

FY2021 Annual Results and Business Update

Central Petroleum Limited (ASX:CTP)

21 September 2021



* Note: subject to the **Notice and Legal Disclaimer** and **Appendix: Reserves and Resources information** provided in this document.

FY2021 Performance





FY2021 highlights

Strong Financial Performance

- \$59.8M revenues; \$26.1M EBITDAX
- Funding from 3.5 PJ pre-sale agreement
- Net debt reduced by 32% to \$31.3M
- Debt facility extended until September 2022

Range CSG Project – pilot drilled and testing commenced

- Three pilot wells drilled and commissioned
- Early gas flow demonstrates good gas saturation
- Targeting 135 PJ of 2C contingent resource (net to Central)

Asset sale executed – funding for growth activities

- 50% operating assets sold for \$85 million⁽²⁾
- Sale expected to result in a circa \$35 million accounting profit⁽²⁾
- Releases \$40m for near-term exploration and development (~\$100 million gross JV)
- 2-well exploration program commencing 2021 (targeting 96 PJ of gas – net to Central)⁽¹⁾

Exploration

- Two well drilling program to commence this year
- Dukas planning (re-entry / re-drill / new well) continues
- Zevon evaluation progressing with initial seismic testing this year
- Other exploration targets being advanced

(1) Mean recoverable resource, net to Central following completion of the asset sale announced 25 May 2021. Additional details and statements relevant to resources on this page are provided in the Appendix to this presentation.

(2) Estimated value if the Transaction had completed at 1 August 2021 and subject to final determination of the completion adjustment and movements in liabilities associated with the Sale Assets between the effective date and the eventual completion date



FY2021 Results

Sales volume 10.3 PJe

- **Down 17% on FY2020**
- Weaker markets in first half; natural field decline
- New Mereenie wells coming online this month

Revenues \$59.8M

- **Down 8% from \$65.0M in FY2020**
- Lower volumes
- Higher realised oil prices

EBITDAX \$26.1M

- **Up 4% from underlying EBITDAX¹ of \$25M in FY2020**
- Cost containment

Net profit \$0.25M

- **Down from \$5.4M in FY2020 (Up from \$3.0M underlying loss)**
- Exploration up \$2.5M: Range pilot and long leads for two well program
- FY2020 included \$8.4M gain on sale of exploration permits

Cash \$37.2M

Net Debt \$31.3M

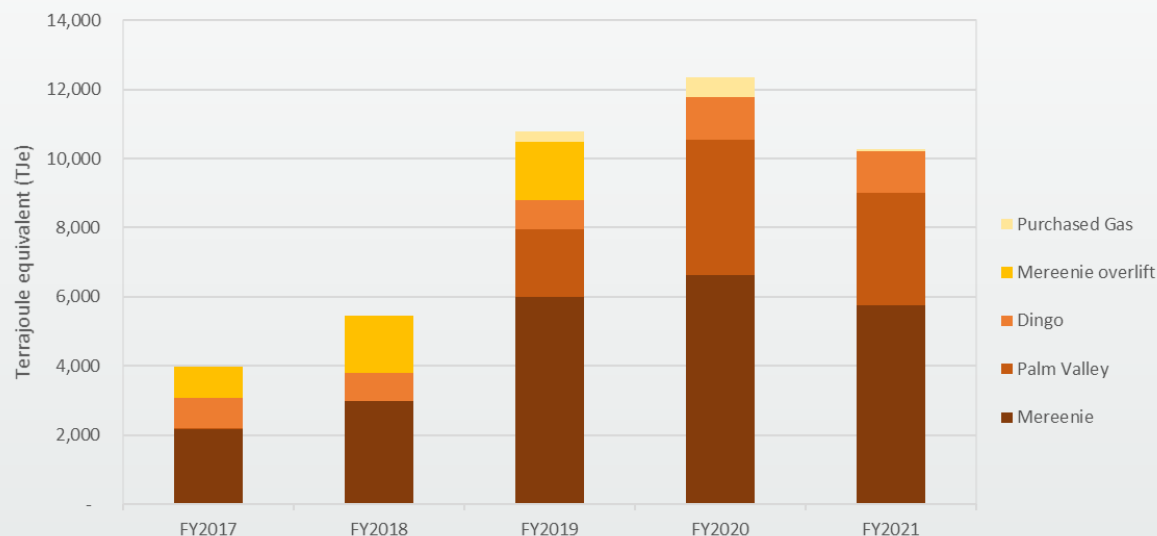
- **Cash up \$13.3M from June 2020; net debt down \$14.8M**
- Includes proceeds from new pre-sale agreement

¹ Full Year 2020 EBITDAX of \$33.4M less \$8.4M gain arising from the sale of exploration permits

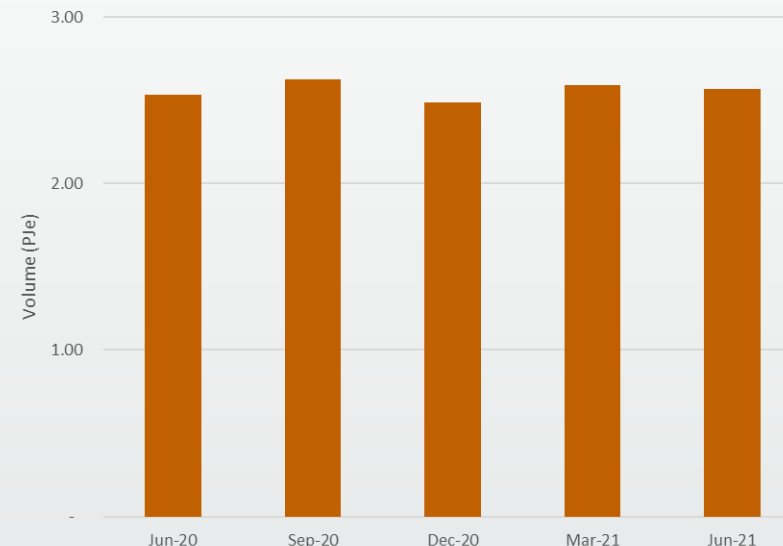
Solid operational performance

With new production capacity due in September quarter

Sales volumes by field



Quarterly Sales (PJe)



Sales prices

\$5.83 / GJe

\$5.27 in FY20

- ✓ Markets are recovering

Operating costs

\$2.81 / GJe

\$2.71 in FY20

- Impacted by lower volumes vs fixed costs

Finance costs

\$5.6M

\$6.4M in FY20

- ✓ Lower debt
- ✓ Low interest rates

Exploration

\$7.7M

\$5.3M in FY20

- Range pilot
- Long leads for two new wells

Corporate costs

\$5.0M

\$6.7M in FY20

- ✓ Cost reduction initiatives

Sell-down of producing assets to NZOG / Cue

Allows Central to pursue multiple avenues for growth

✓ Value accretive	\$85m consideration ⁽¹⁾ for 50%, with an expected circa \$35m profit ⁽¹⁾ , delivers a strong signal for the underlying value and quality of Central's Amadeus Basin Producing Assets
✓ Accelerates Growth	Provides \$40m free-carry for near term exploration and development, which would facilitate approximately \$100m (gross JV) investment across the Sale Assets without any further cash outlay from Central
✓ Diversifies risk	Accelerating growth in the Amadeus Basin while sharing and diversifying geological, exploration and development risk through a new joint venture
✓ Aligned partner	Introduces technically capable partner(s) with financial capacity and aligned objectives
✓ Operatorship	Central retains operatorship
✓ Balance Sheet	Strengthens Central's balance sheet through reduction of debt (by \$30m) and deferred gas liabilities (by \$21m) ⁽²⁾

Note: (1) Estimated value if the Transaction had completed at 1 August 2021 and subject to final determination of the completion adjustment and movements in liabilities associated with the Sale Assets between the effective date and the eventual completion date; (2) Based on Central's expected book value for these liabilities if the Transaction had completed on 1 August 2021

Funding for accelerated growth

The \$40 million free carry will fund Central's share of circa \$100m⁽¹⁾ of current and near-term development investment across the Amadeus Basin Producing Assets without any cash outlay from Central

Identified activities include:

Mereenie	✓ Recently completed four well re-completion program
	✓ Two new production wells drilled (to be commissioned this month)
	✓ Flare Gas Recovery Project to lower emissions and increase sales volume (underway)
	✓ Future production wells ⁽²⁾
Palm Valley	✓ Palm Valley Deep exploration well with a lateral option to access existing production formation
	✓ New future production well
Dingo	✓ Dingo Deep exploration well with option to access existing production formation
+ Other development activities across the Sale Assets up to the \$40m free carry cap	

Notes: (1) Gross JV including Macquarie Mereenie 50% interest; (2) Subject to JV approval

Amadeus Basin Exploration



Significant exploration upside within 12 – 18 months

Immediate targets drilling 2021

Targeting lower risk 192 PJ of gas (96 PJ net to Central)¹

A Palm Valley Deep (target 123 PJ) (61.5 PJ net to Central)¹

Testing deeper reservoir (proven at Dingo) in existing field

B Dingo Deep (target 69 PJ) (34.5 PJ net to Central)¹

Testing deeper reservoir in existing field (gas shows in formation at Ooraminna)

Other near-term targets

Targeting lower risk 401 PJ of gas and 29 mmbbl of oil

C Orange-3 (target 401 PJ)

Targeting gas at the shallow Arumbera level (productive zone at Dingo) plus additional targets in deeper sections

D Mamlambo (target 29 mmbbl oil)

Large structure currently defined on an existing seismic grid only 8km from the Surprise oil field.

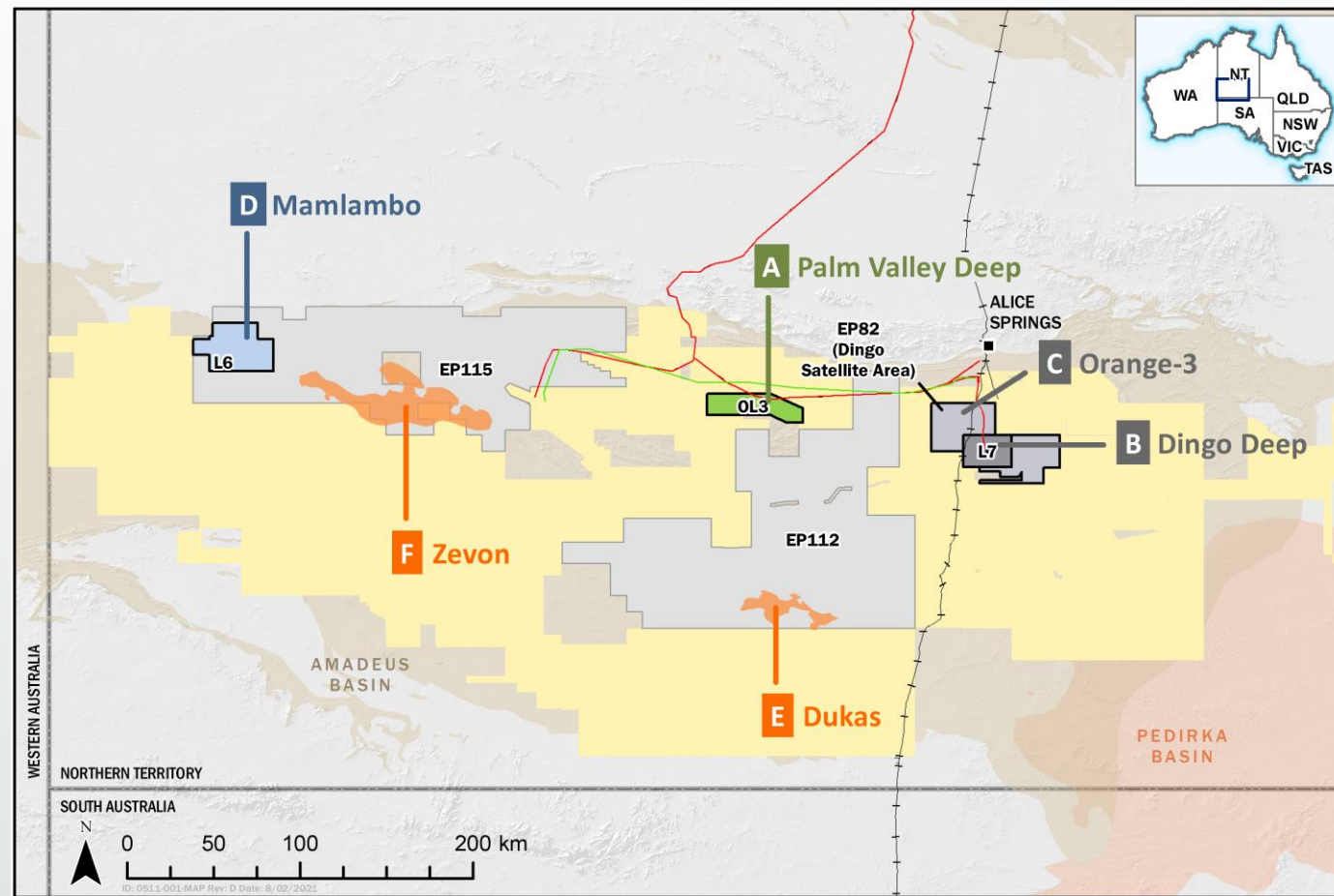
PLUS further multi-Tcf targets

E Dukas (target multi-tcf)

Targeting the pre-salt Heavitree Formation. A success will open a major new major gas play within the Amadeus Basin.

Zevon (potential target multi-tcf)

F Targeting pre-salt reservoir system with potential for hydrocarbons, Helium and Hydrogen.



(1) Net to Central following completion of the asset sale announced 25 May 2021.

Cautionary statement: the estimated target quantities of petroleum that may *potentially be recovered* by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Additional details and statements relevant to resources on this page are provided in the Appendix to this presentation.

Near term exploration program

Our most significant exploration program for years has the potential to unlock major new resources in the Amadeus Basin.

Two well exploration program

- Two new wells confirmed – starting late 2021

Could more than double Central's oil and gas reserves

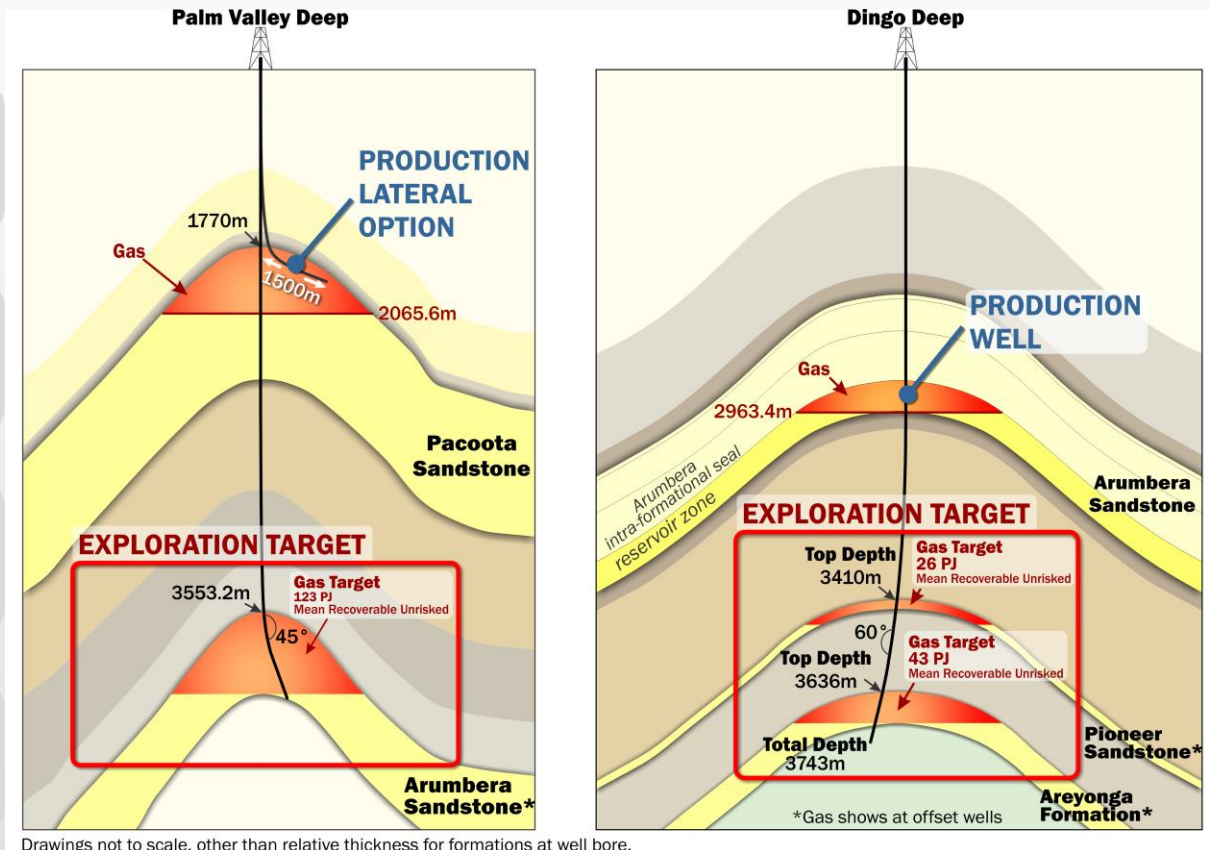
- Targeting lower risk 192 PJ of gas (gross JV)
- Potential to more than double Central's reserves

Targeting late October start

- Long lead items ordered
- Rig contract being finalised

Fully funded

- Costs of Palm Valley and Dingo wells are carried by NZOG / Cue



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Amadeus Helium and Hydrogen Opportunities

The Amadeus Basin: A potential source for commercial quantities of Helium and “Gold” Hydrogen in sub-salt prospects



Helium and Hydrogen strategy

Central's long-standing exploration strategy includes non-hydrocarbon gases in the Amadeus Basin

- Central's farmout to Santos in 2012 was designed to explore for large sub-salt hydrocarbons, as well as Helium (He) and Hydrogen (H₂).
- Dukas well suspended, Central pursuing all JV rights to complete the Dukas exploration program ASAP
- New momentum at Zevon:
 - Updated play map identifies key target area at Zevon
 - 100% controlled by Central
 - Potential farm-out opportunities after seismic



Non-hydrocarbon gases in the Amadeus Basin

- The Amadeus Basin is well recognised as a potential source for Helium and “Gold” Hydrogen in sub-salt prospects.
- Sub-salt prospects are very complex, high risk, and have high exploration, appraisal and development costs.
- Both He and H₂ can be commercial on their own, or add significant value to a hydrocarbon play.

Hydrogen (H₂)

Hydrogen is the lightest and most abundant element in the universe

- Major source of energy and a potential replacement for natural gas
- No Carbon (or CO₂) is produced when hydrogen is burnt - only water vapour giving this fuel very green credentials
- Can be used for:
 - Transportation as a fossil fuel replacement
 - Chemical feedstock alternative for plastics
 - Space heating
 - Agriculture for the manufacturing of ammonia
 - Energy storage (ammonia)
 - Blending with existing pipeline gas

Hydrogen Production Methods

Gold	Green	Purple	Blue	Grey	Black
<ul style="list-style-type: none">• Naturally occurring and trapped within the earth	<ul style="list-style-type: none">• Hydrogen produced from electrolysis of water• Using renewables as the power source	<ul style="list-style-type: none">• Hydrogen produced from electrolysis of water• Using nuclear power	<ul style="list-style-type: none">• Produced by the reforming of natural gas into carbon dioxide and hydrogen• Combined with carbon capture and storage	<ul style="list-style-type: none">• Produced from fossil fuels• Using thermal processes like steam-methane reformation and partial oxidation• Emissions of greenhouse gases occurs	<ul style="list-style-type: none">• Extracted from a synthetic gas produced from coal

Source: Esperis

Note: Hydrogen produced using nuclear power has not been given an established colour designation

Helium (He)

Helium is the second lightest and second most abundant element in the Universe, but exceptionally rare on Earth

- Helium is typically produced as a by-product of LNG production
- Used as a cooling agent for MRI's and super conducting magnets, satellite instrumentation, leak detection, car airbags, welding Aluminium, mixed with Oxygen for deep sea diving

Helium market

- The market has become tighter as demand outstrips supply
- Helium demand is expected to increase by 4-6% per year. Driven by electronics manufacturers in Asia
- The price of bulk liquid Helium has increased by 250% in the last decade.
- The US crude Helium price was approximately US\$210 / thousand cubic feet (mscf) in 2020¹



(1) U.S Geological Survey, Mineral Commodities Summary, January 2021



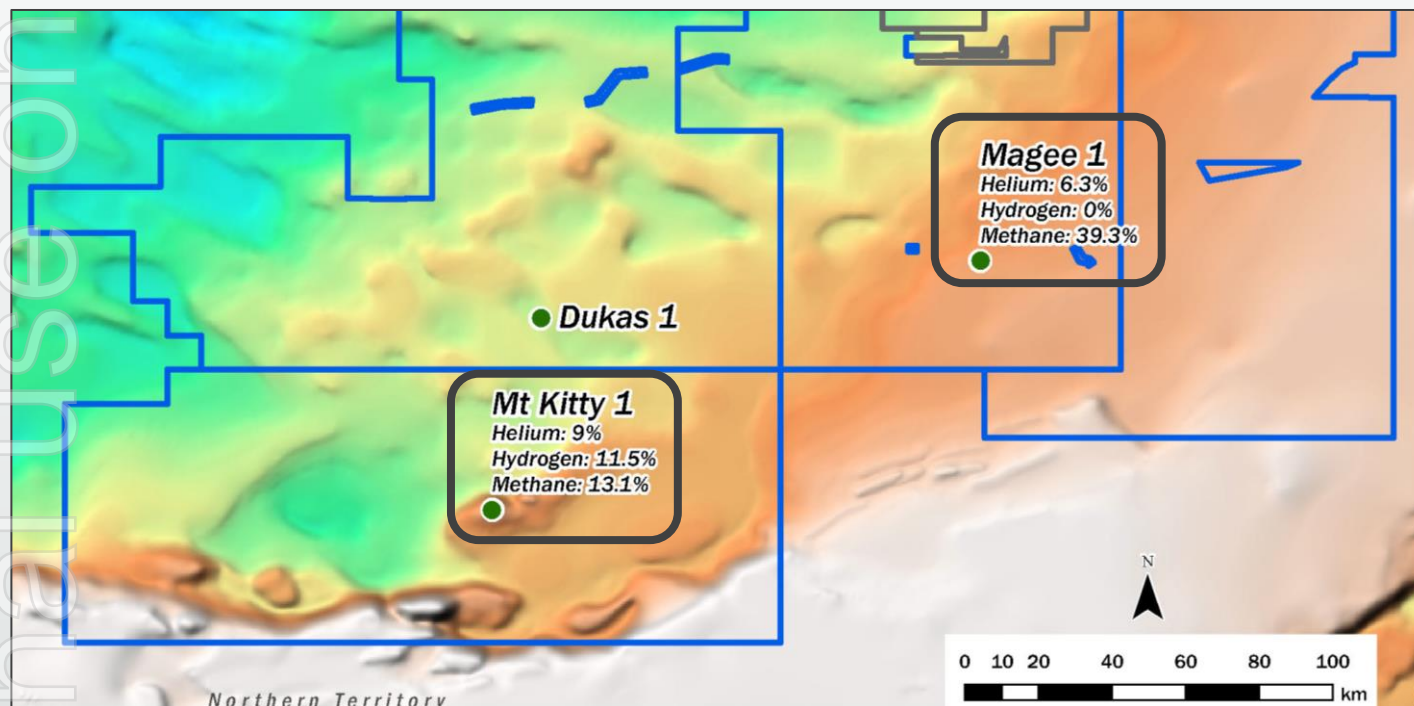
Excellent Potential for Helium in the Amadeus Basin

Key Attributes	Amadeus Basin Characteristics
High levels of radioactive elements	Amadeus has shallow fractured radiogenic granitic basement, granite wash, arkose and shales with high levels of radioactive minerals in excess of 800 My
Evaporite seal to trap Helium	Amadeus has a thick and geographically extensive evaporite sequence in the Gillen Formation which overlies the Heavitree Formation and in places directly over the Basement rocks
Old water trap	Potential Helium source rock intervals (Basement and Heavitree) contain abundant irreducible water trapped since time of deposition (>800Ma). Old and stagnant pore water aids with the transition of helium into the gaseous phase.
Low porosity	Potential Helium reservoir intervals (Heavitree & fractured basement) have very low porosity and therefore more helium is available in less pore water.
Lower geothermal gradients	Southern Amadeus characterised by low (< 20°C/km) geothermal gradients - more helium partitions into the gas phase at lower temperatures.

Amadeus Helium – gas composition

Two wells have proven the existence of helium and hydrogen in the natural gas stream in the Amadeus Basin: Mt.Kitty-1 and Magee-1

The Helium concentrations measured at Mt Kitty and Magee are high by global comparison



% composition	Magee	Mt Kitty
CH ₄	39.30	13.10
C2+	9.30	4.80
CO ₂	0.80	0.10
N ₂	43.60	61.00
H ₂	0.03	11.50
He	6.30	9.00

Helium classifications in literature ([Boreham, 2018](#))

Low: <0.1% (Xu et al. 1991)

He-rich: >0.1% (Ballentine and Sherwood-Lollar, 2004)

He wells: >0.3% (Gage and Driskill, 2004)

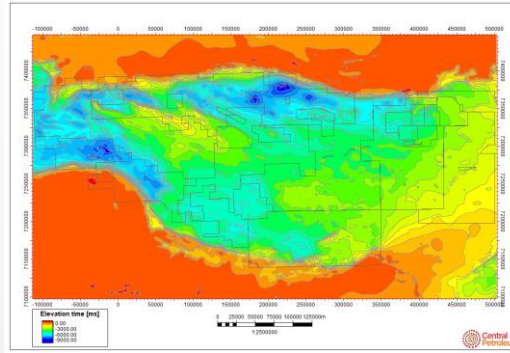
Economic He wells: >0.5% (Zartman et al. 1961)

High He: >1% (Xu et al. 1991)

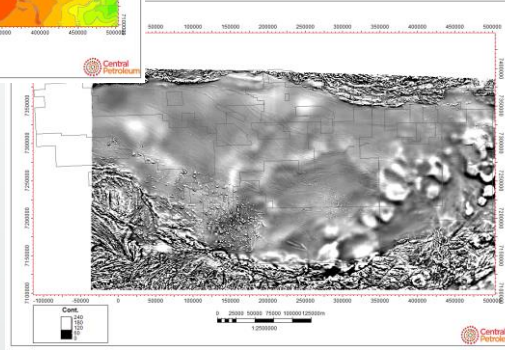
Helium Play Map Elements

A Helium play map has been developed for the Amadeus Basin

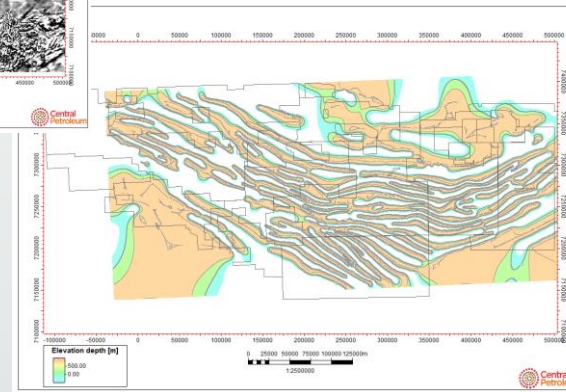
1. Depth to Basement Map



2. Basin wide magnetics to determine granite presence in Basement



3. Presence and thickness of Gillen Evaporites based on mapping and regional gravity



4. Removal of areas below 4,500m as a drilling floor and economic cut-off

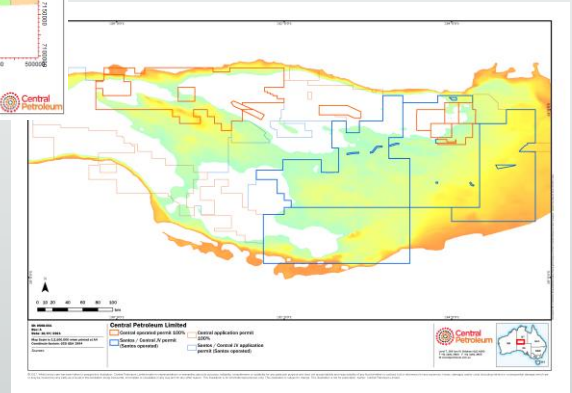
Once these elements have been identified they are then stacked to produce the final play map

Key play element: Granites

Radiogenic basement rocks (granites) as a source. Granite proximity and presence of lean organic source rocks to provide hydrocarbon gasses to entrain Helium in old formation water and migrate into trap

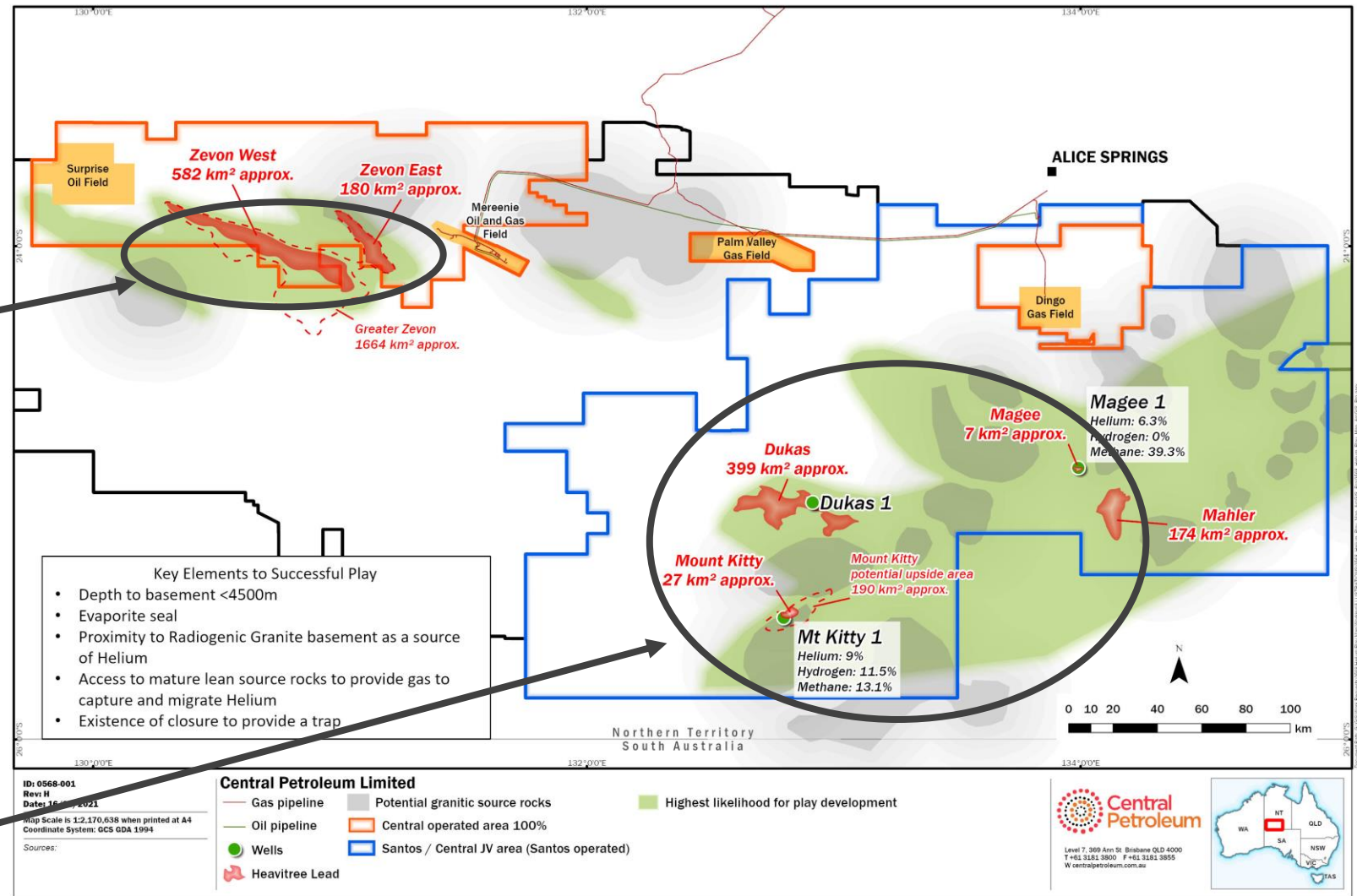
Key play element: Evaporite seals

(Helium is very small atom) are impervious to helium unlike other rock seals



Helium Play Map for Amadeus Basin

- Green areas have been identified as having the highest potential for Helium being present in valid Basement and Heavitree closures
- EP115 (100%) Central sees high potential in the Zevon area
 - Potential for the presence of hydrocarbon gasses in association with elevated levels of He/H_2
 - Currently fast-tracking a ~700km 2D seismic survey over the Zevon area to target drilling in late 2022 / early 2023
- Most activity has occurred within the Santos JV area (Mt Kitty, Magee, Dukas)



Surat Basin CSG

Central's Range CSG project in Queensland's premier gas province is moving towards FID

Range CSG Project

- Joint venture with Incitec Pivot (50% interest)
- Surat Basin - surrounded by major CSG developments and infrastructure
- Potential to almost triple Central's 2P reserves base and annual sales volumes
- Aiming to supply into east coast market's forecast supply shortage
- Close to Federal Government's proposed Wallumbilla Gas Supply Hub



Range CSG project update

Potential to almost triple Central's 2P reserves base and annual sales volumes

- Three well pilot drilled and commissioned in June quarter
- Early gas breakthrough – producing 50,000 scfd by mid August
- Lower-than-expected initial water rates requires an extended dewatering period
 - The four exploration wells intersected circa 25% more net coal than the pilot wells (33m vs 26m)
- Current interference testing indicates good communication between wells
- Two new pilot step-out wells to be drilled in the December Qtr
 - New wells will be spaced at a greater distance (circa 2km)
 - Expect to confirm thicker net coals away from the pilot location (consistent with other exploration wells)
 - Designed to accelerate technical understanding of gas and water production profiles
- Continuing to progress key approvals and BOO tender process
- Targeting a final investment decision (FID) around March 2023, with the commencement of first gas anticipated to occur 2 years after the FID date.



Gas flaring at the Range CSG Pilot, July 2021

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Other Business Activity Updates





Other Business Activity Updates

Markets

- Continued strong demand in east coast gas markets
- Looking to commit to new long-term contracts once the new Mereenie wells are commissioned

Mereenie Stairway

- Recent Mereenie production wells encountered good gas flows from the Stairway Formation
- Potential to add additional 108 PJ of gas reserves (27 PJ net to Central)¹

Dukas

- Central's interest has increased from 30% to 45% (Santos now 55%)
- Working with operator to firm-up the Dukas program
- Seeking a definitive Dukas drilling schedule before year-end

Zevon

- 30km experimental seismic line to be acquired in Q4 CY2021
- Planning for 700km seismic program in 2022
- Targeting a well in late 2022 / early 2023 (circa 2,000 m depth allows for smaller rig)

Amadeus-Moomba Gas Pipeline

- Key pipeline infrastructure to drive future exploration and development in the Amadeus Basin
- Upcoming exploration success could be a catalyst for development of the proposed pipeline

Asset sell-down

- All CPs have now been satisfied
- Completion scheduled for 1 October
- Anticipate book profit of circa \$35 million on completion

Business development

- Considering new partnerships to accelerate exploration in the Amadeus Basin
- Looking at other business opportunities across the sector

(1) Net to Central following completion of the asset sale announced 25 May 2021



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Questions and Answers



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Appendix: Reserves and Resources information

Oil and Gas Reserves and Resources CTP Share As at 30 June 2021	Before transaction (PJe)	After transaction (PJe)
Proved (1P)	118.2	57.3
Proved and probable (2P)	151.7	74.04
Contingent (2C)*	240.5	187.7

Reserves and contingent resources

Reserves and contingent resources for the Mereenie, Palm Valley and Dingo fields in this report are as at 30 June 2021 and were first reported to ASX on 21 September 2021.

* Includes 2C contingent resources for the Range Gas Project first reported to the market on 20 August 2019.

Central confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Prospective Resources – Amadeus exploration targets (CTP Share after transaction)

Lead / Prospect	Target formation	Permit	Permit Interest (after transaction)	Low Estimate P90 Recoverable (PJ)	Best Estimate P50 Recoverable (PJ)	High Estimate P10 Recoverable (PJ)	Mean Recoverable (PJ)
Dingo Deep	Pioneer	L7	50%	2.5	8.5	27.5	13.0
	Areyonga	L7	50%	5.0	16.0	44.0	21.5
Orange-3	Arumbera	EP82(DSA)	100%	14	49	148	71
	Pioneer	EP82(DSA)	100%	15	67	233	107
	Areyonga	EP82(DSA)	100%	49	168	456	223
Palm Valley Deep	Arumbera	OL3	50%	13	37.5	140	61.5
Aggregate Gas					344		497

Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect as first reported to ASX on 7 August 2020 for Dingo, Orange and Palm Valley, adjusted for Central's reduced interests as a result of this Transaction.

Inputs required for these analyses have been derived from offset wells and fields relevant to each play and field. Recovery factors used have been derived from analogous field production data.

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