Central Petroleum

Activities Report and ASX Appendix 5B

REVIEW OF OPERATIONS FOR THE QUARTER ENDED 31 MARCH 2020

"We witnessed unprecedented upheaval in energy markets this quarter, and while we have not been immune to the impacts, this quarter's results illustrate the resilience of our operating assets which continue to generate positive cash flow from long-term, fixed price gas contracts.

We have taken prudent steps to conserve resources and preserve value by extending our finance facility and deferring discretionary expenditure so that Central can emerge from these extraordinary conditions, strong and ready to take full advantage of the inevitable recovery in energy markets and the opportunities that will present."

Central Petroleum MD and CEO, Leon Devaney

Investor and Media Inquiries
Damian Galvin
T: +61 7 3181 3833
info@centralpetroleum.com.au
Level 7, 369 Ann Street
Brisbane, Qld 4000, Australia

Highlights

- Cash balance at the end of the March quarter (the quarter) was $26.1 million, up $11.2 million from $14.9 million at 31 December 2019. This is one of the Company's highest ever quarter ending balances:
  - $7.5 million net cash flow from operations (before exploration and finance costs), including annual take-or-pay receipts of $3.2 million.
    - $5.6 million in net cash flow from operations (after exploration and finance costs).
  - $7.7 million received as a final settlement for unspent expenditure associated with the conclusion of the farm-out of a 50% interest in the Range Gas Project on 1 January 2020.
  - Principal repayment under debt facilities was $1.0 million, Macquarie pre-sale gas deliveries totalled 432 TJ, and the return of previously over-lifted gas totalled 449 TJ.
- Sales volumes totalled 2.7 PJE (Petajoule equivalent), down 27% from 3.7 PJE in the December quarter reflecting historically weak spot gas market conditions for uncontracted production.
- Sales revenues totalled $15.3 million, down 17.6% from $18.5 million in the December quarter, reflecting lower spot gas sales, underpinned by fixed price contracted gas sales with take-or-pay provisions.
- Unit sales price across the portfolio increased to an average of $5.76/GJE, up 15% from $5.03/GJE in the December quarter, reflecting first deliveries under a new gas supply contract that commenced on 1 January 2020.
- Macquarie loan facility was proactively extended in February from 30 September 2020 to 30 September 2021.
- Work on the Range Gas Project has been paused until operating and market conditions improve. The pilot well programme and pre-Final Investment Decision (FID) activities were progressed during the quarter and remain ready for a quick restart.
- Commenced a process to farm-out assets to fund a significant exploration programme, with very encouraging initial due diligence activity and discussions progressing with several credible parties.

Message from Managing Director and CEO

Macro business conditions in the March 2020 quarter were brutal. Historically low oil and gas prices, compounded by the COVID-19 virus, generated sudden and unprecedented shocks to the energy sector. Whilst our drop in quarterly sales reflect these depressed market conditions, our fixed-price, take-or-pay gas supply contracts provide strong revenue certainty through market downturns. I am very pleased with the solid financial foundations we have recently built and remain fully committed to completing our growth strategy.

As always, our priority is the safety of our employees, contractors and communities. Our strong operating capabilities and a rapidly-implemented COVID-19 management plan allowed us to maintain an impressive safety performance record through the quarter without any disruption in supply to our customers.

We responded quickly to deteriorating market conditions by reducing costs, including a 10% reduction in headcount at our Brisbane head office. We have also been conservative in deferring investment to increase field production capacity and in pausing expenditure on growth projects like Range. Our strategy to build a solid financial foundation, backed by fixed-price long-term gas supply contracts, enables us to weather an extended period of low oil and gas prices.

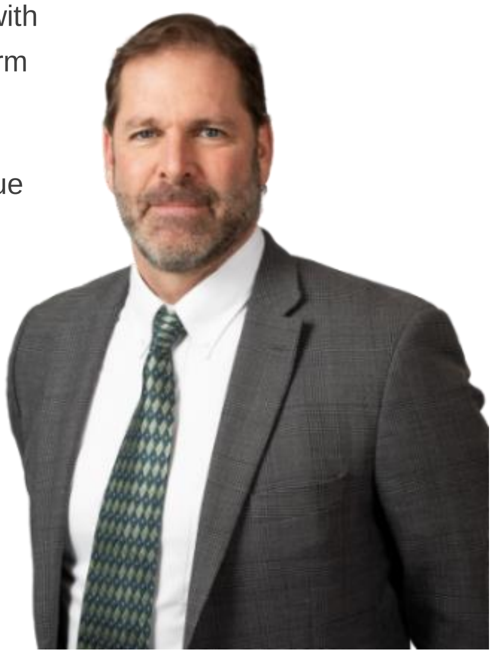
Less than three months ago, we proactively made the decision to extend the maturity of our debt facility to September 2021 rather than to pursue senior debt refinancing this year. This decision significantly reduced our financial risk and preserved the financial resilience that we have worked so hard to achieve.

Our exploration programme and Range project target significant new domestic gas supplies from 2023, by which time we believe strong market fundamentals will return to the east coast gas market. We are encouraged by our current farm-out discussions with several very credible counterparties to fund the signficant near-term exploration programme.

Whilst 2020 is clearly not going as anticipated, we are preserving value and remain poised to rapidly execute our exciting growth strategies as soon as business conditions permit.

Leon Devaney

Leon Devaney
Managing Director and Chief Executive Officer



Production Activities

TOTAL SALES VOLUMES

East coast gas markets dramatically weakened during the quarter, reflecting historically low global oil and gas prices. As-available and spot sales evaporated during the quarter reflecting these market conditions.

Sales volumes totalled 2.7 PJE (including 0.45 PJ of overlift repayment gas), down 27% from 3.7 PJE in the December quarter, reflecting historically weak spot gas market conditions for uncontracted production.

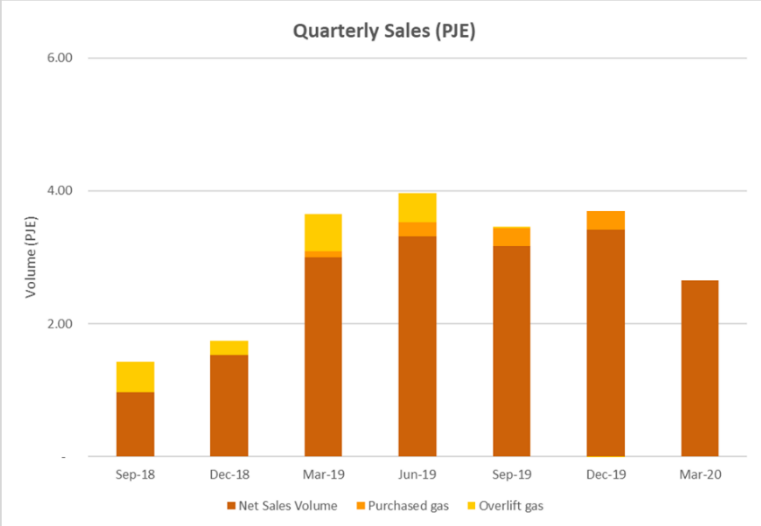


Figure 1: Quarterly sales volumes (CTP equity share)

The March quarter sales volumes were almost all delivered under firm gas supply contracts with long-term take-or-pay arrangements. The current portfolio of firm gas supply contracts has various terms that expire between 1 January 2023 through 2025. Whilst Central Petroleum Limited (Central) has spare non-firm production capacity, there is currently no commercial incentive to sell this gas into a very depressed spot gas market. It is anticipated that these challenging market conditions will persist for at least the next couple of quarters, with sales during this period continuing to reflect contracted volumes.

TOTAL SALES REVENUE

Total sales revenue in the March quarter was $15.3 million, down 17.6% from $18.5 million in the December 2019 quarter. Despite sharply lower oil and gas spot market prices, commencement of a new long-term, fixed price gas contract contributed to Central’s average revenue per unit increasing 15% to $5.76/GJE across its portfolio. The relative stability of sales revenue during the quarter illustrates the downside protection afforded by Central’s portfolio of long-term fixed price gas contracts.

Product	Unit	FY20 Q3	FY20 Q2	FY20 YTD	FY19 YTD
Gas	$’000	13,987	16,487	45,671	31,817
Crude and Condensate	$’000	1,297	2,059	5,326	6,985
Total Sales Revenue	**$’000**	**15,284**	**18,546**	**50,997**	**38,802**
Revenue per unit	$/GJE	**$5.76**	$5.03	**$5.20**	$5.68

Year to date sales revenues of $51 million are 31% higher than the corresponding period in 2019, demonstrating our new financial resilience following execution of the Gas Acceleration Programme (GAP) and commencement of the Northern Gas Pipeline (NGP) in January 2019.

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

CTP - 50% interest (and Operator), Macquarie Mereenie Pty Ltd - 50% interest

The production capacity of the Mereenie field was approximately 40 TJ/d (100% JV) at the end of the quarter.

Mereenie field production over the quarter was significantly lower than capacity, averaging 26.4 TJ/d (100% JV) (December quarter: 40.7 TJ/d), reflecting the lack of as-available and spot gas sales in the challenging market conditions.

Planning activities for recompletions and new production wells to offset natural field declines were progressed and are anticipated to be completed this quarter. Given the prevailing low spot gas prices, and that production capacity currently exceeds firm contracts, execution of the recompletions and new wells has been paused, with any investment to increase production capacity at Mereenie to be sanctioned when business and market conditions permit.

Additional production capacity from Mereenie is not anticipated to be required to meet the current portfolio of firm gas supply contracts.

The Company continues to progress optimisation opportunities in the field and in the plant to reduce the natural decline in production from existing Mereenie wells.

PALM VALLEY (OL3) – NORTHERN TERRITORY

CTP - 100% interest

Palm Valley field production capacity was 11.5 TJ/d at the end of the quarter.

Palm Valley production decreased 11% from the December quarter, averaging 10.8 TJ/d. The fall in production was largely due to natural field decline and scheduled compressor servicing during the quarter.

The new PV13 well, which was commissioned in May 2019, continues to exceed expectations with production still maintaining a plateau rate of 7.0 TJ/d. The well is now expected to come off plateau during the June quarter. The PV13 well results are very encouraging and technical work is underway to consider further drilling opportunities in the field to increase production.

DINGO GAS FIELD (L7) AND DINGO PIPELINE (PL30) – NORTHERN TERRITORY

CTP - 100% interest

The Dingo Gas Field supplies gas directly to the Owen Springs Power Station in Alice Springs. Average gas production was 3.8 TJ/d, 15% higher than the previous quarter’s average of 3.3 TJ/day. The increase in production was due to increased customer nominations.

The daily contract volume of 4.4 TJ/d is subject to take-or-pay provisions paid annually to Central in January for the preceding calendar year. Central received $3.2 million in January 2020 in respect of the 2019 take-or-pay shortfall.

Development Activities

RANGE GAS PROJECT (ATP 2031) – QUEENSLAND

CTP - 50% interest, Incitec Pivot Queensland Gas Pty Ltd (“Incitec”) - 50% interest

Central and Incitec Pivot Limited (IPL) have been targeting a final investment decision (FID) for the Range CSG project in early 2021, with pre-FID activities and planning for a three well appraisal pilot advancing during the quarter.

In late March, certain pre-FID workstreams and the pilot programme were paused in response to business conditions. The Range project activity to date has largely been delivered through the use of contractors, so a temporary pause in certain activity was efficiently implemented, with the potential to quickly re-start activity when appropriate.

Although this action will result in a delay in the target FID timing, Central and IPL remain committed to this important project and look forward to recommencing pre-FID activity as soon as business conditions permit.

The Surat Basin remains one of Australia’s premier gas production precincts, with Shell-operated Arrow Energy committing to the first phase of a multi-billion dollar CSG development in April 2020. Central’s Range gas project, which adjoins some of Arrow’s Surat Basin assets, is positioned for development in time to take advantage of an expected shortfall of gas supply in eastern Australia from 2023.

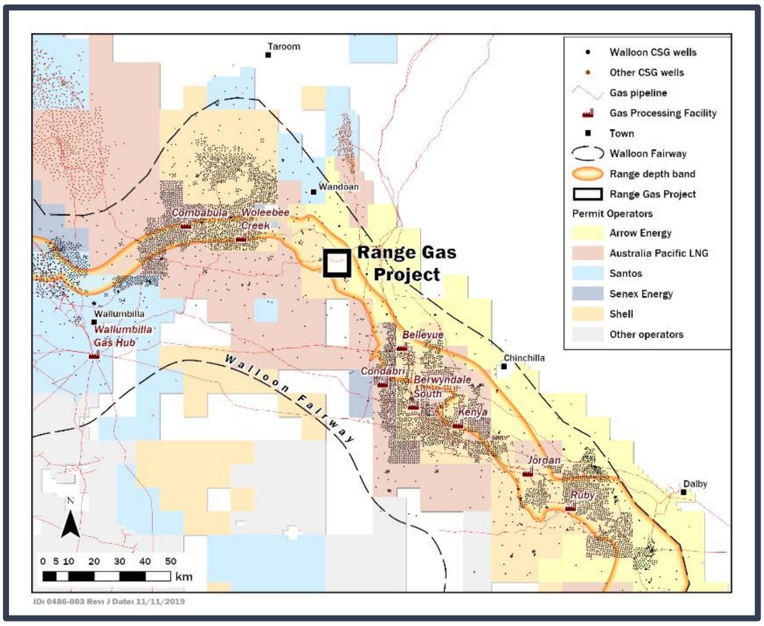


Figure 2: Location of Range Gas Project (ATP 2031)

The Range exploration and appraisal program was undertaken through a 50:50 joint venture arrangement with Incitec which carried Central’s 50% share of the first $20 million of exploration and appraisal costs up to 31 December 2019. In January 2020, Central received $7.7 million from IPL, being the balance of the uncommitted ‘carry’ up to the end of the farm-out period on 1 January 2020.

All future project costs, including pilot and pre-FID activity will be funded 50:50 under the joint venture arrangements.

Exploration Activities

EXPLORATION PROGRAMME

Central is well-advanced in planning for a major exploration programme in the Northern Territory's Amadeus Basin, consisting of five high-graded drillable prospects and two appraisal tests. The exploration programme is estimated to have a total cost of up to $50 million and targets an aggregated best estimate (P50) prospective resource of up to 321 PJ of gas (205 PJ risked mean) and 24 mmbbl of oil (9.5 mmbbl risked mean)[1].

Work to progress the exploration programme continued during the March quarter, finalising well designs and progressing the approvals processes required for exploration in the Northern Territory. Applications for Aboriginal Areas Protection Authority (AAPA) Certificates for the Dingo, Orange, Palm Valley-12 and Mamlambo exploration wells have been lodged.

Work on the Environmental Management Plans (EMPs) for NT Government (NTG) approval of the exploration wells continues to progress and will be submitted in May 2020 to begin the 3 month government approval process.

Logistical constraints resulting from the COVID-19 disruption will mean that the exploration wells will slip outside the original 2020 target window. A revised exploration schedule is currently being developed and will be confirmed after operational conditions have stabilised and farm-out discussions have advanced.

1. *Prosepective Resources*

Prospective resources represent the unrisked recoverable volumes derived from montecarlo probabilistic volumetric analysis for each prospect. 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.

The Prospective Resources were first reported to ASX on 11 October 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 estimates continue to apply and have not materially changed.

Risked recoverable volumes have been derived by using the geological chance of success for each individual prospect and multiplying the mean recoverable volume and aggregating the result.

<u>Cautionary statement</u>: 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.

FARMOUT PROCESS COMMENCED

Central has commenced a formal farm-out process to fund the exploration programme. Central's current operating assets at Mereenie, Palm Valley, and Dingo have all benefitted from recent access to the east coast gas market via the NGP. This catalyst has generated an uplift in the value of these assets that may be released efficiently through a farm-out.

Flagstaff Partners was engaged in January as an advisor for the farm-out of the exploration programme and associated operating assets (Mereenie, Palm Valley, Dingo and Surprise).

Although current market conditions remain challenging, the farm-out process continues to attract strong interest from local and international industry participants. As such, discussions with select parties are continuing where Central believes a counterparty has a similar long-term view of value. A farm-out transaction will only be progressed to advance the exploration programme where it is value accretive to Central's shareholders.

DUKAS-1 (EP112) – NORTHERN TERRITORY

CTP – 30%, Santos (and Operator) – 70% (farm-in in progress)

Dukas-1 is located approximately 175km south west of Alice Springs (Figure 3) and the prospect has multi-TCF gas potential (30% net to Central).

The Dukas #1 well was suspended at a depth of 3,704m, after encountering hydrocarbon-bearing gas from an over-pressured zone close to the primary target. Central and Santos continue to collaborate closely on a forward plan for the Dukas #1 well, however, given current market conditions the parties have suspended activity. Central remains committed to completing this potentially market changing exploration well, but the timing for the joint venture to return remains uncertain.

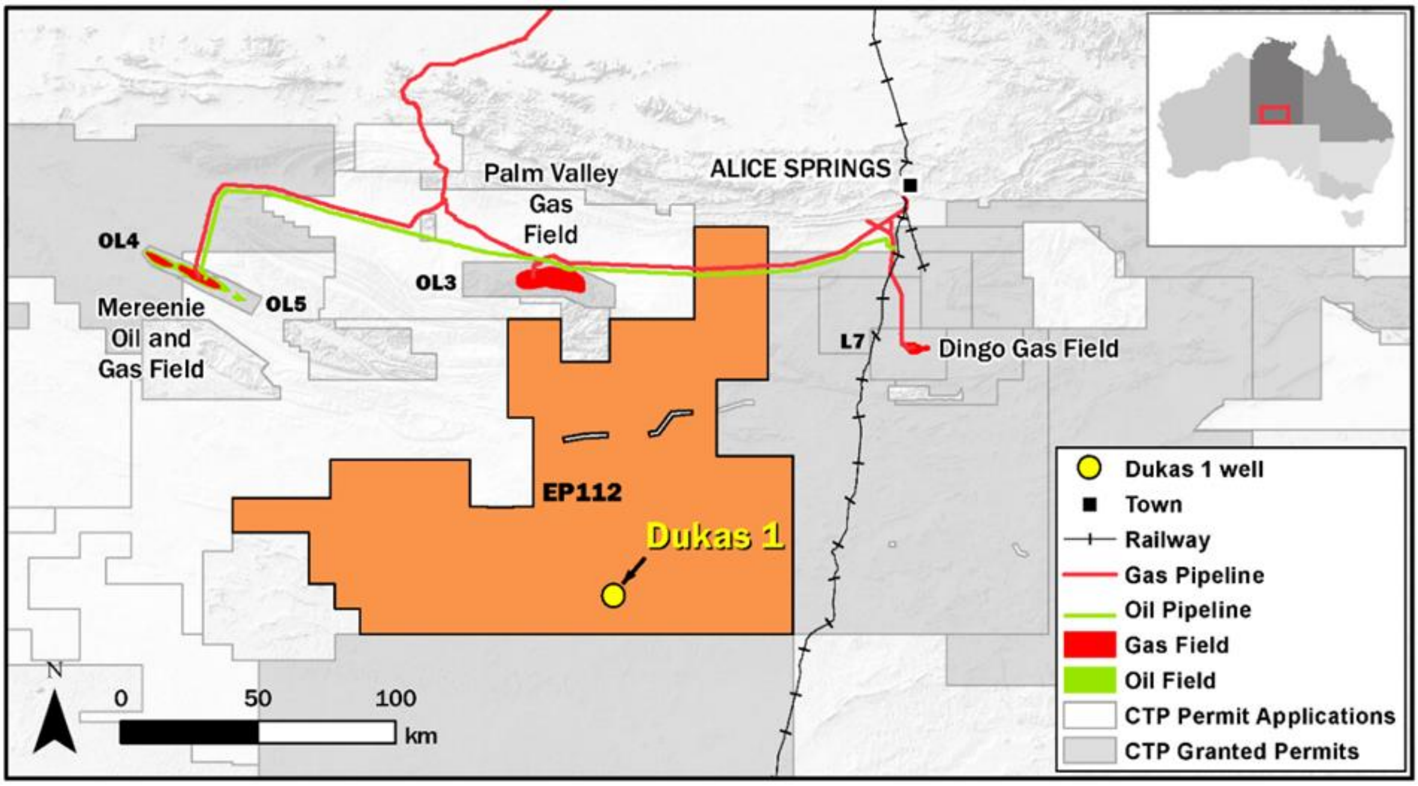


Figure 3: Location map of Dukas-1 and EP112

LONGER TERM EXPLORATION STRATEGIES

The Amadeus Basin is an extensive underexplored basin with five working hydrocarbon systems demonstrating proven oil and gas production. Central has identified many less-mature, but potentially company-changing, oil and gas prospects throughout the basin. Work has progressed on play-based basin mapping that will enable the Company to mature these opportunities into drillable prospects with much better technical understanding and focus. The play-based mapping of these prospects, including potential Dukas “look-a-likes”, will allow these exploration targets to be graded and prioritised.

AMADEUS BASIN (EXCLUDES EP 115 NORTH MEREENIE BLOCK) – NORTHERN TERRITORY

CTP and other interests – refer to Annexure 1: Interests in Petroleum Permits and Licences

The application for surrender of permit EP106 was accepted 13 March 2020 by the NT Department of Primary Industry and Resources with a surrender date of 12 May 2020 (subject to certain conditions).

ATP 909, ATP 911 AND ATP 912, SOUTHERN GEORGINA BASIN – QUEENSLAND

CTP – 100% interest

Central is currently conducting Year 1 permit obligations of geology and geophysical studies focusing on the Ethabuka structure. Work also continues on the development of a large hydrothermal dolomite play in the blocks.

Health, Safety and Environment

Central continued its excellent safety and operating performance across its portfolio over the quarter. There were no MTIs or LTIs recorded and no reportable environmental incidents during the quarter.

Operations were proactive in adapting to the rapidly emerging Federal and Territory requirements associated with COVID-19. Rosters have been amended to reduce interstate FIFO movements and onsite accommodation and catering arrangements have been modified to implement increased distancing and cleaning requirements.

Notwithstanding the significant operational challenges during the quarter, gas supplies to contracted customers were not impacted as a result of the COVID-19 virus.

Corporate

CASH POSITION

The Group held cash of $26.1 million at the end of the quarter, up from $14.9 million at the end of the December 2019 quarter. This is one of Central's highest ever quarter ending cash balances, boosted by $3.2 million received in respect of annual take-or-pay settlements and $7.7 million received as a final settlement for unspent expenditure associated with the conclusion of the farm-out of a 50% interest in the Range Gas Project.

Ignoring the $10.9 million benefit of these two large receipts, Central was cash-flow positive by $0.3 million for the quarter, after payment of all costs and debt service, demonstrating the strength of Central's core business.

The net cash inflow from operations for the quarter was $5.6 million after exploration and financing costs. This was up from $3.9 million in the December 2019 quarter, with the increase being largely attributable to $3.2 million received for 2019 gas take-or-pay shortfalls, partly offset by lower sales receipts and the reduction of 0.45 PJ in outstanding gas overlift balances at Mereenie.

Cash receipts from customers during the March 2020 quarter were $18.4 million, including the annual take-or-pay receipt (no cash is recognised for the 432 TJ of Macquarie pre-sale gas delivered during the quarter).

Cash production costs were $9.8 million for the current quarter, inclusive of $2.1 million of payments associated with joint venture gas balancing arrangements. Reversal of outstanding gas overlift balances will continue through 2022, albeit at a much lower rate of 182 TJ per quarter.

Expenditure of $0.7 million on exploration activities included $0.4 million on planning and approvals for the NT exploration programme and $0.1 million on advancing the pre-FID activities for the Range gas project.

Cash expenditure on capital projects (non-exploration) amounted to $0.9 million at Palm Valley and Mereenie.

Principal repayments under Macquarie debt facilities totalled $1.0 million during the quarter. The total outstanding balance of the Macquarie facilities was $71.8 million at quarter end. Interest costs during the quarter were $1.2 million, reflecting the benefit of accelerated debt repayments in 2019 and softening interest rates. The debt facility is efficiently priced (5.87% at quarter end) and tied to the variable BBSY interest rate which remains at historic low levels.

In February, Central proactively extended the maturity of its existing finance facility by 12 months to 30 September 2021, significantly reducing financing risk for the Company.

Following the accelerated debt retirement schedule of 2019, which saw $21.5 million of debt repaid, only $6 million is due for repayment over the next 12 months. The extended facility balance is scheduled to be $62 million at September 2021.

The statement of cash flows for the quarter and financial year to date are attached to this report at Appendix 5B. Fees, salaries and superannuation contributions paid to Directors during the quarter amount to $0.267 million as disclosed at item 6.1 of the Appendix 5B.

GAS MARKETING

In January, the Mereenie Joint Venture (MJV) (Central interest 50%) commenced supply under a new Gas Sales Agreement (GSA) of up to 21.9 PJ of 'firm' and 'as-available' gas to AGL Energy over three years. Whilst Central has a 50% contractual obligation for gas supply under the GSA, Central expects to receive the benefit of the majority of the revenue during the first two contract years under portfolio balancing arrangements with its MJV partner.

Notwithstanding very challenging market conditions, Central remains active, marketing gas to domestic customers, particularly in relation to current non-firm capacity and firm term gas sales in support of new investment in development wells to increase field production capacity.

Leon Devaney

Leon Devaney
Managing Director and Chief Executive Officer
30 April 2020

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

General Legal Disclaimer

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Annexure 1: Interests in Petroleum Permits and Licences

as at 31 March 2020

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]	Amadeus Basin NT	Santos	60	60	Santos QNT Pty Ltd (“Santos”)	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 105 [1]	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 [2]	Amadeus Basin NT	Santos	60	60	Santos	40
EP 112 [1]	Amadeus Basin NT	Santos	30	30	Santos	70
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	Amadeus Basin NT	Santos	30	30	Santos	70
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie Pty Ltd (“Macquarie Mereenie”)	50
OL 5 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
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 GRANTED

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	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 [5]	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 [4]	Pedirka Basin NT	Central	100	0		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	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		
EPA 152 [5]	Amadeus Basin NT	Central	100	100		
EPA 160	Wiso Basin NT	Central	100	100		
EPA 296	Wiso Basin NT	Central	100	100		

PIPLELINE 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	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
PL 30	Amadeus Basin NT	Central	100	100		

Notes:

1. *Santos' right to earn and retain participating interests in the permit is subject to satisfying various obligations in the farm-out agreement with Central. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.*
2. *Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106. On 13 March 2020, Central received notice from the NT Department of Primary Industry and Resources of its consent to the surrender of Exploration Permit 106 with such suspension being effective on 12 May 2020 (subject to certain conditions).*
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 which is undergoing the process of registration with the NT Department of Primary Industry and Resources.*
4. *These exploration permits and exploration permit applications have been disposed, with transfers for the granted exploration permits undergoing the process of registration with the NT Department of Primary Industry and Resources.*
5. *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 that EPA 124 and EPA 152, as applicable, had been placed in moratorium for a period of 5 years from 6 December 2017 until 6 December 2022..*

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	31 MARCH 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	18,447	50,615
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(725)	(1,982)
	(b) development	–	–
	(c) production and gas purchases	(9,797)	(26,374)
	(d) staff costs	(1,225)	(3,247)
	(e) administration and corporate costs (net of recoveries)	87	(575)
1.3	Dividends received (see note 3)	–	–
1.4	Interest received	49	146
1.5	Interest and other costs of finance paid	(1,194)	(4,015)
1.6	Income taxes paid	–	–
1.7	Government grants and tax incentives	–	(634)
1.8	Other (provide details if material)	2	2
1.9	**Net cash from / (used in) operating activities**	**5,644**	**13,936**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	–	–
	(b) tenements	–	–
	(c) property, plant and equipment	(862)	(2,339)
	(d) exploration & evaluation (if capitalised)	–	–
	(e) investments	–	–
	(f) other non-current assets	–	–
2.2	Proceeds from the disposal of:		
	(a) entities	–	–
	(b) tenements	7,713	7,713
	(c) property, plant and equipment	11	65
	(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	132	132
2.6	**Net cash from / (used in) investing activities**	**6,994**	**5,571**

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	–	(10)
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	(1,000)	(10,501)
3.7	Transaction costs related to loans and borrowings	(236)	(236)
3.8	Dividends paid	–	–
3.9	Other (principal elements of lease payments)	(123)	(423)
3.10	**Net cash from / (used in) financing activities**	**(1,359)**	**(11,170)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	14,864	17,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,644	13,936
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6,994	5,571
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,359)	(11,170)
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	**Cash and cash equivalents at end of period**	**26,143**	**26,143**

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]	26,142	14,863
5.2	Call deposits	–	–
5.3	Bank overdrafts	–	–
5.4	Other (provide details)	1	1
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**26,143**	**14,864**

[1] *Includes the Group's share of Joint Venture bank accounts and cash held with Macquarie Bank Limited (Current Quarter $4,758,475, Previous Quarter $2,307,487) 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	267
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	71,809	71,809
7.2	Credit standby arrangements	–	–
7.3	Other (please specify)	–	–
7.4	**Total financing facilities**	71,809	71,809

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 2021 with quarterly principal and interest repayments. The interest rate at the end of the current quarter is 5.87% (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)	5,644
8.2	Capitalised exploration & evaluation (Item 2.1(d))	–
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	5,644
8.4	Cash and cash equivalents at quarter end (Item 4.6)	26,143
8.5	Unused finance facilities available at quarter end (Item 7.5)	–
8.6	Total available funding (Item 8.4 + Item 8.5)	26,143
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	***N/A – positive cash flow at 8.3***

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: 30 April 2020

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.