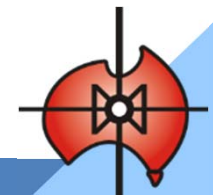


# Central Petroleum Limited (ASX:CTP)

## March on Production

April 2014



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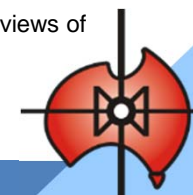
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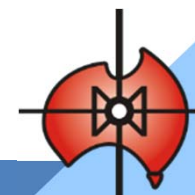
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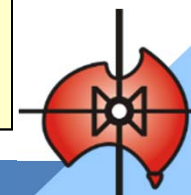
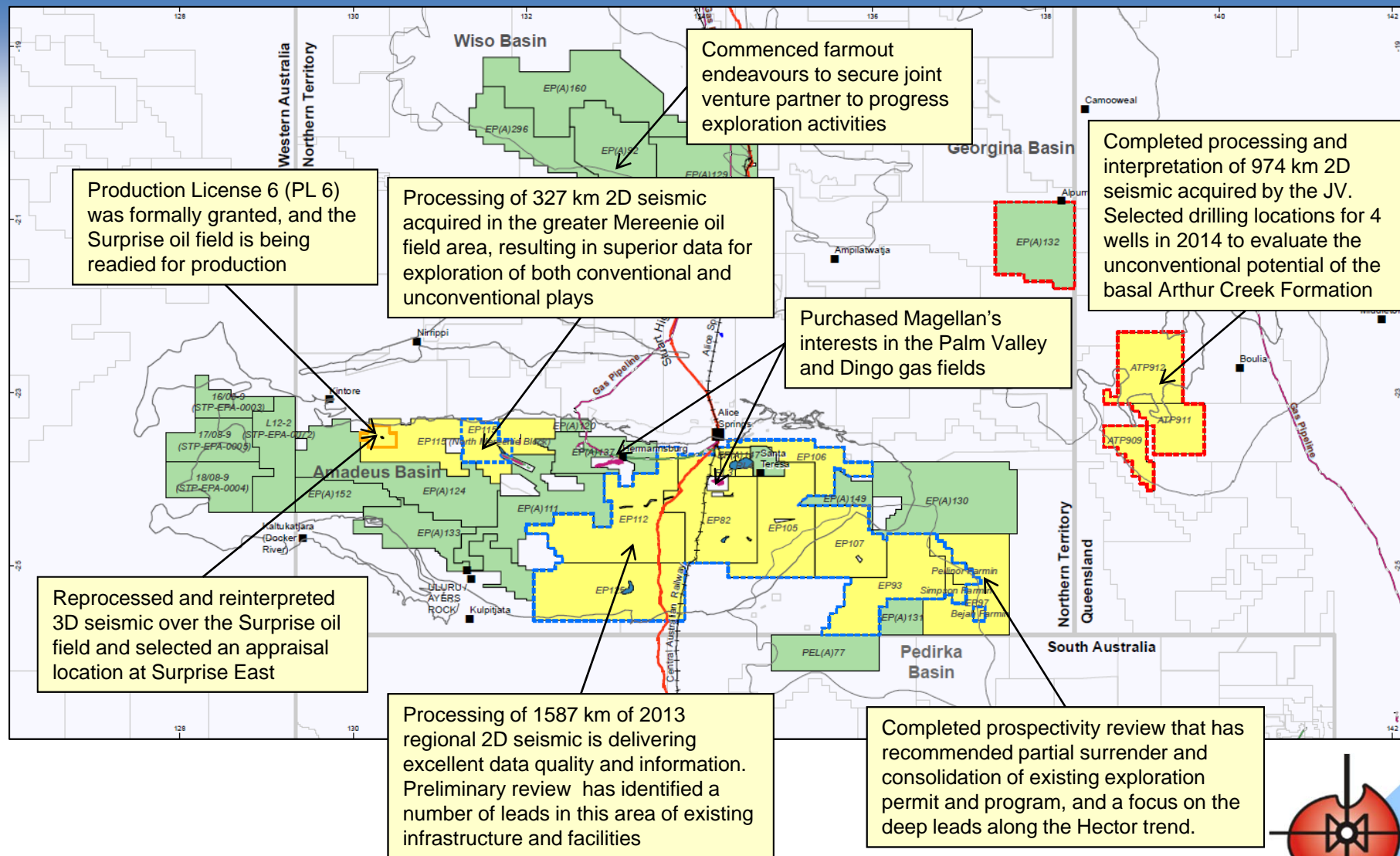


# The Quarter That Was

- Surprise West on production. First 7 days production averaged 524 BOPD
- Closed on Magellan fully funded acquisition. Palm Valley on Production with Dingo next year. Next year 3.3PJ pa sales gas under contract
- Mt Kitty recommenced drilling – Total Depth expected in next week
- Dingo construction finance has coverage for costs over-run and subject to shareholder approval. Security is restricted to Magellan assets
- Magellan acquisition contributes to overhead recovery
- Post Dingo commissioning approximately half the debt repaid within 5 years plus \$2 million pa contribution to Central
- Surprise West at 400 BOPD average will produce at present prices and 90 cents exchange rate around \$10 million in first 12 months without Surprise East



# Activity since the AGM (Nov 2013)





# Current Activity Focus

## Oil and Gas Production

- Surprise
- Palm Valley
- Dingo

## Conventional Exploration

- S Amadeus
- Mt Kitty
- Dingo South
- Wiso Basin
- Pedirka Basin

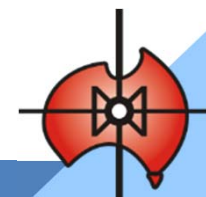
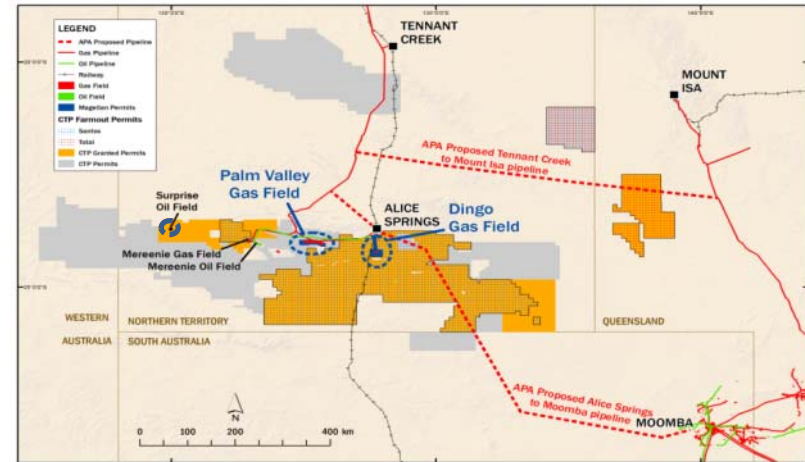
## Unconventional Exploration

- Central Amadeus
- S. Georgina Basin
- S. Amadeus Basin



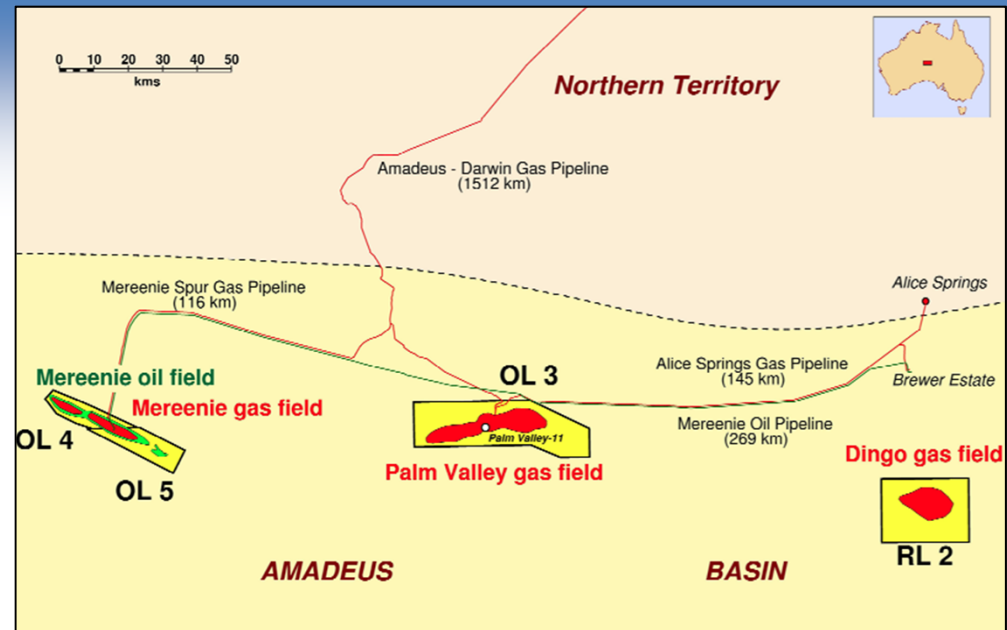
# Oil and Gas Production Overview

- From March 2014, CTP will be producing oil and gas from 2 separate fields and developing a 3<sup>rd</sup> field within the Amadeus Basin
- Palm Valley and Dingo gas fields: 3.3PJ/year of gas sold under long-term contracts into the NT market
- Surprise Oil Discovery: 400 – 500 bpd target for existing SW-1 well; 2<sup>nd</sup> well east of the fault (SE-1) scheduled for mid to late 2<sup>nd</sup> quarter 2014 expected to increase production and reserves
- Gross revenue forecast between \$20M - \$30M / year
- Source of organic funding to support ongoing regional exploration activities



# PV and Dingo Acquisition Summary

- Central Petroleum Ltd (CTP) executed a binding agreement to acquire the Palm Valley & Dingo gas field assets from Magellan Petroleum in February 2014
- CTP simultaneously executed a \$50 million facility with Macquarie Bank, fully funding both the acquisition and remaining development costs for the Dingo Field
- Completion remains subject to Condition Precedents typical for such transactions – must occur in March 2014
- CTP shares closed up 21% following the Transaction Announcement – good support from shareholders and broker community.



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# PV / Dingo Transaction Overview

## Purchase Price (\$35M)

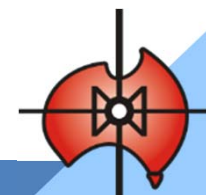
- \$20M Cash
- 39M CTP Shares (11.4% interest)

## Other Considerations

- One Non-Executive CTP Board Seat
- Gas Price Bonus payments: 25% of Palm Valley a/t revenue from average *pricing* increases *materially above current contracts*
- Pass through to Magellan of any payments from Santos relating to an existing Mereenie oil field production bonus (pass through mechanism)

## Transaction Funding

- Cash requirement of transaction is fully funded through a \$50M Macquarie debt Facility:
  - \$20M Acquisition Finance
  - \$30M Dingo Field Development Finance
- 5-year bullet facility serviced by project cash flows
- No negative impact on current CTP exploration activities; Source of organic funding following Dingo commencement in 2015
- 15M Options issued to Macquarie
  - \$0.50 strike (32% above prior 10-day VWAP)
  - 30 Month Term
  - \$7.5M raised if executed





# Asset Overview

## Key Assets

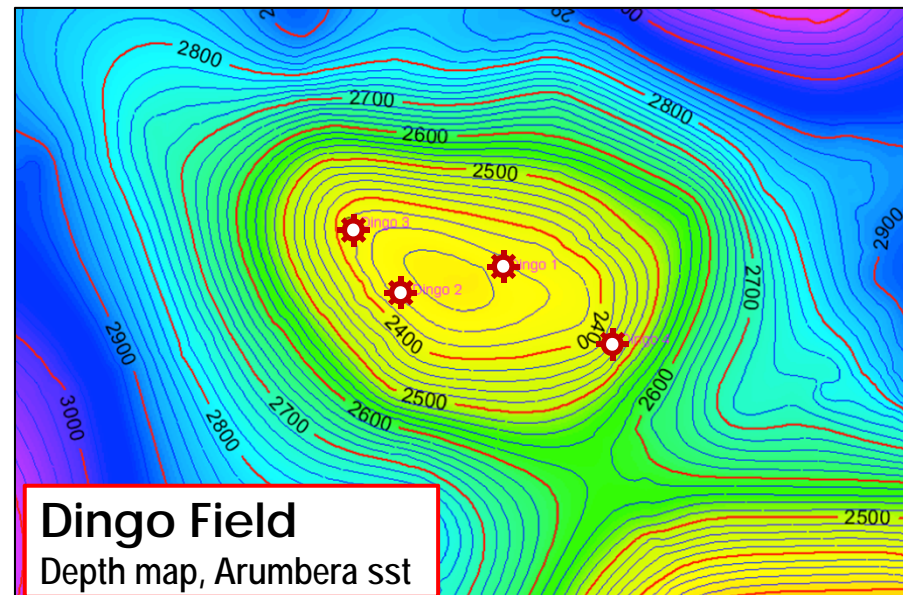
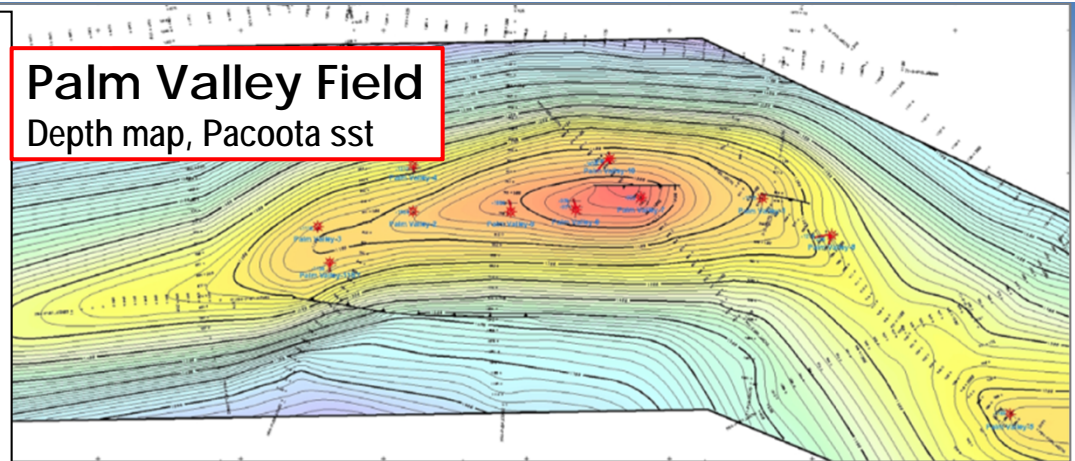
- Reserves\*: 53 BCF (~10 mmboe)
- After completion of Dingo, CTP will own a 50km pipeline giving it access to Alice Springs & NT Markets
- CTP will have 100% interest in all reserves & field infrastructure

## Estimated Replacement Value

- 6 Production Wells: \$40M - \$50M
- 2,400hp. Compression: \$15 M

\* reserves derived under the SEC rules required by the NASDAQ rather than the SPE-PRMS rules required by the ASX and have been reported by Magellan Petroleum Corporation on pages 12 and 13 of their 2013 Annual Report found at (<http://ir.magellanpetroleum.com/ar>).

**Palm Valley Field**  
Depth map, Pacoota sst



**Dingo Field**  
Depth map, Arumbera sst

# Asset Description Table

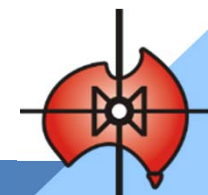
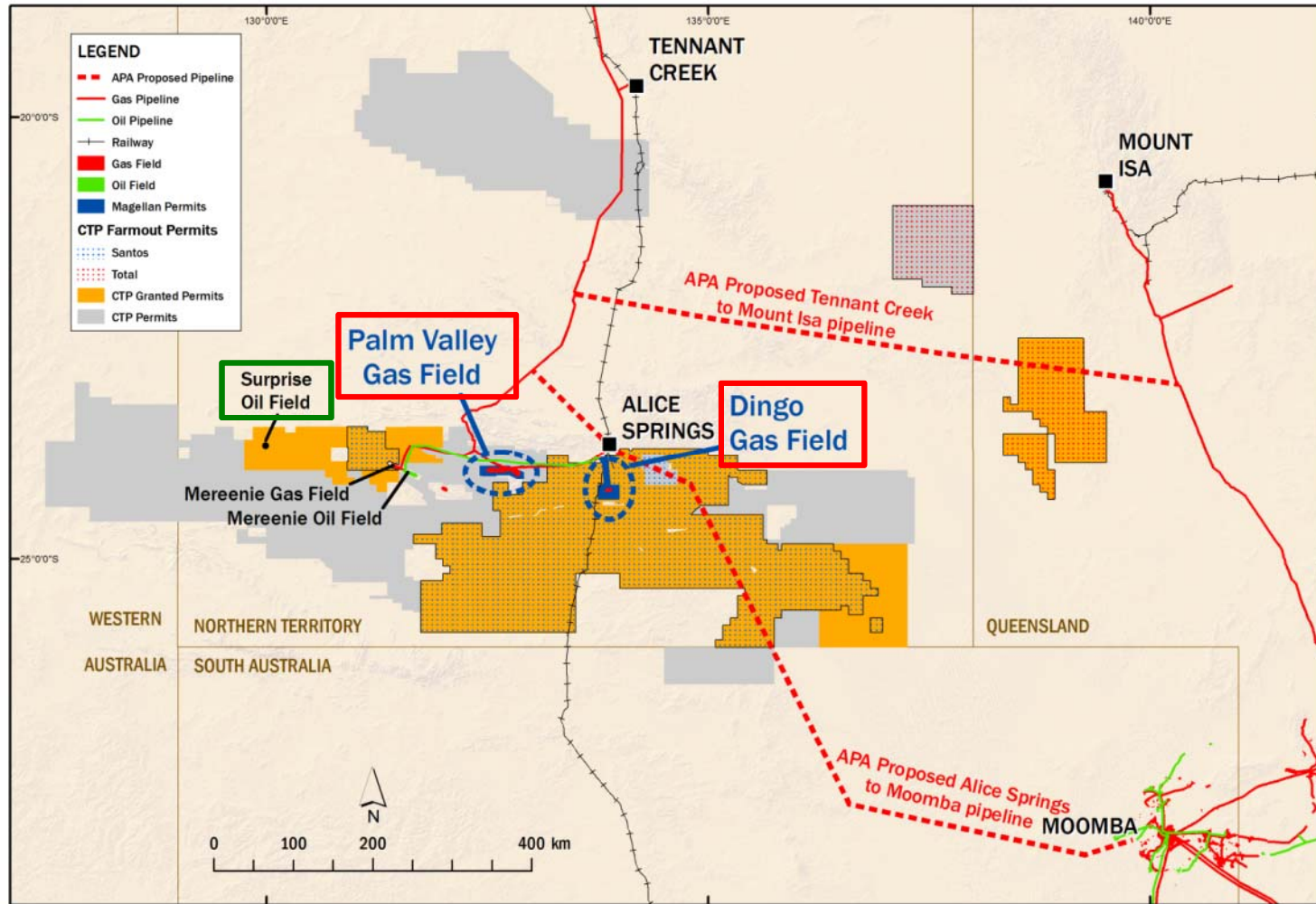
	Palm Valley	Dingo
History	<ul style="list-style-type: none"> <li>➤ Discovered in 1965</li> <li>➤ Producing gas since 1983</li> </ul>	<ul style="list-style-type: none"> <li>➤ Discovered in 1981</li> <li>➤ Gas production is currently scheduled to begin in early CY2015</li> </ul>
Location	➤ 120km WSW of Alice Springs	➤ 65km South of Alice Springs
Area	➤ 638km <sup>2</sup>	➤ 470km <sup>2</sup>
Wells and Field Operations	<ul style="list-style-type: none"> <li>➤ 11 wells drilled to date</li> <li>➤ 4 wells currently capable of production</li> <li>➤ Required processing &amp; transport infrastructure already installed</li> <li>➤ Includes ~2400hp of compression</li> </ul>	<ul style="list-style-type: none"> <li>➤ 4 wells – currently 2 capable of production</li> <li>➤ No further well requirements for initial production under the terms of the GSPA</li> <li>➤ To be operated as an unmanned remote operation</li> </ul>
Reserves*	<ul style="list-style-type: none"> <li>➤ 28.2 PJ reserves* – June 2013</li> <li>➤ 24 BCF</li> <li>➤ ~4.8 mmboe</li> </ul>	<ul style="list-style-type: none"> <li>➤ 30.1 PJ reserves* – July 2013</li> <li>➤ 29 BCF</li> <li>➤ ~5.1 mmboe</li> </ul>
Geology	<ul style="list-style-type: none"> <li>➤ The gas producing reservoir is the Pacoota sst, within the Lower and Middle Ordovician Larapinta Group</li> <li>➤ Type 2 naturally fractured reservoir</li> <li>➤ Includes areas of organic-rich shales and minor limestone</li> </ul>	<ul style="list-style-type: none"> <li>➤ The reservoir rocks are in Arumbera Sandstone and Julie formations of the Early Cambrian / Late Neoproterozoic</li> <li>➤ The source rock is in the Marinoan Pertataaka formation formed during the Late Neoproterozoic period</li> <li>➤ Unfaulted domal anticline</li> </ul>
Contracts	<ul style="list-style-type: none"> <li>➤ GSPA with Santos for up to 25.65PJ over 17 years</li> <li>➤ Currently producing into contract</li> </ul>	<ul style="list-style-type: none"> <li>➤ GSPA with PWC for 31PJ for 20 years</li> <li>➤ Target production 01/01/2015</li> </ul>

\* Palm Valley and Dingo Field reserves are derived under the SEC rules required by the NASDAQ rather than the SPE-PRMS rules required by the ASX and have been reported by Magellan Petroleum Corporation on pages 12 and 13 of their 2013 Annual Report which can be found at their website <http://ir.magellanpetroleum.com/ar>



# Location Map – CTP assets with Palm Valley, Dingo

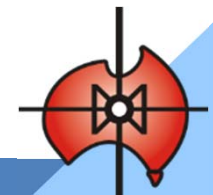
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# Strategic Drivers - Palm Valley, Dingo fields

- 1) Quickly achieves a critical mass for operational efficiencies when combined with the Surprise oil field
- 2) Diversifies corporate revenues through 3 hydrocarbon fields across both oil and gas
- 3) Provides CTP with physical connection and marketing presence within the NT gas market – positioned to participate in any future connection to the East Coast
- 4) Source of organic funding to support CTP's regional exploration activity
- 5) Provides a footprint of existing infrastructure within Central Australia from which future exploration targets may be more efficiently developed



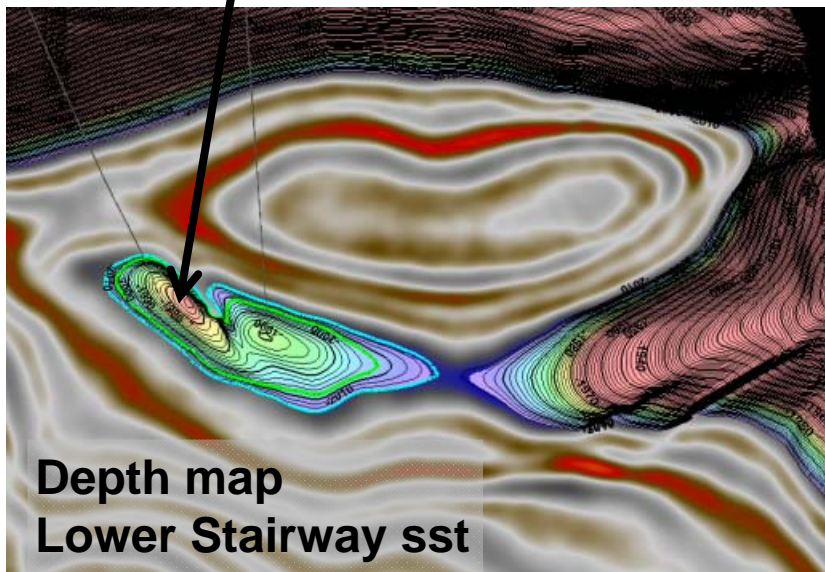


# Surprise West Production Update

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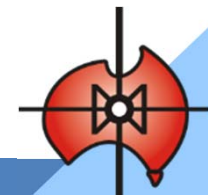


- Production licence granted 25<sup>th</sup> Feb 2014
- Initial production and storage facilities installed
- Final facility expansion in progress to increase operational efficiencies
- Royalties payable to Govt. and Traditional Owners
- Employing Traditional Owners
- Production imminent - targeting 400 – 500bbl/d



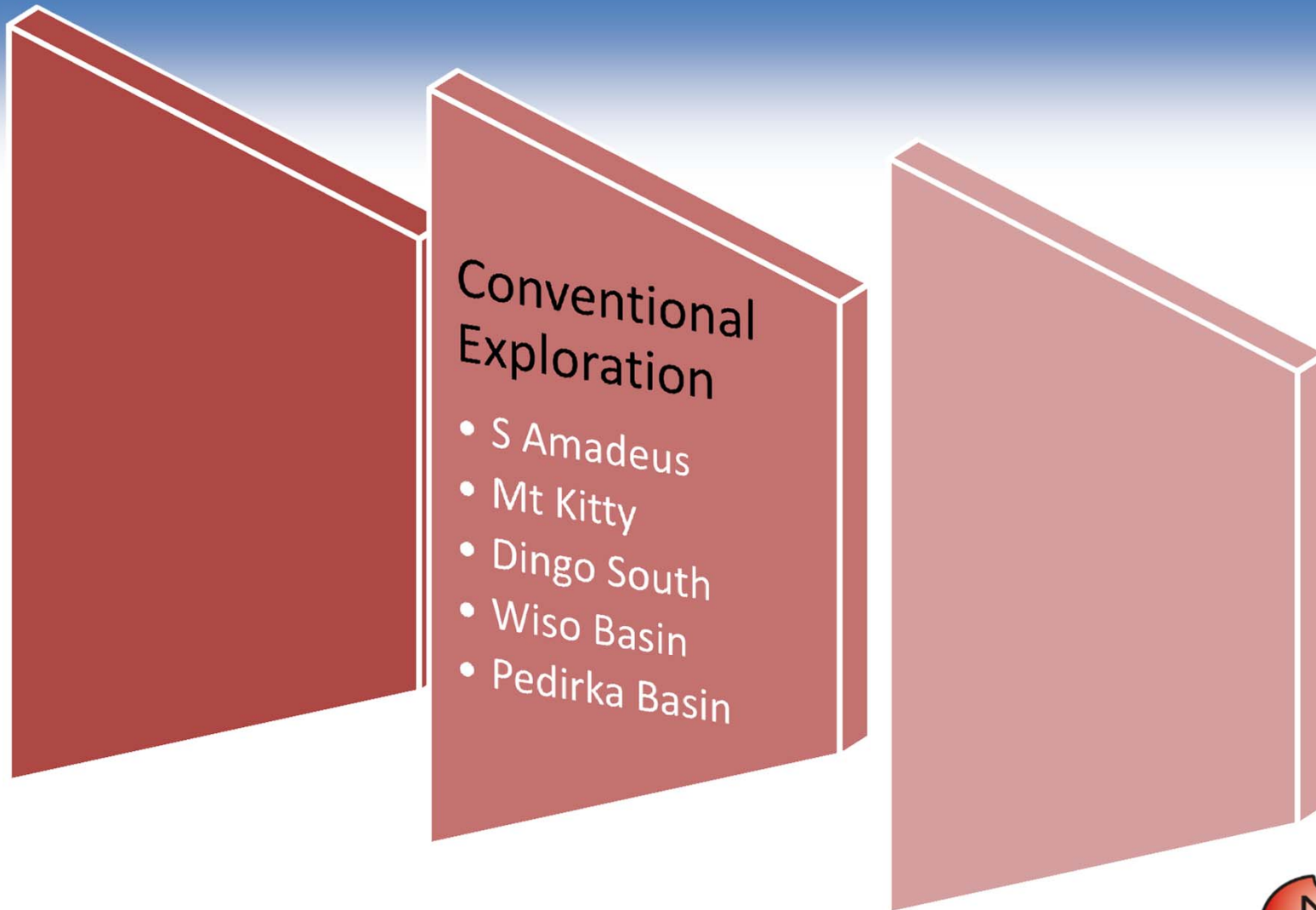
# Surprise East Drilling Update

- Surprise East field has benefited from review and revision of the 3D seismic data, enhancing well location
- Appears consistent with the West-side and a 2<sup>nd</sup> well should increase 2P reserves and production consistent with Surprise West-1
- Delay in receiving a Production License has impacted our ability to financially commit to a drilling rig slot – 3 month deferral.
- Current rig shortage well known – Finalising arrangements to drill SE-1 in mid to late 2<sup>nd</sup> quarter 2014.



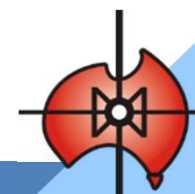
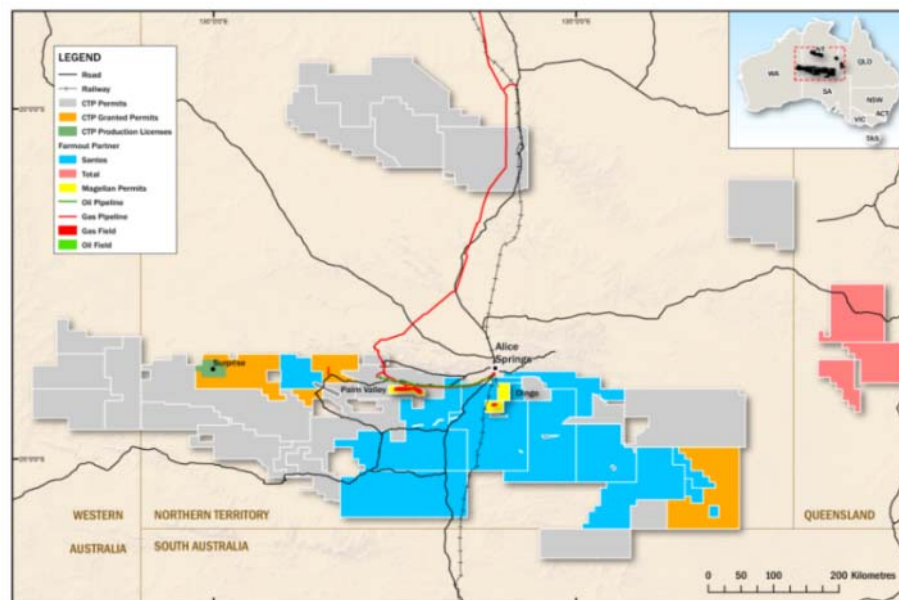


# Conventional Exploration



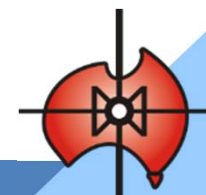
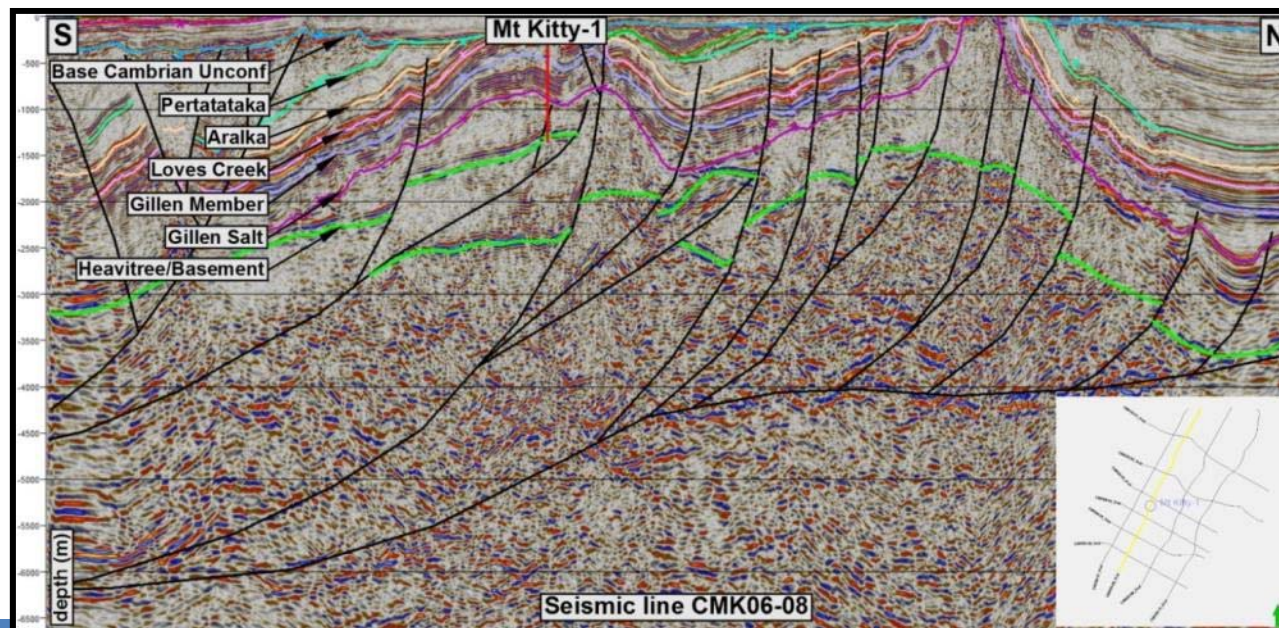
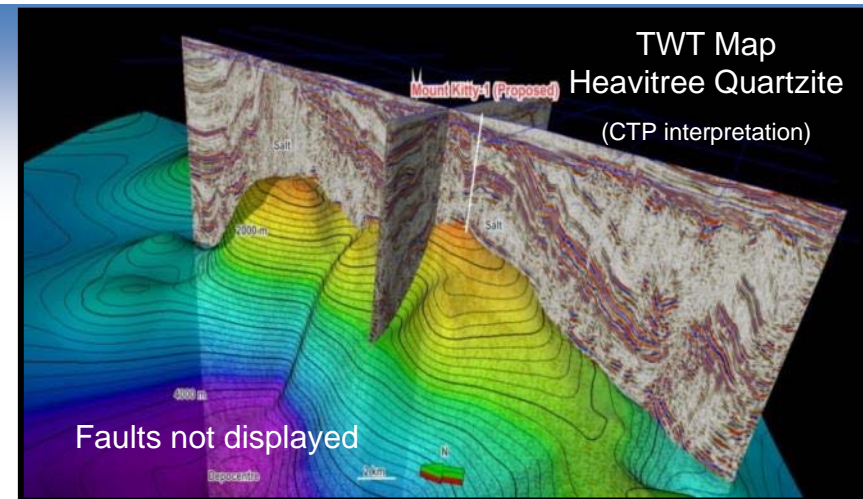
# Conventional Exploration Overview

- The Amadeus Basin is a proven hydrocarbon source, with conventional production from Surprise, Mereenie, Palm Valley and Dingo
- CTP will have a technical understanding through production from 3 of the 4 producing fields, to be leveraged towards improved exploration efforts
- Sparse exploration data to date.
  - ~45 exploration wells
  - No seismic over large areas
- Regional seismic of 1,910km, processing near completion by the CTP/Santos JV. Provisional data is very good, providing insight and additional targets
- Owning production and pipeline infrastructure improves the economics of discoveries
- Exploration of unconventional potential is an incremental cost to conventional activity



# Southern Amadeus – Drilling is imminent

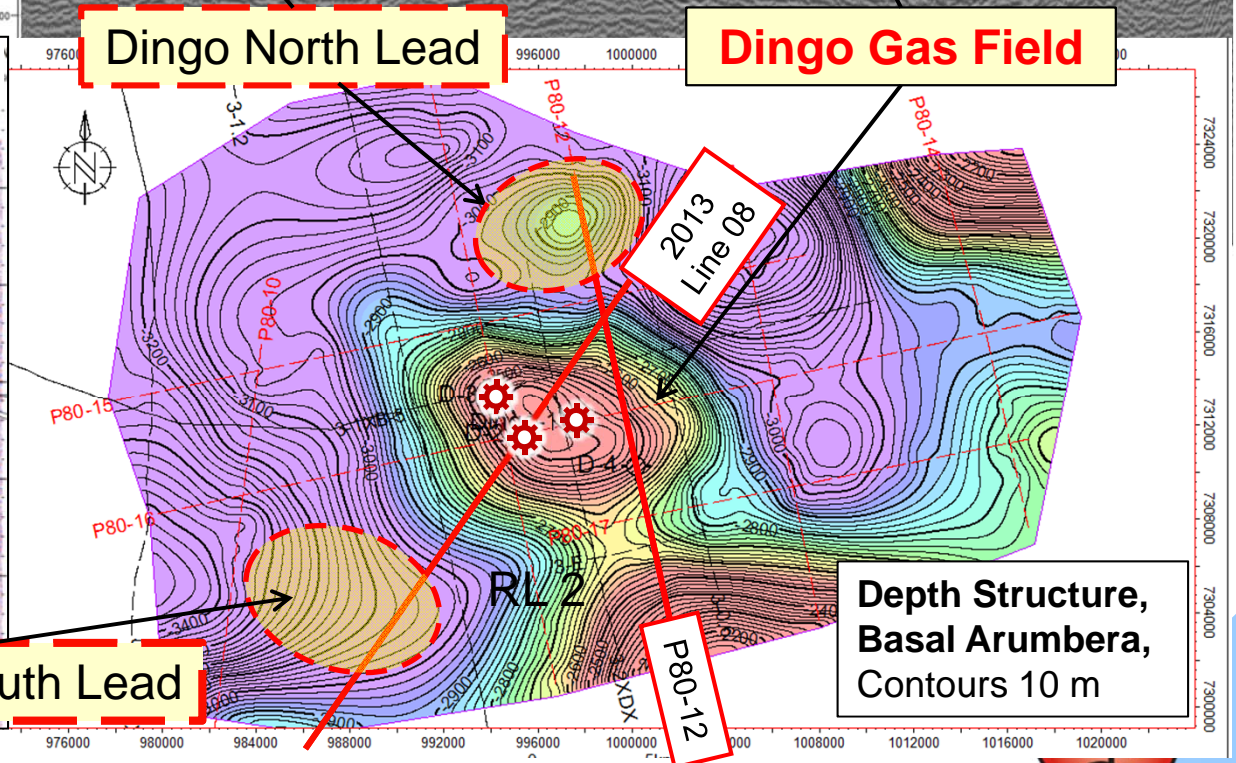
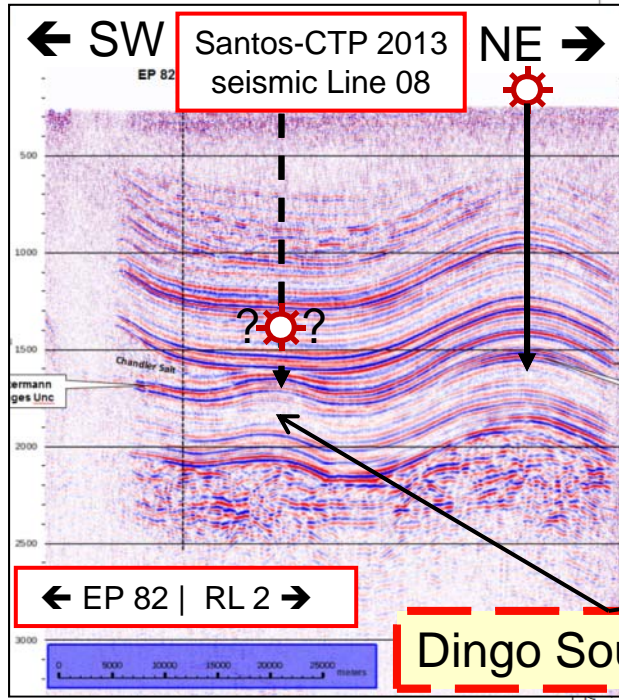
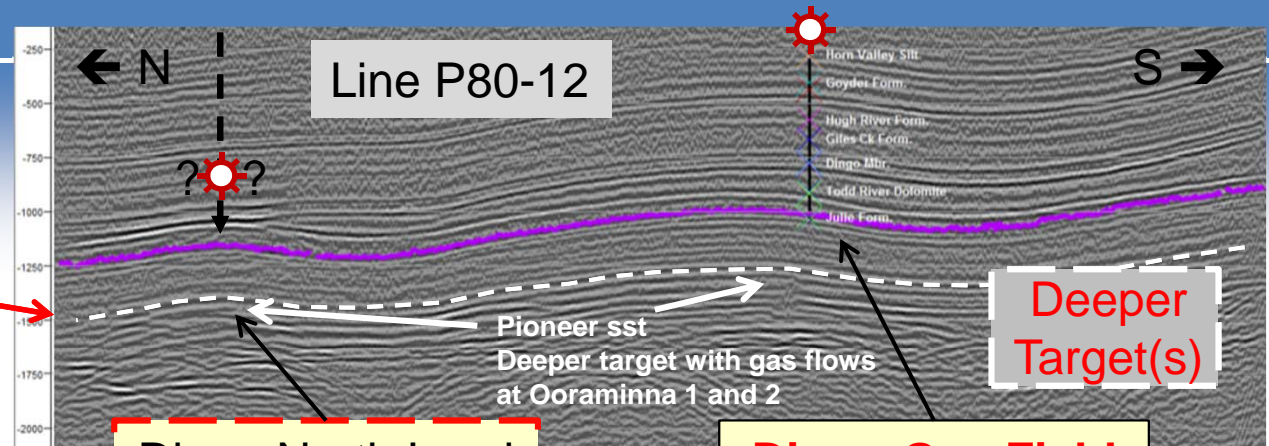
- Joint Venture with Santos complete
- Mt Kitty 1 (top hole complete)
  - Target section, Q1 2014, TD ~2033 mKB
  - Anticipated sales gas content (Magee-1)
    - 49% hydrocarbons, 6.3% Helium
- Estimated Gas volume, 100% JV, unrisks
  - Upside OGIP ~2 TCF (raw gas)
  - Upside hydrocarbon gas in place ~1 TCF



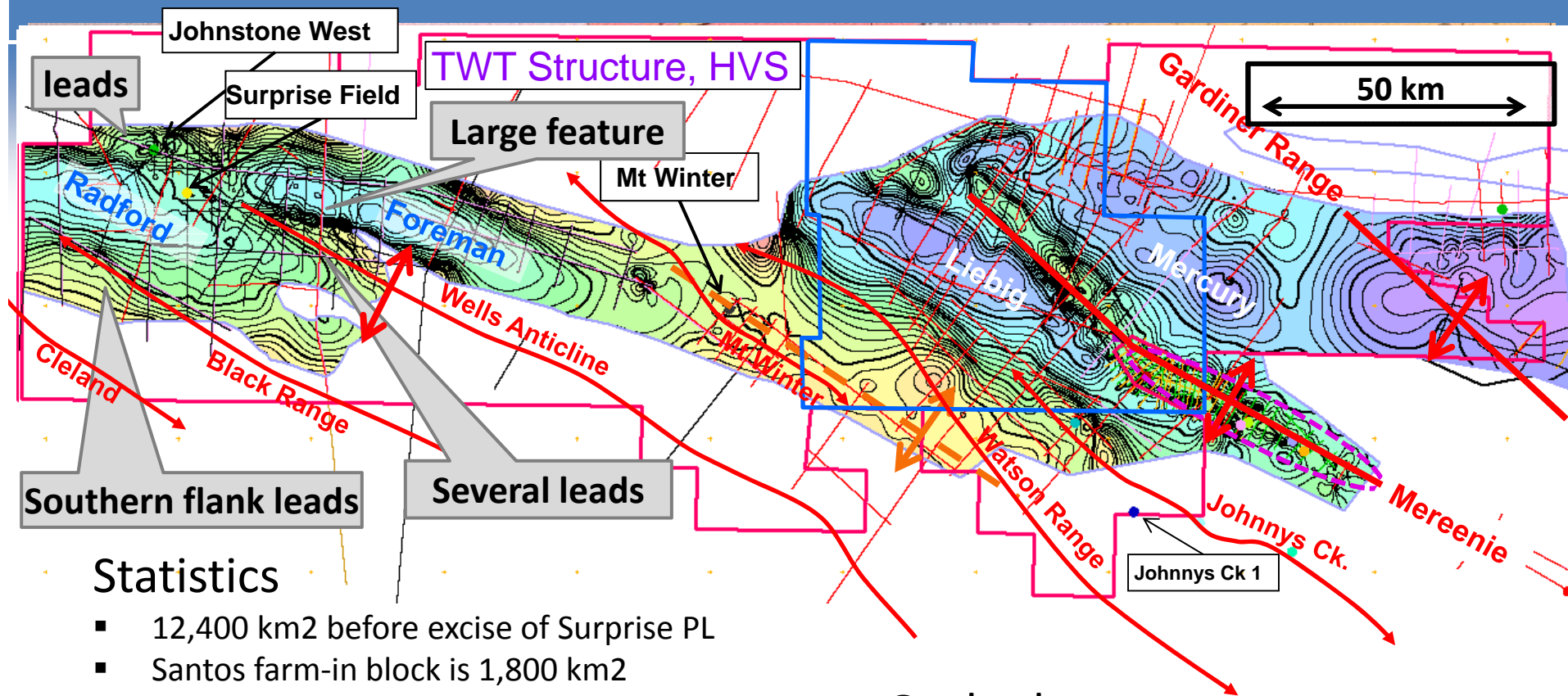


# Satellite opportunities; Dingo North, Dingo South?

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# EP-115; HVS and Pacoota conventional plays



## Statistics

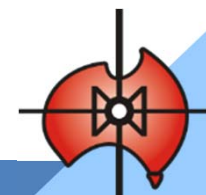
- 12,400 km<sup>2</sup> before excise of Surprise PL
- Santos farm-in block is 1,800 km<sup>2</sup>
- Surprise Production license is 929 km<sup>2</sup>

## Opportunity

- Proven charge, reservoir
- Sparse seismic, mapped trends → opportunities
- Multiple plays; structural, salt related, fractured

## Outlook

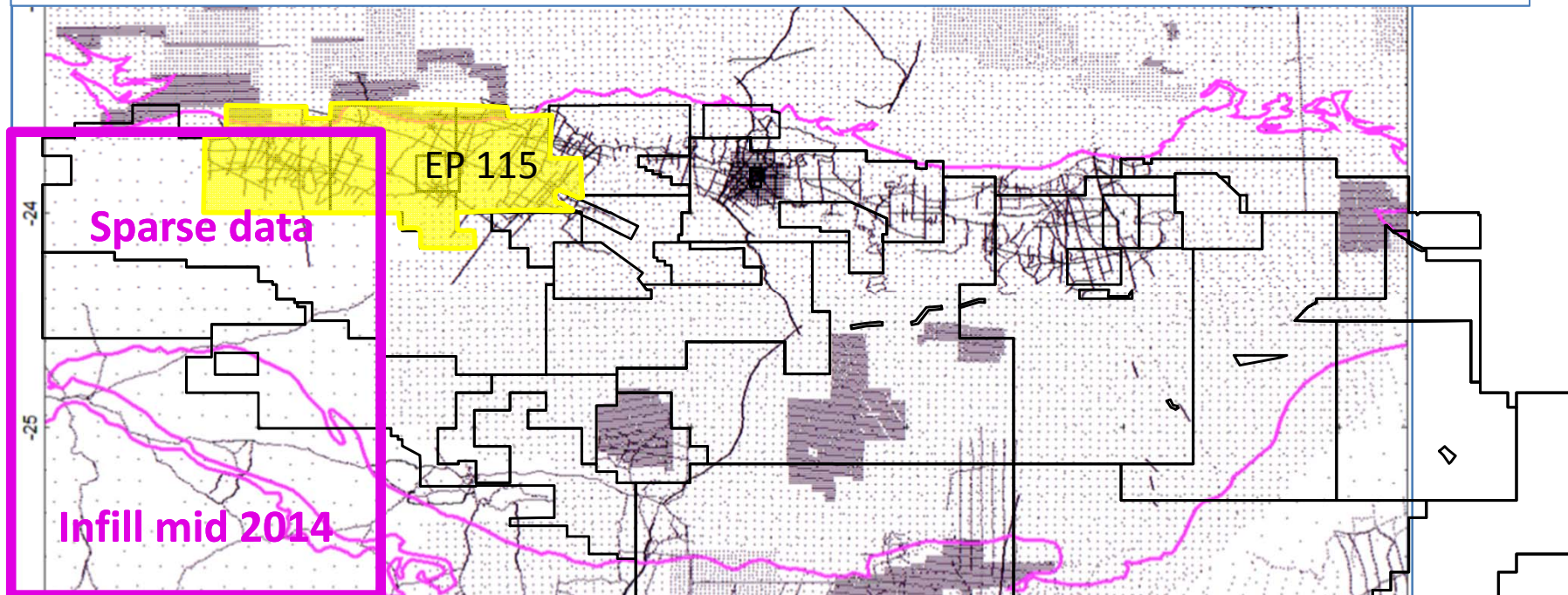
- Acquire & process gravity in 2014
- Interpret gravity & magnetics
- Acquire 2D seismic
- Drill





# Western Amadeus Basin – Frontier area

- Surprise 1 highlighted oil prospectivity of the sparsely explored western area consisting of EP 115, and EP application areas 111, 124, 133
- Many areas have sparse seismic coverage, with insufficient detail to propose drilling
- What can be done to explore such a large area efficiently?



## 1) Record gravity in 2014;

- DME will record gravity at 4 km stations
- CTP to infill gravity stations
- Integrate with magnetics, highgrade areas for seismic

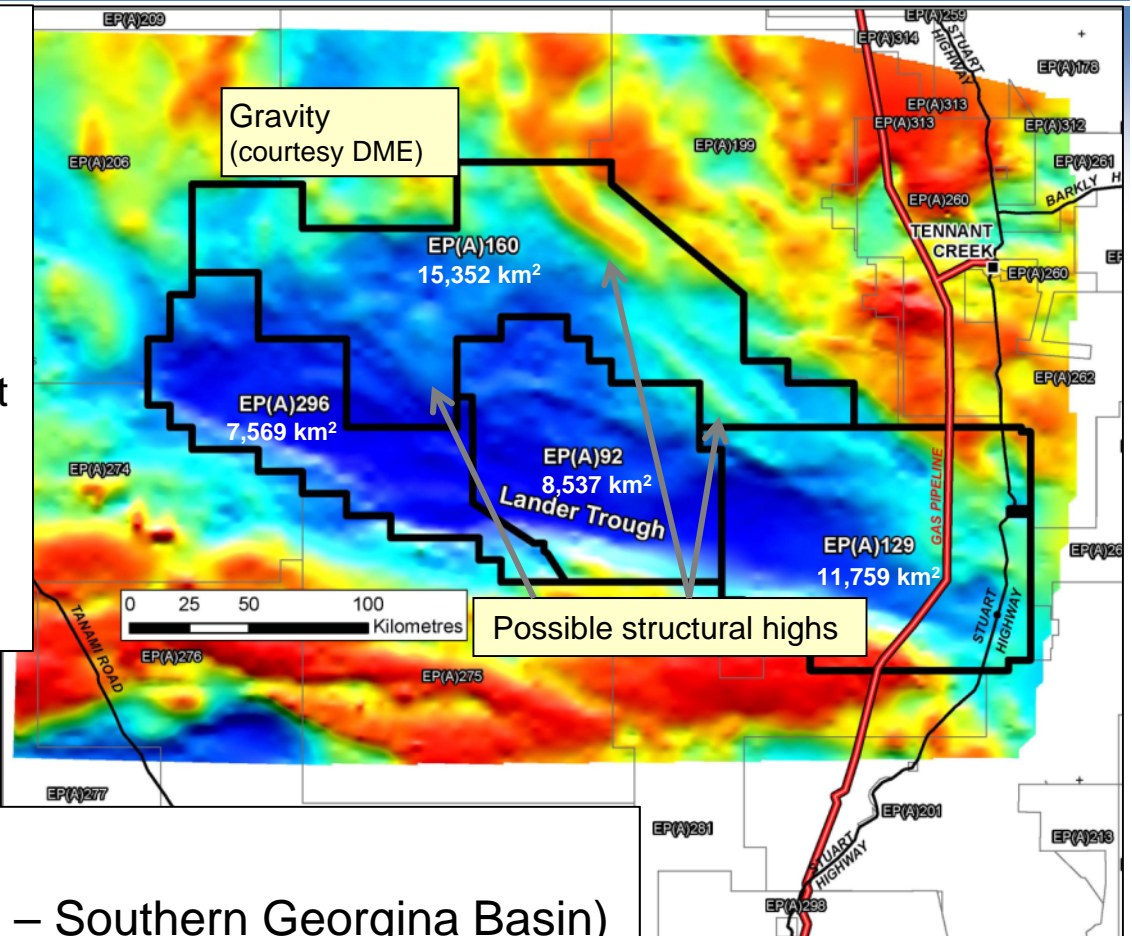
## 2) Extensive 2D seismic is then required;

- Reconnaissance to prospect scale
- Significant cost outlay in large frontier areas
- Use gravity, try to deploy seismic effectively

# Wiso Basin – conventional and unconventional

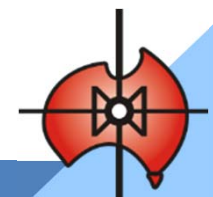
## Material growth opportunity

- Total area 43,217 km<sup>2</sup>
- Analogous geology to SGB
- Potential for conventional and unconventional plays
- New gravity data suggests structural trends, possible large traps, adjacent to trough and charge
- Overlain by pipeline with 3<sup>rd</sup> party access
- Surrounded by farm-in activity...



## Farm-ins around Wiso Basin;

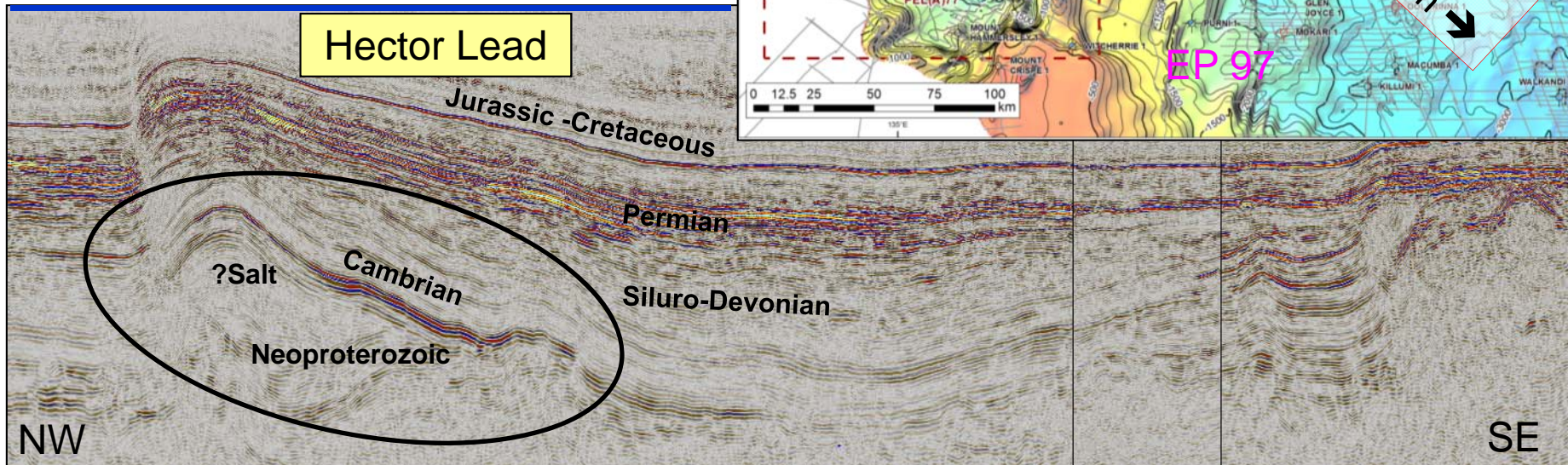
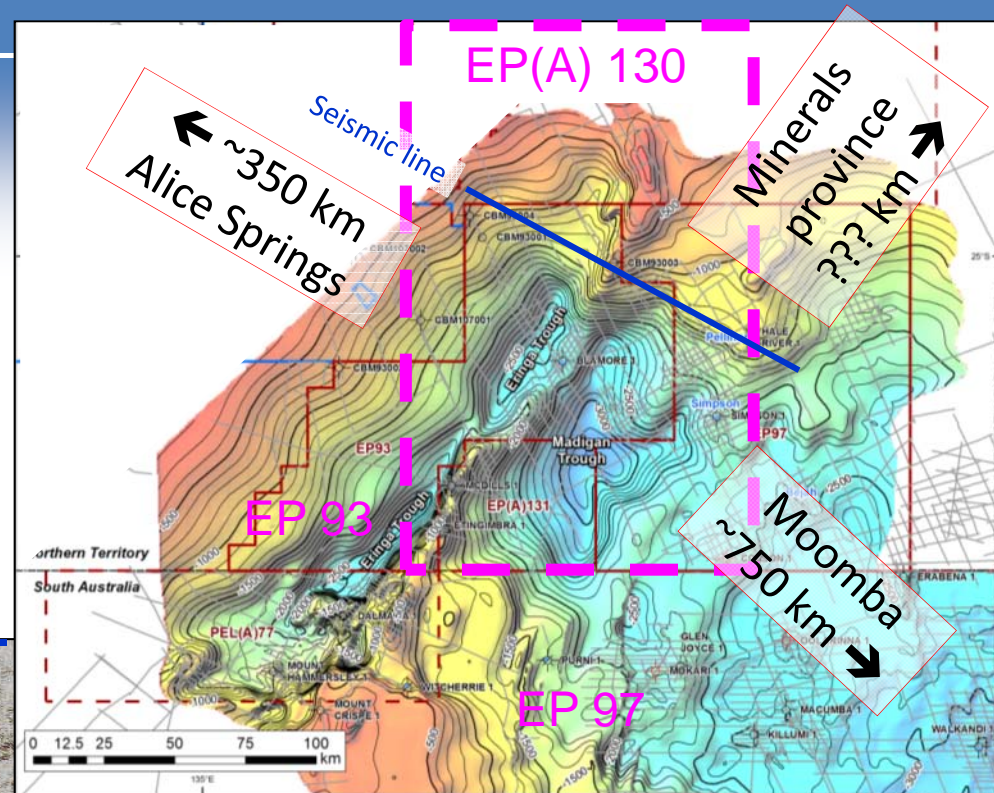
- Statoil into PetroFrontier (SGB – Southern Georgina Basin)
- Santos into Tamboran (McArthur River Basin)
- Total into Central Petroleum (SGB)



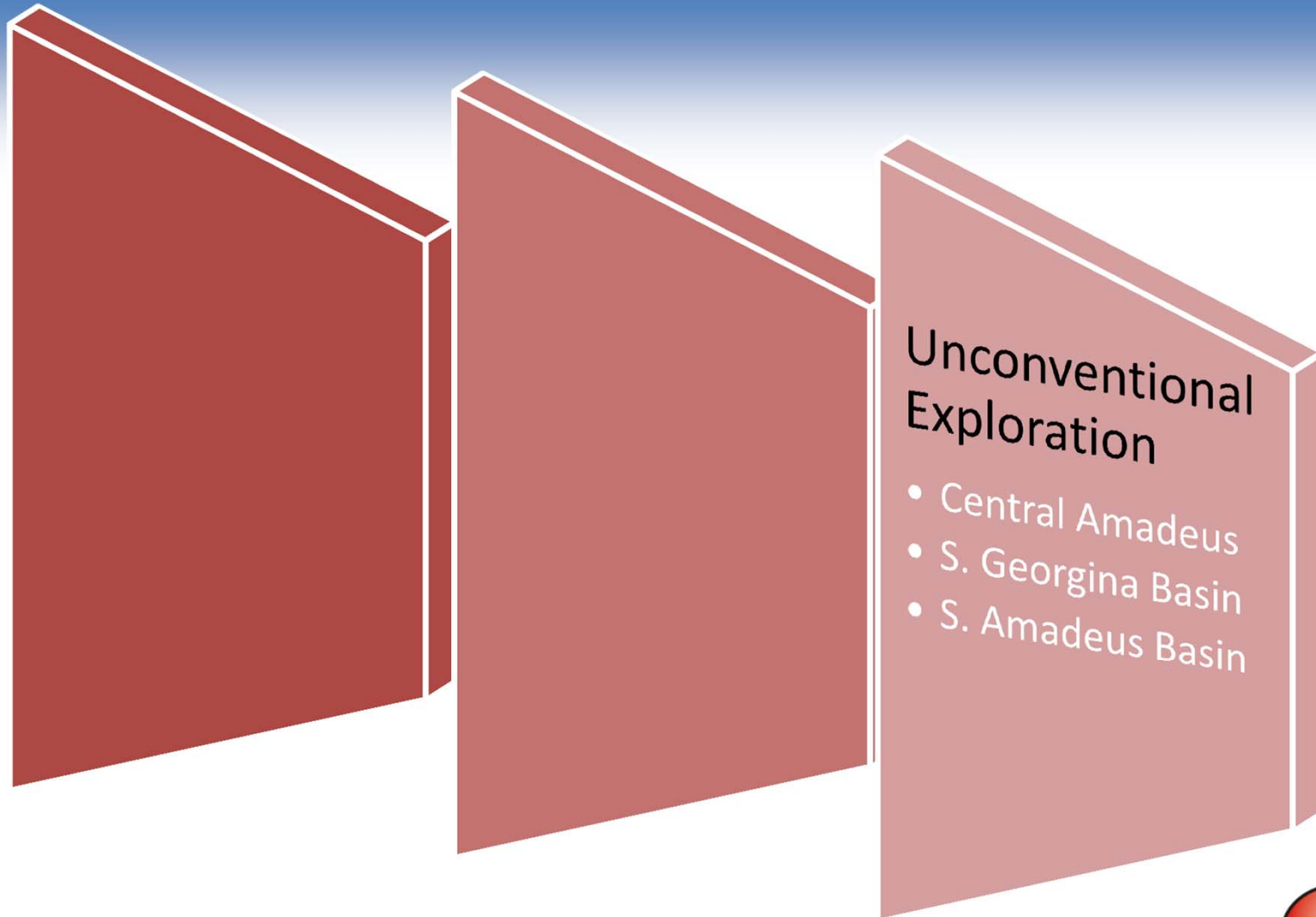


# Pedirka basin – shifting focus, rationalisation

- Large Cambrian features
  - Need more seismic
- Possible analogues
  - Dingo, Ooraminna gas discoveries
- Relatively shallow
- Size could justify pipelines to;
  - Alice Springs ~350 km
  - Moomba ~750 km
  - Commercial customers in the NT-QLD mineral province

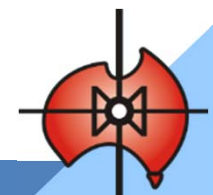
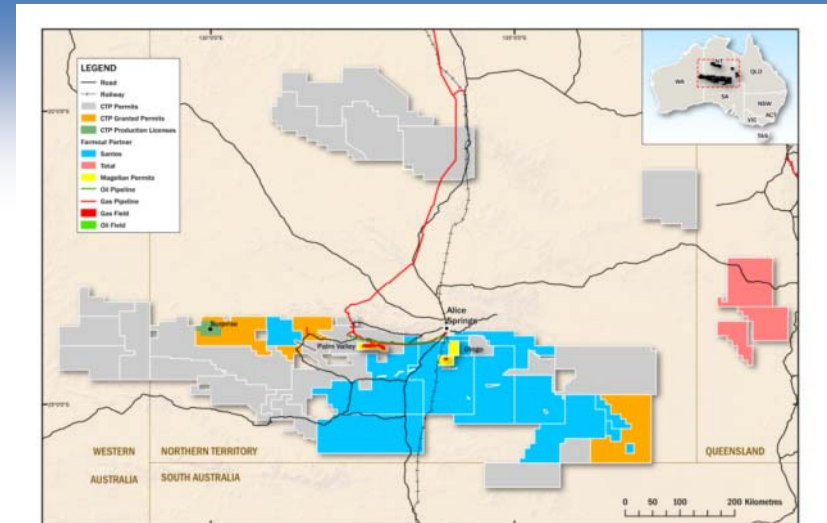


# Unconventional Exploration



# Unconventional Exploration Overview

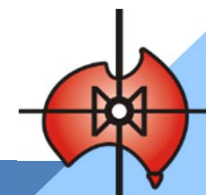
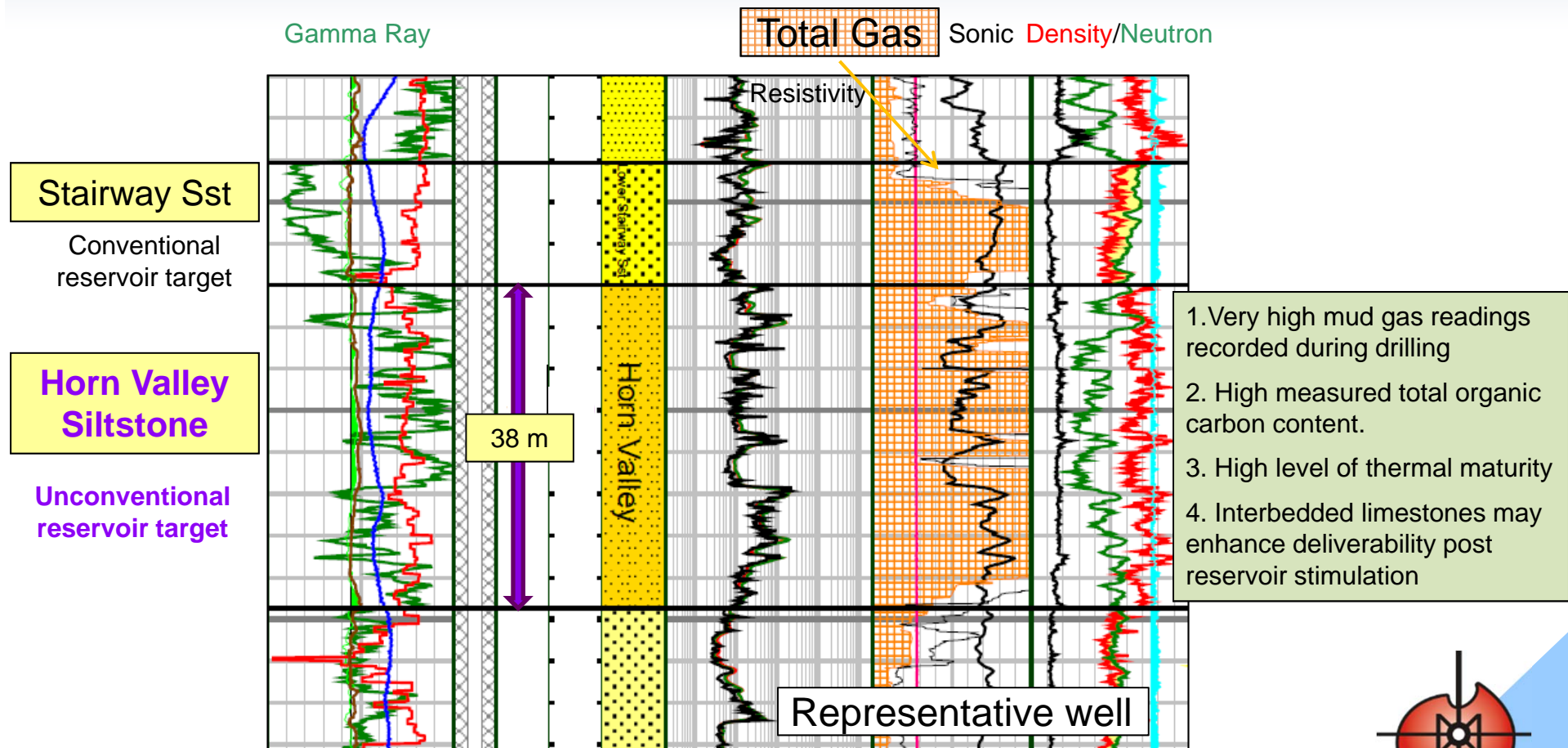
- >\$300M in exploration focussed on unconventional gas has already commenced across CTP's permits.
- CTP and JV partners Santos and Total are investing to unlock potentially vast gas reserves.
- CTP holds approximately 1/3 of its acreage on a 100% basis, including prime unconventional prospects within the Amadeus Basin.
- CTP's unconventional resources surround existing production assets and could underwrite an East Coast pipeline.





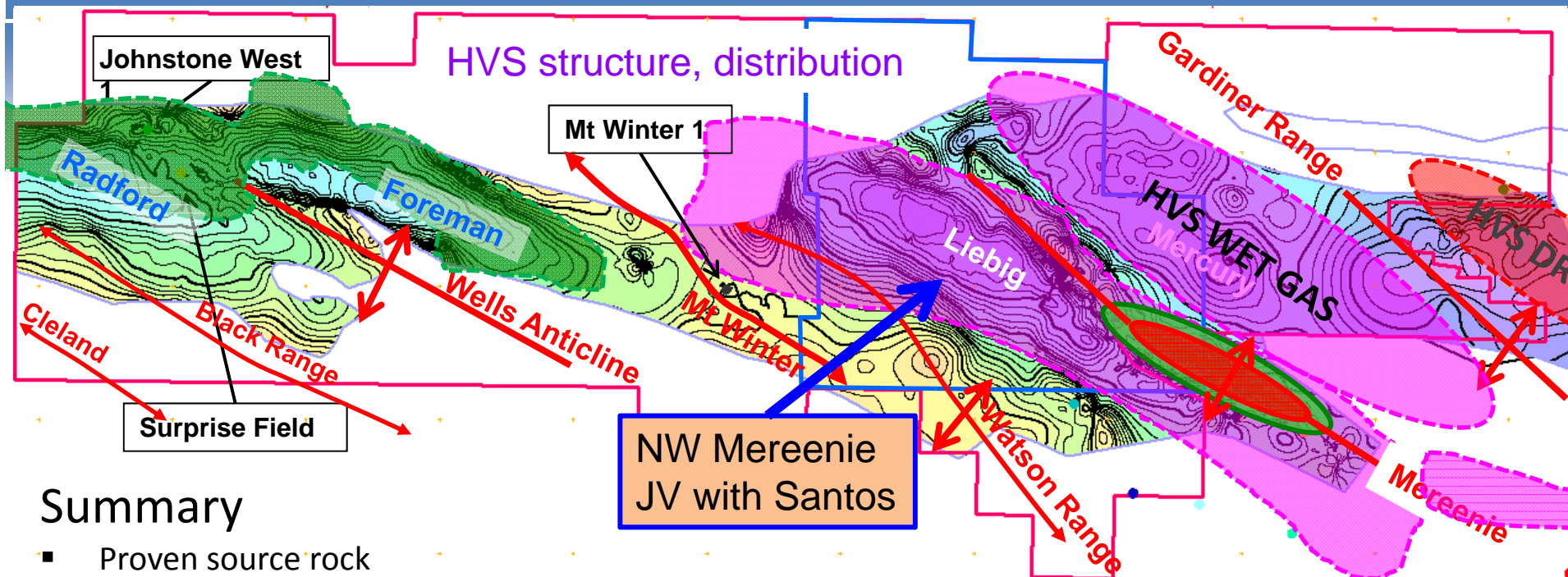
# Unconventional potential in the Amadeus Basin

The Horn Valley Siltstone is a proven source rock which charged Surprise, Mereenie and Palm Valley fields. Collection of more core data is required to evaluate these encouraging characteristics, and design a test program.



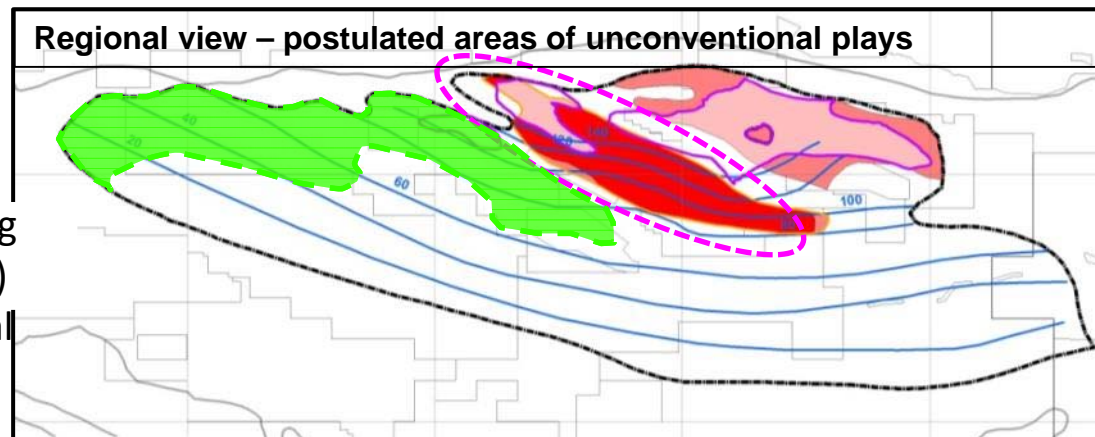
# EP-115; HVS unconventional play

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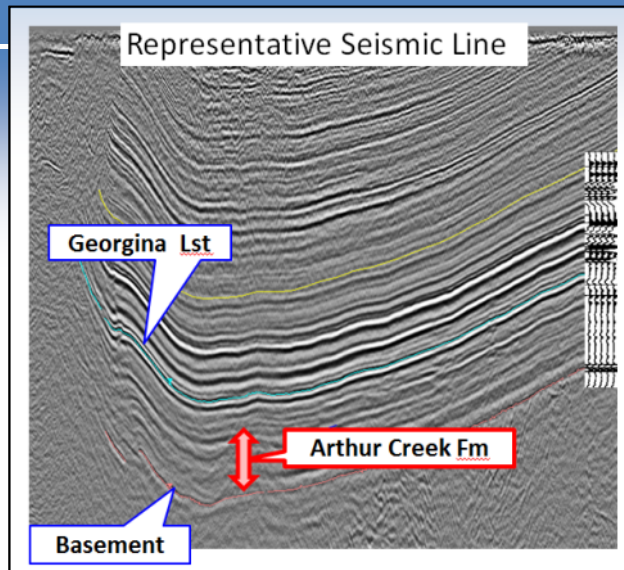


## Summary

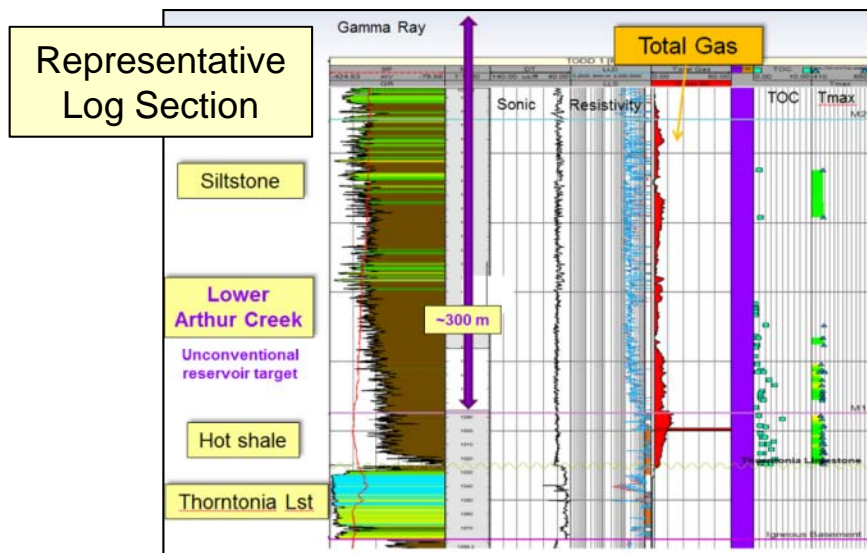
- Proven source rock
- Thickness trend established
- Varying maturity may open different play types in discrete areas
- Low-modest clay content and intercalated carbonates are encouraging
- Excellent mudlog shows (previous slide)
- Obtain cores whilst drilling conventional targets – to advance the play



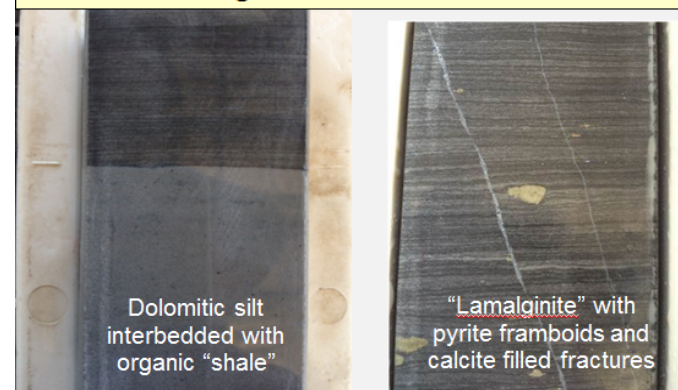
# Southern Georgina Basin - Highlights



- Joint Venture with TOTAL
  - Acquired 974 km 2D seismic in 2013
  - Processing and interpretation complete
- Drilling
  - Multiple well sites agreed
  - Rig and all major services contracts out to tender
  - Boulia support office secured
  - Drilling expected to commence in May 2014
- Targeting
  - Thick shales, wet-gas mature zones; potential for a large continuous resource
  - Full cores, desorption, geomechanical data

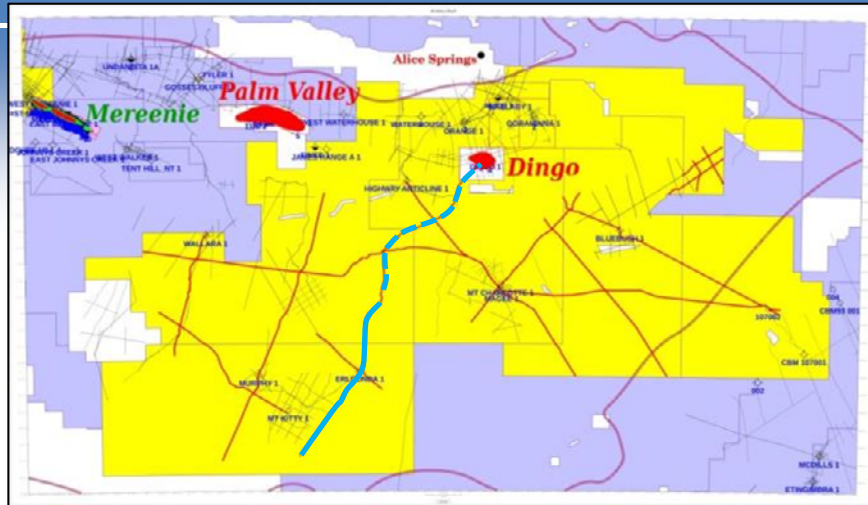


The shale target – Basal Arthur Creek Fm.

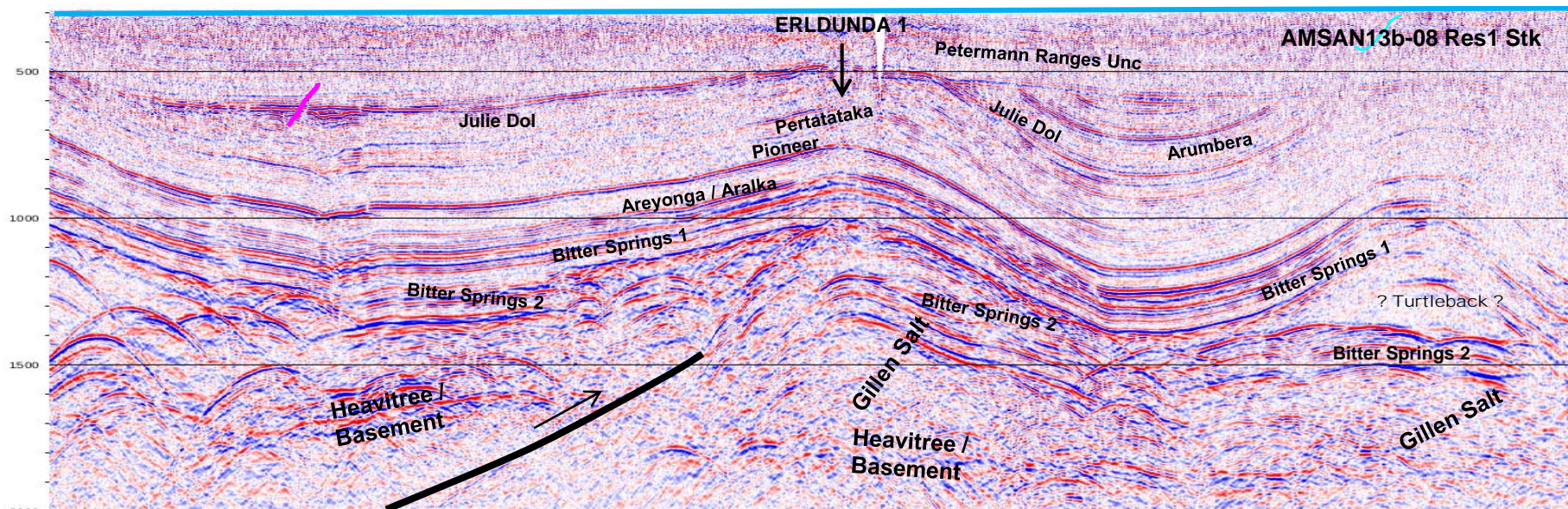




# Southern Amadeus Basin - Highlights



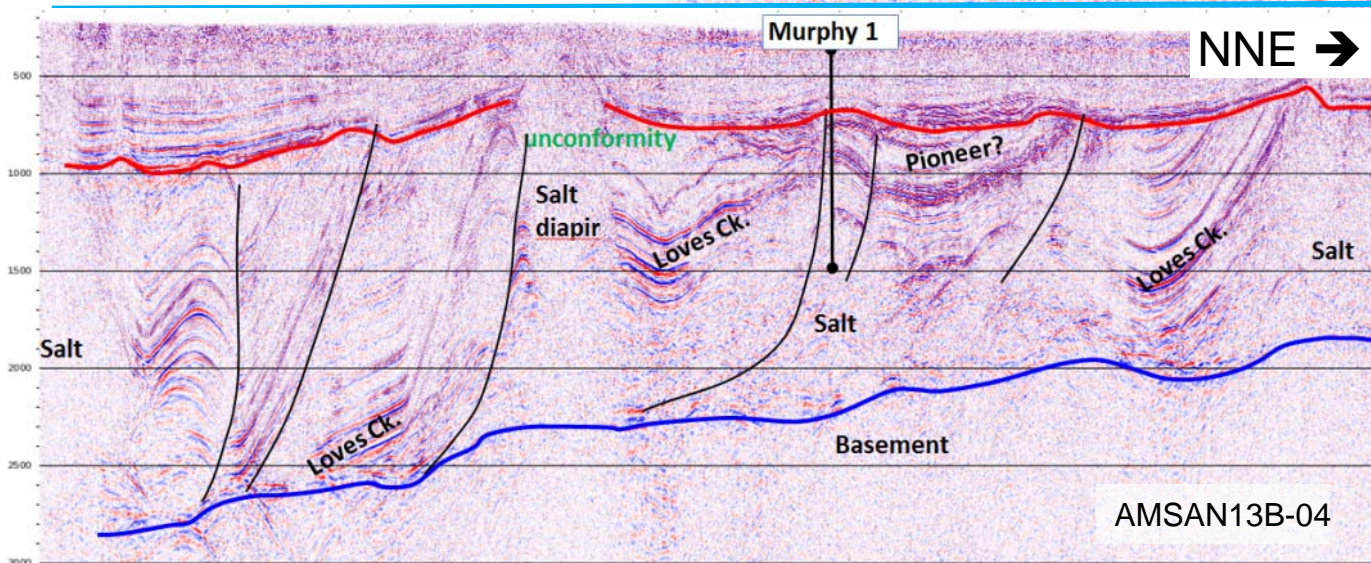
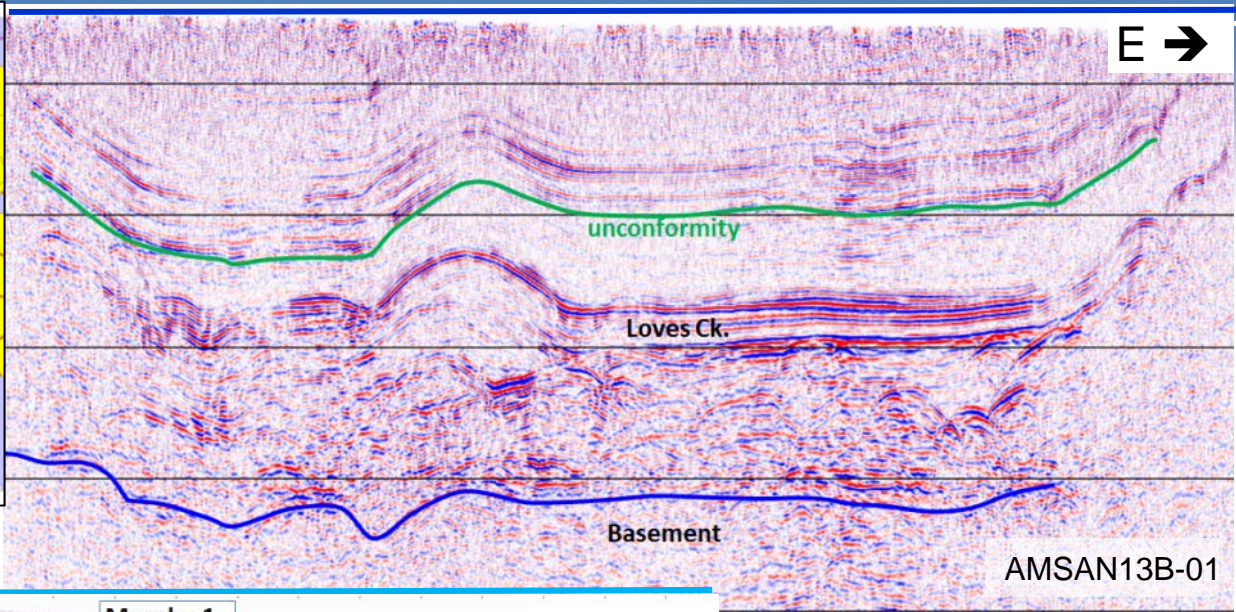
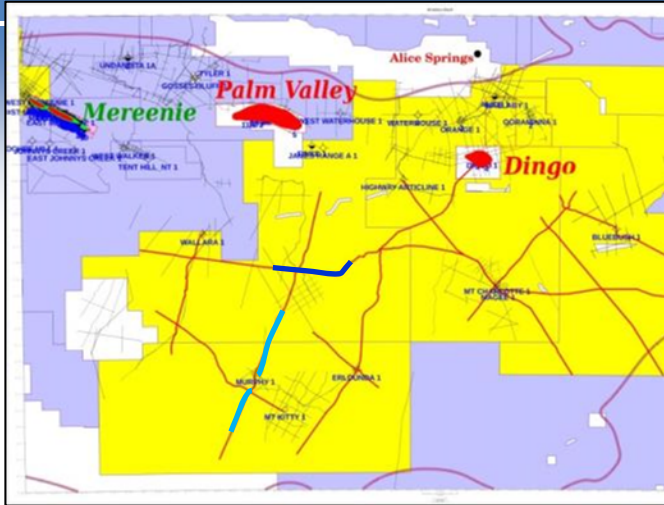
- Seismic
  - Acquired 1587 km 2D seismic
  - Exceeds permit year commitments
  - Processing near completion
- Drilling
  - Mt Kitty top hole complete, target section.
  - Spud date – *imminent*
- Targeting multiple play types;
  - Salt
  - Structural





# Southern Amadeus Basin - Highlights

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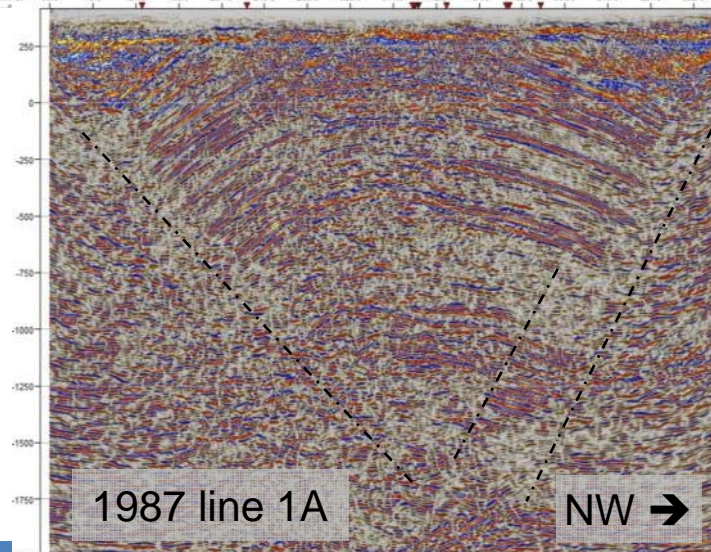
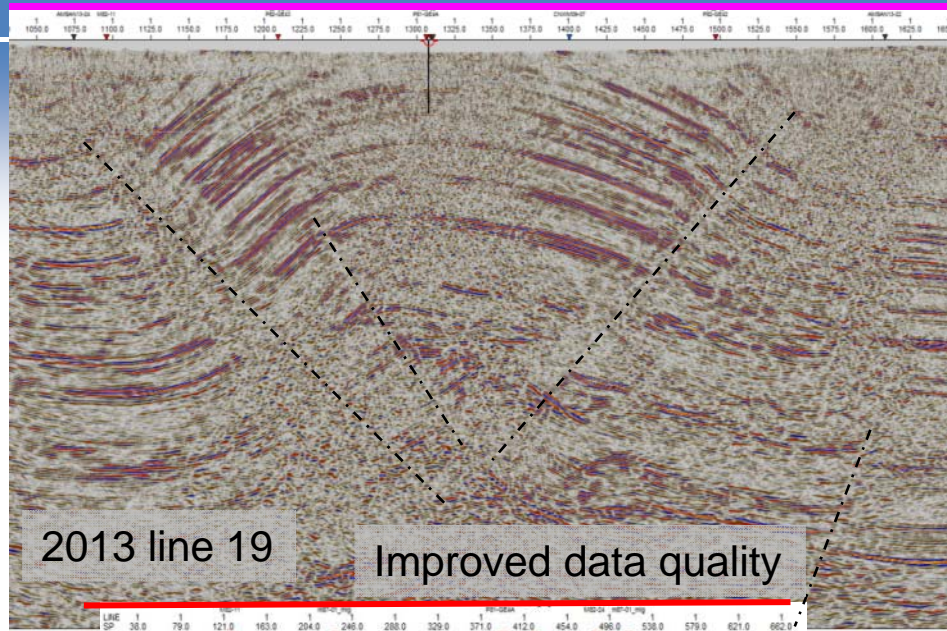
- ### Observations
- Very large area
  - Ties to existing wells are informative
  - Multiple play types
    - Salt
    - Structural
    - Fault related



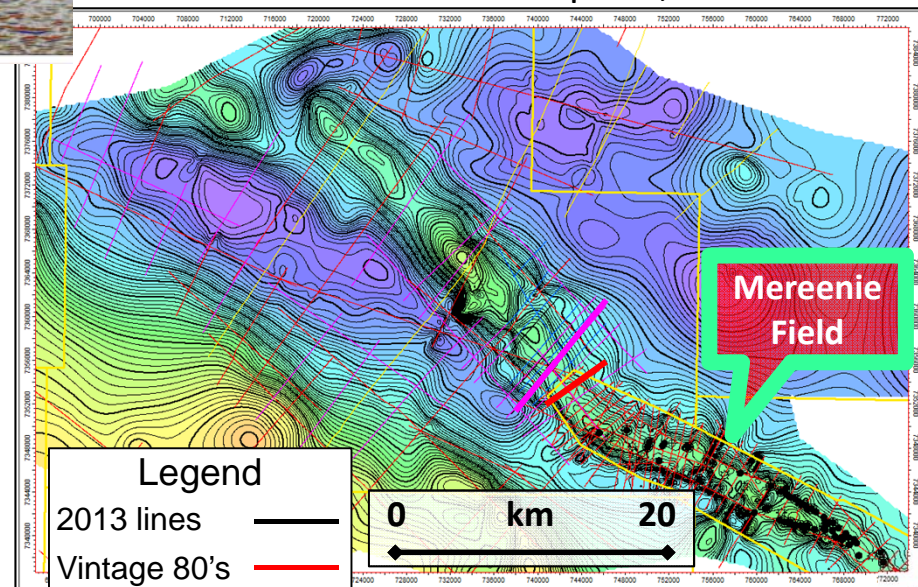


# Amadeus JV – NW Mereenie highlights

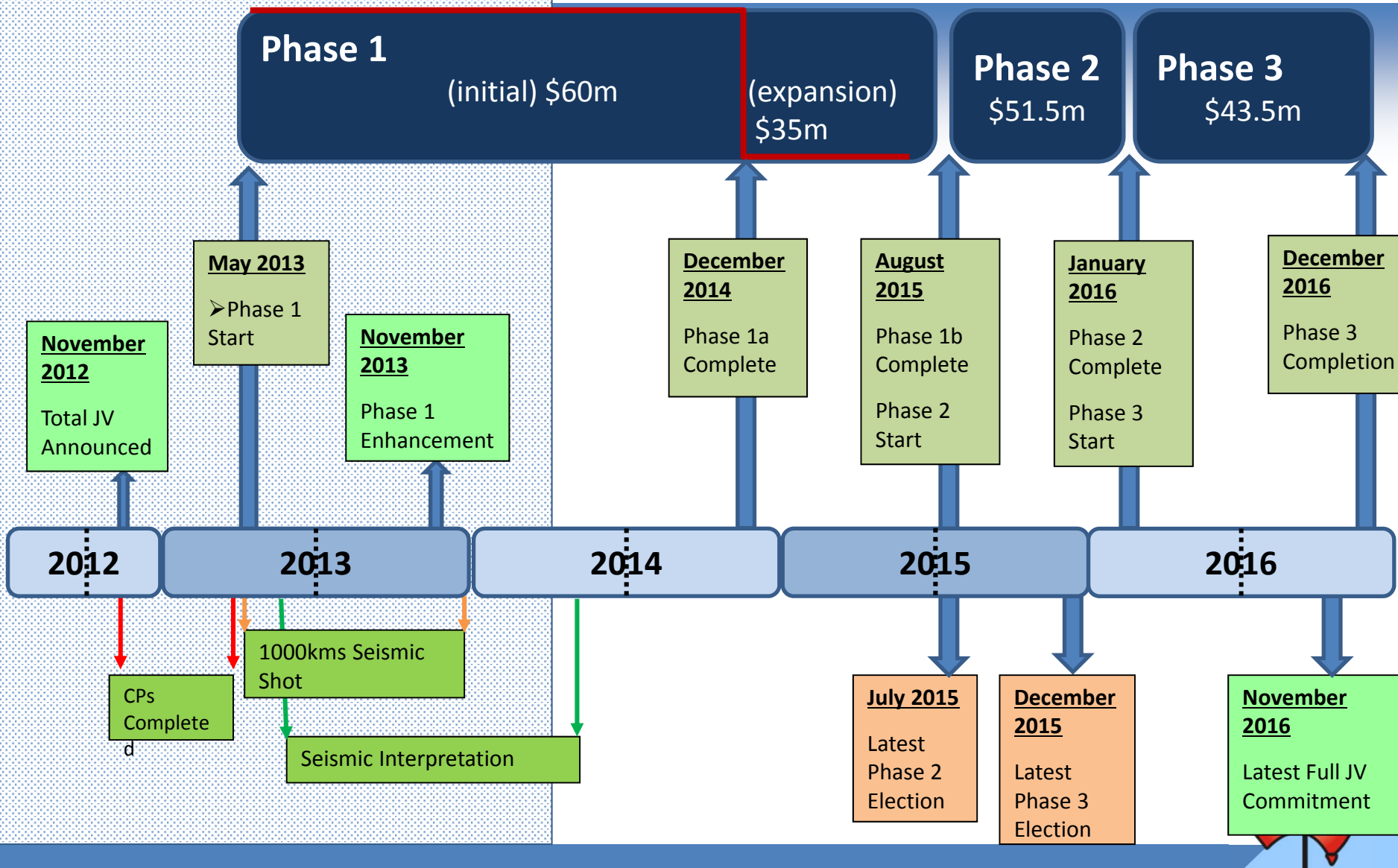
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- Permit activity
  - Acquired 327 km 2D seismic (commitment)
  - Processing near completion
- Targets
  - Unconventional – recognised target, likely inclusion in Santos' Mereenie 2014 drilling
  - Conventional – possible strat traps, noting Mereenie Field holds oil below spill point
- Drilling
  - Santos' one well option, farm-in Phase 2

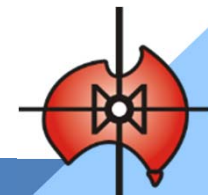
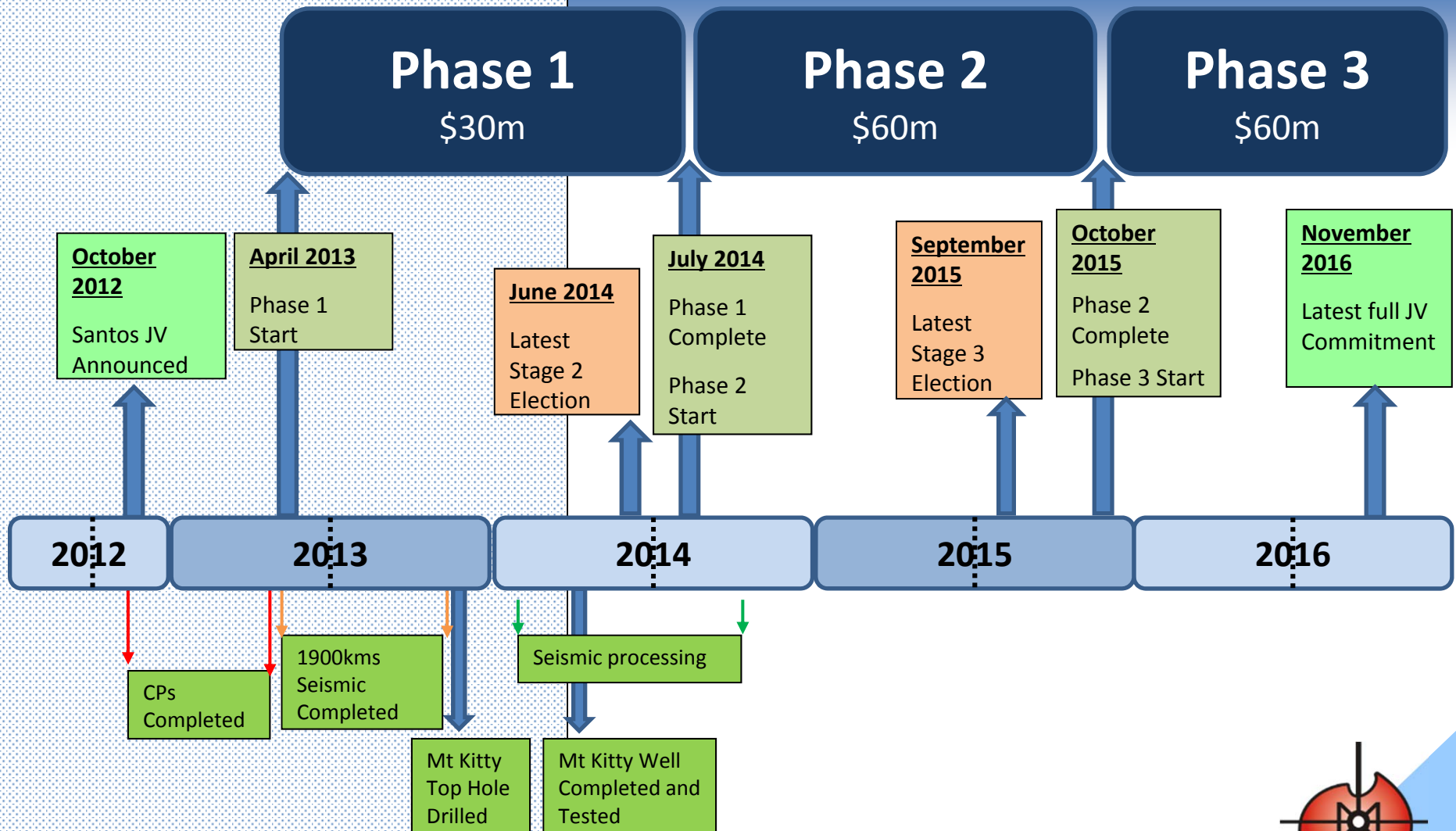


# S Georgina JV Update & Plan (up to US\$190M)

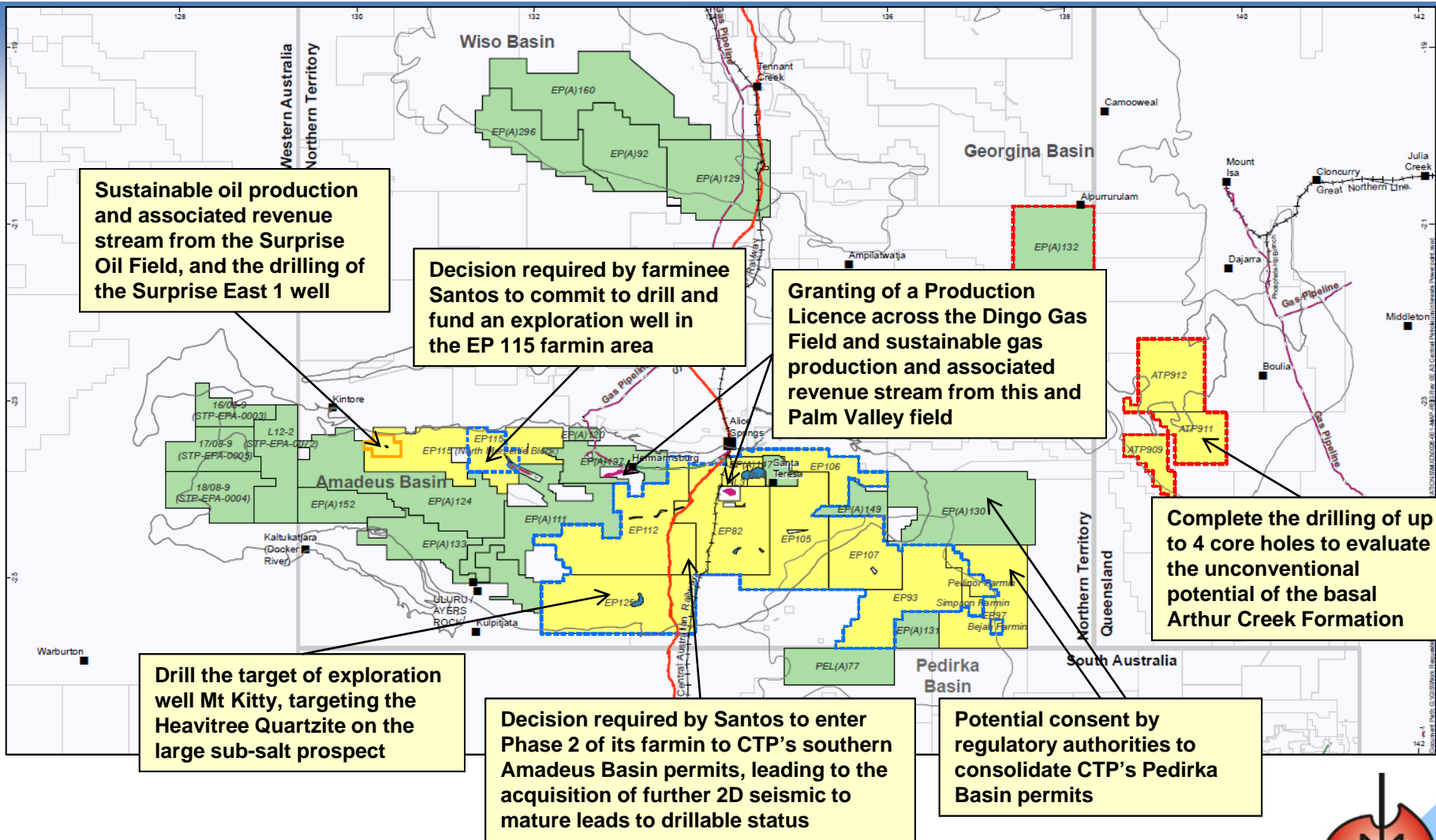




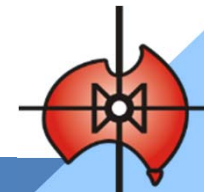
# Amadeus JV Update & Plan (up to A\$150m)



# Looking forward to 2014!



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# Contact Details



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