

18 February 2020

DECEMBER 2019 QUARTERLY UPDATE

Central Petroleum Limited (“**Company**” or “**Central**”) is pleased to release the attached presentation which provides a detailed overview of its December 2019 Quarter.

The December 2019 quarter saw a strong performance from Central Petroleum Limited, with sales volumes up 6.7% on the previous quarter and sales revenue up 7.5%. Central also made significant progress on its growth strategy, certifying 2C gas resources at its new Range CSG project and announcing a multi-well exploration programme for 2020 in the Amadeus Basin.

The quarterly Operating Activities Report was released to ASX on 30 January and Central’s CEO & Managing Director has now recorded a presentation which provides further detail and commentary on the Company’s performance and prospects.

The video presentation can be viewed on the Company’s website via the following link:
<http://centralpetroleum.com.au/news-media/company-update-dec19-qtr/>

The slide deck presentation can be accessed on the Company’s website via the following link:
<http://centralpetroleum.com.au/20200217-company-update-dec19-qtr/>

-ends-

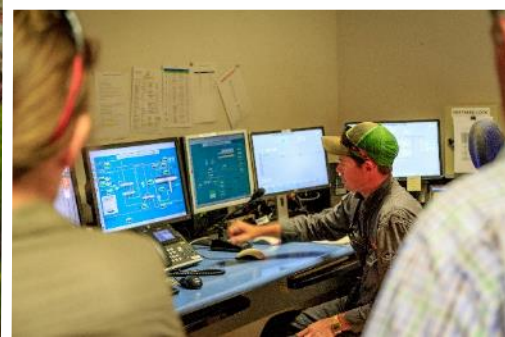
General Legal Disclaimer and Explanation of Terms:

This document is for information purposes only and is not investment or financial product advice nor intended for prospective investors and does not purport to provide all of the information an interested party may require in order to investigate the affairs of Central Petroleum Limited ("Company"). This document has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. The data, information, opinions and conclusions ("Information") herein are subject to change without notice.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, likelihood of achievement or reasonableness of the Information contained in this document. To the maximum extent permitted by law, none of the Company or its agents, directors, officers, employees, advisors and consultants, nor any other person, accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of the Information contained in this document.

This document may contain forward-looking statements which include (but are not limited to) forecasts, prospects or returns. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which may be outside the control of the Company and could cause actual results to differ from these statements. These risks, uncertainties and assumptions include (but are not limited to) funding, exploration, commodity prices, currency fluctuations, economic and financial market conditions, environmental risks, legislative or fiscal developments, political risks, project delay, approvals, cost estimates and other risk factors described from time-to-time in the Company's filings with the ASX. Actual facts, matters or circumstances may be different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company and its agents, directors, officers, employees, advisors and consultants, nor any other person, do not undertake any obligation to update or revise any Information or any of the forward looking statements in this document. 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) "believe", "understand", "estimate", "anticipate", "plan", "predict", "target", "may", "hope", "can", "will", "should", "expect", "intend", "projects", "is designed to", "with the intent", "potential", the negative of these words or such other variations thereon or comparable terminology or similar expressions of the future which may indicate a forward looking statement or conditional verbs such as "will", "should", "would", "may", "can" and "could" are generally forward-looking in nature and not historical facts.

No right of the Company or its subsidiaries shall be waived arising out of this document. All rights are reserved.



December 2019 Quarterly Update

17 February 2020

Central Petroleum Limited (ASX:CTP)

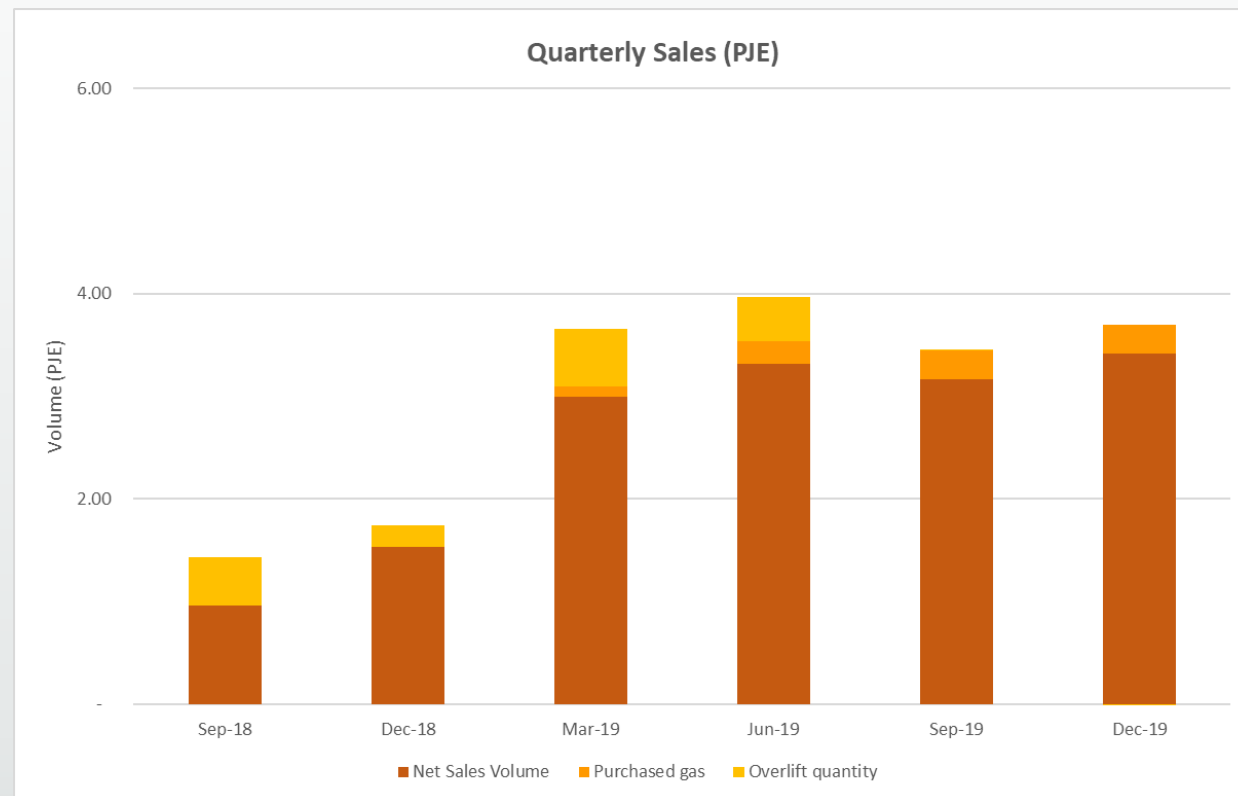


December quarter highlights

- Sales volumes up 6.7% to 3.7 PJE
- Revenue up 7.5% to \$18.5M
- Announced a major exploration programme for CY2020 to be funded via a farm out
- New joint gas sales agreement signed with AGL (1 January start)
- Range gas project progressing toward FID

Since the end of the quarter:

- Extended loan maturity by 12 months, to September 2021



Strong CY2019 Financial Performance

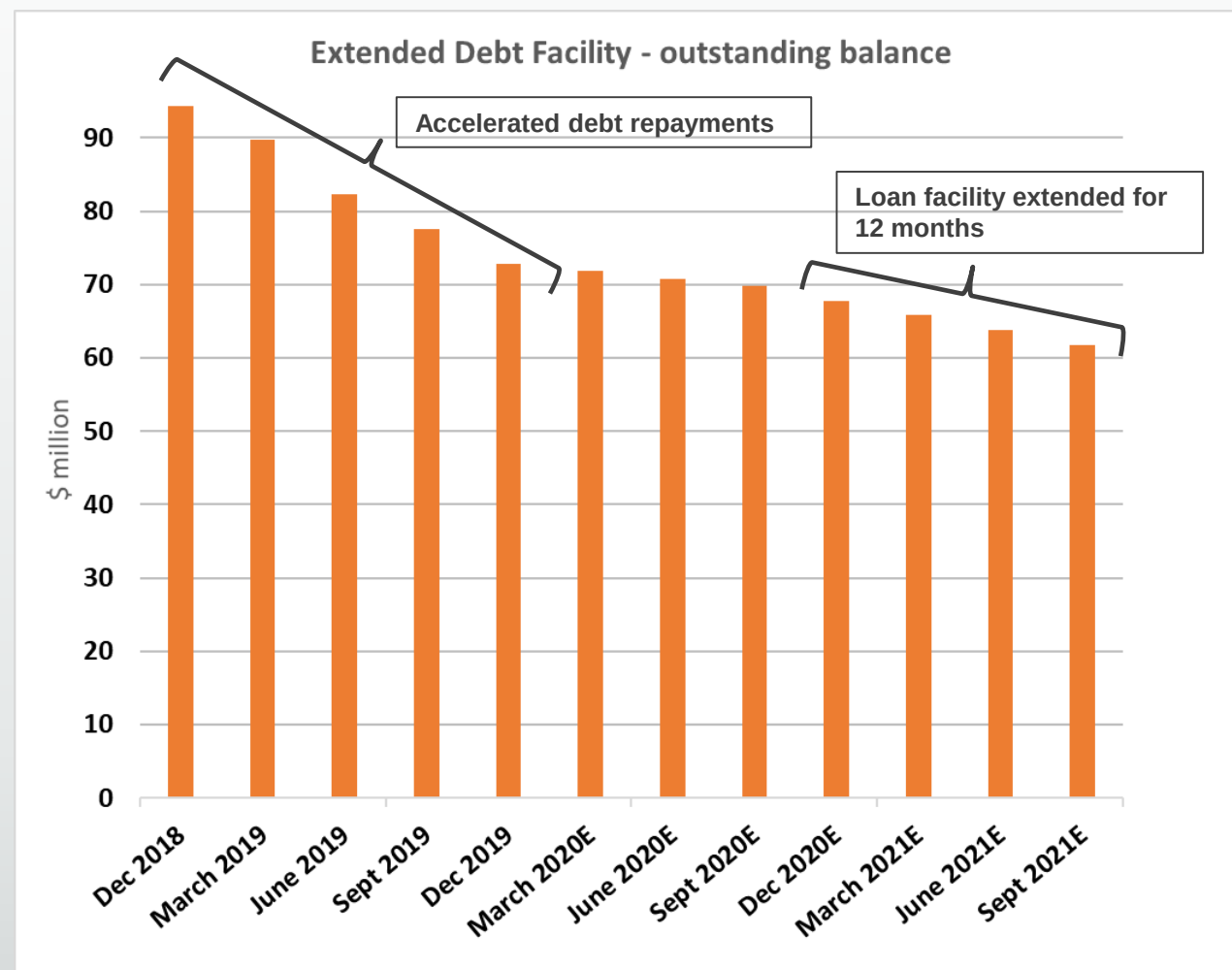
Metric	Unit	March Qtr.	June Qtr.	Sept Qtr.	Dec Qtr.	Comment
Sales volume	PJE	3.7	4.0	3.5	3.7	Includes the gas over-lift at Mereenie and purchased gas sold.
- includes overlift	PJE	0.6	0.4	-	-	Repayment of overlift gas will begin from the March 2020 quarter.
Sales volume (ex-overlift)	PJE	3.1	3.6	3.5	3.7	December quarter sales benefitting from improved NGP reliability (extended outage in September quarter).
Sales revenue	\$M	18.8 ¹	20.6	17.2	18.5	Includes revenue for pre-sale deliveries, sales of purchased gas and overlift gas. Oil revenues lower due to weaker market and new COSPA in September quarter.
Average sales price	\$/GJE	5.14	5.18	4.96	5.02	December increase due to incremental volumes supplying higher-priced contracts. Includes impact of lower oil prices (weaker market and new COSPA from September).
Net cash flows:						
- Operating	\$M	8.5	8.4	4.4	3.9	December quarter included once-off tax-related payment of \$0.6M. Lower operating cash flows in September and December quarters have been offset by lower capital expenditure and debt repayments.
- Investing	\$M	(3.0)	(2.6)	(0.8)	(0.6)	
- Financing	\$M	2.8	(7.2)	(4.9)	(4.9)	
Net cash flows	\$M	8.3	(1.4)	(1.3)	(1.6)	
Debt repaid	\$M	4.75	7.25	4.75	4.75	Accelerated loan repayments in CY2019. Returns to lower levels in CY2020 before increasing slightly from September 2020.
Net gearing ²	%	42%	40%	38%	37%	
Net cash balance	\$M	19.3	17.8	16.5	14.9	

1. Excluding cash payment received in January 2019 for CY2018 take or pay volumes not taken in CY2018

2. Net gearing based on Market Capitalisation as at 31 December 2019

Extended finance facility

- Existing facility term extended by 12 months to September 2021
- Refinancing facility reduces from \$70M September 2020 to \$62M September 2021
- Creates efficiencies
 - Maturity aligns with Project Range financing
 - Preserves negotiation position
 - Could result in better refinancing terms and pricing if arranged in a more buoyant energy market
- Reduces risk:
 - Results in a lower refinancing quantum
 - Reduces current liabilities
 - Extends refinancing beyond development wells planned later this year

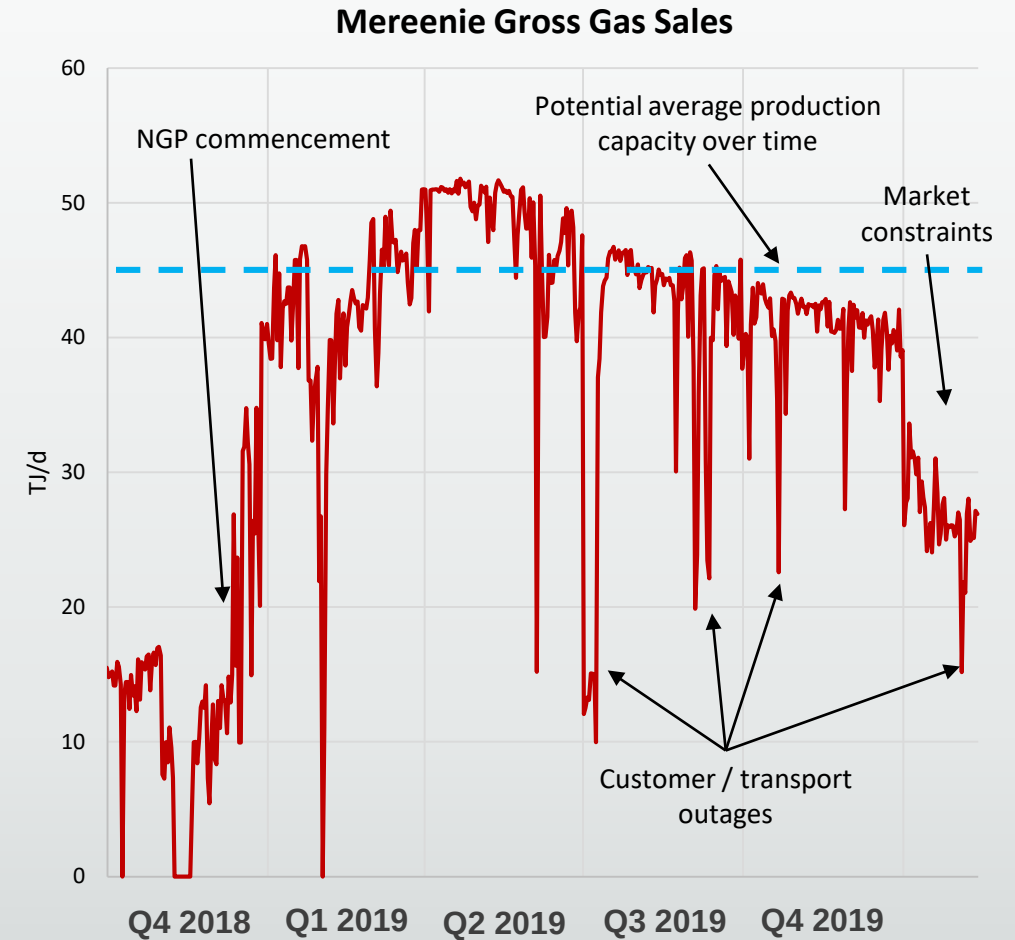




Field Performance Review

Mereenie Field Gross Gas Production

- GAP investment in late 2018 enabled higher production capacity in 2019 through existing well stock (>50TJ/d in H1 2019)
- Existing wells are almost exclusively located around the field perimeter (originally for the oil rim) and are demonstrating a natural decline which is expected
- In order to maintain field production capacity, new wells located along the crest are required on a periodic basis
- 2 development projects are being planned for late 2020 to boost field production capacity
 - Drill 1 - 2 new crestal wells into the underdeveloped gas cap
- Mereenie's 2019 average production capacity of around 44TJ/d (100% JV) could be a sustainable average target for Mereenie over several years based on current modelling



Palm Valley Field Gas Production

▪ Field Recap

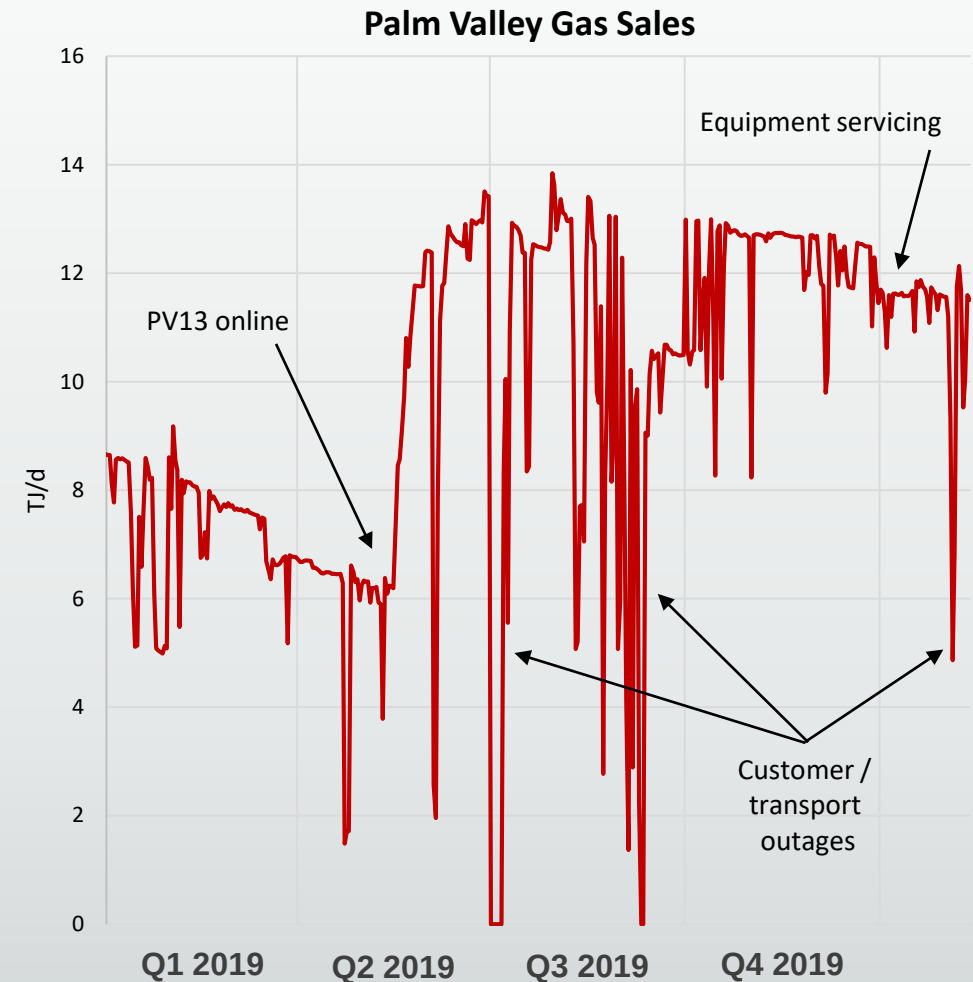
- Tight gas with natural fractures – effectively segments the reservoir into a series of poorly connected ‘smaller reservoirs’
- Use horizontal wells to intersect more natural fractures and access several of the ‘smaller reservoirs’ – PV13 was a successful test of this concept

▪ PV13 continues to outperform

- Still on plateau at 7 TJ/d (wellhead skid constrained)
- Extrapolating well data suggests 5 PJ recovery from PV13 with only 300m of lateral drilling (longer laterals could increase recovery)
- No evidence of production impact on neighbouring wells which indicates a significant portion of PV13 production is new or highly accelerated

▪ Replicate PV13 success

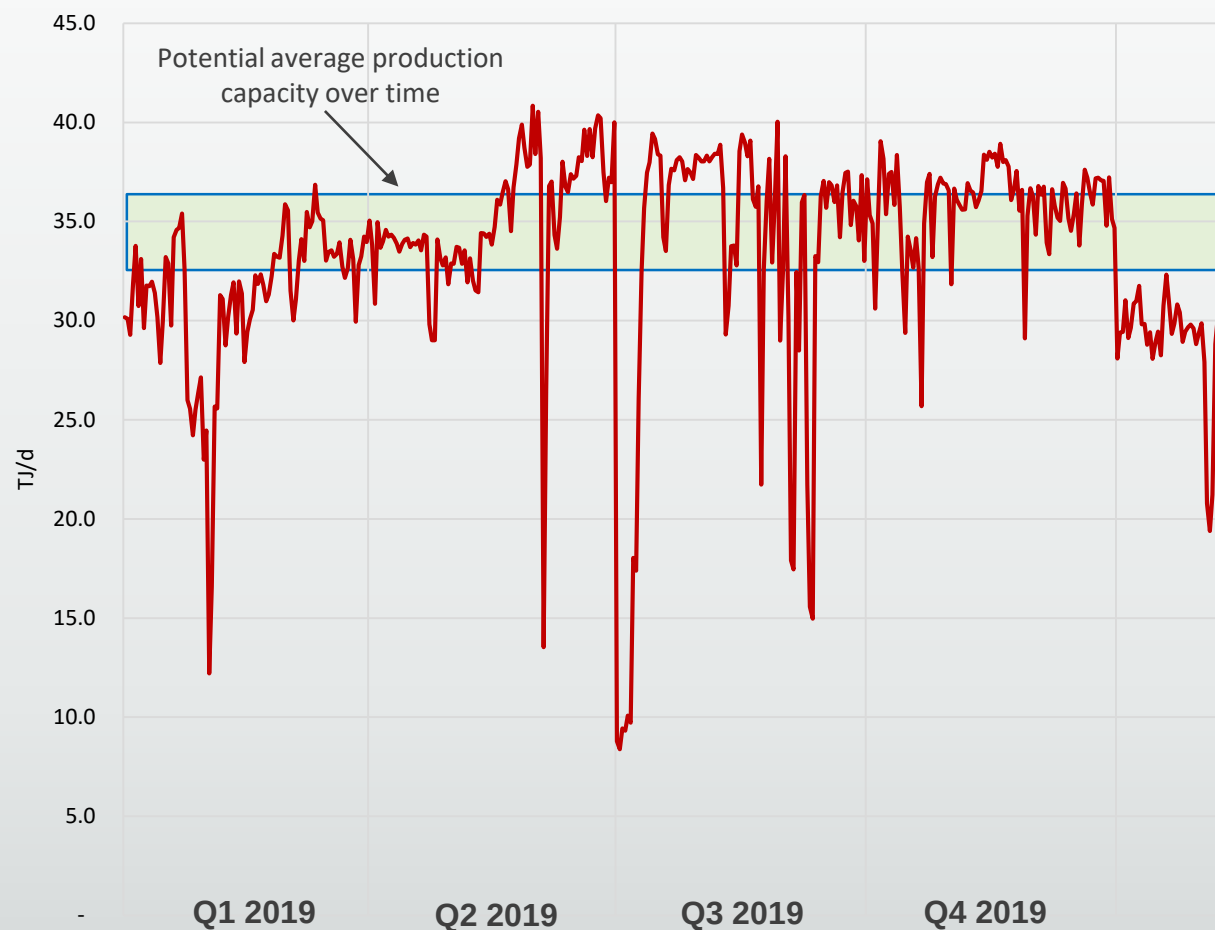
- Three additional well locations have been high-graded with similar reservoir characteristics
- Sidetrack from PV Deep exploration well later this year provides a lower cost opportunity to replicate PV13
- Future wells with longer laterals could lead to reserve additions and increase production to support a target plateau of 15TJ/d



Portfolio Equity Gas Production

- Potential to gravitate around average equity gas production across portfolio of between 12 – 13 PJ/year (excluding oil)
- Long production lives: Gas reserve life >11 years at these rates
- Portfolio equity production to increase from January levels later this year:
 - Actively marketing non-firm production to increase sales at acceptable prices
 - Anticipate production capacity to exceed 2019 levels after drilling later this year (assumes successful completion of one crestal well at Mereenie and one at Palm Valley)
 - Additional production can largely be sold under long-term fixed price contracts

Central's Portfolio Equity Gas Sales

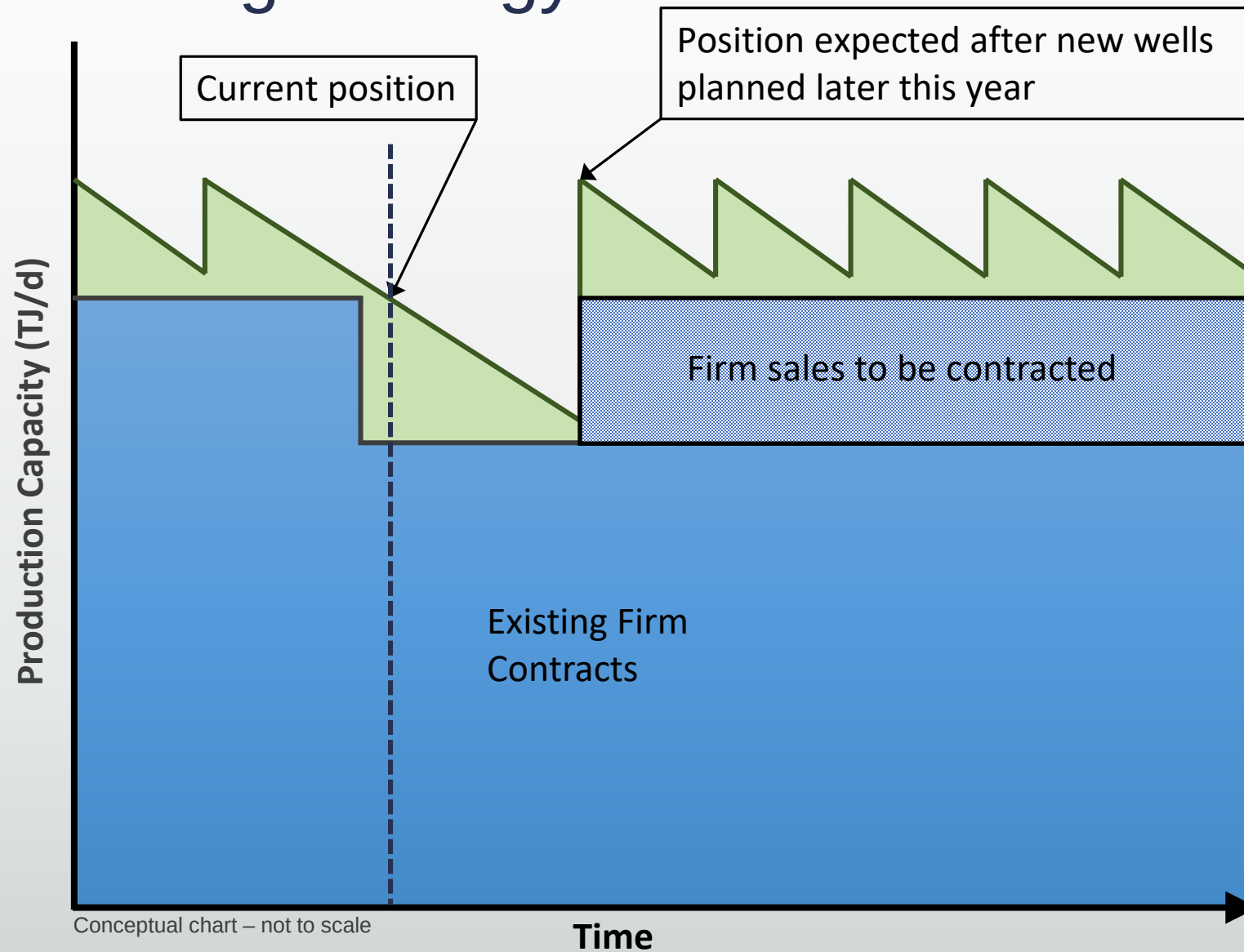




Gas Contracting Strategy



Gas Contracting Strategy





Gas Markets and Sales

Weak spot gas markets

- Sales below 2019 levels are anticipated in the near term:
 - Weak spot gas market conditions
 - Declining production from existing wells prior to production adds
- Sales to increase following new production wells planned for later this year:
 - Anticipate production capacity to exceed 2019 levels after drilling
 - Additional production can largely be sold under long-term fixed price contracts
 - Market for long-term fixed price contracts appears more robust than spot



Source: Australian Energy Market Operator (AEMO), Australian Competition and Consumer Commission (ACCC), US Energy Information Administration



Weathering low gas price cycles

- Solid financial foundations:
 - Quality operating assets with demonstrated strong cash flow
 - ~10PJs / year of gas under fixed-price long-term contracts.
 - ~85% of contracted gas under Take-or-Pay arrangements
 - Long term gas market still appears strong – primary target for new gas production
- Central is responding to changing market conditions:
 - Actively managing our balance sheet,
 - Prudently reviewing all expenditures
 - Focus on securing new non-firm sales at acceptable prices
 - Actively refining business strategies and priorities.



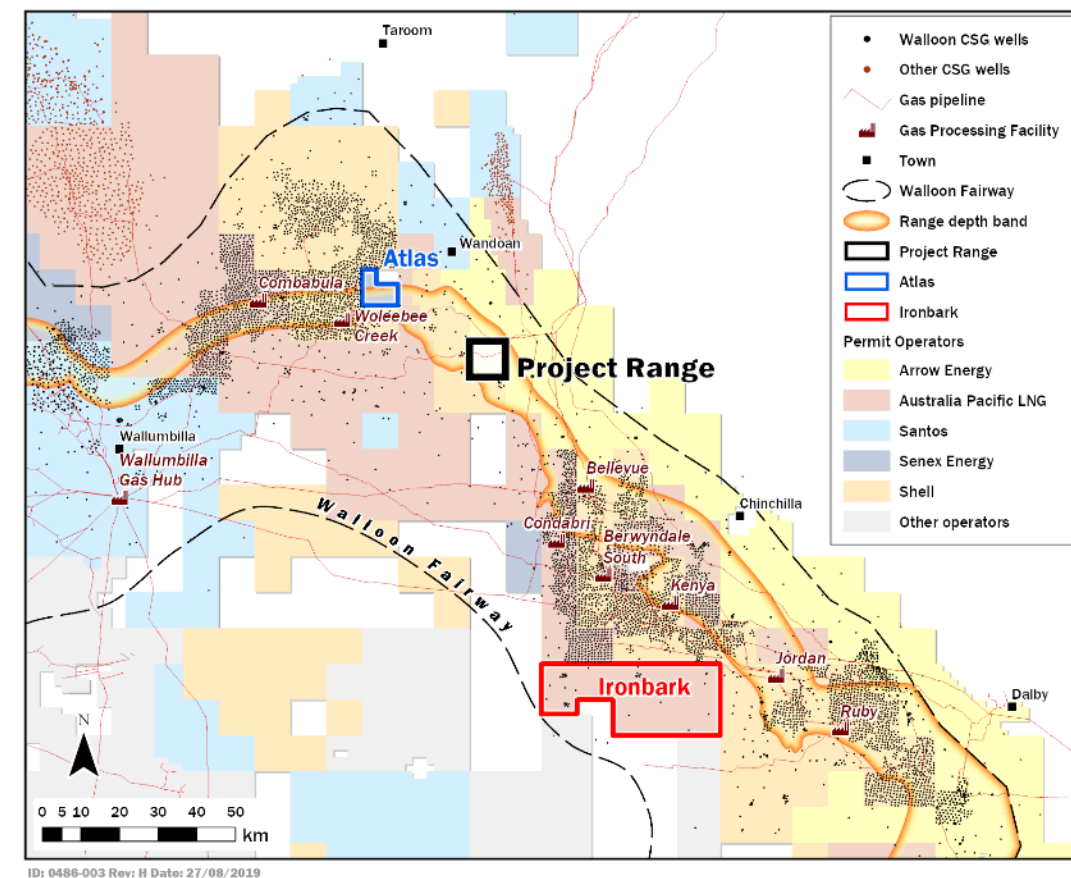
Range Gas Project

East coast gas

Range Gas Project progress

Range Gas Project acreage is 77km² with 270 PJ 2C Resource* surrounded by major CSG developments and infrastructure

- Project office established in Brisbane with joint venturer – Incitec Pivot
- Planning well advanced for 3 well pilot to be drilled in next quarter (Q2)
- Pre-FID work underway: environmental studies, approvals, engineering etc.



** Resources are as at 15 August 2019 and were independently certified by Netherland, Sewell & Associates; 135PJ 2C net to Central. These resources were first reported to the market on 20 August 2019. PJs rounded to nearest full PJ. Central Petroleum Limited is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*



CY2020 Exploration Programme

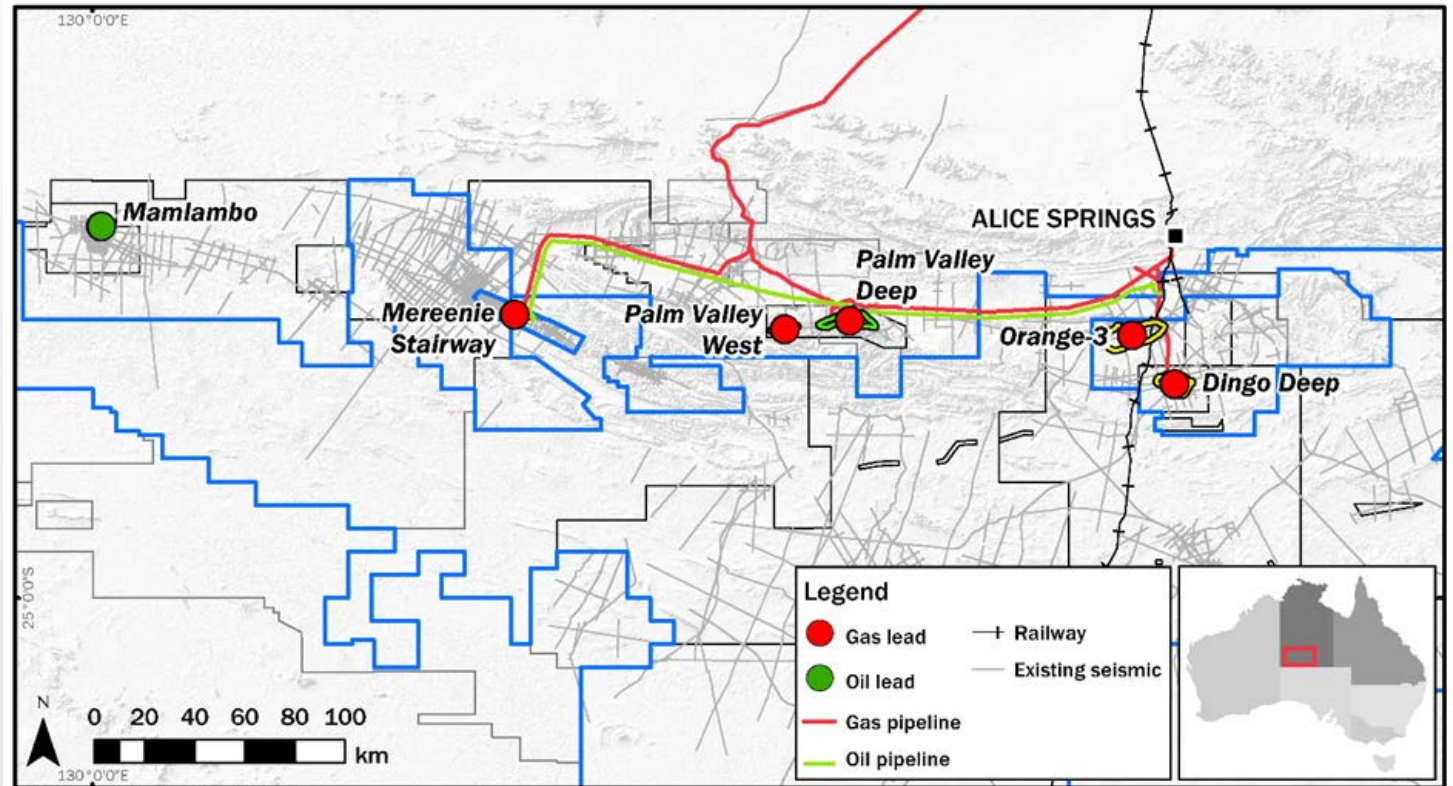
CY2020 Exploration Programme

- Five high-graded drillable prospects targeting:

	Unit	Mean ¹	Risked Mean ¹
Gas	Petajoules	505	205
Oil	Million barrels	29	9.5

- Two appraisal tests targeting another 54 PJ² of gas
- Planning work is underway:
 - Finalising well designs
 - Ecological assessments undertaken
 - Cultural heritage applications lodged
 - Environmental management plans well advanced

1. Prospective resource
2. 2C Contingent Resource net to CTP



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 at 11 October 2019.

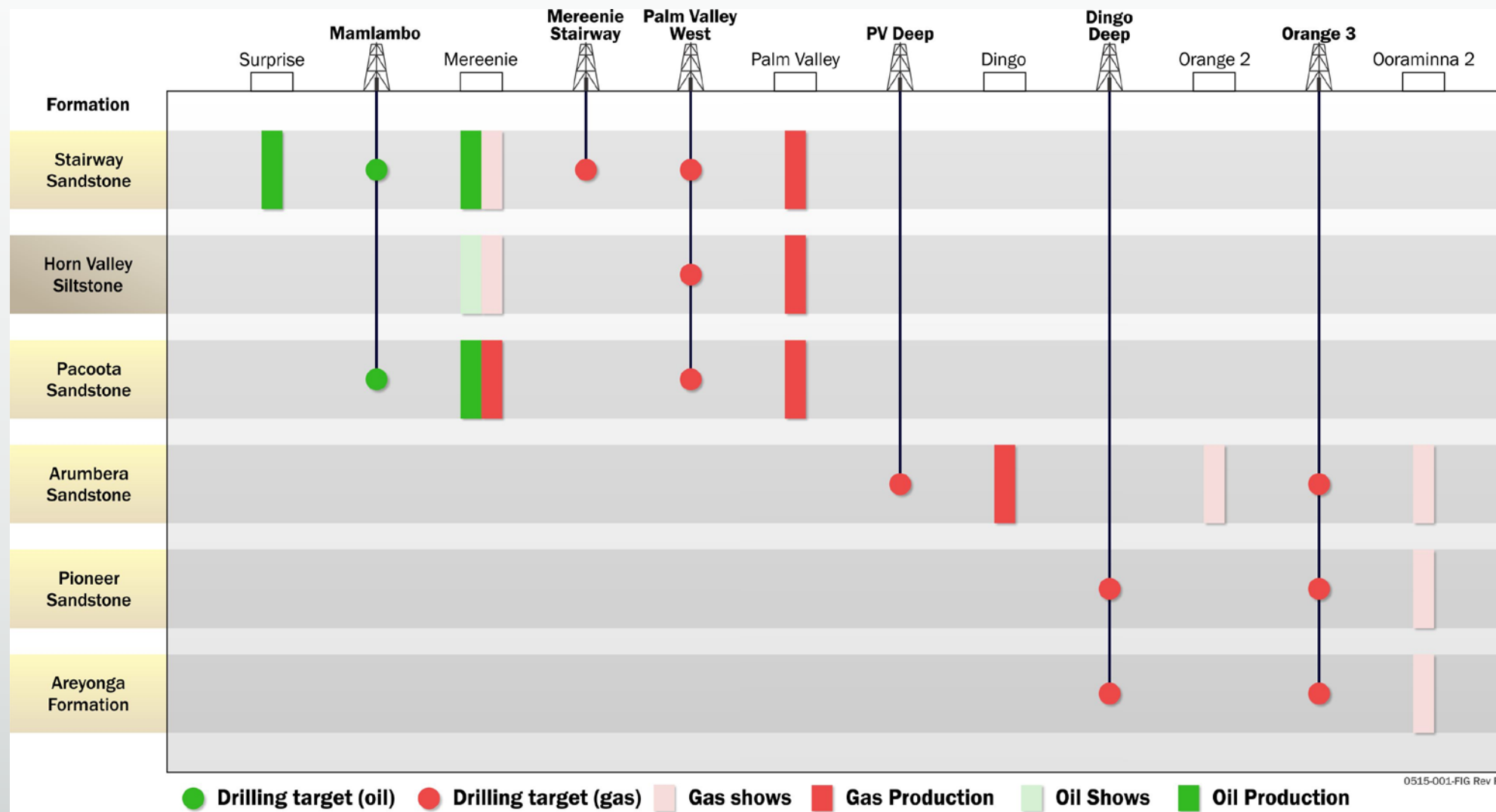
Inputs required for these analyses have been derived from offset wells and fields relevant to each play and field. Recovery factors used have been derived from analogous field production data.

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.

The Prospective Resources were first reported to ASX on 11 October 2019 and the Contingent Resources are as reported in the 30 June 2019 Annual Report. 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 estimates continue to apply and have not materially changed.



Lower Risk / High Potential



0515-001-FIG Rev F



Farm out process underway

The estimated ~\$50 million cost of the proposed CY2020 exploration programme is to be funded by a farm-out of the exploration programme and minority interests in the producing NT gas and oil fields.

- Flagstaff Partners appointed as advisors for the farm-out
- Strong interest from multiple parties
- Short list to be compiled for due diligence access
- Targeting mid-year completion



Dukas-1



Dukas-1 Current Status

Dukas-1 is located approximately 175km south west of Alice Springs with multi-TCF gas potential (Central interest is 30%)

- Currently suspended at 3,704m just short of the target – encountered high formation pressures
- Central and Santos are working on options to accelerate completion of the Dukas-1 well
- Dukas-1 completion would require a larger capacity rig and blow-out preventor (15,000psi), new well design, and full suite of approvals
- A potential return to Dukas is not anticipated before 2021
- A definitive forward plan will be announced once formally agreed by the JV

Play Element Presence		
Source	Presence of hydrocarbons in mud gas	✓
Seal	Overpressure and thick evaporite section confirmed	✓
Trap	Overpressure and thick evaporite section confirmed	✓
Reservoir	Primary target not yet intersected. VSP data interpretation indicates somewhere between 100 to 500m deeper	?



Summary



Key Takeaways

- Strong operating performance and cash flow provides a foundation for long term growth
 - Average gas sales in the range of 12 PJ to 13 PJ each year as new wells are added periodically
 - Soft spot market conditions and field decline expected to reduce sales until the new wells are added later this year
 - Underwritten by firm long-term contracts with take-or-pay arrangements that provide some protection from current market weakness
- Debt financing extended to September 2021 to reduce financial risk and create efficiencies
- Growth strategy targeting a tripling of current gas resources and production from 2022
 - CY2020 exploration programme - low risk-targets close to existing infrastructure to be funded from farm-in proceeds
 - Range coal seam gas project progressing towards FID
- We are actively managing market conditions, with a continued emphasis on prudent balance sheet and cost management.
- Well-positioned oil and gas E&P company with solid operations and several growth prospects



Notice and legal disclaimer

To the maximum extent permitted by law:

This presentation is not intended for prospective investors and does not purport to provide all of the information an interested party may require in order to investigate the affairs of Central Petroleum Ltd ("Company"). This presentation does not attempt to produce profit forecasts for the Company and should not be relied upon as a forecast or as a basis for investment in the Company. It presents details of scoping studies and does not present and should not be construed to present financial forecasts for potential shareholders or investors. The conclusions reached in this presentation are based on market conditions at the time of writing and as such may not be relied upon as a guide to future developments.

The information, data and advice herein is provided to recipients on the clear understanding that neither the Company nor any of its representatives, directors, officers, employees, agents or advisers ("Company Personnel") makes any representation or warranty about its accuracy, reliability, completeness or suitability for any particular purpose and does not accept liability (including, but not limited to, for any expenses, losses, damages and/or costs (including, but not limited to, indirect or consequential damage)) nor take any responsibility of any kind whatsoever (including, but not limited to, whether in contract, tort, financial or otherwise) for the information, data or advice contained or for any omission or for any other information, statement or representation provided to any recipient (including, but not limited to, as a result of information, data or advice being inaccurate, unreliable, incomplete or unsuitable in any way and for any reason whatsoever). Recipients of this document must conduct their own investigation and analysis regarding any information, statement or representation contained or provided to any recipient or its associates by the Company or any of the Company Personnel. Each recipient waives any right of action, which it has now or in the future against the Company or any of the Company Personnel in respect of any errors or omissions in or from this document, however caused. Potential recoverable petroleum numbers are estimates only until the prospects are evaluated further by drilling and/or seismic and are un-risked deterministically derived (unless stated otherwise). The data and information herein are subject to change.

This document is the property of the Company. The recipient of this presentation should take appropriate legal advice as to whether such receipt contravenes any relevant jurisdiction's financial or corporate regulatory regimes, and, if so, immediately destroy this material or return it to the sender.

Reserves and contingent resources statements and other opinions expressed by the Company in this presentation may not have been reviewed by relevant Joint Venture partners. Therefore those reserves and contingent resources and opinions represent the views of the Company only. Activities which may be referred to in this presentation are subject to several contingencies inclusive of force majeure, access, funding, appropriate crew and equipment and may not have been approved by and relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

This presentation may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which may be outside the control of the Company and could cause actual results to differ materially from these statements. These risks, uncertainties and assumptions include (but are not limited to) funding, exploration, 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, cost estimates and other risk factors described from time to time in the Company's filings with the ASX. Actual values, results or events may be different to those expressed or implied in this presentation. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this presentation is valid only at the date of issue of this presentation. 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 the Company Personnel do not undertake any obligation to update or revise any information or any of the forward looking statement in this document if facts, matters 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) "believe," "understand," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "projects," "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 and conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts.

No right of the Company or its subsidiaries shall be waived arising out of this presentation. All rights are reserved.

If the whole or any part of a provision of this "Notice and Legal Disclaimer" is invalid, illegal or unenforceable, then such provision will be severed and neither that part or provision or its severance will affect the validity or enforceability of the remaining parts or provisions.

© Central Petroleum Limited 2019

Contact and Further Information

Investor and media enquiries:

Helen McCombie at Citadel-MAGNUS

T: +61 (0)2 8234 0103

M: +61 (0)411 756 248



Level 7, 369 Ann Street
Brisbane QLD 4000
Australia



+61 (0)7 3181 3800



info@centralpetroleum.com.au



www.centralpetroleum.com.au

