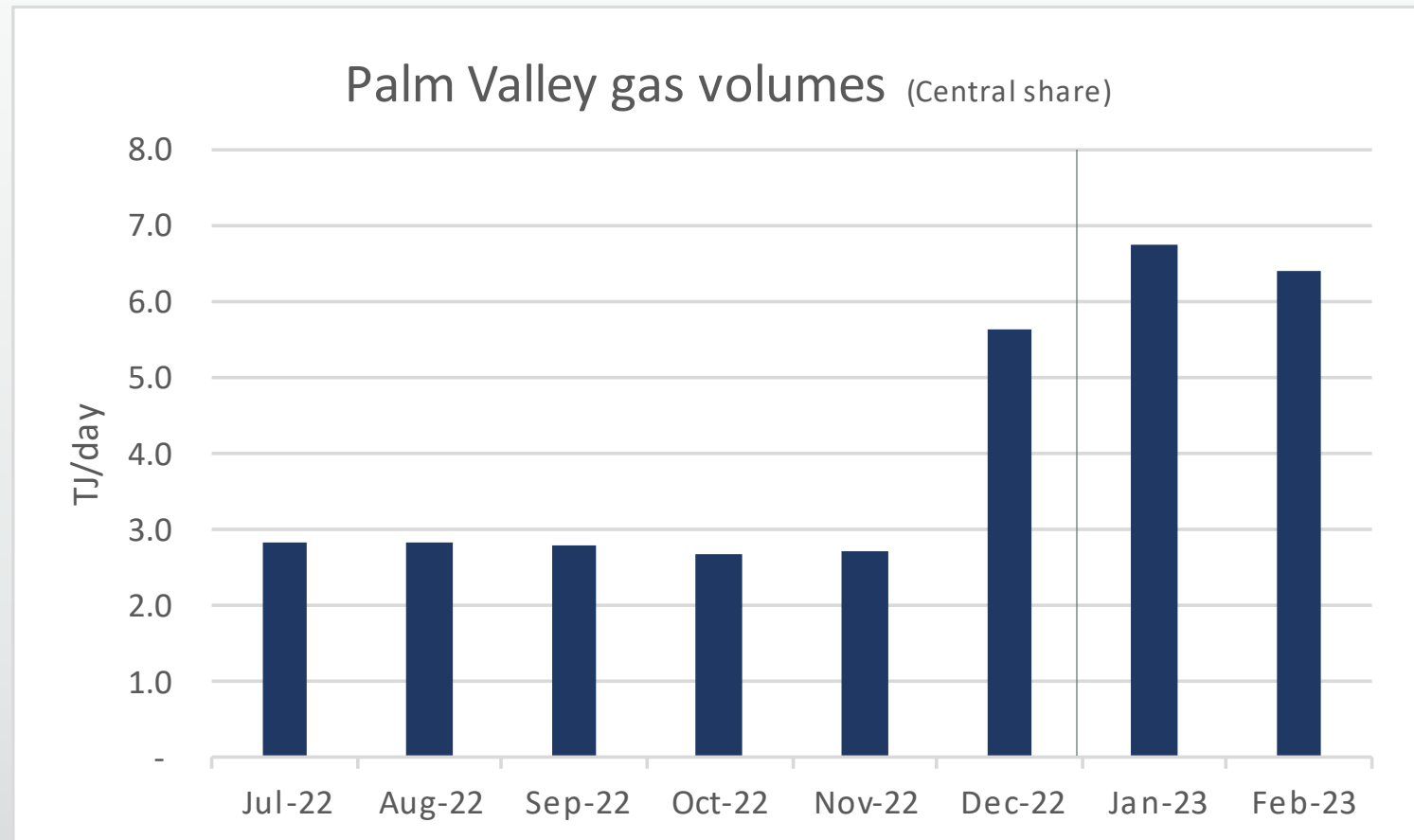
**\$11.2m**

- Includes \$10.9m exploration expenses
- Palm Valley exploration drilling

# Palm Valley production boost

## PV12 production well commenced production in late November

- Produced at over 10TJ/day by late December
- Has more than doubled the Palm Valley field production rate
- Has already generated over \$3m of revenue
- On track for payback of capital within 12 months
- Performance opens up opportunities to drill more wells at Palm Valley





# Funding

## Planned growth activities are fully funded

	Funding source			
Planned activity	Remaining carry funds (\$3.4m)	Debt facility (\$11m available)	Peak Helium farmout (\$10.6m max)	Working capital
Mereenie well recompletions	X	X		
2 x Mereenie development wells		X		
Flare gas recovery compressor	X			X
3 x Sub-salt exploration wells			X	X

**Net debt \$16.8m** (31 December 2022)

Loan Balance \$30.4m

Cash \$13.7m

## Additional debt capacity to fund future development

**\$11m available** at 31 December 2022

Additional debt capacity has been added to fund development activity

Available in two tranches of \$6m

- First tranche is unconditional with \$1m drawn to date

## Carry funds available

**\$3.4m available** at 31 December 2022

Part of consideration for partial asset sale

Available to be invested in increasing production capacity within 12 months:

- Mereenie well recompletions
- Flare gas recovery project

## Peak Helium sub-salt farmout

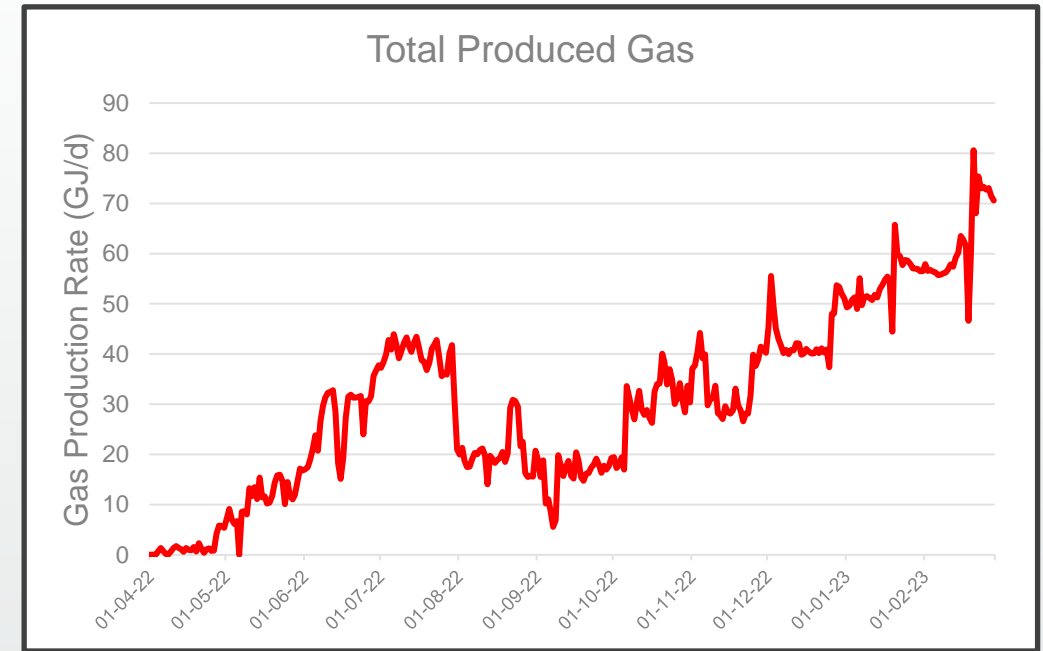
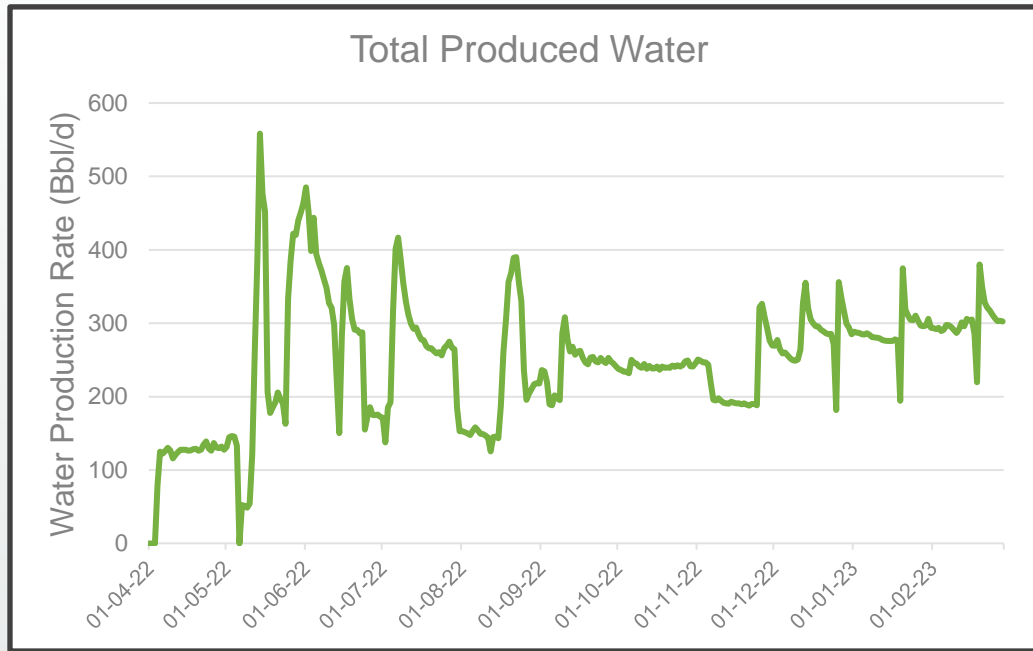
**Maximum of \$10.6m available**

Central to be carried for its share of costs for planned exploration wells:

- EP82 Mahler well
- EP125 Mt Kitty / Jacko Bore well

(Carry is capped at gross costs of \$20m per permit)

# Range CSG Project



- Three single-well pilots (Range 6, 9, 10) have been on pump for ~1 year
- Since November 2022, water rates have stepped up and gas rates have more than doubled to ~70 GJ/d
- This gradual gas ramp up is typical of the early days of successful CSG plays on the fairway edges
  - GLNG Arcadia came online at 60 GJ/d per well, after 6 years field production grew to 91 TJ/d\*
  - Senex Roma North came online at 70 GJ/d per well, after 3 years field production grew to 20 TJ/d\*
- Gas rates are becoming large enough to consider utilisation options such as gas fired power generation and / or revenue options
- JV reviewing data to determine forward appraisal plan

\* Queensland Government Petroleum & Gas Production Statistics to Dec 2021, 6-monthly data

# Southern Amadeus Sub-salt Exploration

## – World-class potential

Success in the Southern Amadeus could deliver multi-tcf of Natural Gas plus world-class Helium quantities

### High Helium potential in Amadeus Basin

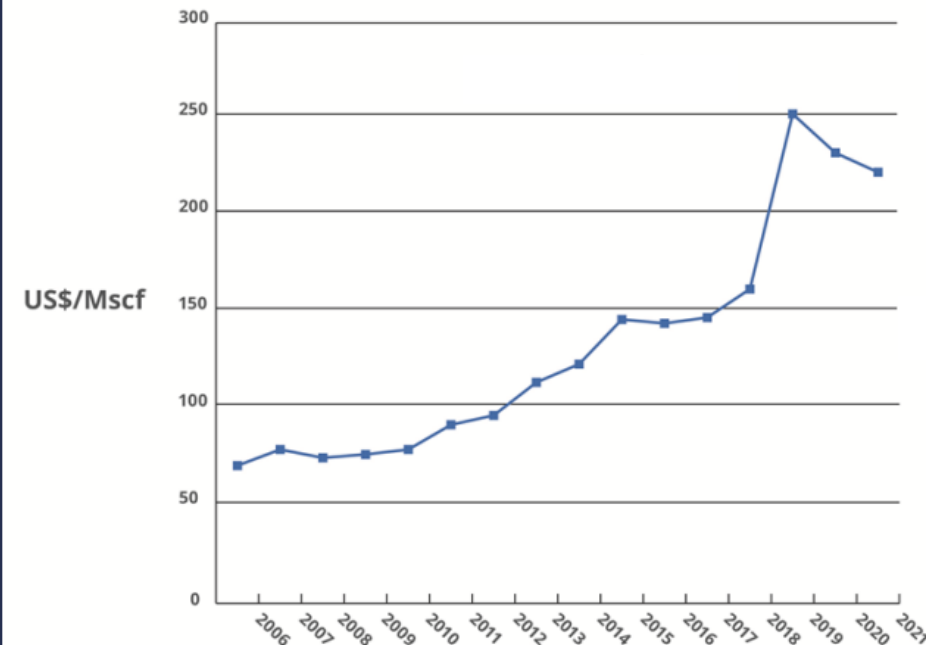
- >95% of Helium supply is a by-product of gas or LNG
- >0.3% Helium is considered Helium rich
- Helium concentrations in the Southern Amadeus are an order of magnitude higher at 6% and 9%.

Gas Compositions	Natural Gas (%)	Helium (%)	Nitrogen (%)	Hydrogen (%)
Magee-1	49	6	44	-
Mount Kitty-1	18	9	61	12

### Strong markets, high value

- Global Helium market is ~6bcf/d
- US supply is declining rapidly, future supply is reliant on upcoming LNG projects which often suffer delays and / or lower Helium output.
- Prices have climbed rapidly from US\$50/mcf to US\$200/mcf (for supply of bulk liquid He under long-term contracts).

Historical Price of Bulk Liquid Helium – 2006-2021



Source: Noble Helium Prospectus, 2022



# Southern Amadeus Sub-salt Exploration

– Hydrogen / Helium / Hydrocarbons

## Three wells commencing in late 2023 / early 2024

MK/JB-2\* lateral designed for flow testing

Mahler-1 basement fracturing + 3 secondary targets

Dukas-2 targeting fractured basement through thinner salt

## Key activities underway

Santos (operator) has commenced procurement, rig contracting, approvals

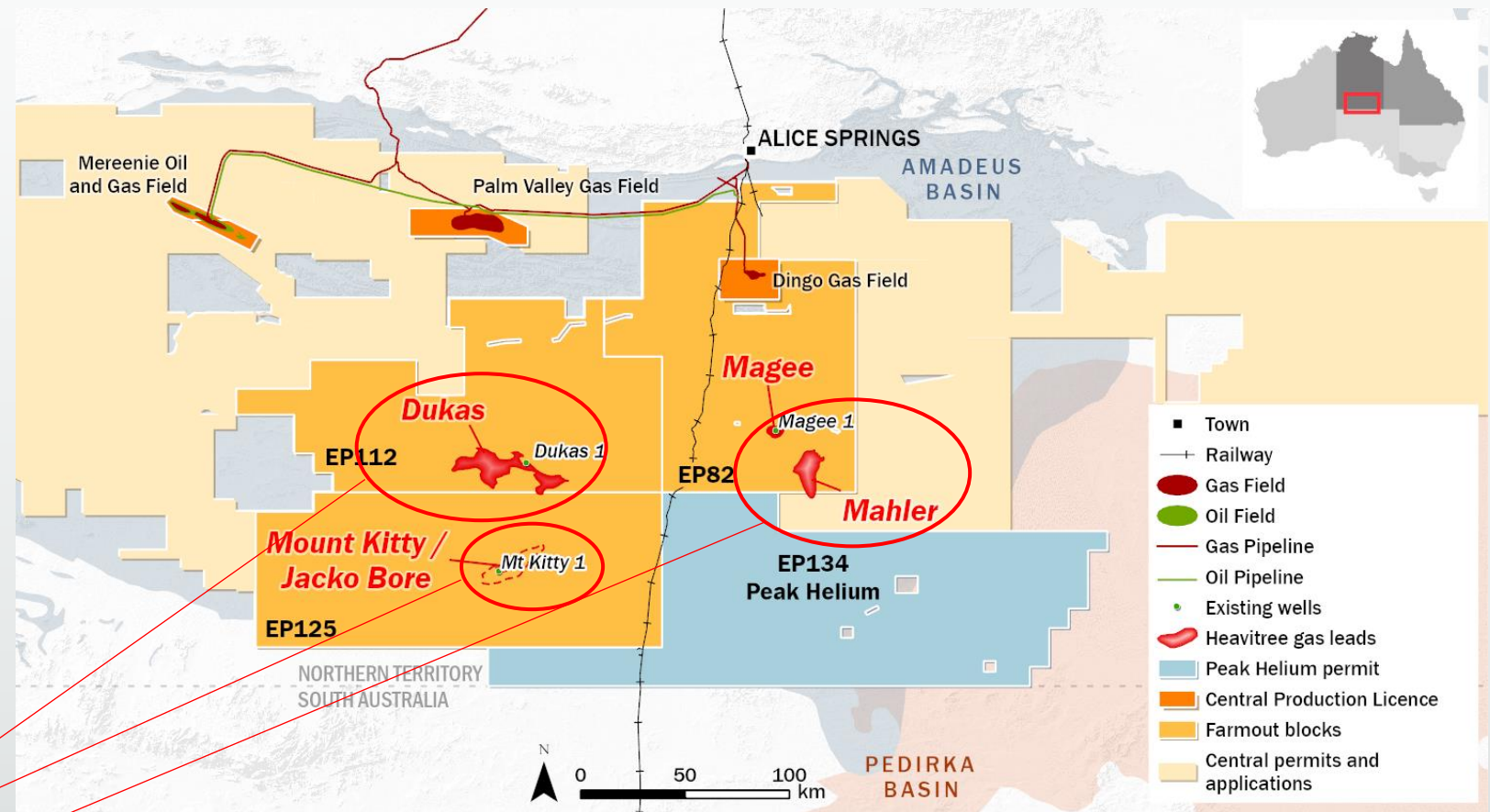
## Peak farm-out

Peak Helium will fund Central's costs for MK/JB and Mahler (capped at \$20m gross cost per well)

Completion expected to occur soon

## Ownership interests

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

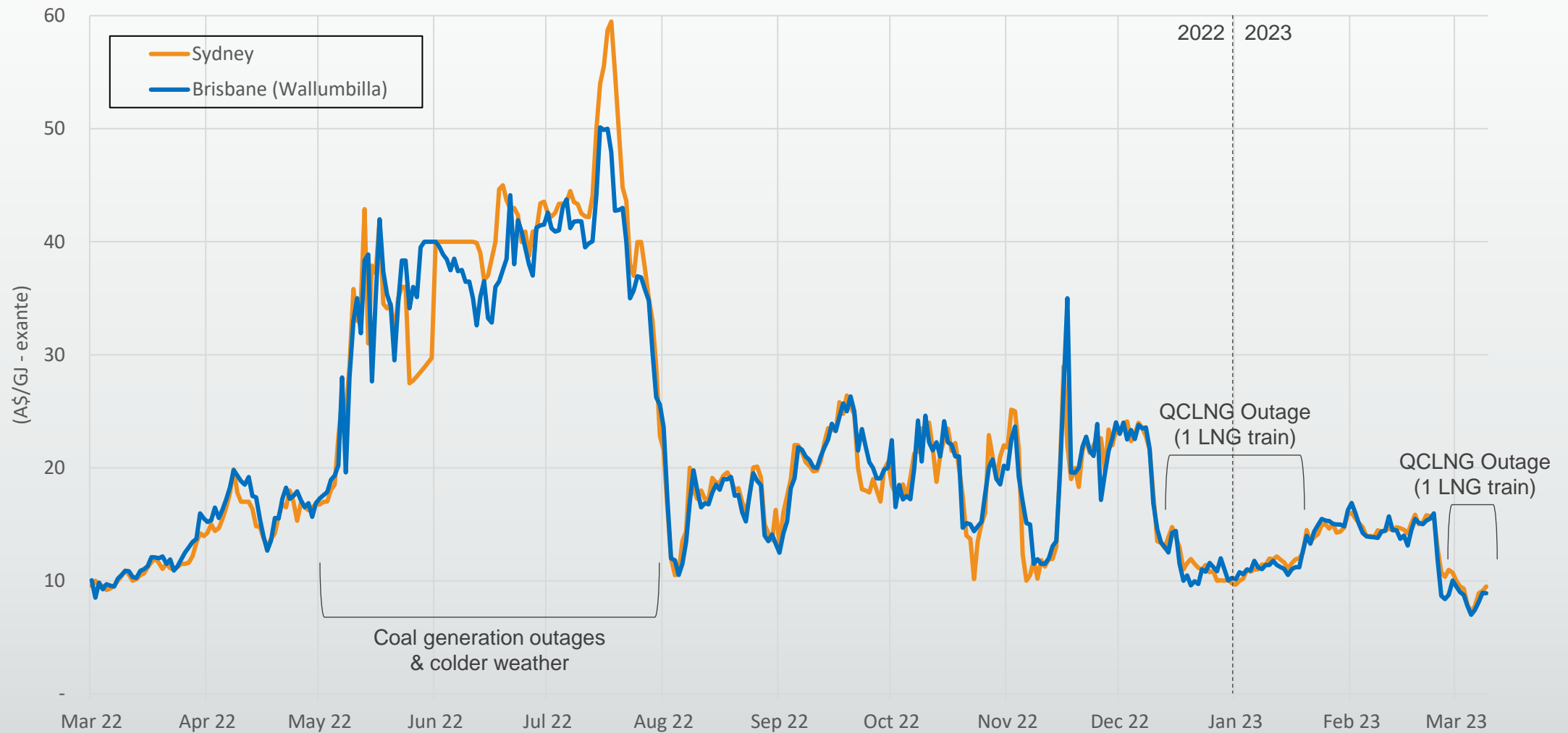


Completion of Central's farmout with Peak is subject to the usual conditions precedent for a transaction of this nature being met by 31 March.

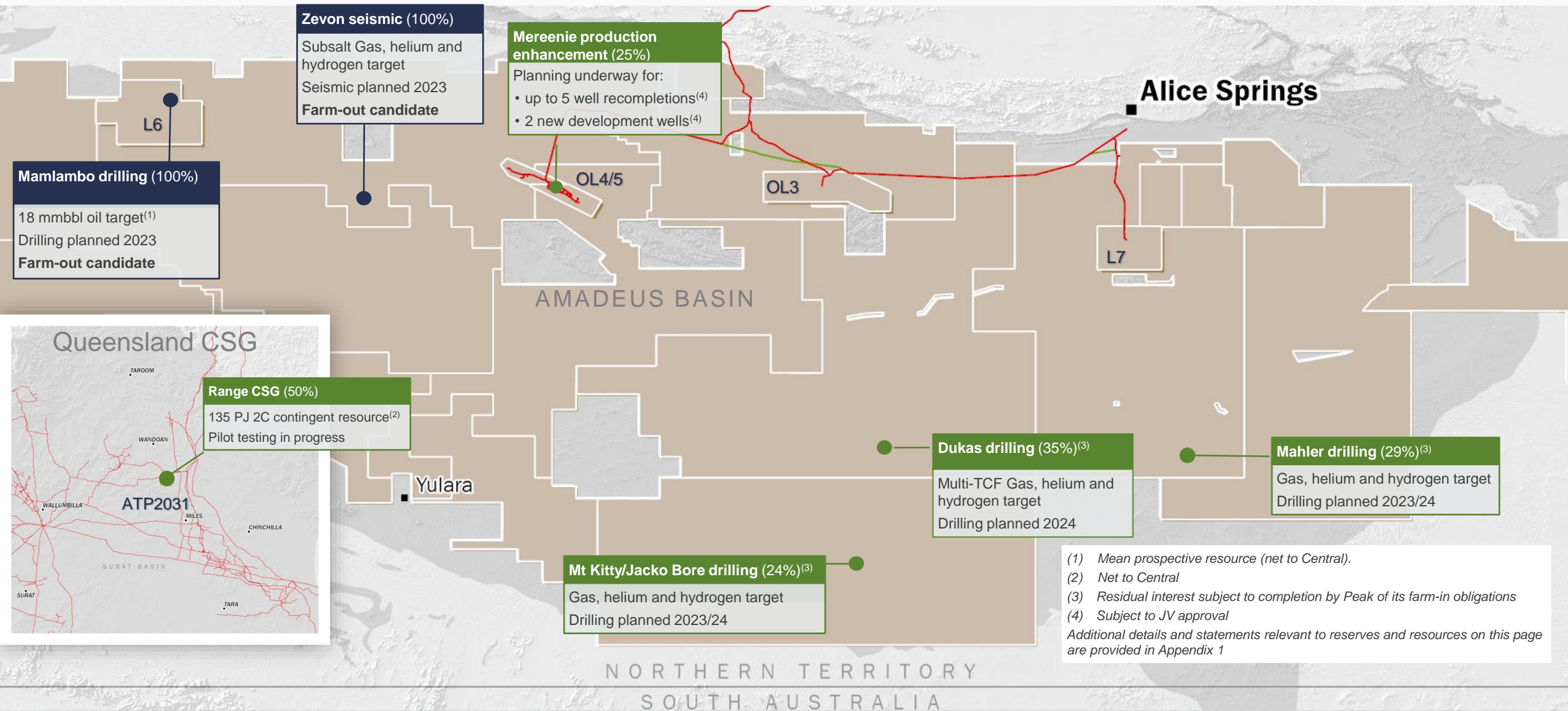
\* Process to re-name Mount Kitty (MK) to Jacko Bore (JB) is ongoing

\*\* Subject to completion of Central's farmout

# 12-Month historical short term trading market pricing



# Near-term activity





# The year ahead

***Central is well positioned to take advantage of strong domestic gas markets and a major 3 well sub-salt exploration program***

## **Increasing production to supply strong gas markets**

- PV12 well online
- Mereenie recompletions in 1H CY2023
- Mereenie development wells 2H CY2023
- Strong prices to boost revenues through re-contracting

## **Major sub-salt exploration program to test new province**

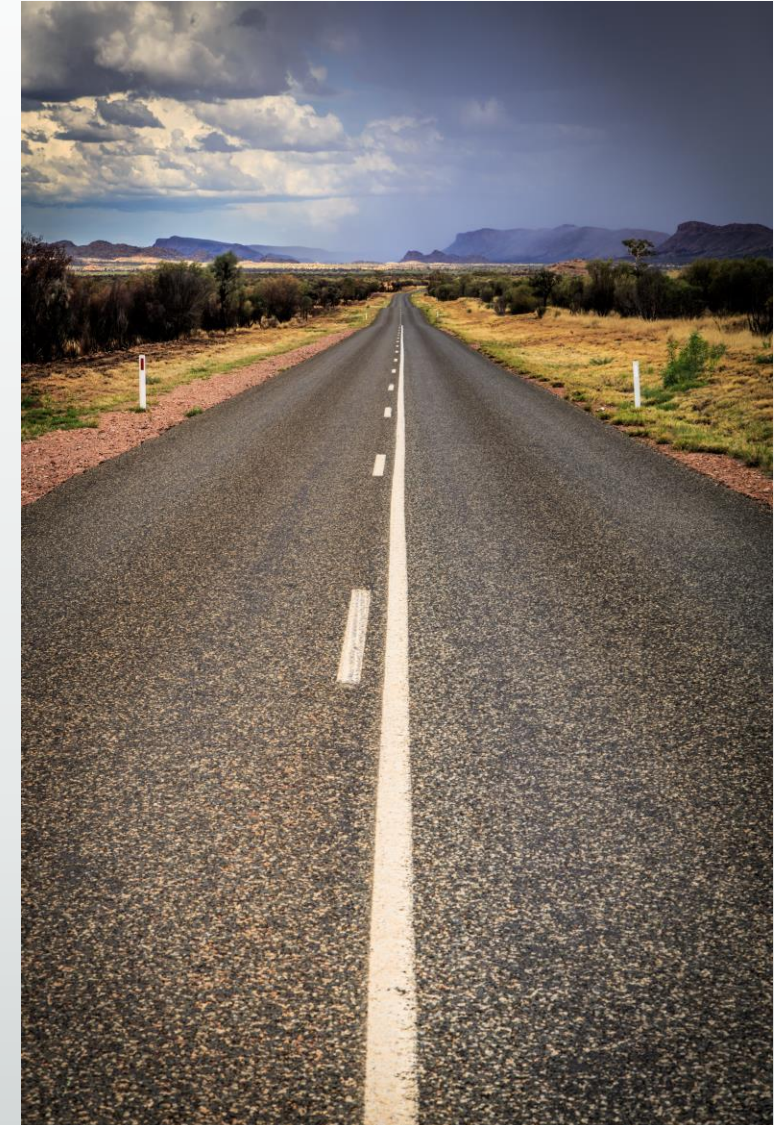
- Three well program to commence this year
- Over \$70m (gross) to be invested in three wells
- Possible world-scale helium resource

## **Other exploration and farmout opportunities**

- Mamlambo oil exploration opportunity
- Zevon sub-salt seismic and exploration well

## **Range appraisal**

- Next phase of appraisal to be considered by the JV





# 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	Best estimate
		1P	2P	2C
Mereenie oil	mmbbl	0.37	0.41	0.05
Mereenie gas	PJ	30.5	39.2	45.6
Palm Valley	PJ	11.3	12.7	6.8
Dingo	PJ	16.2	19.0	—
<b>Total Amadeus</b> (oil converted at 5.816 PJ/mmbbl)	<b>PJe</b>	<b>60.2</b>	<b>73.3</b>	<b>52.7</b>
Range CSG	PJ	—	—	135.1
<b>Total Central reserves and resources</b>	<b>PJe</b>	<b>60.2</b>	<b>73.3</b>	<b>187.8</b>

### Reserves and contingent resources

The reserves and contingent resources for the Mereenie, Palm Valley and Dingo fields in this report are as at 30 June 2022 and were first reported to ASX on 16 September 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.



# Appendix 1: Reserves and Resources information

## Prospective Resources – (Central Share)

Lead / Prospect	Target formation	Permit	Permit Interest	Low Estimate P90 Recoverable (mmbbls)	Best Estimate P50 Recoverable (mmbbls)	High Estimate P10 Recoverable (mmbbls)	Mean Recoverable (mmbbls)
Mamlambo	Pacoota	L6	100%	3	13	39	18

**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 recoverable 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.

### Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis 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.



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

