**11 November 2014****INCITEC PIVOT & CENTRAL PETROLEUM ENTER FRAMEWORK AGREEMENT**

Central Petroleum Ltd (ASX:CTP) ("**Central**" or "**Company**") announced today it has entered into a non-binding heads of agreement (HOA) to supply up to 15PJ pa of gas from its conventional reservoirs in the Northern Territory to Incitec Pivot Limited (IPL). The announcement follows the Council of Australian Governments (COAG) communique which supported the concept of connecting the Northern Territory conventional gas reserves to the Eastern Australian market.

Central and IPL agreed a starting field price for gas which provides a commercial underpinning for the development of the natural gas project, and which remains confidential. The HOA contemplates IPL providing assistance in sourcing capital for drilling and reserve certification. The agreement sets out the key milestones that will need to be met before a binding gas supply agreement (GSA) is executed.

"This agreement shows that it is economic to supply gas from the Northern Territory into the domestic market in the Eastern states at a price capable of supporting industrial customers", said Richard Cottee, Managing Director of Central Petroleum.

"The agreement is akin to the first steps taken by QGC to contribute to the ongoing operations of Gibson Island in 2004 - that agreement was also negotiated by IPL's James Fazzino and I. The history of the development of the domestic gas market in Queensland always has seen IPL taking a lead role in shaping its future.

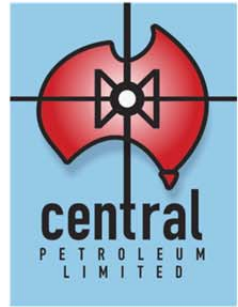
"The most difficult part of any negotiations is price and that is the importance of this HOA. The precise form of financial support and the pipeline tariffs are still to be determined", Mr Cottee said.

Both Central and IPL support the development of an open and transparent domestic gas market which will create opportunities for smaller scale and lower capital expenditure projects while placing downward pressure on domestic gas prices. Both parties believe that any interconnection will be part of a market based solution for industry. Natural Gas is an important part of the Australian economy and cannot be totally substituted by electricity (renewable or otherwise), and the gas is intended primarily to be used as feedstock in manufacturing by IPL.

Central also welcomes the announcement on Friday of a MOU between NSW and the Northern Territory governments signaling cooperation on both the development of the pipeline and a national and competitive domestic market. Central wishes to play its role in helping achieve those objectives.

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