



15 October 2014

NORTHERN TERRITORY INTERCONNECT

Central Petroleum Ltd (ASX:CTP) ("**Central**" or "**Company**") welcomes the recent Council of Australian Governments (COAG) announcement which states:

"COAG supported the work being undertaken by the Northern Territory to establish a competitive process for the private sector to bring forward proposals for the construction and operation of a pipeline to connect the Northern and Eastern Gas Markets. COAG agreed that connecting these gas markets is the next step to develop a national gas grid and will contribute to the development of a more national and competitive domestic gas market, helping to improve supply security".

Central is an established conventional gas producer in the Amadeus Basin (centred around Alice Springs) and the largest holder of gas prone exploration acreage in this established but under-explored Basin. It recently announced plans to prove up 200PJ of conventional gas, a condition precedent of which was the establishment of sufficient markets.

As a result of the COAG announcement, Central has lost no time and has already entered into exploratory discussions with potential purchasers to supply 10-15PJ pa from late 2017 to early 2018 into the Eastern Market aiming to have this commitment in an announceable form by the time of the next COAG meeting expected to be in early December. These commitments should underwrite a major reserve upgrade programme, work on which has already commenced.

"When it became increasingly apparent that a general softening of commodity prices was imminent, late last year Central endeavored to position itself to take advantage of the firming of the domestic gas prices. The journey began with the acquisition of Magellan's conventional gas assets and will be completed by the time the Northern Territory gas pipeline is awarded to the successful tenderer. It is always rewarding when the national interest and shareholder interests intersect" said Richard Cottee, Managing Director.

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