Central Petroleum Limited
(ASX:CTP)

CLOSING THE GAP
(Gas Acceleration Programme)
Mitigating the Australian Energy Crisis

“Never let a good crisis go to waste”
– Churchill

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES
PROJECT LOCATIONS

- MEREENIE 50%
- PALM VALLEY 100%
- OORAMINNA 100%
- DINGO 100%
THE STORY SO FAR

Preparatory work on Gas Acceleration Programme ("GAP") aimed at a low-risk cost-effective drilling programme with the objective of substantially increasing our potential sales gas available for the east coast.

Oct 2013
Board Meeting - Adoption of GAP strategy

The Board took the view that there was to be a major downward correction in oil prices and a looming domestic correction in oil prices and a looming domestic gas shortage in 2018-2019

March 2014
Central acquires Palm Valley / Dingo

Prioritised the purchase of existing gas assets leading to the acquisition of Palm Valley and Dingo

Aug 2014
COAG endorses NEG1, ACCC Inquiry, and Productivity Commission Review

The Board’s Thesis of a domestic gas shortage was corroborated by the Productivity Commission Inquiry

Central participated in inquiry

April 2015
Dingo Development commissioned

Dingo Development (well head and pipeline gathering facilities, gas conditioning facilities, 50km pipeline to compression and other facilities at Brewer Estate in Alice Springs) completed, on time and in budget

June 2015
Central announces acquisition of 50% interest in Mereenie

Sept 2015
Mereenie acquisition completed

Nov 2015
Jemena awarded NGP

NT government awarded Jemena the right to build, own and operate the Northern Gas Pipeline ("NGP") – Tennant Creek to Mt Isa – in November 2015

Central allocated resources to causing the Northern Territory to be interconnected to the east coast by gas pipeline
THE STORY SO FAR (CONT.)

Closing the GAP still to come...

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCC Inquiry released</td>
<td>Gas Sale and Pre-purchase announced</td>
<td>COAG Commission Vertigan</td>
<td>Vertigan recommends pipeline reforms</td>
<td>Macquarie acquires 50% of Mereenie</td>
<td>EDL contract announced</td>
<td>Update</td>
<td>Drilling</td>
<td>NGP operational and new sales to commence</td>
</tr>
</tbody>
</table>

- The Board’s Thesis of a domestic gas shortage was corroborated by the ACCC Inquiry of April 2016
- Enabled final payment for Mereenie
- Central participated in inquiry
- Gas Supply Agreement with EDL NGD (NT) Pty Ltd (“EDL”) for 9.85PJ over five years. Delivery commenced on 1 June 2017
- Central’s Total Gas Sales under contract at ACQ is 6.3 PJ p.a. from all fields.
- Central’s Crude and Condensate Sales this quarter of 28,296 bbls
# OPERATIONAL UPDATE

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stairway Testing programme</td>
<td>• Continued through 2017:</td>
</tr>
<tr>
<td></td>
<td>− West Mereenie 15 free flowing gas from Stairway at sustainable rates with a low nitrogen content of 2.6%</td>
</tr>
<tr>
<td></td>
<td>− Palm Valley natural fracture modelling underway</td>
</tr>
<tr>
<td>Dingo Upgrade - TEG</td>
<td>• TEG unit being ordered in time as part of the Dingo upgrade for the Owen Springs Power Station upgrade</td>
</tr>
<tr>
<td>Production workforce</td>
<td>• Production workforce in the Northern Territory transformed to:</td>
</tr>
<tr>
<td></td>
<td>− 1/3 local indigenous</td>
</tr>
<tr>
<td></td>
<td>− 1/3 local non-indigenous</td>
</tr>
<tr>
<td></td>
<td>− 1/3 FIFO</td>
</tr>
<tr>
<td>Local economic activity</td>
<td>• Local economic activity is around $3.4 million annually – an increase of $2.8 million p.a. since assuming operatorship of producing gas fields in the Northern Territory</td>
</tr>
</tbody>
</table>
COMMERCIAL AND STRATEGIC UPDATE

The GAP is based on brownfield economics using existing infrastructure enabling “success” to be sold and gas delivered.

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserves and cash</strong></td>
<td>• Targeted Reserves 446 PJ (Most Likely and Existing)</td>
</tr>
<tr>
<td></td>
<td>• Cash balance at the end of the quarter was $28.6 million with EDL revenue to come</td>
</tr>
<tr>
<td><strong>Financials</strong></td>
<td>• Central’s FY2018 EBITDA* is forecast to be positive for the first time in corporate history following the first full year of revenue from the EDL gas sale agreement which represents a 46% increase in FY2018 contracted gas sales</td>
</tr>
<tr>
<td><strong>Closing the GAP</strong></td>
<td>• Ground-breaking on NGP on 12 July – on track to be operational by Q4 next calendar year</td>
</tr>
<tr>
<td></td>
<td>• Ensured Central not caught by Fracking Moratorium in Northern Territory</td>
</tr>
<tr>
<td></td>
<td>• Government approval for Stairway drilling submitted</td>
</tr>
</tbody>
</table>

* Excluding the $25 million exploration programme identified in this presentation and the positive net impact of Total’s withdrawal from the Southern Georgina Joint Venture in fiscal 2017.
## OTHER RECENT DEVELOPMENTS

<table>
<thead>
<tr>
<th>Development</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mereenie marketing agreements</strong></td>
<td>• Central and Macquarie have agreed to the future joint marketing subject to ACCC authorisation</td>
</tr>
<tr>
<td></td>
<td>• ACCC interim approval sought</td>
</tr>
<tr>
<td><strong>Pipeline Reform</strong></td>
<td>• COAG has endorsed a process to put downward pressure on pipeline charges in three tranches</td>
</tr>
<tr>
<td></td>
<td>• Tranche 1 for unregulated pipelines has now been legislated dealing with Pipeline Access, Arbitration and Pricing Principles – It has decided that the valuation principles is based on construction costs recovery not accounting depreciation and backhaul on cost recovery basis</td>
</tr>
<tr>
<td></td>
<td>• Tranche 2 for regulatorial pipeline has commenced with initial submissions lodged on 22 August</td>
</tr>
<tr>
<td></td>
<td>• Tranche 3 is ongoing and deals with day-ahead auctions of unutilised capacity</td>
</tr>
<tr>
<td></td>
<td>• All reforms expected to take effect in 2018</td>
</tr>
</tbody>
</table>
**OTHER RECENT DEVELOPMENTS**

<table>
<thead>
<tr>
<th>Development</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cash accounting adjustment</td>
<td>• As noted in the June 2017 Quarterly Activities Report lodged on 27 August, Central made a non-cash adjustment under AASB 139 to financial profit of approximately $9.5m(^1) for the 2016/17 financial year</td>
</tr>
</tbody>
</table>

\(^1\) As announced on 26 April 2017 Central entered into a Gas Sales agreement “GSA” with EDL NGD (NT) Pty Ltd (“EDL”) with gas deliveries commencing 1 June 2017.

In May 2016 Central announced it had entered into a 5.2PJ pre-paid gas sales agreement “GSPA” with Macquarie Bank Limited “MBL”, repayment of which will commence following commissioning of the Northern Gas Pipeline anticipated in late 2018. Under the GSPA, MBL has a quarterly option to take a financial settlement in lieu of taking the physical delivery of the gas. The amount payable by Central, should MBL opt for a financial settlement, is dependent on the actual price received under any new GSA’s supplied from the agreed production areas. Where there are no new GSA’s or the quantity delivered under new GSA’s is less than the GSPA volumes, a floor financial settlement amount would be payable.

The economic consequences of the EDL GSTA was disclosed in the First Supplementary Scheme Booklet. As a consequence, Central is required under AASB 139 to adjust the carrying amount of the financial liability in line with the sales price negotiated under the EDL contract, net of any additional gas transportation costs. As the price paid by EDL under the GSA, net of transportation costs, exceeds the floor financial settlement price, the impact of the adjustment will be an expense to current year profit and loss of $9.49 million which reflects the total increase in potential financial liability over the life of the GSPA.

It is important to note that the expense to be recorded for the 2016/17 financial year is a non-cash accounting adjustment. Additionally, this accounting treatment will record a liability reflecting the full expected amount to be paid out should MBL opt for a financial settlement in lieu of taking physical delivery of gas which would appear to be the conservative accounting treatment.

It is also important to note that Accounting Standards do not allow Central to recognise any future assets associated with the revenue expected to be received under the EDL contract which triggers the increase in value of the GSPA financial liability. In this regard, Central’s future accounting periods’ profit and loss figures will include recognition of revenue under the EDL contract not currently recognised as an asset in the accounts for the 2016/17 financial year. In addition, where MBL elect for physical delivery of gas under the GSPA, the recorded financial liability will unwind resulting in an increase in accounting revenue for that period.
RESERVES POTENTIAL

- Present 2P Reserves are 125.9 PJ and, under GAP, have identified three targets where known gas exists in the zone. These targets can be appraised by a $25 million four horizontal well programme with no intention of fraccing.

<table>
<thead>
<tr>
<th>No. of Wells</th>
<th>Gross Potential</th>
<th>Net to Central</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mereenie Stairway</td>
<td>2</td>
<td>110 – 186</td>
</tr>
<tr>
<td>Palm Valley Shallow</td>
<td>1</td>
<td>83 – 165</td>
</tr>
<tr>
<td>Ooraminna</td>
<td>1</td>
<td>89 – 158</td>
</tr>
<tr>
<td><strong>TOTAL 2P</strong></td>
<td><strong>4</strong></td>
<td><strong>282 – 509</strong></td>
</tr>
</tbody>
</table>

Existing Total Reserves 125.9<sup>5</sup>

**TOTAL POTENTIAL 2P CENTRAL RESERVES** 352.9 – 541.4<sup>4</sup>

- If the prognosis is confirmed by drilling, 377.7 PJ (when combined with the existing 125.9 PJ (i.e. 3 x 125.9)) could triple our reserves in time to have delivery coincide with the NGP becoming operational.

---

1. Central Petroleum volume assessment of the Mereenie Stairway volumes are based on a Best Technical Estimate (BTE) updated for Special Core Analysis and Petrophysical log interpretation, post scheme of arrangement booklet dated 28 April 2017 (as supplemented) (SoA Booklet) review. Estimate is the BTE of the Stairway component of 2C, 145PJ (NSAI 182PJ; RISC 195PJ, pages 224 SoA Booklet).
2. Palm Valley estimates are post SoA Booklet and have been peer reviewed by RISC.
3. Consistent with figures referenced in RISC Independent Technical Specialist’s Report appended to SoA Booklet, converted to PJ at 1.1PJ : 1BCF (page 242 SoA Booklet).
4. Assumes success of drilling campaign on all three fields – the results are not assured. The reserve certifiers will need further work before certifications.
# RESERVES AND RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Most Likely</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mereenie Stairway</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Estimate EUR Gross (PJ)</td>
<td>110</td>
<td>145</td>
<td>186</td>
</tr>
<tr>
<td>Best Estimate EUR Net (PJ)</td>
<td>55</td>
<td>73</td>
<td>92.5</td>
</tr>
<tr>
<td><strong>Palm Valley Shallow</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Estimate EUR (PJ)</td>
<td>83</td>
<td>127</td>
<td>165</td>
</tr>
<tr>
<td><strong>Ooraminna</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Estimate EUR (PJ)</td>
<td>89</td>
<td>120</td>
<td>158</td>
</tr>
<tr>
<td><strong>TOTAL GROSS RESERVES (excl existing)</strong></td>
<td>282</td>
<td>392</td>
<td>509</td>
</tr>
<tr>
<td><strong>TOTAL NET RESERVES (excl existing)</strong></td>
<td>227</td>
<td>320</td>
<td>415.5</td>
</tr>
</tbody>
</table>

1 Assumes success, which is not assured. The reserve certifier will need further work before certification.

2 Central Petroleum volume assessment of the Mereenie Stairway volumes are based on a Best Technical Estimate (BTE) updated for Special Core Analysis and Petrophysical log interpretation, post SoA Booklet review. Estimate is the BTE of the Stairway component of 2C, 145PJ (NSAI 182PJ; RISC 195PJ, pages 224 SoA Booklet).

3 Palm Valley estimates are post SoA Booklet and have been peer reviewed by RISC.

4 Consistent with figures referenced in RISC Independent Technical Specialist’s Report appended to SoA Booklet, converted to PJ at 1.1PJ : 1BCF (page 242 SoA Booklet).
MOST LIKELY RESERVES

- The combined total **Most Likely** volume as highlighted are:

- There remains a risk that any or all three prospects do not deliver on this prognosis

- The recent EDL contract ensures that present operations remain cash-flow positive until the NGP is operational

---

1 Assumes successful drilling campaign on all three fields – the results are not assured. The reserve certifiers may need further work before certification.
OTHER EXPLORATION: AMADEUS BASIN (Santos JV)

Frontier sub-salt play – Multi-TCF gas potential

+ 2D seismic acquisition Dec17/Jan18 to supplement multiple phases of regional reconnaissance seismic (2014 and 1H 2017 campaigns) – prospect delineation
+ Geologic concept on farm-in - regional sub-salt central basin arch hosting large sub-regional closures – validated: Dukas Prospect ~520 km² closure
+ On discovery, elemental He and H gas stream contents represent high value liquids proxies
+ Exploration well planning for Q1 2019 drill
Sufficient gas is available for existing domestic and LNG contracts through 2018.

Undeveloped supply needs to be brought to market from 2018 (this is at serious risk through moratoriums, ineffective economic regulation of pipeline tariffs, and depressed energy markets generally).

The east coast market is critically short of gas from 2018.
The ACCC forecasts already include significant destruction in industrial energy customers and a significant pull back in gas generation. A gas supply shortfall will cut beyond what has already been factored in.
ACCC GAS INQUIRY 2017-2020

Chart 2.4 – Forecast supply-demand balance in the East Coast Gas Market for 2018 (based on AEMO’s upper band domestic demand.

Chart 2.4 Source: ACCC Gas Inquiry 2017-2020 Interim Report (Sep’17)
The Real Crunch to Australia will be in 2022 when:

- LNG spot market equals or exceeds long-term pricing
- Liddell closes.

The volatility in gas price must be accompanied by supply chain flexibility to allow independent “futures” market.

Electricity companies will profit by VoLLatility* in electricity market if physically hedged.

* Volume of Lost Load
CTP’s POSITION

- Fully funded four hole appraisal programme over three fields in first half of 2018
- Brownfield development with historical capacity of 70 TJ/day (Gross) in the existing plant, with NGP having 60 TJ/day capacity available in late 2018
- If drilling confirms prognosis and pipeline reforms synergistic with reforms on “uncovered” pipeline, Central’s gas from existing production areas (including ex-field costs) could be delivered at around $5/GJ to Sydney
- CSG marginal ex-field predicted $5.70/GJ. ACCC estimates benchmark prices to be $7.77/GJ in the Southern States and $5.87 in Queensland
- Price will be long-term $8 to $10/GJ Citygate
- Annual incremental royalties for Northern Territory, if drilling confirms prognosis, is $10.5m to $16m to NT Government and $2.3m to $3.5m to CLC
- “Covered pipelines” to come
- Day-ahead Auction for capacity to come
MILESTONES – CTP IS PERFECTLY POSITIONED

2017

Q3:
• Fundraising for drilling  *Completed*
• Joint Marketing Agreement with Macquarie  *Agreed*

Q4:
• Interim approval from ACCC
• Joint Venture approval for Mereenie campaign
• Regulatory approval to be obtained
MILESTONES – CTP IS PERFECTLY POSITIONED

2018

Q1:
• Drilling at Mereenie

Q2:
• Drilling at Palm Valley and Ooraminna
• Marketing of gas for new reserves

Q3:
• Reserve certification process commenced
• Sales contracts

Q4:
• NGP commissioned
• Gas delivered into east coast market
NEW DIRECTORS

Martin Kriewaldt was appointed to the Board effective 23 October 2017 and is up for ratification at the AGM. Martin is a Life Fellow of the Australian Institute of Company Directors (AICD), a former recipient of the AICD Gold Medal with a highly regarded history of directorship including, amongst others, Suncorp Limited and Oil Search Limited.

Sarah Ryan was appointed to the Board effective 23 October 2017. Dr Ryan’s career has traversed senior roles in technical, commercial, investment and governance aspects of the oil and gas industry. Recently recognised as a Fellow of the Australian Academy of Technology and Engineering and a director of Woodside Petroleum Limited since 2012, Dr Ryan is exceptionally well credentialed.
NOTICE AND LEGAL DISCLAIMER

To the maximum extent permitted by law:

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 in 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 conclusions reached in this presentation 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, data and advice herein is provided to recipients on the clear understanding that neither the Company nor any of its representatives, directors, officers, employees, agents or advisers ("Company Personnel") makes any representation or warranty about its accuracy, reliability, completeness or suitability for any particular purpose and does not accept liability (including, but not limited to, for any expenses, losses, damages and/or costs (including, but not limited to, indirect or consequential damage)) nor take any responsibility of any kind whatsoever (including, but not limited to, whether in contract, tort, financial or otherwise) for the information, data or advice contained or for any omission or for any other information, statement or representation, provided to any recipient (including, but not limited to, as a result of information, data or advice being inaccurate, unreliable, incomplete or unsuitable in any way and for any reason whatsoever). Recipients of this document 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 document, however caused. Potential recoverable petroleum numbers are estimates only until the prospects are evaluated further by drilling and/or seismic and are unrisked deterministically derived (unless stated otherwise). The data and information herein are subject to change.

3. This document is the property of 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. Reserves and contingent resources statements and other opinions expressed by the Company in this presentation may not have been reviewed by relevant Joint Venture partners. Therefore those reserves and contingent resources and opinions represent the views of the Company only. Activities which may be referred to in this presentation 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.

5. This presentation may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which may be outside the control of the Company and could cause actual results to differ materially from these statements. These risks, uncertainties and assumptions include (but are not limited to) funding, exploration, 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, cost estimates and other risk factors described from time to time in the Company’s filings with the ASX. Actual values, results or events may be different to those expressed or implied in this presentation. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this presentation is valid only at the date of issue of this presentation. 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 statement in this document if facts, matters 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," "understand," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "projects," "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 and conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts.

6. No right of the Company or its subsidiaries shall be waived arising out of this presentation. All rights are reserved.

7. If the whole or any part of a provision of this “Notice and Legal Disclaimer” is invalid, illegal or unenforceable, then such provision will be severed and neither that part or provision or its severance will affect the validity or enforceability of the remaining parts or provisions.

© Central Petroleum Limited 2017