

ASX ANNOUNCEMENT & MEDIA RELEASE

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**RICHARD COTTEE TO BE APPOINTED DIRECTOR AND CEO  
TO LEAD COMPANY TRANSFORMATION**

Central Petroleum Ltd (ASX:CTP) ("**Central**" or "**Company**") announces that Mr Richard Cottee is to be appointed as Director and CEO of the Company, subject to shareholder approval.

Mr Cottee is a prominent figure in the Australian oil and gas industry having taken Queensland Gas Company ("**QGC**") from an early stage explorer to a major non-conventional gas supplier sold to BG Group for \$5.7 billion. Mr Cottee is also currently non-executive Chairman of Austin Exploration Limited and is a principal in Freestone Energy Partners Pty Ltd ("**Freestone**").

Mr Cottee's proposed appointment represents the cornerstone of a package of initiatives that will provide Central with an enhanced board, stronger commercial management and the capability to transition it into the next phase of its development, including the execution of joint venture opportunities.

Mr Cottee's appointment as a Director and CEO will be subject to shareholder approval at a proposed general meeting on 22 June 2012. Shareholders will be asked to approve the appointment of Mr Cottee, to replace Mr John Heugh. Alongside the appointment of Mr Cottee, shareholders will also be asked to approve the appointment of Mr Mike Herrington and Mr Wrix Gasteen as directors. Mr Herrington has over 30 years of diversified petroleum industry experience, and as Chief Operating Officer of QGC, joined Mr Cottee to form a key partnership that led that company's transformation. Mr Gasteen possesses strong corporate governance credentials and has a broad range of director level public company experience, including roles with Singapore and New York listed companies, and he is a qualified mining engineer and MBA graduate with distinction. Under his leadership as CEO, Mr Gasteen successfully grew Hong Leong Asia from S\$300m to S\$2.2b in annual sales.

Chairman Dr Henry Askin said Central would be materially enhanced by the industry and commercial experience, relationships and reach of Mr Cottee and the further appointments, which will help to accelerate the commercialisation of the business.

"These new appointments will provide the experience and commercial acumen to drive Central through the development stages. Currently we are looking at the potential for farm-out agreements that will facilitate the next-stage development of our most promising tenements, and Richard Cottee is an outstanding candidate and ideal person to lead our commercial development and give Central a new beginning," Dr Askin said.

"By bringing in Richard we will gain a depth of commercial expertise and resources to complement Central's internal team. This provides for a well-organised and supported company management," he said.

The appointment of Mr Cottee as CEO and the provision of his services through Freestone will be by way of a secondment and will be conditional on shareholders



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**ordiv**  
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ABN 29 111 102 697

**frontier**  
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ABN 91 103 194 136

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**AUSTRALIA**  
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ABN 11 078 104 006

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ABN 84 128 245 876

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**SERVICES**  
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voting in favour of his director appointment. Mr Cottee's role as CEO and his secondment by Freestone will be subject to approval of a share option plan, which will be presented to shareholders for approval at a shareholders meeting, which will be subsequent to the shareholders meeting scheduled for 22 June 2012.

Richard Cottee said of his appointment, "I am enormously excited about the prospect of leading Central Petroleum, a company with one of the largest holdings of exploration acreage in Australia. Central Petroleum has a talented team and outstanding asset potential. These changes will deliver a unified company, sharply focused on unlocking the value of these assets. As a cohesive unit, with additional support from my team at Freestone, the substantial task of delivering shareholder value should be completed more rapidly and expediently than otherwise."

"Separately, I am also very pleased that the Company proposes appointing Mike Herrington as a director, given our strong and proven working relationship at QGC. I also believe the Company's proposed appointment of Wrix Gasteen will further strengthen the board and assist in implementation of the commercial agenda."

Details of the binding terms and conditions associated with Mr Cottee's appointment and the provision of his services will be included in a notice of meeting, which the Company intends to distribute as soon as practical within the next four weeks, but in any event before the shareholders meeting of 22 June 2012. The resolutions relating to the appointment of Mr Cottee, Mr Herrington and Mr Gasteen as directors will be put to shareholders alongside the shareholders meeting that has already been convened for 22 June 2012.

Ends

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### **Mr. Richard Cottee CV Brief:**

Richard Cottee (BA/LIB (Hons) Qld) is currently non-executive Chairman of Austin Exploration and a consulting advisor in the oil and gas industry based in London. He brings renowned international energy experience with an outstanding reputation for driving company market development. Mr. Cottee is the former CEO of one of Australia's most successful oil and gas industry growth stories - Queensland Gas Corporation (QCG) - a non-conventional CSG explorer and developer acquired by BG Group (formerly part of British Gas) for \$5.7 billion. An attorney, Mr. Cottee has also served as the director of marketing and sales for Cyprus Amax and then was named managing director of England, Wales, Scotland, Ireland and the Scandinavian and Norway regions for NRG Energy. Previously he worked with Santos Oil and Gas. He was also CEO of CS Energy Ltd, a Queensland Government owned electricity generator.

### **Mr. Mike Herrington CV Brief:**

Michael R. Herrington (BS (Engineering), University of Utah, 1976) was recently President Upstream for QGC, a BG Group Company, Managing Director for Jabiru Energy and previously was Managing Director for Enron Exploration Australia Pty Ltd. based in Queensland, Australia and Enron Oil & Gas China Ltd. based in Beijing, China. Mr. Herrington has more than 30 years of diversified petroleum industry experience, holds a BS degree in Civil Engineering from the University of Utah and is a registered Professional Engineer. He has set up operations in Spain, France, Australia as well as China. These efforts have been consistently results oriented and have been completed on time and under budget invoking state-of-the-art technology and developing new concepts where necessary incorporating such diverse technologies as satellite imaging and drilling rig modifications. In particular he has managed efforts to establish coal bed methane recovery leases in Europe, Australia and Asia.

### **Mr. Wrixon Gasteen CV Brief:**

Wrixon Frank Gasteen (B.E.(Mining) Hons, Qld, MBA (Distinction), Geneva) is a Director and co-founder of Ikon Corporate (Singapore), established in 2007 to provide corporate advisory, capital raising and management consulting services. Mr Gasteen has a track record as a determined "turnaround" specialist, change agent and business developer. He was appointed Chairman of BCP Precast by the major shareholder, private equity firm NBC Capital in 2007 and took on the Executive Chairman/CEO role in July 2008 when the company fell into serious financial difficulty. He has undertaken long term management consulting projects for Rheem (Aust) 2006, Rinker China (2005) and WEM Civil (2005 - on going). Previously Mr Gasteen was Chief Executive Officer of Hong Leong Asia (HLA) where he presided over the transformation and rapid development of the company by both acquisition and organic growth, from a loss making South East Asian building materials company. He was also Director of Hong Leong Asia Limited (SGX) and Director of Tasek Corporation (cement) (KLSE). He was also Chairman and President of China Yuchai International (diesel engines) listed on the New York Stock Exchange (NYSE).

**About Freestone:**

Freestone supports management and boards of small and mid cap resources companies to accelerate the commercialisation of opportunities and the realisation of shareholder value. Freestone seeks to drive business strategy through the provision of executive expertise and support resources to underpin and expedite the successful implementation of corporate strategy.

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## Summary of terms of employment for Chief Executive Officer

The appointment of Mr Richard Cottee as Chief Executive Officer and the provision of his services through Freestone Energy Partners Pty Ltd ("Freestone") will be by way of a secondment and will be conditional on, amongst other things, shareholders voting in favour of his director appointment.

### 1. Role

- **(Employer)** Central Petroleum Limited ("Central").
- **(Duties)** Perform the duties and responsibilities of Chief Executive Officer of Central.
- **(Central director)** Subject to being appointed in accordance with the *Corporations Act 2001* (Cth) and Central's Constitution, act as a director on the Central Board.
- **(Reporting)** Reporting directly to the Chairperson of Central.

### 2. Commencement and term

- **(Commencement)** Commence on 22 June 2012 and following the conclusion of the general meeting(s) of Central shareholders scheduled, or to be scheduled, on that date.
- **(Term)** Employment continues until terminated or for three years, whichever occurs first.

### 3. Remuneration

- **(Base salary)** Base salary of \$500,000 per annum (plus superannuation at the statutory entitlement level) to be paid quarterly in advance from Commencement.

### 4. Sign-On Payments

- **(Sign-On Payments)** \$250,000 cash will be payable when all conditions have been met and approved by shareholders.

### 5. Termination

- **(With notice by Central)** Central may terminate the employment after the initial three-year fixed term on six (6) months' notice or (subject to obtaining any necessary shareholder approvals) may give payment in lieu of notice.
- **(With notice by Employee)** The Chief Executive Officer may terminate the employment after the initial three-year fixed term on six (6) months' notice.
- **(Without notice)** Central may terminate the employment at any time immediately for serious misconduct or any other reason that entitles Central to summarily dismiss the Chief Executive Officer at common law.
- **(Duties during termination period)** During any termination period, Central will have the ability to elect to place the Chief Executive Officer on "gardening leave" whereby the Chief Executive Officer will not be required to perform his actual duties



for all or part of this notice period or may be required to carry out more limited or less senior duties, but will continue to receive his usual remuneration and benefits.

- **(Restraints during termination period)** During any period of “gardening leave”, the Chief Executive Officer must not:
  - within Australia engage in any business which carries on business activities that are the same as or similar to Central’s business (other than in respect of non-executive roles);
  - interfere with or disrupt the relationship between Central and its existing customers or suppliers; or
  - induce or solicit any employee or contractor of Central to terminate his or her or its employment or engagement with Central.

## 6. Other terms

- **(Other roles)** The Chief Executive Officer will not be permitted to undertake other executive roles except with the consent of Central. The Chief Executive Officer will not be restricted from non-competing non-executive directorships.
- **(Change of control)** If there is a change of control in Central such that a person or persons acting together, but not associated with the Chief Executive Officer obtain an interest in more than 50% of the voting shares of Central, then the remaining term of the Chief Executive Officer’s contract will become due and payable.
- **(Statutory entitlements)** All leave and other statutory entitlements are to be in accordance with applicable legislation.
- **(Confidential Information and Intellectual Property)** The Chief Executive Officer will acknowledge that all information relating to Central’s commercial, financial, legal and technical affairs will be confidential and will remain the property of Central and the Chief Executive Officer will undertake to keep all such information strictly confidential.
- **(Expenses)** Appropriate travel, accommodation and out-of-pocket expenses to be paid monthly in arrears, subject to appropriate invoicing.

### Share Option Plan with Freestone

Separate but directly related to the appointment of Mr Cottee as Chief Executive Officer, a capital based value participation package will be payable to Freestone of which Mr Cottee is a director (“**Share Option Plan**”). This arrangement will link directly to the value created for all Central shareholders. The key terms of the Share Option Plan will be provided to all shareholders shortly for approval at a general meeting. The terms of the Share Option Plan are an integral and conditional component to the appointment of Mr Cottee as Chief Executive Officer in all regards.