

OPERATING ACTIVITIES REPORT AND ASX APPENDIX 5B For the Quarter Ended 30 June 2019



Figure 1: GFS Rig 12 on location at Range 4

HIGHLIGHTS

- Sales volumes were 4.0 PJE, including the sale of purchased gas of 0.2PJ (up from 3.7 PJE in the March 2019 quarter).
- Net cash flow from operations, after exploration, interest and unallocated G&A, was \$8.4 million with a cash balance at the end of the quarter of \$17.8 million (down from \$19.3 million at 31 March 2019).
- Principal repayments under debt facilities were \$7.25M with Macquarie pre-sale gas deliveries of 430 TJs.
- The Palm Valley 13 well (PV13) was successfully tied-in and commenced flowing to sales, adding about 7 TJ/d to field production.
- The Dukas-1 exploration well spudded on 16 April 2019 and at the end of the quarter was at a depth of 3391 mRT.
- Range-4, the first well in the Project Range exploration programme (ATP 2031), spudded on 30 June 2019, with a 4-5 well exploration programme anticipated to be completed in Q3 CY2019.
- Central completed a review of the Palm Valley field performance following lower than anticipated production rates. This resulted in a downward revision to estimates for the field Reserves and Resources, including a reduction in 2P reserves to 26 PJs as at 31 May 2019.
- The Company significantly augmented its exploration capabilities and initiated a full play-based exploration portfolio review to drive new exploration strategies to be presented externally later this year.
- New appointments were made during the quarter strengthening both the executive management team and the Board; Duncan Lockhart (GM Exploration) joined the Company effective 8 April 2019 and Dr Julian Fowles joined the Board effective 28 June 2019. Mr Damian Galvin (Chief Financial Officer) was appointed in May 2019 with a start date in August 2019.

CHIEF EXECUTIVE OFFICER'S REPORT TO SHAREHOLDERS FOR THE QUARTER

Central Petroleum Limited ("Company" or "Central") continued to demonstrate the transformational impact associated with access to the east coast market via the Northern Gas Pipeline ("NGP") from January 2019. With the Gas Acceleration Programme ("GAP") now delivered, the Company can focus on operational performance and moving forward into its next phase of growth with a solid foundation and highly experienced management team.

Total sales volume over the quarter was 4.0 PJ, reflecting an 8.6% increase over the March 2019 quarter. This sales figure includes 0.2 PJ of gas purchased and on-sold. Central overlifted 0.4 PJ of gas from Mereenie in April and May, at which point the Palm Valley 13 well was brought onto production and overlifting essentially stopped.

The Company's net cash flow from operations, after exploration, interest and unallocated G&A, was \$8.4 million. Cash at the end of the quarter decreased from a starting balance of \$19.3 million, to \$17.8 million, inclusive of \$7.25 million in debt principal repayments over the quarter.

The Company completed a review of the Palm Valley field performance following production levels that were lower than pre-start expectations. This review resulted in a downward revision to estimates for the field Reserves and Resources, including a reduction in 2P reserves to 26 PJs as at 31 May 2019. Notwithstanding this, Palm Valley field production was significantly assisted by the successful tie-in of Palm Valley 13 in May, helping to ensure that all firm sales obligations were met.

Disappointingly, during the quarter there was one LTI and two recordable environmental incidents which involved the release of gas to atmosphere but in amounts which lay below the threshold for a reportable incident and did not cause any environmental harm. The Company has implemented several HSE improvements, including the implementation of a more robust investigation action-tracking and close-out system. All significant incidents are investigated and treated as leading indicators and actions tracked to closure. The Company is committed to learning from every incident or near-miss in order to avoid repeat occurrences and improve HSE performance. The Company will continue to prioritise health, safety and the environment as operations continue to deliver elevated levels of production.

Two significant exploration activities for the Company made material progress during the quarter:

- The Dukas-1 well spudded on 16 April 2019 and at the end of the quarter was at a depth of 3391 mRT. As at 23 July 2019, the well had successfully completed wireline logging from 2,604m measured depth (MD) to 3,515m MD and with mechanical issues now resolved, the forward plan is to drill ahead to total depth. The Dukas gas prospect is a large structure that could have multi-TCF potential (30% net to Central, full carried by Santos, operator of the well) that, in a success case, would be company changing.
- Range-4, the first well in the Project Range exploration programme (ATP 2031), spudded on 30 June 2019, with a 4 – 5 well exploration programme anticipated to be completed in Q3 CY2019. As at 23 July 2019, two wells had been successfully drilled and tested with preliminary results in line with or better than expectations, indicating that vertical well development could be successful. Full interpretation of the test results will be completed at the conclusion of the 4-5 well exploration programme which is expected to be in the third quarter of 2019. ATP 2031 is comprised of 77 km² of CSG acreage situated in the eastern Surat Basin and is being explored under a 50:50 joint venture with Incitec Pivot Limited, who are carrying Central in the first \$20M of the programme.

Central significantly augmented its exploration capabilities, including the addition of a new General Manager Exploration (April 2019) and a new experienced Reservoir Engineer (March 2019). With this augmentation now complete, the Company initiated a full exploration portfolio review and update incorporating historical and recently acquired technical data in order to generate a systematic and consistent play-based approach to drive new exploration strategies. Initial indications point to the potential of the Amadeus Basin as containing several large and vastly underexplored, proven working hydrocarbon systems. With the initial phase of this portfolio review now nearing completion, the Company is constructing a high-grade seriatim and exploration strategy for short, medium- and longer-term leads and prospects. This is fundamental to the future growth of the Company and we anticipate presenting it externally later this calendar year.

Our gas marketing efforts have progressed well, with strong customer demand and gas pricing visible from the east coast market. The Company continues to progress a senior debt refinancing. With gas marketing well advanced and Palm Valley reserves recently updated to reflect current production, we expect to make considerable progress over the balance of this calendar year.

The Company remains committed to executing its strategy to create value for all shareholders, whilst recognising the importance of all our stakeholders including traditional owners, employees, customers, governments and the communities in which we operate.

With the Company now well positioned for the future, we are focussed on maximising the value of our existing production assets, increasing gas reserves, and delivering on new growth opportunities for the Company. As this quarterly cash flow indicates, we have just embarked on an incredibly exciting phase of growth for investors. A webinar will be scheduled in late August (details to be advised shortly) to review these results in more detail and update the market on other key activities.

Leon Devaney
Chief Executive Officer and MD

REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2019 (“THE QUARTER”)

HSE

Unfortunately, one lost time injury (“LTI”) was recorded during the quarter. The Total Recordable Injury Frequency Rate (“TRIFR”) at the end of the quarter was 11.2 due to the LTI and decreasing manhours relative to 12 months ago. Two recordable environmental incidents occurred, which involved the release of gas to atmosphere. The volume of gas released did not cause environmental harm and was below the threshold for a reportable incident, but the volume did exceed Central’s more stringent self-imposed limits. The Company implemented several HSE improvements, including the implementation of a more robust incident tracking and action close-out system.

As an outcome of the Pepper Fracking Inquiry, the Northern Territory (NT) Government introduced new Codes of Practice governing surface activities, well operations, wellsite water management and monitoring of methane emissions. The Company continues to work closely with the NT Government as regulations change and evolve and in particular as the policy regarding environmental bonds is established.

EXPLORATION ACTIVITIES

Exploration Portfolio Review and High-grade Seriatim

The current Central portfolio encompasses opportunities within the Amadeus, Southern Georgina, Wiso and Surat Basins. The total area held by Central for exploration (both granted and under application) within these basins is 188,767 km² (76,318 km² granted and 112,450 km² under application). The Amadeus Basin has, to date, been a focus for most of Central’s exploration activity, with ~170,000km² of areal extent, five known working petroleum systems and 4 fields having produced significant quantities of oil and gas (one oil field currently suspended).

Notwithstanding this production history, the Amadeus Basin is by any standard vastly underexplored with only a total of 39 exploration wells and ~14,500km of 2D seismic acquired across the entire basin. This can in part be attributed to the small and historically oversupplied NT gas market which has limited investment in the region.

Following connection to the east coast gas market via the NGP in January of this year, Central’s NT exploration assets now have a clear pathway to an attractive east coast gas market. Recognising this new market dynamic, Central has significantly augmented its exploration capabilities, including a new GM Exploration (April 2019) and a new experienced Reservoir Engineer (March 2019).

With augmentation of our exploration capabilities complete, during the quarter the Company initiated a full exploration portfolio review and update incorporating historical and recently acquired technical data in order to generate a systematic and consistent play-based approach to drive new exploration strategies. Play Based Exploration methodologies incorporating the integration of seismic data, log and palynological data, structural analysis, geochemistry, 3D basin modelling, consistent well failure analysis and gross depositional environment maps will allow the systematic creation of common risk segment maps at all play levels. This information will be actively utilised in the future for permit management, business development, work program creation and portfolio management.

Initial indications from this portfolio review show that the Amadeus Basin is one of the few remaining large under-explored on-shore working hydrocarbon systems in Australia. A total of 115 potential targets (65 gas and 50 oil) have been identified at this point within Central’s permits and applications in the Amadeus Basin.

With the initial phase of this portfolio review now nearing completion, the Company is constructing a high-grade seriatim and exploration strategy for short, medium- and longer-term maturation of leads and prospects. Funding from free cashflows and other sources of exploration capital, including farm-out and divestment opportunities, are all being considered as part of this strategy. This is fundamental to the future growth of the Company and we anticipate presenting it externally later this calendar year.

Southern Amadeus Basin Joint Venture and Stage 3 Farm out – Northern Territory (CTP – interests below, Santos (and Operator) – interests below)

The Dukas-1 well was selected for drilling by the Joint Venture for the EP112 3rd (and final) farm-out completion phase. Santos is carrying 100% of the cost of this well and will earn a 70% interest in EP112 as a result. Dukas-1 is designed to test a large regional high optimally located to receive charge from an interpreted Neoproterozoic depocenter. The primary reservoir objective is the Heavitree Quartzite/fractured basement, a petroleum system which has been proven to be hydrocarbon bearing at Mt. Kitty-1 and McGee-1.

Dukas-1 is located approximately 175km south west of Alice Springs (Figure 2) and the prospect has multi-TCF gas potential (30% net to Central).

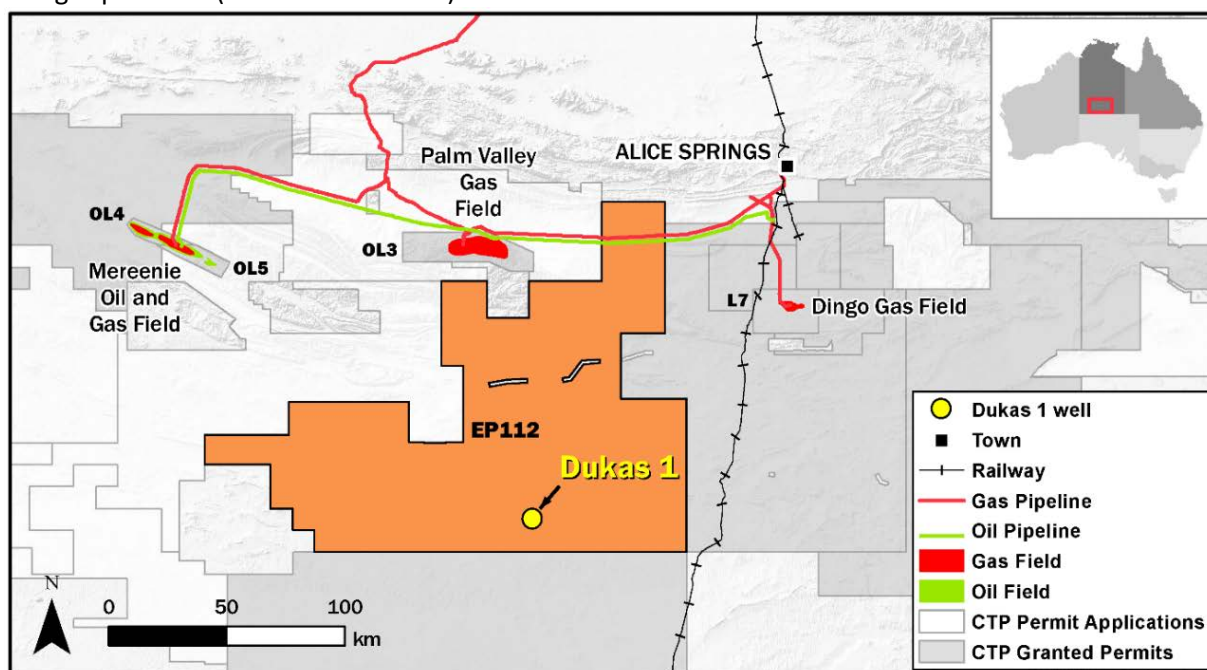


Figure 2: Location map of Dukas-1 and EP112

The Dukas gas prospect is a large structure and, given the potential size, success at Dukas would be company changing. In addition, several other large ‘lookalike’ sub-salt closures have been identified from interpretation of seismic acquired in the Southern Amadeus basin between 2016 and 2018. As such, success at Dukas-1 has the potential to unlock a significant new hydrocarbon province in the Southern Amadeus Basin and become a major new source of gas for the east coast market.

Dukas-1 was spudded on the 16 April 2019 with a proposed total depth of 3,850mRT. The air-drilling assembly became stuck while drilling and the well was subsequently side-tracked on the 16 May 2019. Drilling continued to 2604mRT into the Gillen Formation where the 10 ¾" surface casing was set. Drilling then resumed. As at the 30 June the well was at a depth of 3391mRT. As at 23 July 2019, the well had successfully completed wireline logging from 2,604m measured depth (MD) to 3,515m MD and with mechanical issues now resolved, the forward plan is to drill ahead to total depth.

In addition to the sub-salt prospects, Central continues to mature its geological and geophysical (“G&G”) interpretations in these permits, seeking to identify a variety of other exploration play types and targets which could be prospective for hydrocarbons and/or helium.

Southern Amadeus Area	Total Central Participating Interest after completion of Stage 3 Farmout to Santos
EP 82 (excluding EP 82 Sub-Blocks) **	60%
EP 105**	60%
EP 106 */**	60%
EP 112	30%
EP 125 **	30%
EP 115 (North Mereenie Block) **	60%

* Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.

** Farmin process for this area has concluded.

Project Range ATP 2031 (CTP - 50% interest, Incitec Pivot Queensland Gas Pty Ltd (“Incitec”) - 50% interest)

The Company’s wholly-owned subsidiary Central Petroleum Eastern Pty Ltd was formally granted the Authority to Prospect (“ATP”) 2031 on 28 August 2018 for a term of 12 years. The exploration and appraisal program is being undertaken through a 50:50 joint venture arrangement with Incitec. Under the arrangement in place, Incitec will free carry the Company by contributing up to \$20 million of the exploration programme costs for the initial exploration period. Gas production from this permit is to be dedicated to the east coast domestic gas market.

During the quarter, the parties commenced exploration drilling with the spudding of Range 4, only 10 months after the grant of the permit. The exploration programme consists of 4 to 5 wells, with each well being drilled to gather geological data including coal depth, thickness and permeability. To minimise costs, the wells are being drilled as slimholes which will be plugged and abandoned once the data has been gathered. One well may be retained as a groundwater monitoring bore to support future development approvals. The drilling of the fifth well is contingent on the results obtained from the first 4 wells. The duration of the drilling programme is expected to be 8 weeks. There is the potential to follow up with a subsequent 4 well pilot project depending on technical results from the current programme.

As at 23 July 2019, two wells had been successfully drilled and tested with preliminary results in line with or better than expectations, indicating that vertical well development could be successful. Full interpretation of the test results will be completed at the conclusion of the 4–5 well exploration programme which is expected to be in the third quarter of 2019.

The block is situated in the Surat Basin, a geological province that has been developed extensively over the last decade. No coal seam gas wells were previously drilled in the permit, but there are a number of coal seam gas wells in adjacent blocks. The permit area covers 77km² and is located approximately 28km North-West of the town of Miles which lies half way between the Wooleebee Creek and Bellevue coal seam gas developments.

Amadeus Basin (excludes EP 115 North Mereenie Block) – Northern Territory
(CTP and other interests – see “INTERESTS IN PETROLEUM PERMITS AND LICENCES TABLE” below).

Central began initial planning for the Year 3 permit commitment of 500km of seismic acquisition in EP115 during the quarter. The final layout has yet to be agreed on, however, the targets will include leads at the Ordovician (Stairway and Pacoota Sandstone), Arumbera, Pioneer, Areyonga and Heavitree/basement horizons. The data gathered in the Dukas-1 well (which spudded in April) is likely to influence the location of the upcoming seismic program which is due to be acquired before December 2019. Therefore, an application for permit suspension is in progress to facilitate a more informed seismic program whilst still meeting schedules necessary to keep the permit in good standing.

The Company continues to monitor data in these permits, seeking to identify a variety of exploration play types and targets which could be prospective for hydrocarbons and/or helium.

ATP 909, ATP 911 and ATP 912, Southern Georgina Basin – Queensland
(CTP - 100% interest)

Central received approval for Project Status and applied to renew the permits with the Queensland Department of Natural Resources, Mines and Energy during the quarter. Central is currently conducting Year 1 permit obligations of geology and geophysical studies focusing on the Ethabuka structure. Ethabuka-1 was drilled in 1973 and tested gas at ~0.2 mmscf/d from the Coolibah Formation, the well being abandoned prematurely due to mechanical difficulties and weather. As such, the large Ethabuka anticline remains to be fully tested at multiple levels. Work also continues on the development of a large hydrothermal dolomite play in the blocks.

Other Exploration and Application Areas

(CTP and other interests – see “INTERESTS IN PETROLEUM PERMITS AND LICENCES TABLE” below).

Central continues to progress these exploration permits, targeting a variety of exploration play types and targets which could be prospective for hydrocarbons and/or helium. Central Land Council and native title negotiations are ongoing in the application areas.

DEVELOPMENT / PRODUCTION ACTIVITIES:**Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory**
(CTP - 50% interest (and Operator), Macquarie Mereenie Pty Ltd - 50% interest).

The Mereenie facility continued to operate at higher rates enabled by the commissioning of the NGP. Gas production averaged 48.3 TJ/d (100% JV) over the quarter, the highest quarterly production since the fourth quarter of 2007. Natural field decline continues, and some minor projects are being progressed to help offset some of this decline by the turnaround of re-injection wells to production wells. A campaign of targeted recompletions is being planned for execution within the next 12 months. In addition, the life-of-field development plan is being optimised for the recently increased rates, and this will provide an updated view on the timing of future development wells.

Minor punch list items associated with the upgrade continue to be completed progressively in a cost-effective manner. In addition, the Company continues to progress optimisation opportunities in the field and in the plant to further improve production and reliability. This includes studies to increase wellhead capacity through targeted reperforations, to modernise the power generation facilities and to reduce flaring.

Palm Valley (OL3) - Northern Territory*(CTP - 100% interest)***Palm Valley Stairway and Pacoota**

Palm Valley production averaged 8.7 TJ/d over the quarter, limited by field capacity. Palm Valley 13 was successfully tied-in and commenced production to sales during May. Since coming online, PV13 has ramped up to around 7.0 TJ/d, in line with expectations. Record field sales of 13.5 TJ was produced on a day in late June after the capacity of the PV13 wellhead skid was optimised. The three other producing wells, Palm Valley 2, 6 and 7, continue to produce with natural decline in line with current forecasts.

Field reserves, development opportunities and production expectations were updated in June to reflect the lower than anticipated performance from the existing wells. This work identified a potential opportunity to increase recovery via the reconfiguration of existing compression or the installation of additional compression. A feasibility study has commenced to test the commercial viability of this opportunity, while other options are also recognised, such as downhole interventions on Palm Valley 1.

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

The Dingo Gas Field supplies the Owen Springs Power Station with gas. During February and March 2019, the Power Station increased its gas consumption whilst commissioning the new gas generators. The off-take since April 2019 returned to previous lower average rates awaiting the shutdown of the Ron Goodwin Power Station in Alice Springs. As a result, the average gas production this quarter was 2.2 TJ/d against the previous quarter average of 3.1 TJ/day. The daily contract volume of 4.4 TJ/d is subject to take-or-pay provisions paid following each calendar year in January.

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

The field remained shut-in. The potential for a restart is being reviewed alongside a broader review of exploration and appraisal opportunities in the portfolio.

SALES – CENTRAL PETROLEUM EQUITY ADJUSTED SHARE**Sales Volumes**

Product	Unit	Q4 2018/19	Q4 2017/18	YTD 2018/19	YTD 2017/18
Gas	TJ	3,812	1,189	10,229	4,842
Crude and Condensate	bbls	26,780	25,634	97,392	105,619

Sales Revenue

Product	Unit	Q4 2018/19	Q4 2017/18	YTD 2018/19	YTD 2017/18
Gas, Crude and Condensate	\$'000	20,555	9,031	59,358	34,939

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 30 JUNE 2019

Petroleum Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Legal Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82 (excl. EP 82 Sub-Blocks) ¹	Amadeus Basin NT	Santos	60	60	Santos QNT Pty Ltd ("Santos")	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 93 ⁴	Pedirka Basin NT	Central	100	0		
EP 97 ⁴	Pedirka Basin NT	Central	100	0		
EP 105 ¹	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 ³	Amadeus Basin NT	Santos	60	60	Santos	40
EP 107 ⁴	Amadeus/Pedirka Basin NT	Central	100	0		
EP 112 ¹	Amadeus Basin NT	Santos	30	30	Santos	70
EP 115 (excl. EP 115 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
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie Pty Ltd ("Macquarie Mereenie")	50
OL 5 (Mereenie)	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
RL 3 (Ooraminna)	Amadeus Basin NT	Central	100	100		
RL 4 (Ooraminna)	Amadeus Basin NT	Central	100	100		
ATP 909	Georgina Basin QLD	Central	100	100		
ATP 911	Georgina Basin QLD	Central	100	100		
ATP 912	Georgina Basin QLD	Central	100	100		
ATP 2031 ⁶	Surat Basin QLD	Central	50	50	Incitec Pivot Queensland Gas Pty Ltd	50

Petroleum 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 ²	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 ^{2&5}	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131 ⁴	Pedirka Basin NT	Central	100	0		
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	Central	100	100		
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152 ⁵	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		

Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 2	Amadeus Basin NT	Central	50	50	Macquarie Mereenie	50
PL 30	Amadeus Basin NT	Central	100	100		

Notes:

- 1 Santos' right to earn and retain participating interests in the permit is subject to satisfying various obligations in the farmout agreement with Central. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.
- 2 Effective 1 May 2017, Santos exercised its option to acquire a 50% participating interest in and be appointed operator of EPA 111 and EPA 124, which was granted as part of Central's acquisition of a 50% interest in the Mereenie oil & gas field.
- 3 Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.
- 4 These exploration permits and exploration permit applications have been disposed, with transfers for the granted exploration permits undergoing the process of registration with the NT Department of Primary Industry and Resources.
- 5 On 22 March 2018 (in respect of EPA 124) and on 23 March 2018 (in respect of EPA 152) Central received notice from the NT Department of Primary Industry and Resources that EPA 124 and EPA 152, as applicable, had been placed in moratorium for a period of 5 years from 6 December 2017 until 6 December 2022.
- 6 As per Central's announcement dated 29 August 2018, Central was granted ATP 2031. As per Central's announcement dated 25 June 2018 ATP 2031 is subject to a 50:50 joint venture with Incitec Pivot.

CORPORATE

Cash Position

The Group began the Quarter with \$19.3M in cash and at the end of the quarter held \$17.8M. Cash positions are inclusive of the Group's share of cash held in Joint Venture bank accounts and funds held with Macquarie Bank to be used for allowable purposes under the Facility Agreement.

Net cash inflow from operations for the quarter was \$8.4M, after payment of \$0.9M of exploration costs and \$1.7M of interest payments.

Receipts from customers for the June quarter were \$19.2M. This compares to \$16.6M in the March 2019 quarter and \$8.3M in the December 2018 quarter. The increase reflects a full quarter of receipts from sales to east coast customers following commencement of the NGP on 3 January 2019. Receipts for the March quarter reflected only two months of post NGP gas revenue, as cash is realised the month following delivery. In addition, Central's delivery of 430 TJs to Macquarie under the pre-sale agreement during the quarter is not reflected in these cash flow receipts.

Total sales volume over the quarter was 4.0 PJ, reflecting an 8.6% increase over the March 2019 quarter. This sales figure includes 0.2 PJ of gas purchased and on-sold. Central overlifted 0.4 PJ of gas from Mereenie in April and May, at which point the Palm Valley 13 well was brought onto production and overlifting essentially stopped.

Cash production costs were \$7.4M for the June quarter compared to \$8.3M in the previous quarter. Included in cash production costs were the cost of gas purchased and on-sold, royalty payments associated with increased sales and oil and gas transportation costs.

Cash expenditure on capital projects (non-exploration) amounted to \$2.6M and included \$2.3M on Palm Valley facilities (PV13 tie in and plant upgrades) and \$0.2M on Mereenie upgrades.

Interest charges amounting to \$1.7M were paid during the quarter. In addition to delivery of 430 TJs of gas under the Macquarie pre-sale agreement, principal repayments under debt facilities amounting to \$7.25M were repaid during the quarter. This comprised \$4.75M of the Macquarie facilities and the final \$2.5M of the Incitec Pivot Limited gas prepayment facility. The total outstanding balance of the Macquarie facilities inclusive of accrued interest was \$82.3M at quarter end.

The Company constantly reviews its costs to prudently manage its cash position.

Issued Securities of the Company

At 30 June 2019 the Company had 713,355,716 ordinary shares on issue, 22,264,516 share rights expiring on various dates and 52,500,000 unlisted options exercisable at various prices on various dates.

During the quarter, 2,325,740 ordinary shares were issued as a consequence of share rights exercised by employees in accordance with the Company's Employee Rights Plan, a total of 6,049,777 share rights previously granted to employees were cancelled and 8,635,002 share rights were granted to employees in accordance with the Company's Employee Rights Plan.

Leon Devaney

A handwritten signature in black ink that reads "Leon Devaney". The signature is fluid and cursive, with the first name "Leon" and last name "Devaney" clearly distinguishable.

Chief Executive Officer and MD
30 July 2019

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.

The Company is not the sole source of the information used in third party papers, reports or valuations ("Third Party Information") as referred herein and the Company has not verified their content nor does the Company adopt or endorse the Third Party Information. Content of any Third Party Information may have been derived from outside sources and may be based on assumptions and other unknown factors and is being passed on for what it's worth. The Third Party Information is not intended to be comprehensive nor does it constitute legal or other professional advice. The Third Party Information should not be used or relied upon as a substitute for professional advice which should be sought before applying any information in the Third Party Information or any information or indication derived from the Third Party Information, to any particular circumstance. The Third Party Information is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information in the Third Party Information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. To the maximum extent permitted by law, the Company and its subsidiaries and each of their directors, officers, employees, agents and representatives give no undertaking, representation, guarantee or warranty concerning the truth, falsity, accuracy, completeness, currency, adequacy or fitness for purpose of the any information in the Third Party Information.

No right of the Company or its subsidiaries shall be waived arising out of, related to or in connection with this document. All rights are reserved.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

Quarter ended ("current quarter")

30 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- Product receipts	19,209	53,834
- Take or pay receipts	—	5,090
1.2 Payments for		
(a) exploration & evaluation	(866)	(18,106)
(b) development	—	—
(c) production and gas purchases	(7,437)	(27,075)
(d) staff costs	(803)	(4,204)
(e) administration and corporate costs (net of recoveries)	(59)	(1,021)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	90	373
1.5 Interest and other costs of finance paid	(1,713)	(6,452)
1.6 Income taxes paid	—	—
1.7 Research and development refunds	—	—
1.8 Other	2	26
1.9 Net cash from / (used in) operating activities	8,423	2,465

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,635)	(17,482)
	(b) tenements (see item 10)	—	—
	(c) investments	—	—
	(d) other non-current assets – Security Bonds	—	(248)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	—	—
	(b) tenements and applications (see item 10 for tenements)	—	—
	(c) investments	—	—
	(d) other non-current assets – redemption of security bonds	11	2,347
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—
2.5	Other (refunded deposit to Joint Venture partner on withdrawal from Joint Venture)	—	—
2.6	Net cash from / (used in) investing activities	(2,624)	(15,383)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	—	—
3.2	Proceeds from issue of convertible notes	—	—
3.3	Proceeds from exercise of share options	—	—
3.4	Transaction costs related to issues of shares, convertible notes or options	—	—
3.5	Proceeds from borrowings	—	17,500
3.6	Repayment of borrowings	(7,249)	(13,999)
3.7	Transaction costs related to loans and borrowings	—	—
3.8	Dividends paid	—	—
3.9	Other (provide details if material)	—	—
3.10	Net cash from / (used in) financing activities	(7,249)	3,501

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,256	27,223
4.2	Net cash from / (used in) operating activities (item 1.9 above)	8,423	2,465
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,624)	(15,383)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7,249)	3,501
4.5	Effect of movement in exchange rates on cash held	—	—
4.6	Cash and cash equivalents at end of period	17,806	17,806

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances ¹	17,805	19,255
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (Cash on hand)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,806	19,256

¹ Includes share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter \$5,033,514; Previous Quarter \$2,323,958) to be used for allowable purposes under the Facility Agreement.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	312
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Includes Salaries, Directors fees and Superannuation contributions		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	–
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end ² \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	82,341	82,341
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 - Represents the Macquarie Bank Facility which is a secured 5 year partially amortising term loan maturing 30 September 2020 with quarterly principal and interest repayments. The weighted average interest rate at end of the current quarter was 6.78% (floating interest rate).

² Amortised remaining Facility limit.

9. Estimated cash outflows for next quarter ³	\$A'000
9.1 Exploration and evaluation	(964)
9.2 Development	–
9.3 Production and gas purchases	(10,430)
9.4 Staff costs (net of recoveries)	(545)
9.5 Administration and corporate costs (net of recoveries)	(1,273)
9.6 Other	
- Payments for property, plant & equipment	(1,602)
- Interest and debt repayments	(6,243)
9.7 Total estimated cash outflows	(21,057)

³ Outflows only, does not reflect proceeds from product sales.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: ..30 July 2019.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.