ASX
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ANNOUNCEMENT AND MEDIA RELEASE

Central Petroleum

14 March 2022

HALF YEAR RESULTS AND ACTIVITY UPDATE PRESENTATION

Central Petroleum Limited ("**Company**" or "**Central**") is pleased to release the attached presentation which provides an overview of its December 2021 half year results and an update on activities.

The Interim Report for the Half Year ended 31 December 2021 was released to ASX on 9 March and Leon Devaney, 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 by Mr Devaney can be viewed on the Company's website via the following link: https://centralpetroleum.com.au/news-media/central-petroleum-half-year-results-dec21/

The slide deck presentation can also be accessed on the Company's website.

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

About Central Petroleum

Central Petroleum Limited (Central) is an ASX-listed Australian oil and gas producer (ASX: CTP). Central is the largest operator of onshore gas production in the Northern Territory (NT), supplying industrial customers and gas distributors in NT and the wider Australian east coast market.

Central is positioned to become a significant domestic energy supplier, with exploration and development plans across 180,000 km² of tenements in Queensland and the Northern Territory, including some of Australia's largest known onshore conventional gas prospects.

We are also seeking to develop the Range gas project, a new gas field located among proven CSG fields in the Surat Basin, Queensland with 135 PJ (net to Central) of development-pending 2C contingent resource.

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Half Year Results – December 2021

14 March 2022

Central Petroleum Limited (ASX:CTP)

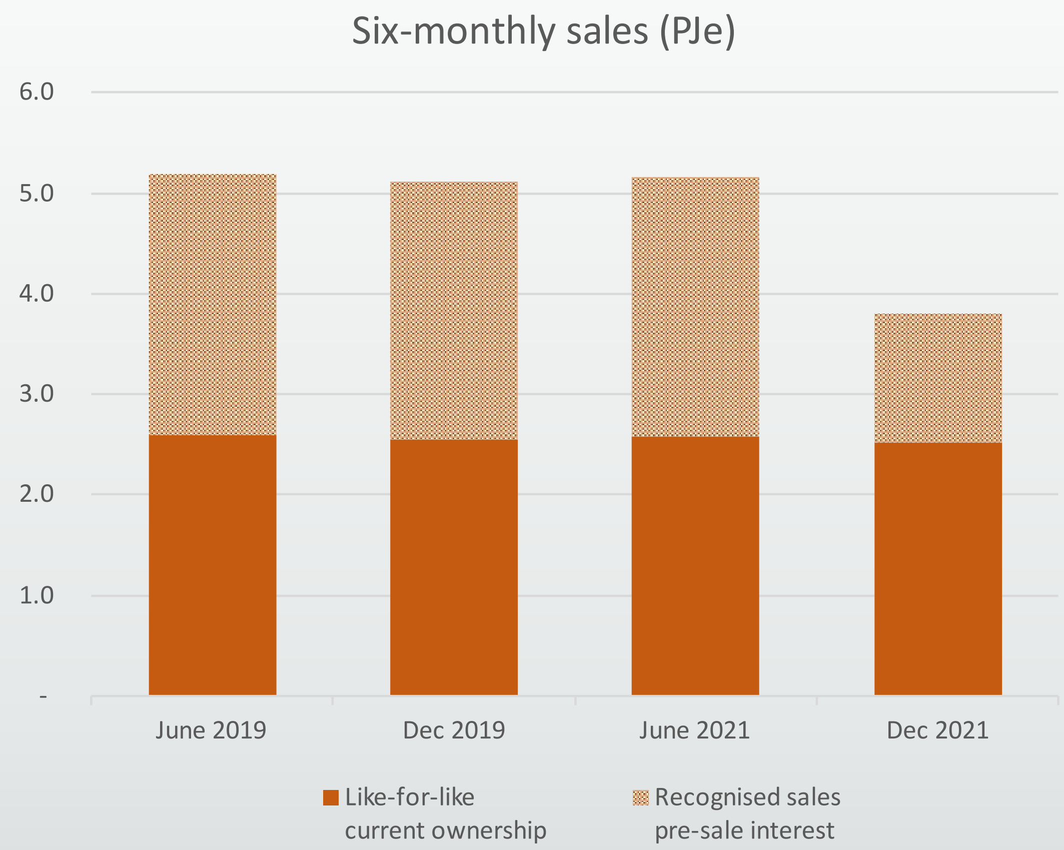
1H FY2022 Highlights

Completed sale of 50% of interests in Amadeus Basin	• Recognised $36.6 million book profit on sale • NZOG / Cue are funding Central's share of over $100 million in development and exploration in the permits • Reduced debt
New gas sales agreement	• Up to 3.15 PJ over 4 years from 1 January 2022, net to Central
New Mereenie production wells brought online	• Offset decline at Mereenie • New sales into strong gas price dynamics
Reserves upgrade	• Increase of 2P reserves across the three fields of 3.5 PJ more than replacing Central's 3.4 PJ share of production since 30 June 2021
Range testing and pilot expansion	• Two new Range step-out wells drilled in February 2022, confirming coal thicknesses more consistent with expectations for the field
Two new exploration wells ready for drilling	• Planning approvals for the new Palm Valley Deep and Dingo 5 exploration wells were finalised • The rig is now mobilising to Palm Valley and the first well is scheduled to commence drilling in 1H CY2022
Steady underlying production and revenues	• Sales volumes 3.81 PJe • Revenues $23.5 million • Both down on previous periods due to lower ownership interests from 1 October 2021 following the partial asset sale
Debt reduced	• Paid down $32 million of debt during the period and transferred $20.2 million of liabilities • Debt now $34.8 million at 31 December 2021, net debt $12.4 million
New farm-out to provide catalyst for new subsalt exploration program	• Peak Helium to take an interest in three exploration blocks and carry Central's share of costs for two new sub-salt exploration wells targeting natural gas, helium and "gold" hydrogen (announced February 2022)

1H FY2022 Headline Results

Sales volume	3.8 PJe	• **Down from 5.1 PJe in 1H FY2021** • Reduced ownership interests from 1 October 2021 • New Mereenie production wells online
Revenues	$23.5M	• **Down from $28.9M in 1H FY2021** • Reduced ownership interests from 1 October 2021 • Higher realised oil prices
EBITDAX (underlying)	$10.0M	• **Down from $12.9M in 1H FY2021** • Reduced ownership interests
Net profit	$30.5M	• **Includes $36.6M profit from sale of interests (50%) in producing fields** • **Exploration $10.1M**: Range pilot and long leads for two well exploration program
Cash Net Debt	$23.6M $12.4M	• **Paid down $32M of debt** during the period; Debt balance now $34.8M • **Reduced liabilities by $20.2M** with the partial asset sale • **Free-carried for $3.0M of development and exploration expenditure** since October

Solid Operational Performance



Sales prices

$6.18 / GJe

$5.83 in FY2021
$5.27 in 1H FY21

- ✓ Strong gas pricing dynamics
- ✓ Higher oil prices

Operating costs

$3.03 / GJe

$2.81 in FY2021
$2.81 in 1H FY21

- ➢ Includes transportation costs for new sales contract
- ➢ Increased royalties on higher revenues

Exploration

$10.1M

$1.4M in 1H FY21

- ➢ Planning and long leads for two new wells
- ➢ Range pilot

Corporate costs

$2.0M

$1.8M in 1H FY21

- ➢ JobKeeper in 2020

Debt reduction

- $32M of debt repaid in 1H FY022
  - Funded from proceeds of partial asset sale
- $34.8M of debt outstanding at 31 December
- Facility matures 30 Sept 2022
  - Extension discussions underway
  - History of successfully extending facility
  - Alternative refinancing options being considered

Amadeus Basin Exploration

Sub-salt targets: natural gas, helium and hydrogen

Farm-in Stimulates Major Sub-Salt Exploration Program in 2023

The investment by Peak Helium demonstrates the potential of sub-salt prospects for natural gas, as well as high value helium and “gold” hydrogen.

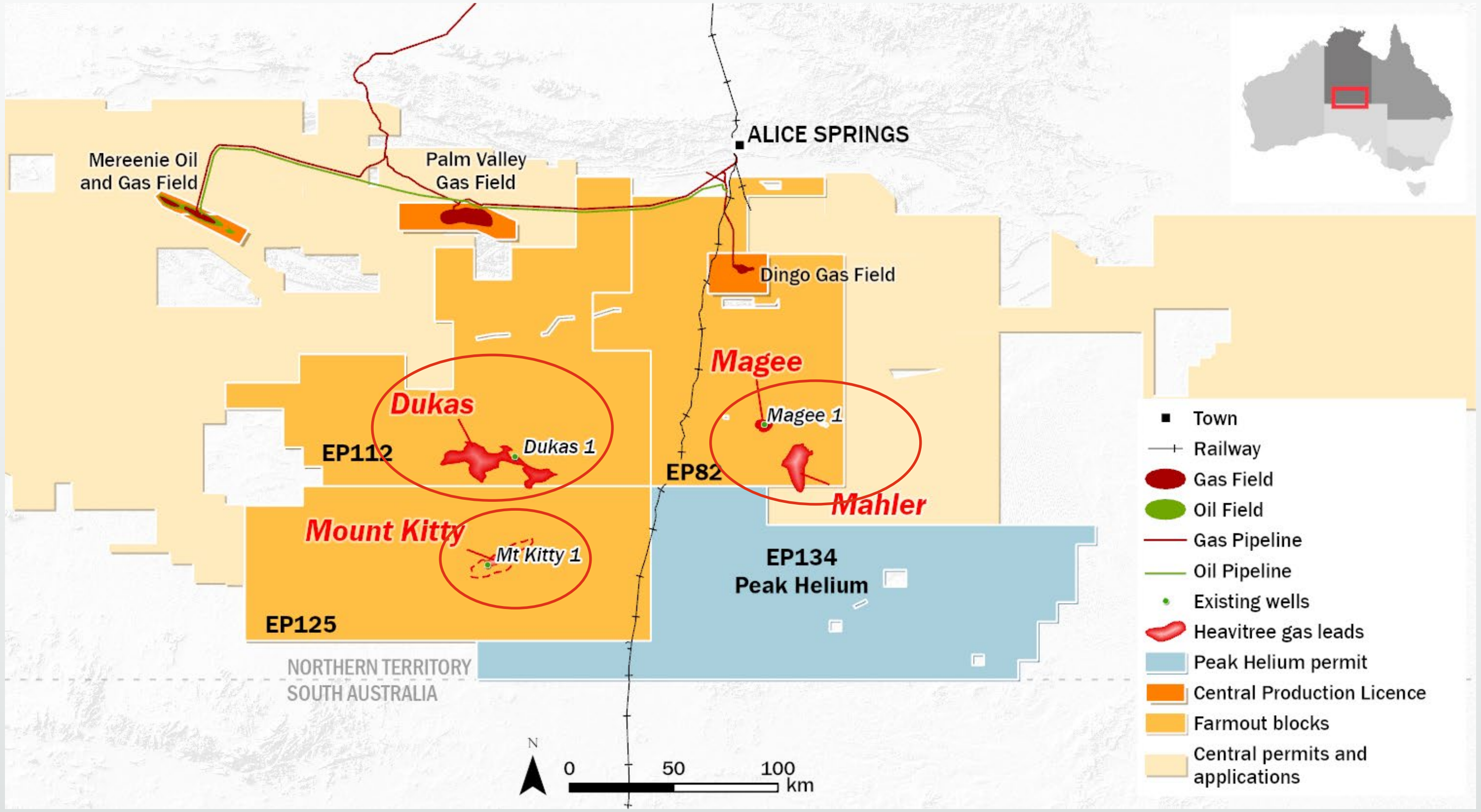
2023 drilling program

- **Mt Kitty** in EP125
- **Magee/Mahler** in EP82
- **Dukas** in EP112

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

Ownership interests

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

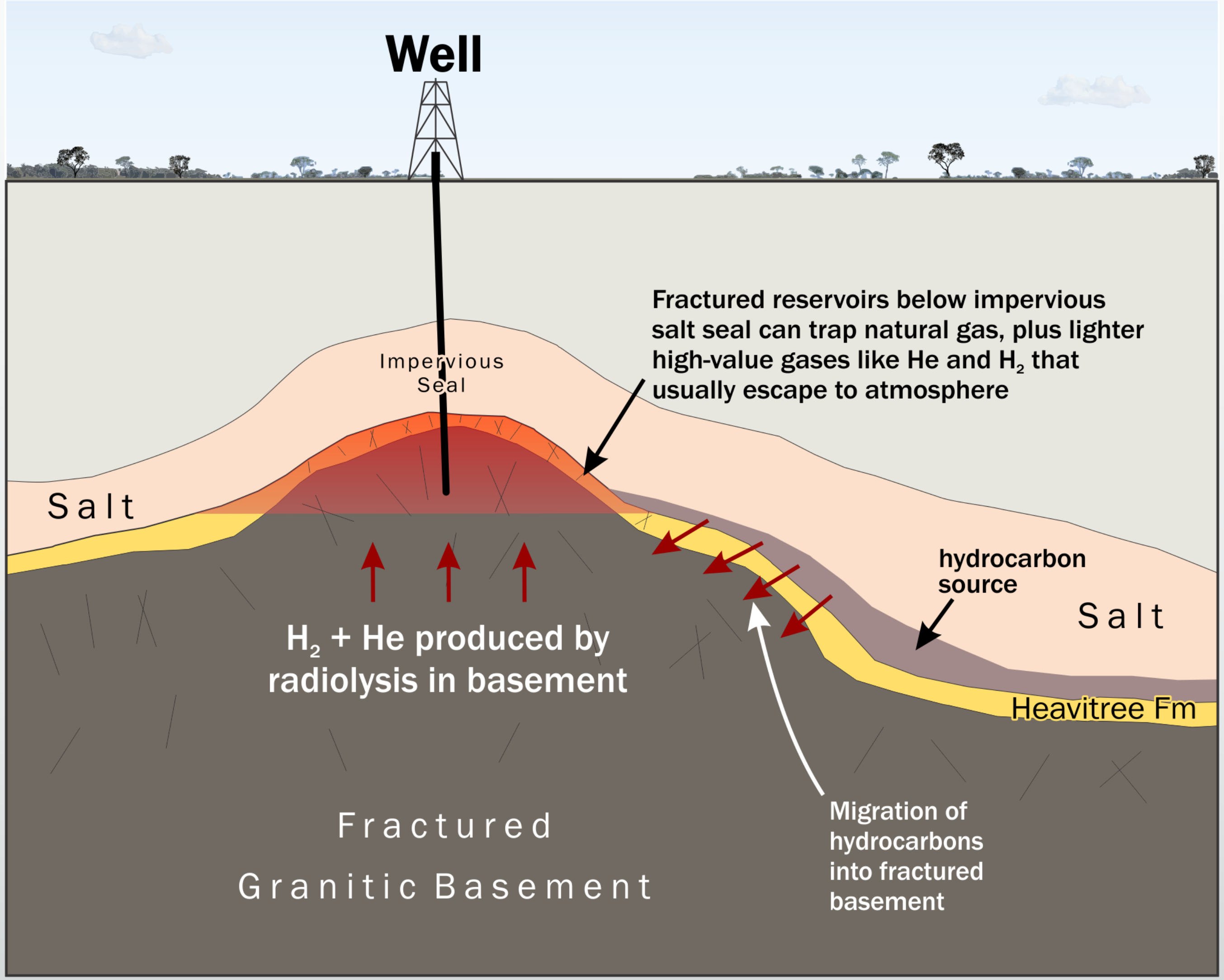


Completion of Central’s farmout with Peak is subject to the usual conditions precedent for a transaction of this nature being met by 30 June 2022 (which may be extended by mutual agreement), including Joint Venture, Central Land Council, royalty holders and NT regulatory approvals.

** Subject to satisfaction of conditions precedent under the relevant farmouts*

What is Sub-salt and why the excitement ?

- The term “sub-salt” is commonly applied to the geology below deposits of salt (evaporites) which can form a very effective trap for not only hydrocarbons, but very light gasses like helium and hydrogen that typically escape to the atmosphere.
- Some of the largest oil and gas fields discovered are sub-salt, in numerous regions such as USA Gulf of Mexico, offshore Brazil and offshore West Africa.
- The Amadeus Basin has a unique combination of basin-wide salt formations extending over large areas with opportunities for hydrocarbons, plus helium and hydrogen produced by radiolysis at basement.



Sub-Salt Targets (Helium Play Map)

- Green areas have been identified as having the highest potential for helium being present in valid Basement and Heavitree Quartzite closures
- High helium concentrations have already been measured at Magee and Mt Kitty

Zevon Prospect

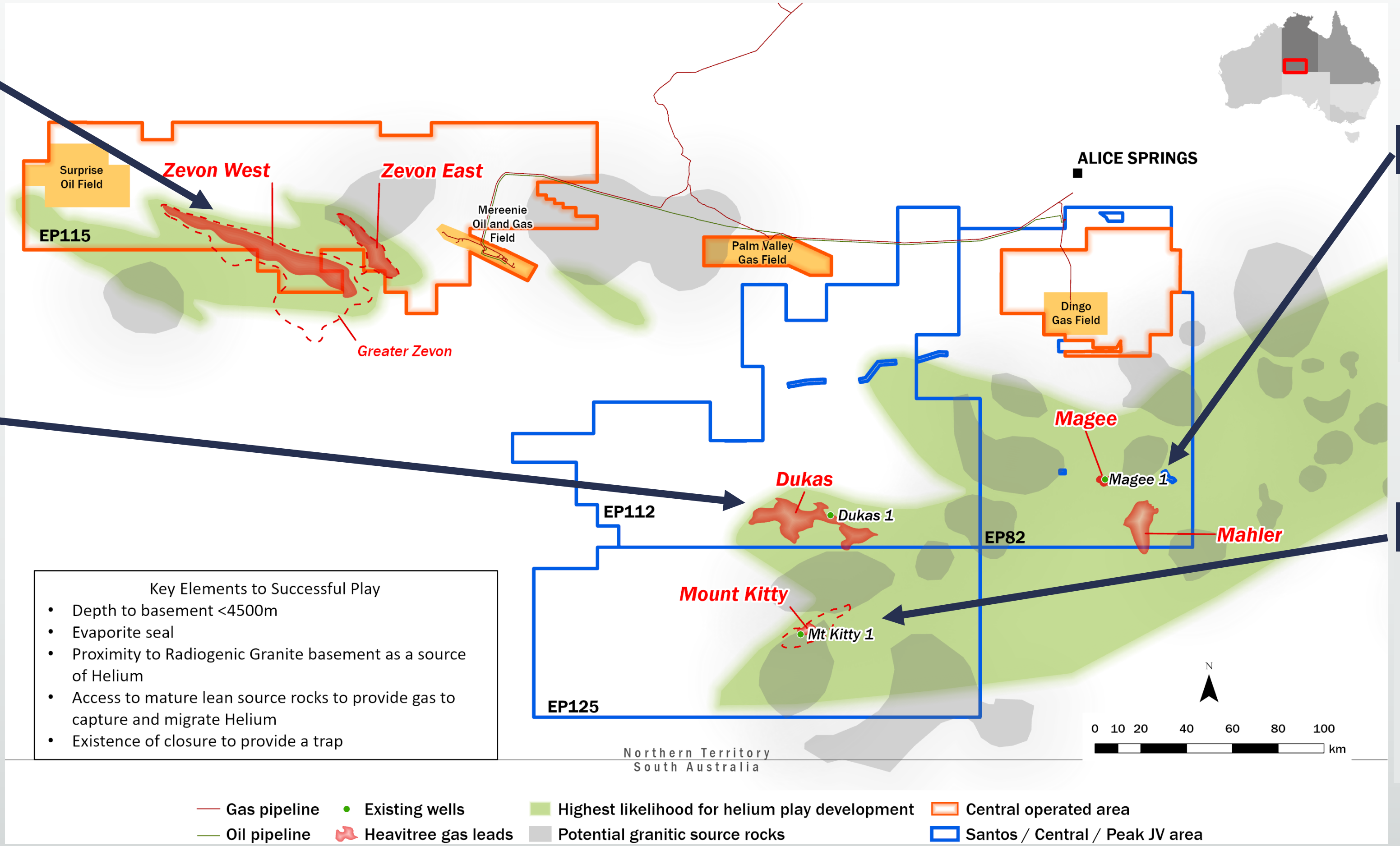
Potential to fund through a farmout (100% CTP)

Largest sub-salt lead - seismic program required to identify drilling target

Dukas Expl Well

Dukas-1 well was suspended in 2019 before TD due to rig limitations.

Hydrocarbon and helium gas shows in over-pressured zone before reaching target formation



Magee/Mahler Expl Well

Already funded through Peak farmout

Magee 1 well drilled in 1992 recorded hydrocarbon, and **helium (6.3%)** gas.

Mt Kitty Expl Well

Already funded through Peak farmout

Mt Kitty-1 well drilled in 2014 recorded hydrocarbon, **helium (9%)** and **hydrogen (11.5%)** gas

Activity update

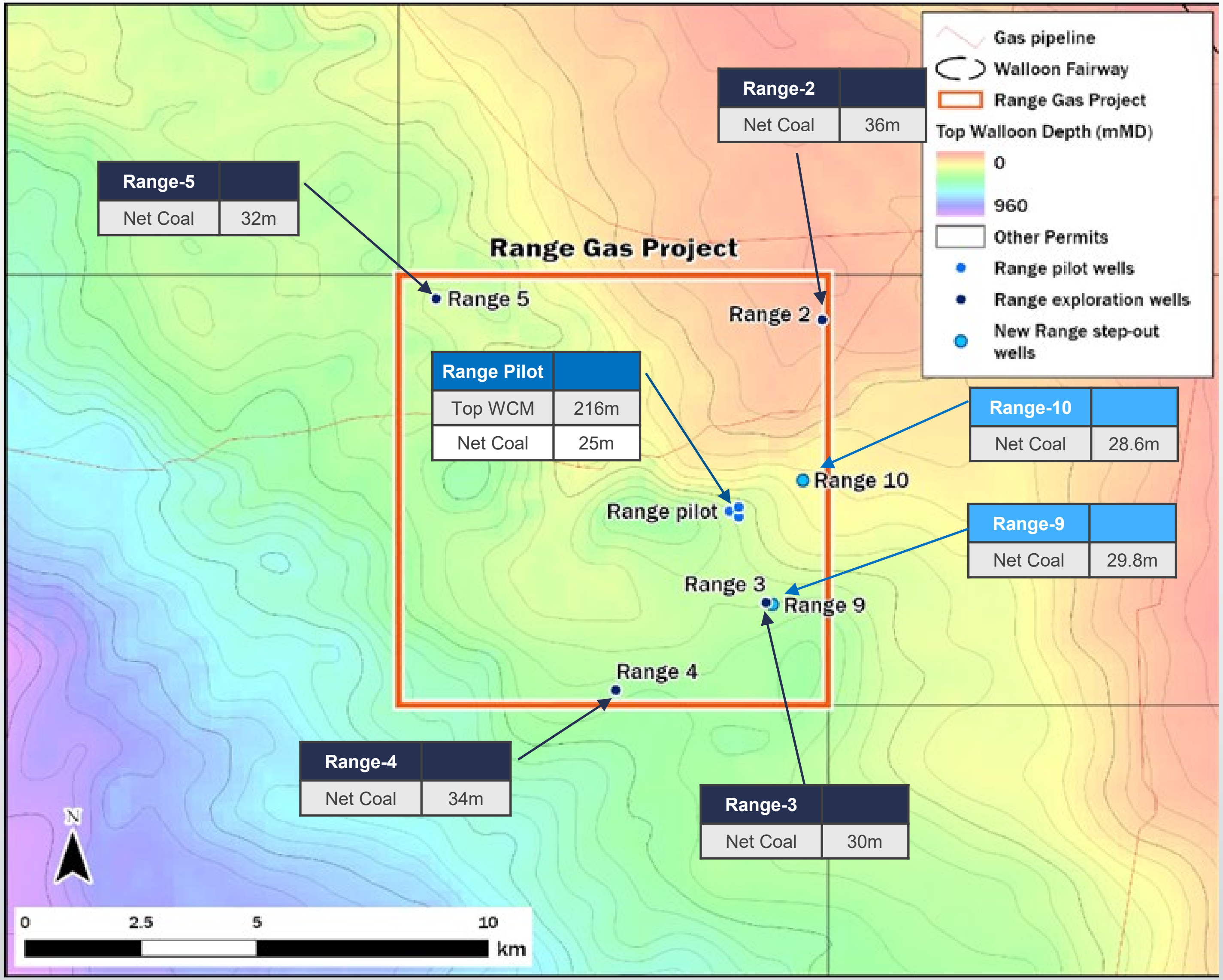
Range CSG Pilot

Step-out pilot operations

- Two new step-out pilot wells recently drilled
- Confirmed thicker net coals within c.2km of the initial pilot location
  - Four original exploration wells averaged 32.9m of net coal
  - Three initial pilot wells averaged 25m of net coal
  - Two step-out wells averaged 29m of net coal

Current and planned operations

- Wells are completed and surface equipment is being installed
- Extended production testing scheduled to commence next month



Near-term Exploration Targets

Committed exploration targets
Drilling 1H 2022

A **Palm Valley Deep (target 123 PJ)** (61.5 PJ net to Central)[1]
Testing deeper Arumbera Sandstone objective (proven at Dingo) below existing field
Production lateral in producing Pacoota Sandstone fall-back

B **Dingo Deep (target 69 PJ)** (34.5 PJ net to Central)[1]
Testing deeper Pioneer Sandstone and Areyonga Formation objectives below existing field (gas shows at Ooraminna-2)
To be completed as production well in existing Arumbera Sandstone producing interval

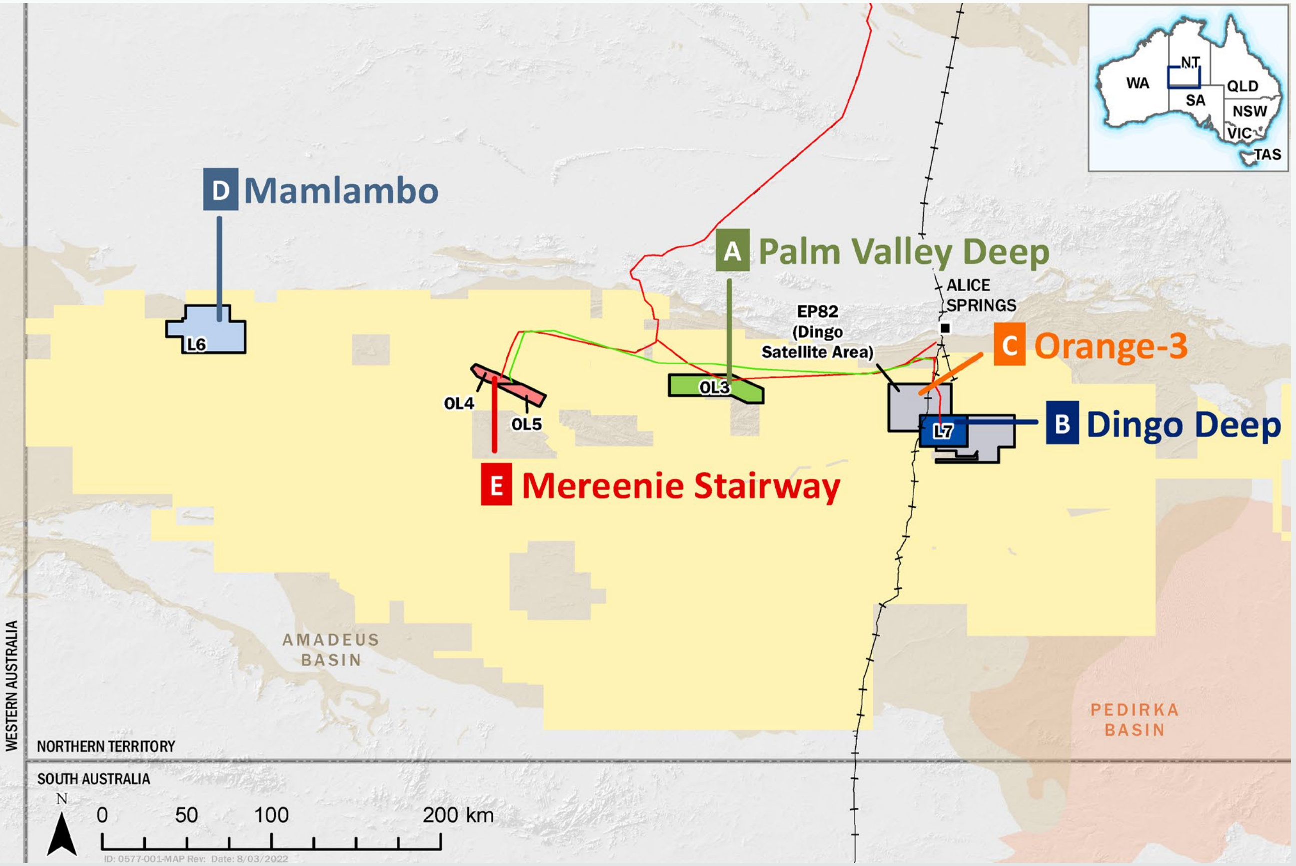
Fully-funded: Central's 50% share of both the Palm Valley Deep and Dingo Deep wells are fully-funded by joint venturers under the carry component of the partial asset sell-down completed in 2021.

Potential near-term exploration targets

C **Orange-3 (target 401 PJ)**[1]
Targeting gas at the shallow Arumbera level (productive zone at Dingo) plus additional targets in deeper sections

D **Mamlambo (target 18 mmbbl oil)**[1]
Large Pacoota Sandstone structure currently defined on an existing seismic grid only 8km from the Surprise oil field.

E **Mereenie Stairway (108 PJ 2C Contingent Resource) (27 PJ net to Central)**
Reperforating and testing existing wells. Undeveloped section of Mereenie with the potential to convert existing 2C to 2P



(1) Mean prospective resource

Cautionary statement: the estimated target 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.

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

Strong East Coast Gas Market Fundamentals

Favourable market fundamentals support Central's exploration and appraisal strategies

THE AUSTRALIAN

PM feels heat of gas price rise, supply fears

Greg Brown, 16 February 2022

"There is a gas shortage forecast for Australia's southern states from as soon as this year, which is likely to continue next year and beyond. Southern states will be reliant on gas from Queensland until additional supply from new sources comes on," Mr Sims said.

FINANCIAL REVIEW

ACCC warns of southern gas shortfall from next year not 2025

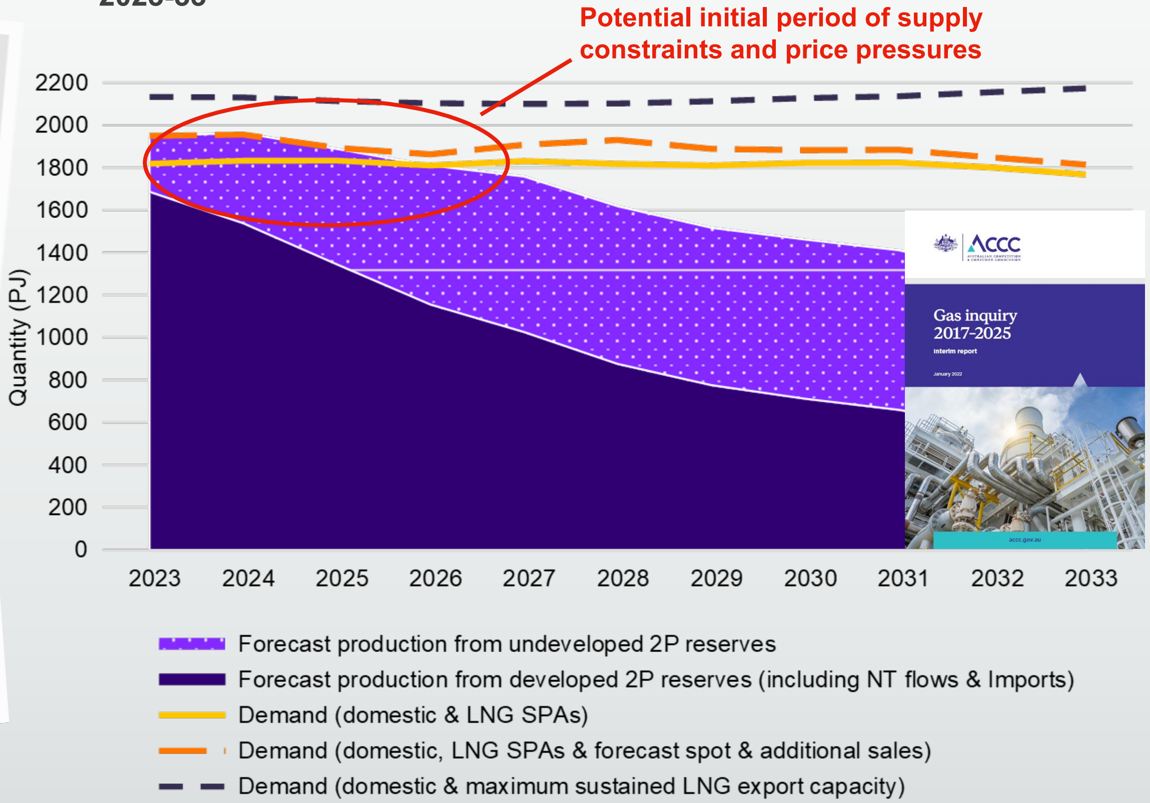
Mark Ludlow, 16 February 2022

Southern states are forecast to have a shortfall of gas from 2023, two years earlier than expected, despite relying on extra gas coming down from Queensland, according to the competition regulator's latest gas market update.

"The shortfall in the southern states is forecast to continue in 2023 and beyond, which is two years earlier than we previously forecast.

"It is clear from the ACCC that underinvestment in the gas sector cannot continue," he said. "This report is a stark warning that we cannot allow activism to slow gas projects. Without unlocking gas, we will feel the pressures being warned overseas."

ACCC forecast supply from 2P reserves and demand in the east coast, 2023-33



Source: ACCC Gas inquiry 2017 – 2025 : Interim (January 2022)

Appendix 1 – Reserves and Resources Information

Appendix 1: Reserves and Resources information

Reserves and contingent resources

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

Reserves and contingent resources

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

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

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

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

Central confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Appendix 1: Reserves and Resources information

Prospective Resources – Amadeus exploration targets (Central Share)

Lead / Prospect	Target formation	Permit	Permit Interest	Low Estimate P90 Recoverable (PJ)	Best Estimate P50 Recoverable (PJ)	High Estimate P10 Recoverable (PJ)	Mean Recoverable (PJ)
Dingo Deep	Pioneer	L7	50%	2.5	8.5	27.5	13.0
	Areyonga	L7	50%	5.0	16.0	44.0	21.5
Orange-3	Arumbera	EP82(DSA)	100%	14	49	148	71
	Pioneer	EP82(DSA)	100%	15	67	233	107
	Areyonga	EP82(DSA)	100%	49	168	456	223
Palm Valley Deep	Arumbera	OL3	50%	13	37.5	140	61.5
Aggregate Gas					**344**		**497**
Oil prospects				**mmbbls**	**mmbbls**	**mmbbls**	**mmbbls**
Mamlambo	Pacoota	L6	100%	**3**	**13**	**39**	**18**

Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisked recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect as first reported to ASX on 7 August 2020 for Dingo, Orange and Palm Valley, adjusted for Central's reduced interests as a result of the asset sale which completed on 1 October 2021.

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

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

Cautionary statement: the estimated quantities of petroleum that may *potentially be recovered* by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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