

# **CENTRAL PETROLEUM**

“Letting the Rocks Speak”

A Year of Progress

**CPSA Presentation**

(Central Petroleum Shareholders Association)

18 – 20 November 2013



# Disclaimer

1. 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 into 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 authors are competent persons with appropriate qualifications and relevant experience and the assumptions used and the conclusions reached in this report are considered by them to be based on reasonable grounds and appropriate for the scope of the assignment. The conclusions reached in this report are based on market conditions at the time of writing and as such may not be relied upon as a guide to future developments.

2. The information herein is provided to recipients on the clear understanding that neither the Company nor any of its representatives, officers, employees, agents or advisers ("Company Personnel") takes any responsibility for the information, data or advice contained or for any omission or for any other information, statement or representation provided to any recipient. Recipients of this presentation 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 presentation, however caused. Potential recoverable petroleum numbers are estimates only until the prospects are evaluated further by drilling and/or seismic and are unrisks deterministically derived.

3. This presentation is the property of the Company and it is not authorised for distribution, copying or publication or dissemination to the public by any means or for any reason whatsoever by parties other than by 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.

4. Potential volumetrics of gas or oil may be categorised as Undiscovered Gas or Oil Initially In Place (UGIIP or UOIIP) or Prospective Recoverable Oil or Gas in accordance with AAPG/SPE guidelines. Unless otherwise annotated any potential oil or gas or UGIIP or UOIIP figures are at "high" estimate in accordance with the guidelines of the Society of Petroleum Engineers (SPE) as preferred by the ASX Limited but the ASX Limited takes no responsibility for such quoted figures. As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this presentation or report may not have been reviewed by relevant Joint Venture partners. Therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programs which may be referred to in this presentation or report 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. Any mention of potential raising of capital anywhere is subject to various contingencies inclusive of the state of the markets, commodity prices, appropriate support and the ASX Listing Rules.

5. This document may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include (but are not limited to) 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 and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. 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 statements in this document if events, conditions 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," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "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.

6. The views and opinions expressed in this presentation, the resources, UGIIP and UOIIP figures, unless otherwise qualified do not necessarily reflect the views of existing joint venture partners.



# COMPANY OVERVIEW

## DIRECTORS

Andy Whittle	BSc (Hons)	Appointed April 2012
Wrix Gasteen	BE (Hons), MBA (Dist.)	Appointed June 2012
Mike Herrington	BSc (Engineering)	Appointed June 2012
William Dunmore	BSc, MSc	Appointed April 2005
Richard Cottee	BA/LLB (Hons)	Appointed June 2012

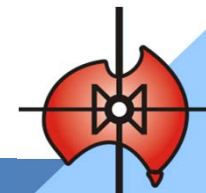
## MANAGEMENT

Richard Cottee	Managing Director
Mike Herrington	Chief Operating Officer
Bruce Elsholz	Chief Financial Officer
Leon Devaney	Chief Commercial Officer
Mike Bucknill	General Manager - Exploration
Rob Willink	Exploration Advisor
Daniel White	Group General Counsel

## SHAREHOLDING

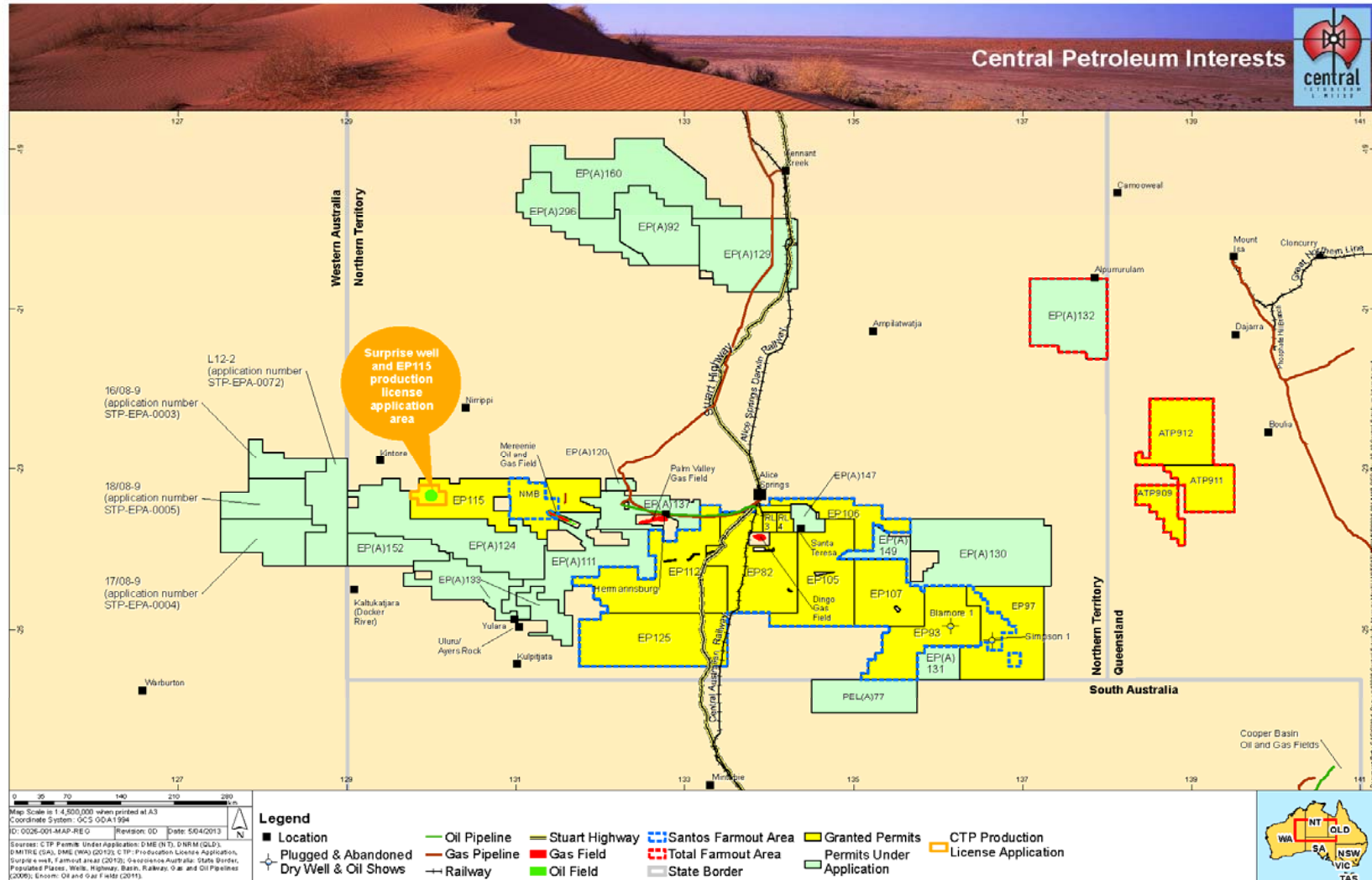
Ordinary Shares	309,218,273
Options*	73,572,928
Top 5 Shareholders hold	14.5%

\* Excludes employee-related options



# CTP ACREAGE

For personal use only

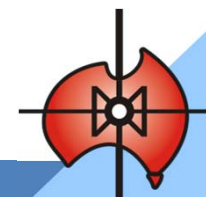


© 2013. Whilst every care has been taken to prepare this illustration, CTP, DME (NT), DNRM (QLD), DMITRE (SA), DME (WA), Enson and G.A make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and does not accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the illustration being inaccurate, incomplete or unsuitable in any way and for any other reason. This illustration is for informational purposes only. This illustration is subject to change. Author: Central Petroleum.

# KEY TENEMENT FACTS

<b>TOTAL ACREAGE</b>	<b>254,811 km<sup>2</sup></b>
Granted Blocks	113,303 km <sup>2</sup>
Application Blocks	141,508 km <sup>2</sup>
Of which	
100% Owned	130,714 km <sup>2</sup>
Subject to Joint Venture	124,097 km <sup>2</sup>
Total	254,811km <sup>2</sup>

- ✓ If both Farm-ins proceed to Stage 3 then CTP will have 168,000km<sup>2</sup> of equity accounted acreage (i.e. CTP retains  $\frac{2}{3}$  of its original acreage) on which approximately \$350 million of exploration will have been invested over 4 years or **3 times** our present market capitalisation.



# KEY FINANCIAL INDICATORS = The Answer is 65 (Not 42)

## NETT CASH BURN – 65% IMPROVEMENT

G&A and Employee costs (net spend) Unaudited				
	<u>Qtr Dec'12</u>	<u>Qtr Mar'13</u>	<u>Qtr Jun'13</u>	<u>Qtr Sept'13</u>
<b>Total G&amp;A and Employee (net costs) unaudited</b>	<b>2,495,050</b>	<b>1,701,254</b>	<b>1,433,027</b>	<b>1,113,102</b>

## RETURN ON ASSETS – 65% IMPROVEMENT

FYE 2012 - 93.0%  
FYE 2013 - 32.3%

## OPERATING CASHFLOW – 43% IMPROVEMENT

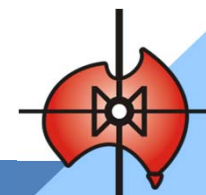
FYE 2012 - \$21.23M  
FYE 2013 - \$12.15M

## RETURN ON EQUITY – 65% IMPROVEMENT

FYE 2012 - 109%  
FYE 2013 - 38%

## NETT PROFIT/LOSS – 65% IMPROVEMENT

FYE 2012 - 26.3M  
FYE 2013 - 9.28M





# MARKET BENCHMARKS

S&P ASX100 (XTO)  
S&P/ASX 200  
RESOURCES (XJR)  
ASX-CTP

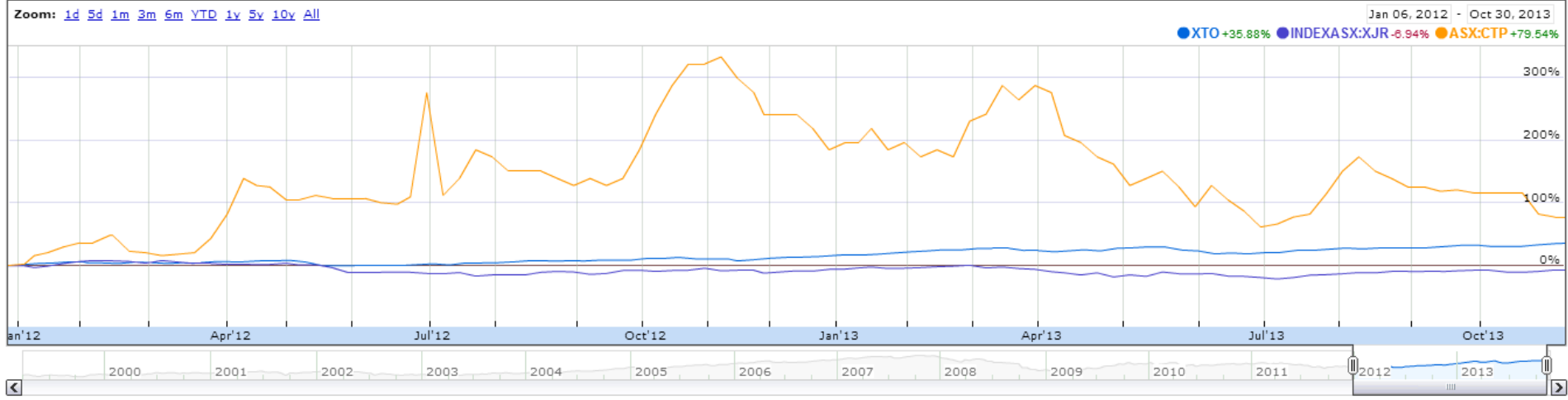
S&P/ASX 100 (INDEXASX:XTO)

**4,453.90** +38.80 (0.88%)  
Range 4,415.10 - 4,464.20  
52 week 3,560.60 - 4,499.30  
Open 4,415.10  
Vol. 0.00

8+1 0

Real-time: 1:25PM GMT+11  
INDEXASX real-time data - Disclaimer

Compare:    INDEXASX:XEJ  ASX:CTP  LON:OILB  INDEXASX:XJR  INDEXASX:XKO



For personal use only



# MARKET BENCHMARKS

**S&P ASX100 (XTO)**

**S&P/ASX 200 RESOURCES (XJR)**

**S&P ASX200 (XEJ)**

**Crude Oil (LON:OILB)** is ETFS OIL SECURITIES LIMITED ETFS

S&P/ASX 100 (INDEXASX:XTO)

**4,453.90** +38.80 (0.88%)

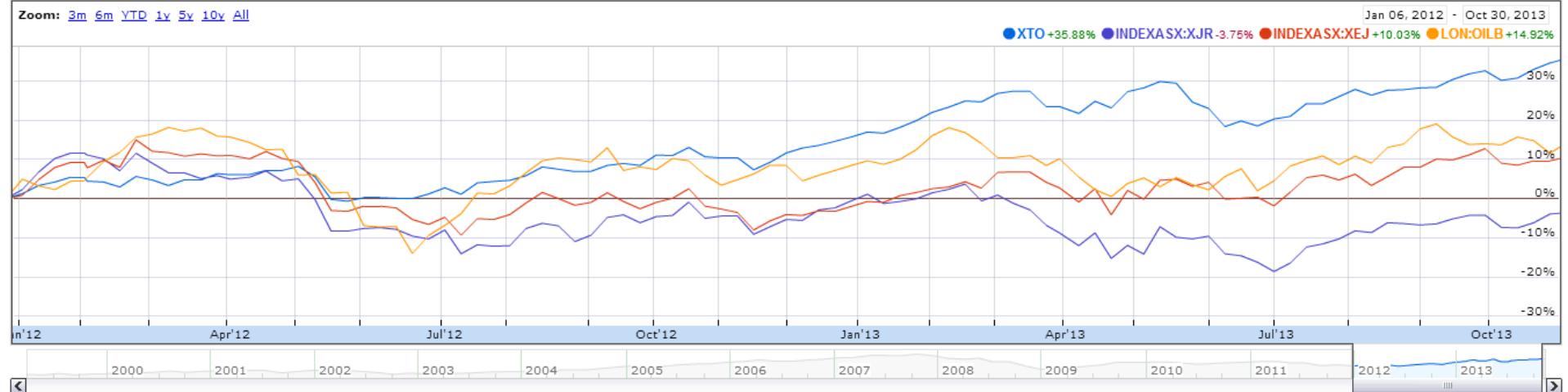
Range 4,415.10 - 4,464.20  
52 week 3,560.60 - 4,499.30  
Open 4,415.10  
Vol. 0.00

8+1 0

Real-time: 1:25PM GMT+11  
INDEXASX real-time data - Disclaimer

Compare:    INDEXASX:XEJ  ASX:CTP  LON:OILB  INDEXASX:XJR  INDEXASX:XKO

Zoom: [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)



For personal use only







# MARKET BENCHMARKS

## S&P ASX100 (XTO) ASX-CTP

Central Petroleum Limited (ASX:CTP)

Add to portfolio

**0.390** +0.005 (1.30%)

Range	0.38 - 0.40	Div/yield	-
52 week	0.06 - 0.45	EPS	-0.03
Open	0.38	Shares	309.22M
Vol / Avg.	73,091.00/525,641.00	Beta	-
Mkt cap	120.59M	Inst. own	-
P/E	-		

Delayed: 12:26PM GMT+11  
ASX data delayed by 20 mins - Disclaimer  
Currency in AUD

Compare:  Enter ticker here   S&P/ASX 200  EDE  KAR  LKO  LNC  MEL  SNY  RRS  XST  INDEXASX:XTO



For personal use only



# SURPRISE DEVELOPMENT PLAN

## 1. Petroleum Licence

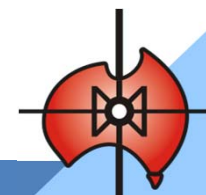
- All NT Government Approvals in Place
- Conceptual Agreement with Traditional Owners
- Expect Licence in December

## 2. Surprise West

- 4,100bbls tank bought (3,500bbls usable)
- Work over crane contracted
- All other equipment (pipes & tubing) etc. bought
- On track to commence in January
- Negotiated oil purchase agreement – strong market
- On revised budget of \$3 million

## 3. Surprise East

- On track to commence drilling in March
- On track to commence production in May



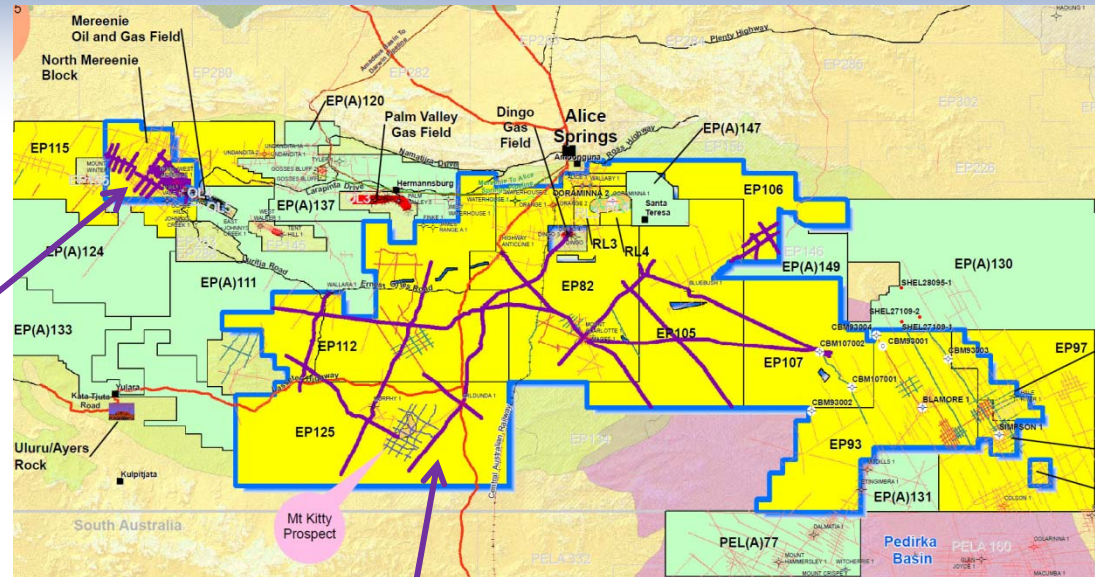
# AMADEUS BASIN JVs – SANTOS, CENTRAL

## Summary

- Operated by SANTOS
- NW Mereenie area (EP 115)
- Southern Amadeus JV area
- Phase 1 of farm-in, \$30 million
  - 2D seismic
  - Drill Mt Kitty

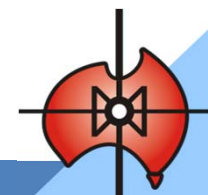
### NW Mereenie

- **327 kms 2D seismic acquisition**
- 100% completed at 23/08/2013
- Processing results anticipated early December



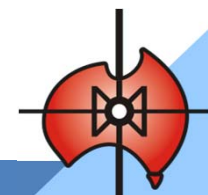
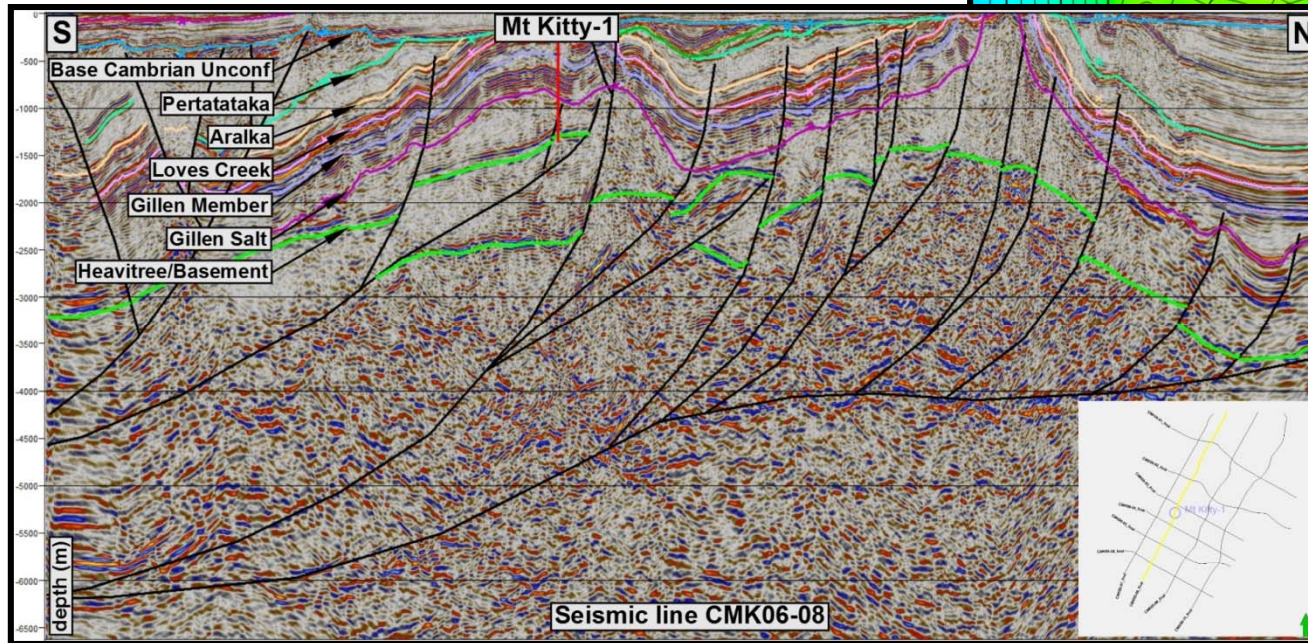
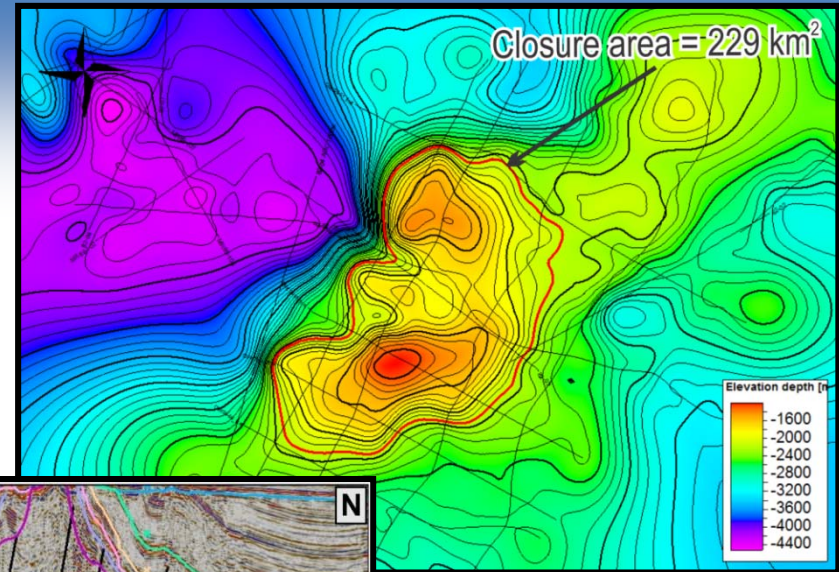
### Southern Amadeus

- **1,500 kms 2D seismic acquisition**
- 86.7% or 1300 kms recorded at 12/11/2013
- Completion anticipated early December



# SOUTHERN AMADEUS JV – SANTOS, CENTRAL

- Mt Kitty 1
  - Top hole complete
  - Target section, Q1 2014
  - Anticipated total depth ~2000mKB



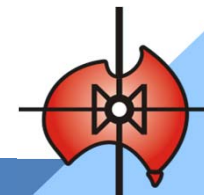
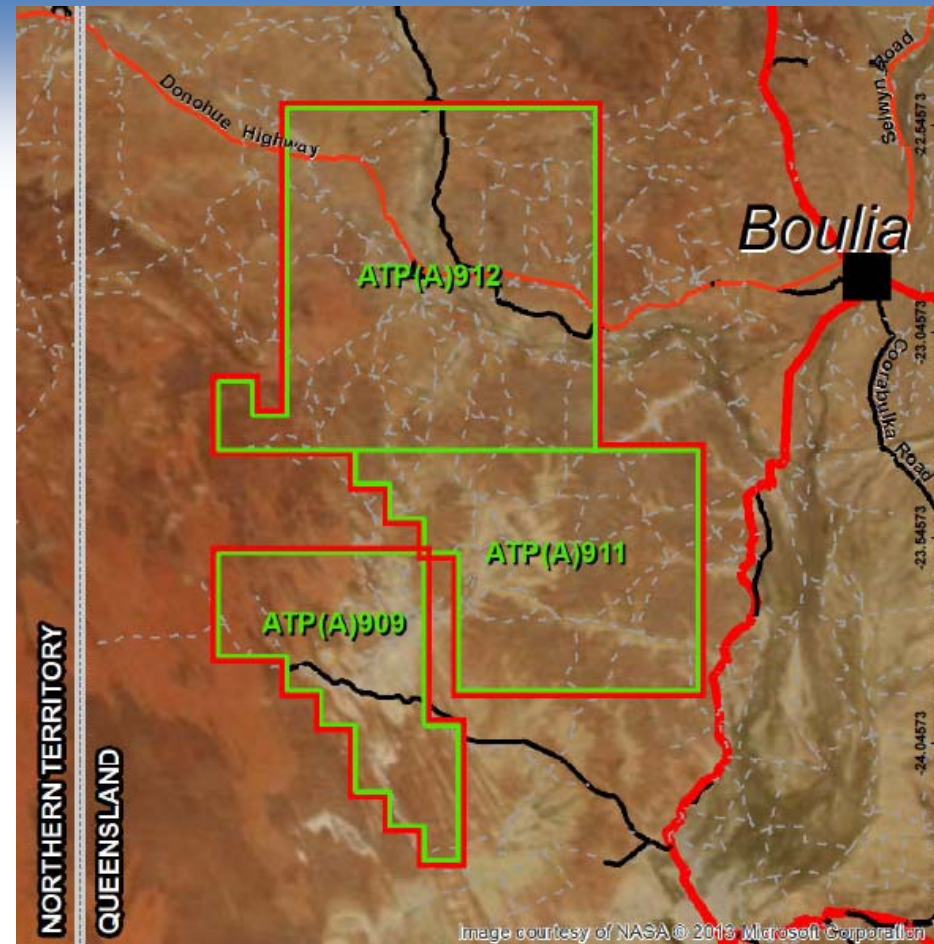
# SOUTH GEORGINA BASIN JV – CTP, TOTAL

## Summary

- Operated by Central Petroleum
- Phase 1 of farm-in, \$60 million
  - 2D seismic
  - Wells

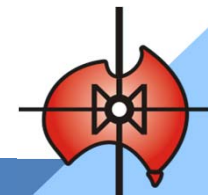
## Progress

- **984 kms 2D seismic acquisition**
- 100% completed at 13/10/2013
- Processing results anticipated Q1 2014



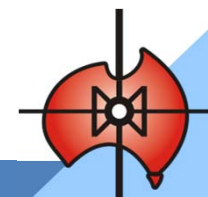
# MT KITTY WELL SUMMARY

- Drilling part of Southern Amadeus Joint Venture
- SANTOS is Operator
- Drilling Scheduled for 1st Quarter next year – top hole drilled
- Target is a large structure to confirm Natural Gas & Helium
- Helium is valuable as we believe Magee results are the analogue
- Natural Gas has robust market
- TD is ~2000 metres
- Great catalyst for CTPO listed options



# CATALYST FOR ASX LISTED OPTIONS

- Mt Kitty Exploration Well
- Surprise West
- Exploration Results from Seismic
- Surprise East Exploration Well
- 4-6 wells in Southern Georgina Programme commences



# AGM RESOLUTIONS

## 1. Re-Elect Directors

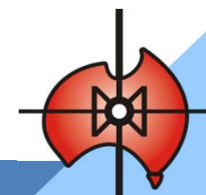
- Andy Whittle and Wrix Gasteen are independent
- Board Stability essential after turmoil

## 2. Increase in Directors

- Ideal Board is 5-7 Directors (odd number)
- Majority Independent
- In transition from Exploration to Production
- Transition requires more Board Diversity (e.g. Financing, Marketing, Production)
- Board Diversity ideal to have a degree of overlap (6-12 months during transition as 4 Directors have around 18 months tenure).

## 3. Mike Herrington Options

- Mike was appointed as a Director and had no intention at that time of being an Executive
- Previous COO resigned in January 2013 in the midst of Surprise Development Planning
- Mike agreed to step-in at a critical time for the company
- The Option Package same as previous COO (taking into account by deducting his Director Options)
- Mike should not be disadvantaged as a result





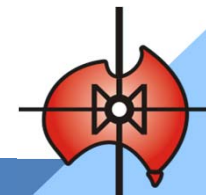
# AGM RESOLUTIONS *(Continued...)*

## 4. Remuneration Report

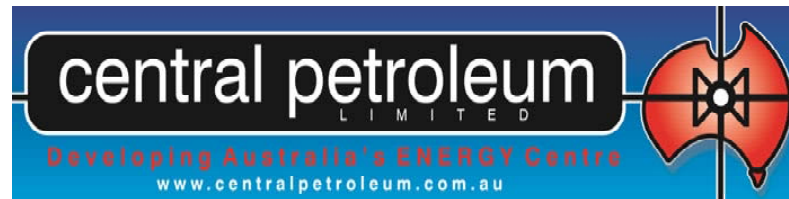
- ✓ Managing Director & Directors are paid at or below median
- ✓ Shareholders last year approved an option incentive package as part of the restructuring
- ✓ Options in 3 tranches vesting on a 66% increase in share price with 2 further tranches, one requiring 122% increase (original IPO share price) to and the last requiring 222% increase in share price.
- ✓ Prior to the commencement of restructuring the Company (Jan 2012) had seen a 68% decrease in share price and since then there has been a 79% increase in share price.
- ✓ As a result of the shareholder approval there is an existing right unaffected by subsequent matters other than the creation of shareholder wealth.

### Since restructure:

- ✓ up to approximately \$350 million of exploration expenditure has been sourced (see slide 4)
- ✓ 65% improvement in nett cash burn
- ✓ 65% improvement in Return on assets
- ✓ 65% improvement in Return on equity
- ✓ 65% improvement in NETT PROFIT/LOSS
- ✓ 43% improvement in Operating Cash flow
- ✓ Mt Kitty Well committed
- ✓ Surprise West funded
- ✓ Surprise East funded
- ✓ Santos Farm-in
- ✓ Total Farm-in



# Contact Details



## Central Petroleum Limited

56-58 Jephson St., Toowong, QLD  
PO Box 1571, Toowong DC Qld 4066.  
Tel: +61 7 3181 3800  
Fax: +61 7 3181 3855

Website: [www.centralpetroleum.com.au](http://www.centralpetroleum.com.au)

