

15 October 2018

PALM VALLEY PV13 DRILLING UPDATE

Central Petroleum Limited (“**Company**” or “**Central**”), as Operator and 100% owner of Palm Valley Gas Field, announces that the Palm Valley 13 well (“**PV13**”), as of 13 October 2018 at 09:00 Hrs Australian Central Standard Time, has ceased drilling and the Company has called an early Total Depth (“**TD**”) to the well after reaching 2,242 metres Measured Depth (“**MD**”).

Palm Valley 13 is an in-field appraisal well for the Palm Valley Gas Field located in the Amadeus Basin. The well is located inside Operating Licence 3 (OL3). The Pacoota sandstone is the productive interval, with gross and net pay intervals of 280 metres and 85 metres respectively.

Following an initial flow test announced on 5 October 2018, a further flow test was undertaken at a test interval of 1,842 metres to 2,122 metres MD and 1,780 metres to 1,962 metres true vertical depth (TVD). The well was tested through a 3.25 inch orifice and stabilised after three minutes and was tested for 12 minutes at 12.1 million standard cubic feet per day (mmscfd). Only gas was recovered during the test, no water or oil was recovered. Palm Valley Gas Field is an existing gas field which produces from natural fractures. No hydraulic stimulation (fracking) is required in the well.

Central had originally planned to drill to a TD of 3,471 metres MD but the well has already encountered commercial flow rates of gas. As such, the incremental gas contribution that may be possible from further drilling does not justify the additional cost and mechanical risk associated with increased lateral length.

Media Enquiries

Helen McCrombie at Citadel-MAGNUS
T: +61 (0) 2 8234 0103
M: +61 (0) 411 756 248

Central Petroleum Limited

ABN 72 083 254 308
Level 7, 369 Ann Street, Brisbane, QLD 4000, Australia
GPO Box 292, Brisbane, QLD 4001, Australia

T: +61 (0)7 3181 3800
F: +61 (0)7 3181 3855
info@centralpetroleum.com.au
www.centralpetroleum.com.au

The Company is proceeding to immediately complete the well and initiate surface tie-in activities to bring PV13 online in early 2019 at which time full production testing and well performance analysis can be undertaken.

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 the Company 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 Company'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 Company, 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 Company or its subsidiaries shall be waived arising out of this document. All rights are reserved.