

OPERATIONS ACTIVITIES REPORT AND ASX APPENDIX 5B
for the Quarter Ended 30 September 2014



Rig on site at Gaudi-1

HIGHLIGHTS

- The Company began and ended the quarter with \$10.3 million in cash reserves despite payout to the former Managing Director and with no capital raising in the quarter;
 - COAG supports the Northern Territory Interconnect;
 - Southern Georgina Joint Venture begins two well unconventional exploration drilling programme with Whiteley 1 and Gaudi-1;
 - Central awarded Pipeline Licence for Dingo gas field;
 - Approximately 40km of high pressure composite pipeline from the Dingo Gas Field to Brewer Estate installed as part of the Dingo Development Project;
 - Dingo Development fully funded by debt - on time and on budget;
 - Surprise Oil Field averages 193 BOPD for quarter with 99.7% uptime – produced every single day; and
 - Santos commits to Stage 2 of Southern Amadeus Joint Venture.
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MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

This quarter was one in which the Company began to harvest the hard work commenced two years ago. With record exploration dollars being spent in our acreage the Company was able to finish the quarter with essentially the same amount of cash as it began. If it weren't for the payout occasioned by the judgment in the case involving the former Managing Director, we would have achieved a positive cash accumulation. The ructions of two years ago are now a matter of historical interest with all legal actions (including the defamation) having reached legal finality, with only the costs to be taxed remaining.

Two years ago the Company was in a daunting position, with renewals imminent and no inventory of leads and prospects. Since then, some \$70 million has been spent in our acreage and the Company has developed a Growth Acceleration Programme ("GAP") designed to close the gap between the fundamental value of the Company and its stock market value. With this in mind Central has devised its Growth Acceleration Programme with the aim of establishing 200PJ of gas reserves and the increasing of our oil reserves. This programme could not have been devised two years ago and it is a culmination of our technical understanding of our exploration assets.

At the upcoming Annual General Meeting (AGM) long standing director, Bill Dunmore, is not seeking re-election and the Company will miss his contribution to the Board. Mike Herrington who began his journey with Central as a Non-Executive Director stepped into the breach occasioned by the departure of the previous Chief Operating Officer and has worked tirelessly and efficiently to transform the Company in his executive capacity. Mike has elected to not seek re-election to the board at the AGM and focus on operations. This will bring the total number of the board to six, including the Managing Director.

Whilst the Company remains committed to oil exploration and production, including full development of the Surprise oil field, it is clear that, geologically speaking, nearly two thirds of Central's acreage is gas prone rather than oil prone. Given this, the Company believes that creating a market for the majority of its acreage is a priority. The recent COAG support for a Northern Territory pipeline to alleviate the shortage of gas on the Eastern Seaboard is one avenue that potentially creates such a market. If this were to be accompanied by a National Balancing Point at Moomba creating a deep and transparent market, thereby eliminating the enormous barriers to entry for new gas producers and could provide an enormous boost for the nation, the industry and Central Petroleum.

Our Surprise oil field has disappointed in terms of production however a combination of focused cost control and achieving over 99% uptime (meaning it produced on every day of the quarter), a significant achievement given the isolation of the field, has ensured that the field has remained cash flow positive despite falling oil prices. The permanent facilities are now being installed and the location and design of Surprise East exploration/appraisal well have been finalised. During the quarter Santos committed to Stage 2 of the Southern Amadeus Joint Venture. The Dingo pipeline licence was awarded and the Dingo Development remains on time and on budget, being funded wholly by debt.

The drilling phase of the Southern Georgina Joint Venture (SGJV) for unconventional gas play commenced this quarter with Whiteley 1 and Gaudi-1. At Gaudi-1 over 182 meters of cores (over 27 cores) have been cut (subsequent to the end of this quarter). All of the cores are desorbing (releasing) gas which is encouraging. The recent \$6 million raise completed in October (which therefore does not appear in the quarterly) ensures that the Company presently has sufficient cash to meet its commitments under Stage 1A of the SGJV.

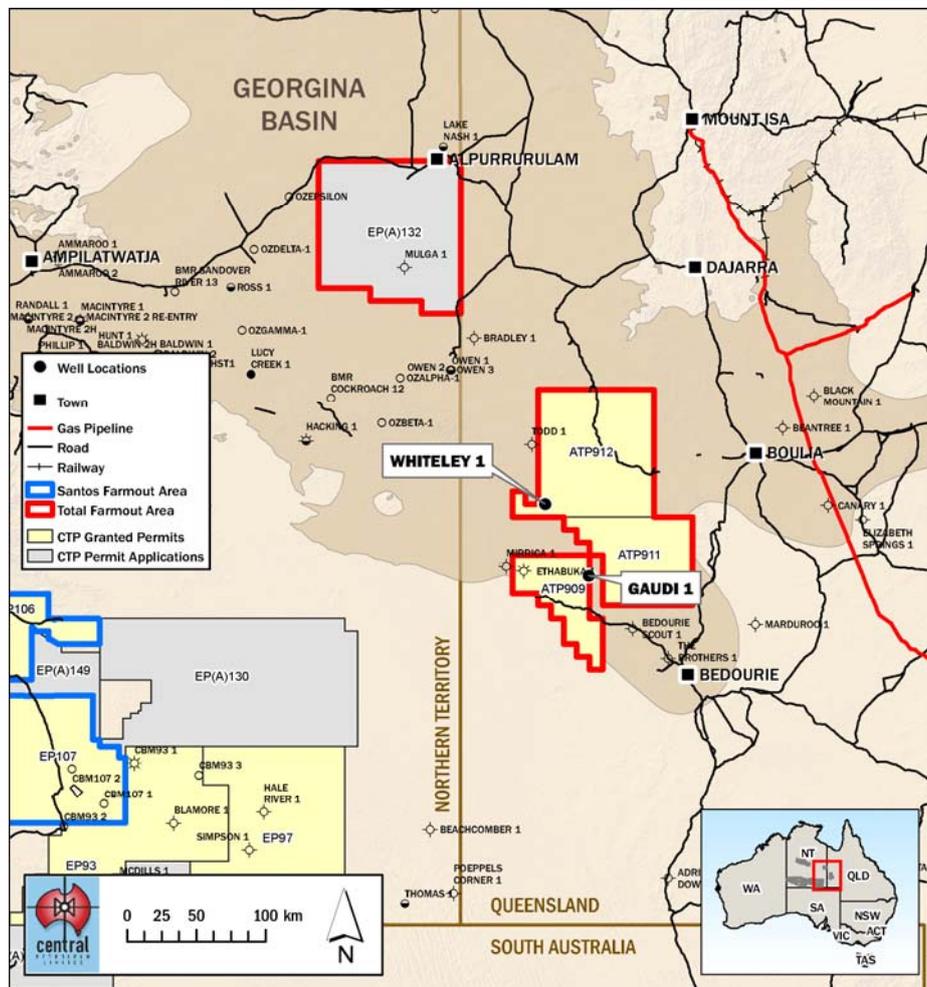
REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (“THE QUARTER”)

ATP909, ATP911 and ATP912, Southern Georgina Basin – Queensland (Joint Venture between CTP - 90% interest [Operator] and Total – 10% interest [earning])

Drilling commenced in ATP912P on 20 July 2014 with the spudding of the exploration well Whiteley-1 targeting the unconventional gas potential of the Lower Arthur Creek Formation. Drilling was curtailed at a depth of 1141mRT due to operational difficulties and the well was suspended on 2 September 2014 for later re-entry and drilling to target which is prognosed at a depth of 1609mRT.

Drilling commenced in ATP909P on 14 September 2014 with the spudding of Gaudi-1 likewise targeting the unconventional gas potential of the Lower Arthur Creek Formation.

Drilling costs in respect of Whiteley-1 and Gaudi-1 were largely met by Total under the terms of a farm-in agreement with Central.



Santos Stage 2 Farmout

On 31 July 2014, Santos elected:

- to proceed to Stage 2 of an amended Southern Amadeus Joint Venture. As a result Central will be free carried through a 1300km 2D seismic program over permits within the Southern Amadeus Joint Venture area;
- not to proceed to Stage 2 in relation to the EP115 Farmin area but retains its 40% working interest and operatorship;
- not to take up the option of acquiring a working interest in RL3 and RL4 over Ooraminna. The structure was drilled by Ooraminna-2 in 2010 which flowed gas at sub-commercial rates from the Pioneer Sandstone on test 2010; and
- not to proceed as a joint venture in the Pedirka Basin EP93 and EP97.

Southern Amadeus Area	Total Santos Participating Interest after completion of Stage 1	Total Santos Participating Interest after completion of Stage 2
EP82	25%	40% (ie additional 15% earned)
EP105	25%	40% (ie additional 15% earned)
EP106	25%	40% (ie additional 15% earned)
EP107	25%	40% (ie additional 15% earned)
EP112	25%	40% (ie additional 15% earned)
EP(A)147	25%	40% (ie additional 15% earned)

EP 125 – Northern Territory

(CTP-30% interest, Santos [Operator]-70%interest [earning])

Mt Kitty Exploration Well

(Central is free carried for this well under the Santos farm-in arrangements)

The exploration well Mt Kitty-1 was re-entered on 23 August 2014, and a comprehensive logging program was completed which confirmed that the Heavitree Sandstone was absent in the well, and that gas flows in the well reported earlier emanated from fractures in granitic basement. The well has been suspended for possible later re-entry and further evaluation.

Other Exploration Areas

No significant developments occurred in the company's Wiso Basin and Pedirka Basin areas during the reporting period. In the Amadeus Basin, the company funded infill gravity in EP115, and in the application areas to south and west.

Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory
(CTP - 100% Interest)

During the Quarter, approximately 40km of high pressure composite (HDPE and glass reinforced epoxy) pipeline was installed from the Dingo Field to Brewer Estate. Subsequent to the authority to clear and grade earthworks on both the pipeline and facility sites are well advanced.

The Dingo Gas Field Development, which is being funded under a \$30 million tranche of the loan facility agreement with Macquarie Bank, comprises construction of wellhead facilities, gathering pipelines, gas conditioning facilities, a 50km (40km composite; 10km steel) gas pipeline to Brewer Estate in Alice Springs, compression and custody transfer metering facilities, and is designed to service a gas sale contract with Power and Water Corporation of the Northern Territory.

The progressing of the site works for this strategic pipeline is a major milestone and signifies the start of the Company being a significant player in the Northern Territory gas market. Over time Central looks forward to playing an important role in inter-connecting Central Australia to the eastern seaboard gas network, possibly through Moomba.

First gas sales to Power and Water Corporation in Alice Springs are expected to commence in the first half of 2015.

Palm Valley Gas Field (OL3) – Northern Territory
(CTP - 100% Interest)

The sales nominations received since May 2014 have continued at the acquisition economics levels of around 100,000GJ per month. With a successful transition of operatorship having been completed, Central has conducted field investigation of the geology of Palm Valley for further opportunities and for any efficiency gains that can be garnered from operations.

The Company has identified a range of optimisation and market strategies that could materially enhance the profitability of the Palm Valley and Dingo fields.

Surprise Production Licence (L6) – Northern Territory
(CTP - 100% Interest)

The Surprise West well averaged 193 bopd during the quarter and currently continues to produce around 180 bopd which is below initial expectations but remains a valuable cash-flow contribution to the Company. Central is actively pursuing market opportunities for domestic use whilst also concentrating on obtaining efficiencies in its transportation costs.

A decision on the timing of drilling the Surprise East will be made after fully analyzing the production history of Surprise West.

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 SEPTEMBER 2014

Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 93	Pedirka Basin NT	Central	100	100		
EP 97	Pedirka Basin NT	Central	100	100		
EP 105**/**	Amadeus/Pedirka Basin NT	Santos	75	60	Santos	40
EP 106**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 107**/**	Amadeus/Pedirka Basin NT	Santos	75	60	Santos	40
EP 112**/**	Amadeus Basin NT	Santos	75	60	Santos	40
EP 115 (excl.North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 (North Mereenie Block) **/**	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125 **/**	Amadeus Basin NT	Santos	30	30	Santos	70
OL3	Amadeus Basin NT	Central	100	100		
L6	Amadeus Basin NT	Central	100	100		
L7	Amadeus Basin NT	Central	100	100		
RL3*	Amadeus Basin NT	Central	75	100		
RL4*	Amadeus Basin NT	Central	75	100		
ATP 909 **	Georgina Basin QLD	Central	90	90	Total	10
ATP 911 **	Georgina Basin QLD	Central	90	90	Total	10
ATP 912 **	Georgina Basin QLD	Central	90	90	Total	10

Permits and Licences under Application

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111	Amadeus Basin NT	Central	100	100		
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124	Amadeus Basin NT	Central	100	100		
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131	Pedirka Basin NT	Central	100	100		
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	Santos	75	60	Santos	40
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		
PELA 77	Pedirka Basin SA	Central	100	100		

Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 30	Amadeus Basin NT	Central	100	100		

* in line with the Company's announcement of 31 July 2014, a 100% beneficial interest is in favour of certain wholly owned Company subsidiaries for EP93, RL3 and RL4 with registered interests to follow in the normal course.

** Santos' and Total's right to earn and retain participating interests in the permit is subject to satisfying various obligations in their respective farmout agreement. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.

*** in line with the Company's announcement of 31 July 2014, an additional 15% beneficial interest is in favour of Santos with registered interests to follow in the normal course.

CORPORATE

Cash Position

The Company began the Quarter with \$10.3 million in cash and at 30 September 2014 continued to hold \$10.3 million. Both cash positions inclusive of the Company's share of cash held in Joint Venture bank accounts.

The \$10.3 million at 30 September 2014 includes \$2.5 million received from Macquarie Bank at quarter end which was subsequently used to pay costs associated with the Dingo Project. Interest on the Macquarie facility was capitalised during this period.

Cash received from oil and gas sales for the Quarter totalled \$4.1 million. Receivables at 30 September 2014 were \$1.0 million with the cash received in October 2014. During the Quarter the Company drew down \$6 million from its financing facility with Macquarie Bank Limited. Interest and other income totalled \$0.1 million during the Quarter.

Cash investment outflows for the Quarter totalled \$5.1 million. This mainly related to expenditure on the Dingo development of \$5.7 million offset by contributions received from Joint Venture partners of \$0.6 million.

Cash Operating outflows for the Quarter included \$2.0 million of production costs, \$2.3 million of exploration and administration costs and \$0.6 million legal case settlement.

The Company continues to maintain its fiscally prudent approach to cost management.

Issued Securities of the Company

At 30 September 2014 the Company had 348,718,957 ordinary shares on issue and 78,861,950 unlisted options exercisable at various prices and with various expiry dates.

During the quarter the Company announced it had agreed to place 20,000,000 shares at \$0.30 per share with institutional investors in Australia and Hong Kong raising \$6,000,000 to fund its gas exploration programme and normal company expenses. Monies were received after the quarter.

Richard Cottee



Managing Director

30 October 2014

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General Legal Disclaimer

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 announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

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 its subsidiaries and each of their agents, directors, officers, employees, advisors and consultants 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) "forecast", "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.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Central Petroleum Limited

ABN

72 083 254 308

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	4,134	4,134
1.2 Payments for (a) exploration & evaluation (b) development [see 1.8(d)] (c) production (d) administration (e) settlement of legal case	(417) (2,094) (1,932) (598)	(417) (2,094) (1,932) (598)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	42
1.5 Interest and other costs of finance paid	(90)	(90)
1.6 Income taxes paid	-	-
1.7 (a) Other income (b) R&D refunds	60 -	60 -
Net Operating Cash Flows	(895)	(895)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) development & other fixed assets	- (5,686)	- (5,686)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Contributions from Joint Venture Partners	602	602
1.11 Loans repaid by other entities	-	-
1.12 Other – redemption/(lodgement) of security bonds	(47)	(47)
Net investing cash flows	(5,131)	(5,131)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(6,026)	(6,026)
Cash flows related to financing activities			
1.14	Proceeds (net) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	6,000	6,000
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	6,000	6,000
	Net increase (decrease) in cash held	(26)	(26)
1.20	Cash at beginning of quarter/year to date	10,330	10,330
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	10,304	10,304

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	401
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Comprises directors fees, salaries of executive directors and consulting fees paid to directors or director related entities.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	18,426	31,574
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter (*)

(*) before estimated cash inflows from Operations

	\$A'000
4.1 Exploration and evaluation (net)	1,501
4.2 Development (**) funded by Macquarie Finance Facility	11,108
4.3 Production expenses (*) before forecast revenue generated from oil and gas activities	2,732
4.4 Administration	1,200
Total	16,543

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,048	2,739
5.2 Deposits at call	500	3,809
5.3 Bank overdraft	-	-
5.4 Joint arrangements	2,253	1,590
5.5 Debt funding account (**) funded by Macquarie Finance Facility	2,502	2,192
Total: cash at end of quarter (item 1.22)	10,303	10,330

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Changes in interests in petroleum and mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in petroleum and mining tenements relinquished, reduced or lapsed	See Ops Report for Detailed List of Tenements Held		
6.2	Interests in petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	348,718,957	348,718,957	

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Appendix 5B
Mining exploration entity quarterly report

7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Increases through conversion of options	-	-	-	-
	(c) Decreases (details)				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	Options (description)			<u>Exercise price</u>	<u>Expiry date</u>
	- Listed	-	-	-	-
	- Unlisted	79,081,750	-	Various	Various
7.8	Issued during quarter				
	- Unlisted	220,000	-	\$0.40	15 November 2015
7.9	Exercised during quarter				
	- Unlisted	-	-	-	-
7.10	Cancelled during quarter (all expiries)				
	- Unlisted	-	-	-	-

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Appendix 5B
Mining exploration entity quarterly report

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does ~~/does not*~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here:Date: 30 October 2014
 (Joint Company Secretary)

Print name:Joseph Morfea.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.

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