

**10 August 2017**

*NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES*

## **CENTRAL PETROLEUM ANNOUNCES A\$27m EQUITY RAISING TO SUPPORT GAS ACCELERATION PROGRAMME**

### **Highlights**

- Central has raised approximately A\$9.2 million before costs via a fully-underwritten institutional placement at an issue price of A\$0.10 per share
- Central to raise approximately A\$18.0 million before costs via a 5 for 12 fully-underwritten traditional non-renounceable entitlement offer, also at an issue price of A\$0.10 per share
- Offer price of A\$0.10 per new share represents (based on the last traded price on 9 August 2017):
  - a 12.4% discount to the TERP of A\$0.114;
  - a 16.7% discount to the last traded price of A\$0.120; and
  - a 17.2% discount to the 5 day VWAP of A\$0.121
- Proceeds from the equity raising will be used to fund a A\$25 million drilling programme comprising a total of four horizontal wells, with no intention of fracking, with the objective of substantially increasing Central's gas reserves in time to have delivery coincide with the Northern Gas Pipeline becoming operational in the 2<sup>nd</sup> half of calendar year 2018

### **Overview**

Central Petroleum Limited (**ASX: CTP, Central or Company**) is pleased to announce:

- the successful completion of a placement to institutional and sophisticated investors to raise approximately A\$9.2 million (**Placement**); and
- that it is to undertake a 5 for 12 traditional non-renounceable entitlement offer to raise approximately A\$18.0 million (**Entitlement Offer**).

Together the Placement and Entitlement Offer will raise approximately A\$27.2 million before expenses (**Equity Raising**).

The Placement and Entitlement Offer are fully underwritten by Macquarie Capital (Australia) Limited (**Macquarie**) and Morgans Corporate Limited (**Morgans**).

A number of institutional and sophisticated investors have subscribed for Shares in the Placement and/or entered into sub-underwriting arrangements with Macquarie and Morgans for the Entitlement Offer.

Macquarie Commodities and Global Markets Group (a subsidiary of Macquarie Bank Limited), which currently holds 2.3% of Central's shares on issue, intends to participate for its entitlement in the offer and will not as a result of this transaction be increasing its relative shareholding in Central.

### Use of proceeds

The net proceeds raised from the Equity Raising will be used by Central to fund a A\$25 million drilling programme comprising a total of four horizontal wells, with no intention of fracking, with the objective of substantially increasing Central's gas reserves in time to have delivery coincide with the Northern Gas Pipeline (NGP) becoming operational in the 2<sup>nd</sup> half of calendar year 2018. The drilling programme will focus on targets where gas is already known to exist, including:

- Two targets in the Mereenie Stairway;
- One target in Palm Valley Shallow; and
- One target in the Ooraminna field.

The estimated potential incremental reserves from each of the drilling targets respectively, if successful, are summarised in the table below:

	No. of Wells	Gross Potential	Net to Central <sup>i</sup>
Mereenie Stairway	2	110 – 186	55 – 92.5 <sup>ii</sup>
Palm Valley Shallow	1	83 – 165	83 – 165 <sup>iii</sup>
Ooraminna	1	89 – 158	89 – 158 <sup>iv</sup>
<b>TOTAL POTENTIAL 2P RESERVES</b>	<b>4</b>	<b>282 – 509</b>	<b>227 – 415.5</b>

When considering Central's existing total 2P Reserves of 125.9 PJ<sup>v</sup>, a successful drilling programme implies total potential 2P Reserves, net to Central, of between 352.9 – 541.4 PJ.

Commenting on the Equity Raising, Central Managing Director, Mr Richard Cottee, said:

“The Placement saw strong support from a range of leading institutional and sophisticated investors and will further strengthen Central's register through the addition of what we hope will be additional long term holders.

The Equity Raising will facilitate a drilling programme that, if successful, will allow Central to increase total Reserves and position itself to further capitalise on the completion of construction of the Northern Gas Pipeline during the 2<sup>nd</sup> half of 2018.

<sup>i</sup> Assumes success of drilling campaign for all three fields – the results are not assured. Reserve certifiers will need to perform further work before certifications.

<sup>ii</sup> Central volume assessment of the Mereenie Stairway volumes are based on updated Special Core Analysis and Petrophysical log interpretation, post Scheme of Arrangement booklet dated 28 April 2017 (as supplemented) (SoA Booklet) review. Central 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, page 224 SoA Booklet).

<sup>iii</sup> Palm Valley estimates are post SoA Booklet and have been peer reviewed by RISC.

<sup>iv</sup> Consistent with figures referenced in RISC Independent Technical Specialist's Report appended to SoA Booklet, converted to PJ at 1.1PJ : 1BCF

<sup>v</sup> Consistent with 2P figure net to Central quoted in RISC Independent Technical Expert's Report appended to page 242 SoA Booklet

Gas is already known to exist in each of the four targets and a substantial amount of fracture modelling work has been carried-out in order to identify the target well locations. Subject to joint venture approvals and funding, we expect all four targets will be ready for execution by the fourth quarter”.

## Equity raising details

### Details of the Placement

Pursuant to the terms of the fully underwritten Placement, Central has agreed to issue approximately 92 million fully paid ordinary shares (**Shares**) to institutional and sophisticated investors at an issue price of A\$0.10 per Share to raise A\$9.2 million before costs. Settlement of the Placement will occur on 16 August 2017. Shareholder approval is not required as the Placement comes within the Company's existing capacity pursuant to ASX listing rule 7.1.<sup>vi</sup> All Shares issued under the Placement will rank equally with existing shares on issue but will not be eligible to participate in the Entitlement Offer.

### Details of the Entitlement Offer

The Entitlement Offer consists of a fully-underwritten traditional non-renounceable entitlement offer of 5 new Shares for every 12 Shares held at an issue price of A\$0.10 per new share to raise approximately \$18.0 million before costs.

Participation in the Entitlement Offer will be open to Central shareholders who are registered holders of Shares on the record date of 7.00pm on Wednesday, 16 August 2017 and who have a registered address in Australia or New Zealand (**Eligible Shareholders**).<sup>vii</sup>

The entitlements of an Eligible Shareholder under the Entitlement Offer (**Entitlement**) are non-renounceable and will not be tradeable on ASX or otherwise transferable off-market. Shareholders may take up all, part or none of the Entitlement, however shareholders who do not take up all or part of their Entitlements will not receive any value in respect of those Entitlements not taken up. Shareholders who are not Eligible Shareholders cannot participate in the Entitlement Offer and will not receive any value in respect of the Entitlements.

Approximately 180 million new ordinary shares in Central will be issued under the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares on issue.

The Entitlement Offer will include a shortfall facility, under which Eligible Shareholders who take up their full Entitlement will be able to apply for additional Shares (subject to a cap) in the Entitlement Offer from a pool of new Shares made up of those not taken up by other Eligible Shareholders or by shareholders that are ineligible to participate in the Entitlement Offer. There is no guarantee that

---

<sup>vi</sup> Central has been granted a waiver of ASX listing rule 7.1 to enable it to calculate its available placement capacity based on the number of Central's shares on issue post the Entitlement Offer.

<sup>vii</sup> Determination of eligibility of shareholders for the of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Central, Morgans and Macquarie. Shareholders should refer to the Booklet for further information.

applicants under this shortfall facility will receive all or any of the new Shares they apply for under the shortfall facility.

Central will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible Shareholders will receive an Entitlement Offer Information Booklet (**Booklet**). The Booklet will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Further information in relation to the Entitlement Offer, including the terms and conditions, will be outlined in the Booklet, expected to be lodged with the ASX on Tuesday, 15 August 2017 and distributed to Eligible Shareholders on Friday, 18 August 2017.

Further information in relation to the Equity Raising and the matters set out above, including important notices and key risks, are set out in the investor presentation lodged with ASX on Thursday, 10 August 2017.

### Key dates<sup>1</sup>

Event	Date
Announcement of Equity Raising	Thursday, 10 August 2017
Entitlement Offer ex date	Tuesday, 15 August 2017
Entitlement Offer record date	Wednesday, 16 August 2017
Settlement of Shares issued under the Placement	Thursday, 17 August 2017
Allotment of Shares issued under the Placement	Friday, 18 August 2017
Entitlement Offer Booklet despatched and Entitlement Offer opens	Thursday, 31 August 2017
Settlement of Shares issued under the Entitlement Offer	Friday, 7 September 2017
Allotment of Shares under the Entitlement Offer	Monday, 8 September 2017
Despatch of holding statements and normal trading of new Shares issued under Retail Entitlement Offer	Monday, 11 September 2017

<sup>1</sup> All dates are indicative only and are subject to change. Central reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of new Shares under the Entitlement Offer. All times above are Australian Eastern Standard time.

### Important Information

This document does not constitute an offer of New Shares of Central in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted in the investor presentation dated on or about the date of this document.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America, or in any other jurisdiction in which such an offer would be illegal.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the **US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States of America and may not be offered or sold within the United States of America, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Central does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward looking statements.

#### **CONTACT:**

**Richard Cottee**

Managing Director

Tel: +61 (0) 7 3181 3800

Email: [info@centralpetroleum.com](mailto:info@centralpetroleum.com)

#### **About Central Petroleum Limited (ASX: CTP)**

##### **General Disclaimer and explanation of terms:**

*This document 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 Central 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 Central's reports filed with the ASX. 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 Central, its agents, directors, officers, employees, advisors and consultants do not undertake any obligation to publicly 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) "believe," "understand", "estimate," "anticipate," "plan," "predict," "target," "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 or similar expressions or future may indicate a forward looking statement or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts.*

*No right of the Central or its subsidiaries shall be waived arising out of this document. All rights are reserved.*

##### **Media Enquiries**

Martin Debelle at Citadel-MAGNUS

T: +61 (0)2 8234 0100

M: +61 (0)409 911 189

##### **Central Petroleum Limited**

ABN 72 083 254 308

Level 7, 369 Ann Street, Brisbane, QLD 4000, Australia

GPO Box 292, Brisbane, QLD 4001, Australia