

# Investor Presentation

Noosa Mining and Exploration Conference 17-19 July 2019

Central Petroleum Limited (ASX:CTP)





# Company snapshot



Brisbane head office



Oil and gas E&P in Northern Territory (NT) and Queensland (QLD)



\$100M market cap



99 employees



7.3 PJE of sales 2H FY2019<sup>1</sup>

\$38M sales revenue 2H FY2019<sup>1</sup>

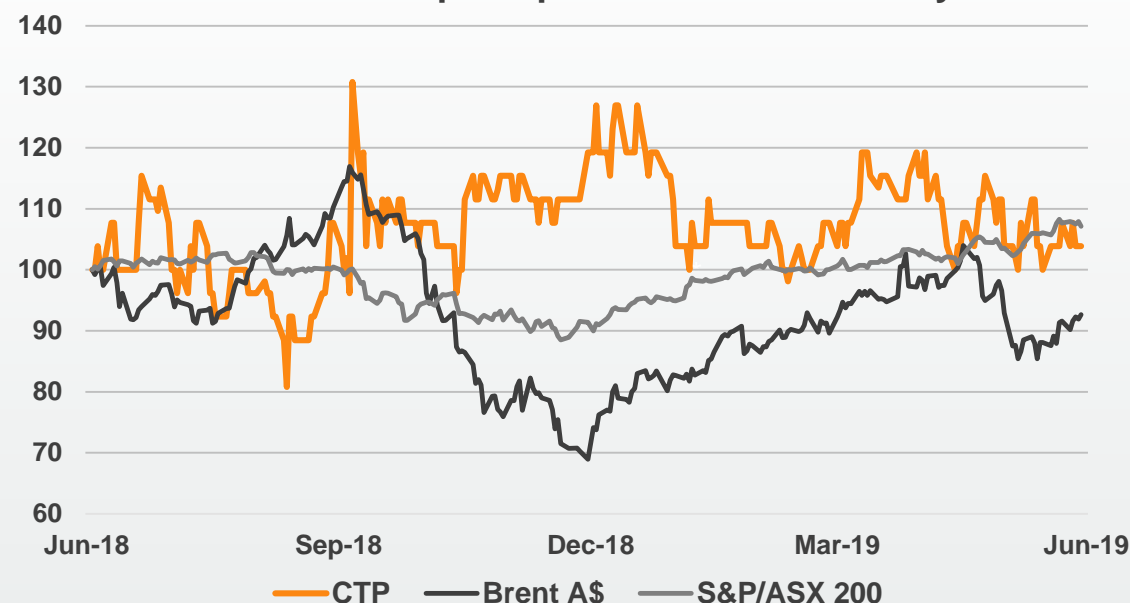
Reserves <sup>2</sup>	Unit	1P	2P	3P
Gas	PJ	128	153	177
Oil	MMBBL	0.78	0.97	1.15

1) Excluding purchased gas

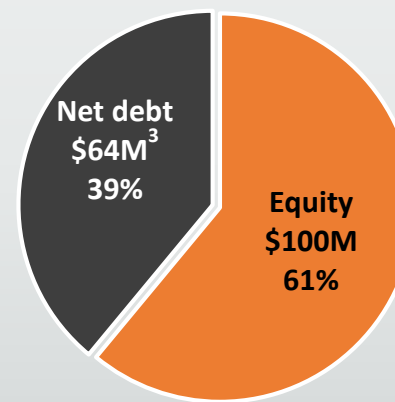
2) Net to Central Petroleum as at 30 June 2018 for Mereenie and Dingo and as at 31 May 2019 for Palm Valley, these reserves were first reported to the market on 13 November 2018 and 12 June 2019 respectively. PJs rounded to nearest full PJ. Central Petroleum Limited is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

3) as at 30 June 2019: interest bearing liabilities \$81.7M less cash and cash equivalents \$17.8M

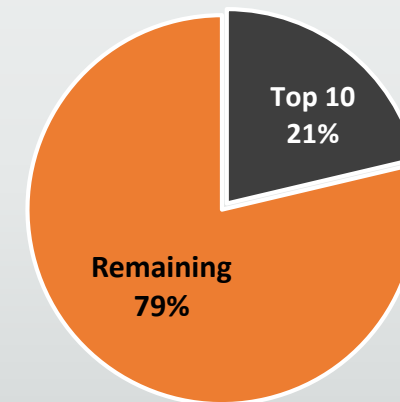
Relative share price performance financial year



Capital structure

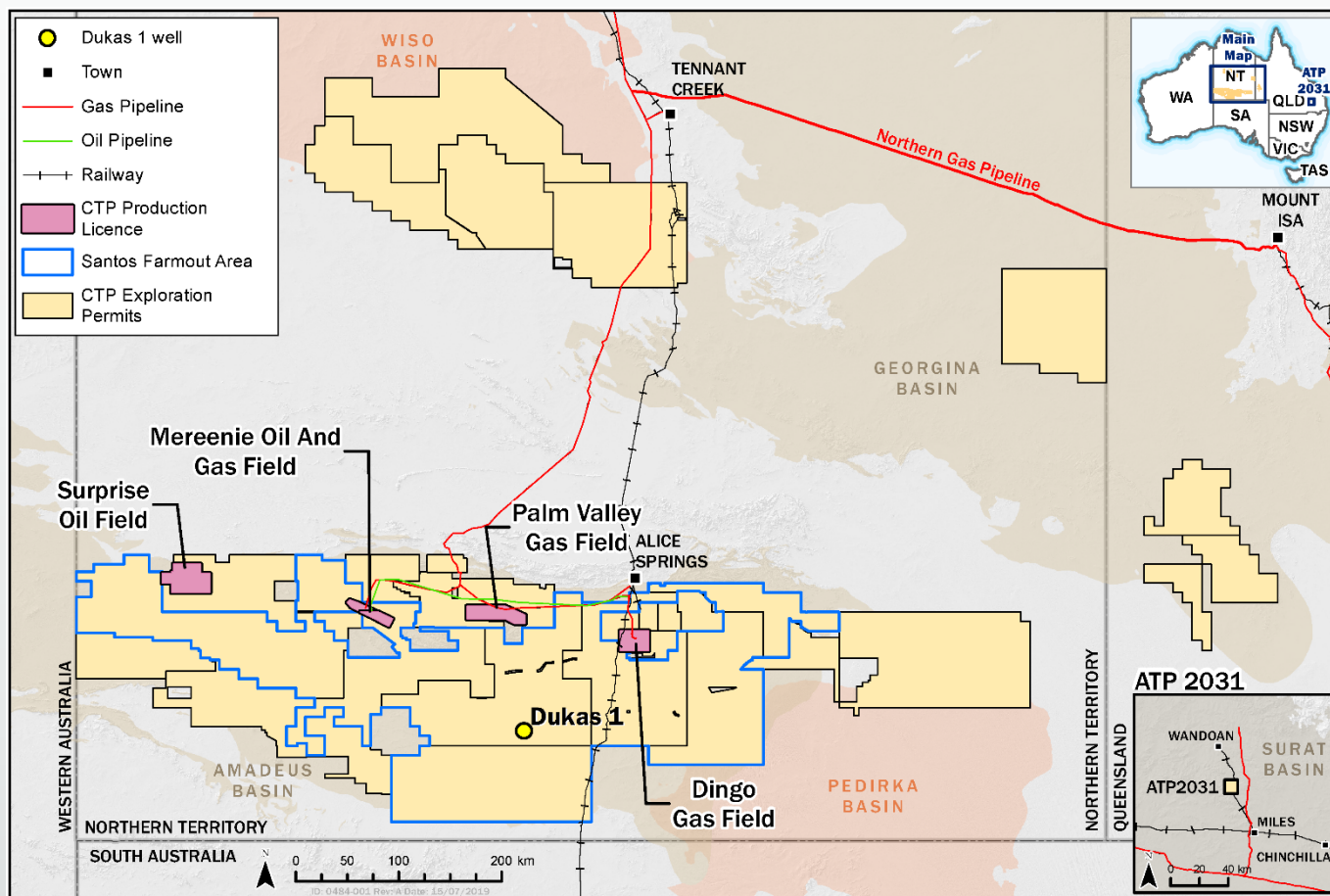


Shareholders



Shareholders: 7,872 Total shares: 713,355,716  
(as at 10 July 2019)

# Northern Territory and Queensland assets



## Operations

- Mereenie (50%): 89PJ 2P\* currently producing 24TJ/d (net)
- Palm Valley: 26PJ 2P\* currently producing 12TJ/d
- Dingo: 38PJ 2P\* 4.4TJ/d contracted to OS Power Station

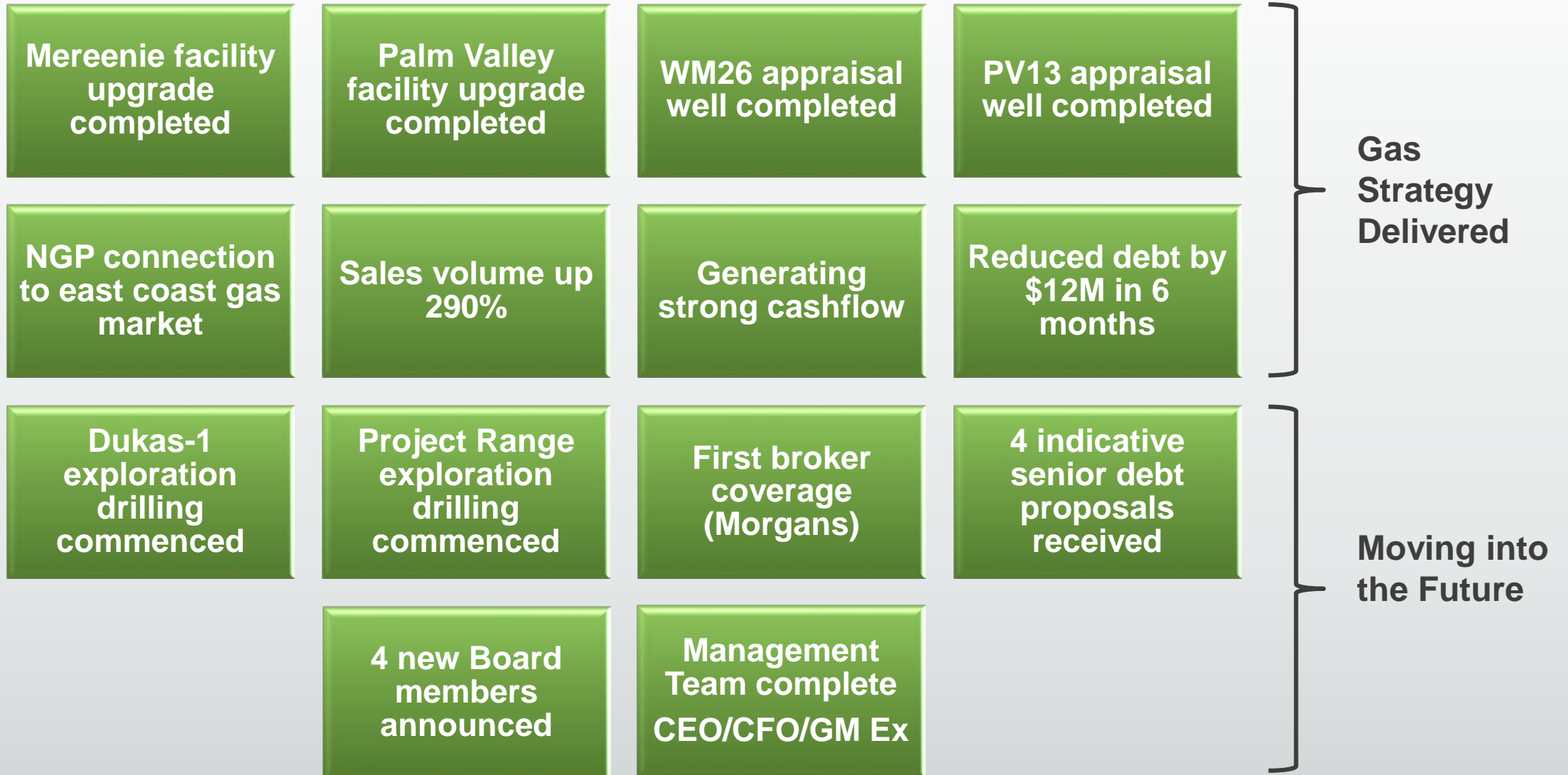
## Exploration

- Over 200,000km<sup>2</sup> exploration portfolio underexplored and producing basins
- Dukas 1 sub-salt exploration well currently being drilled under a farm-in with Santos
- ATP 2031 CSG appraisal programme (4 - 5 wells) currently being drilled in Surat Basin (inset) 50/50 joint venture with Incitec Pivot Limited

*\* Net to Central Petroleum as at 30 June 2018 for Mereenie and Dingo and as at 31 May 2019 for Palm Valley, these reserves were first reported to the market on 13 November 2018 and 12 June 2019 respectively. PJs rounded to nearest full PJ. Central Petroleum Limited is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

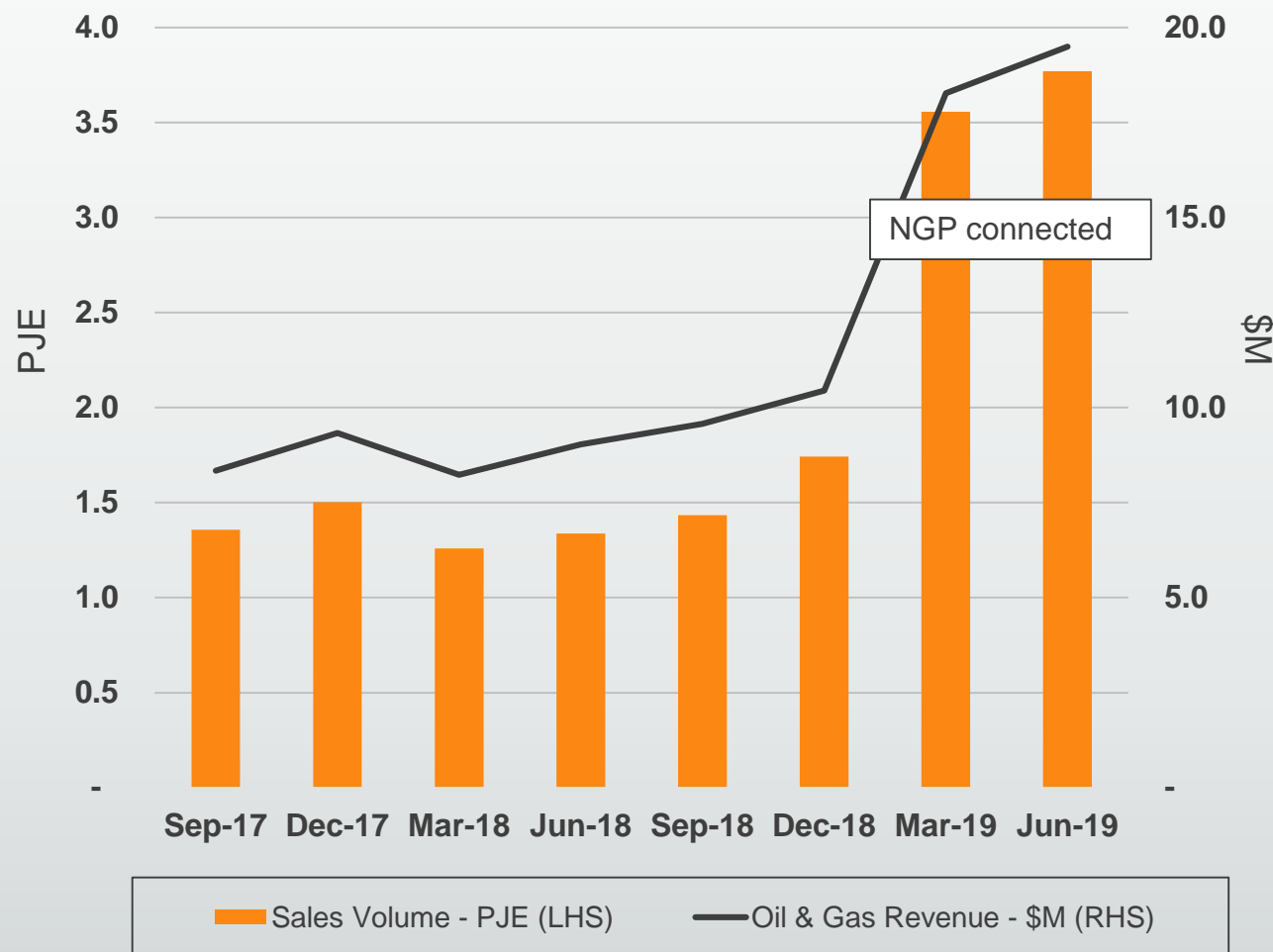


# 12-month highlights – delivering results





# Total sales volume and revenue\*



- June quarter performance continues to benefit from new east coast gas sales via NGP
- 3.8 PJE total sales (June quarter)\*
- \$19.5M total revenue (June quarter)\*
- Total sales tracking over 14PJE (CY2019)

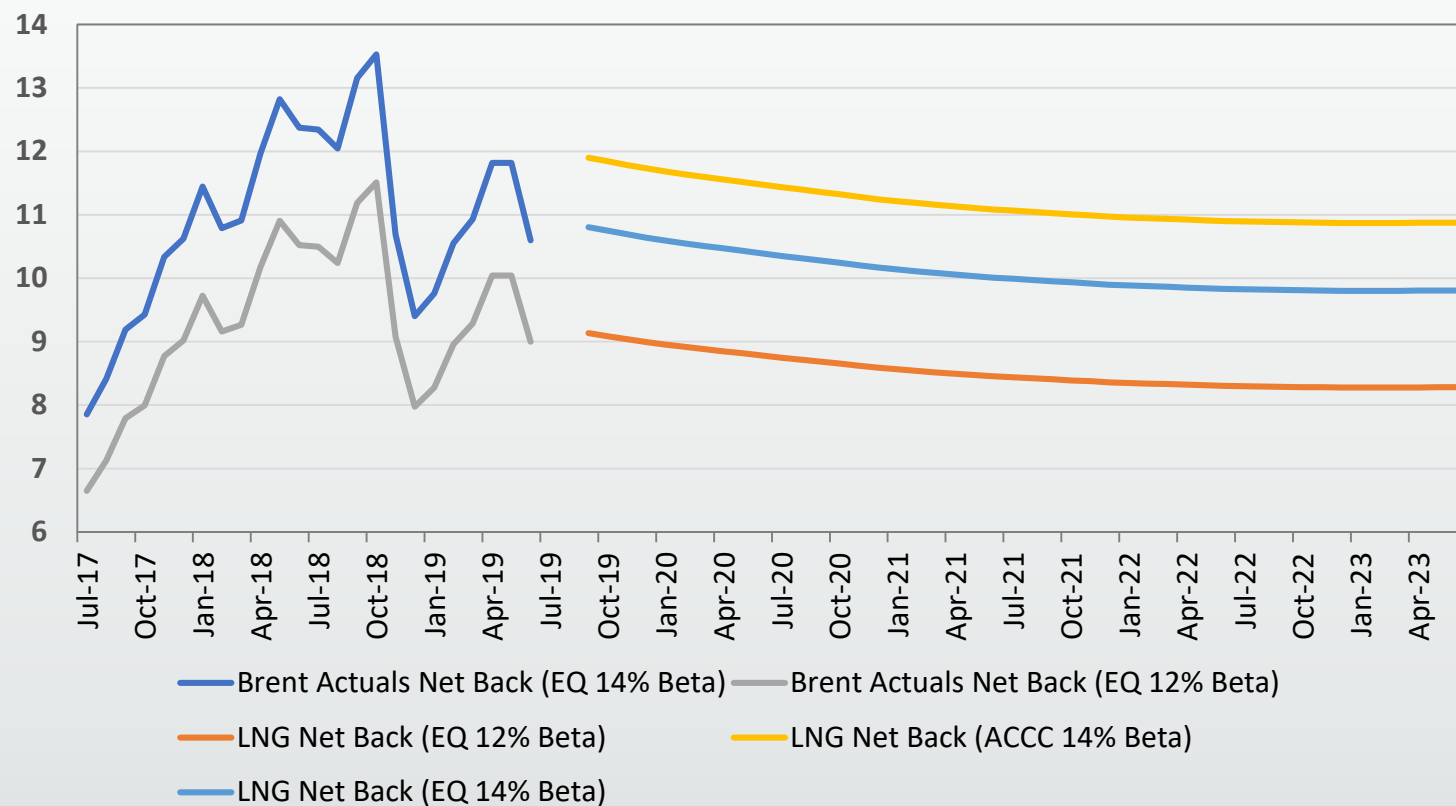
*\* Net of gas purchased and sold*

# East coast gas market

- East coast gas market is short on gas supply with prices around 3x historical
- EnergyQuest analysis shows \$9 to \$11/GJ delivered, which supports ex-field pricing for Central of \$4.50 - \$6.00/GJ\*
- Current gas marketing shows strong gas price signals for low-cost NT gas production
- Central is now a competitive gas supplier into the east coast market seeking to grow sales

\* Based on published transport reference rates and the estimated impact of system and facility use gas to Ballera

Net back gas prices at Wallumbilla Gas Supply Hub (A\$/GJ)



Source: EnergyQuest (EQ)

Note: EnergyQuest analysis assumes full cost of liquefaction and shows beta of both 12% and 14%, whereas the ACCC assumes the marginal cost of liquefaction in the net back calculation and uses a 14% beta. Potential shortfalls in supply from around 2026 may place further upward pressure on gas prices.





# Investment proposition

**Fast growing oil & gas producer**

**Connected to the east coast market**

**Low cost gas production**

**Near-field reserve growth potential**

**Upgraded production increasing gas sales by nearly 3x**

**Strong free cashflow**

**Extensive under-explored portfolio in proven oil and gas basins**

**Strong expl. prospects to progress**

**Active expl. drilling programmes**

**Strong management team to drive new growth**



# Update on key activities





# Current activities

**Complete Dukas 1  
exploration well**

**Complete Project  
Range exploration  
drilling  
programme**

**Execute new  
GSA(s) for 2020+**

**Evaluate next  
steps in Mereenie  
Stairway appraisal**

**Optimise Palm  
Valley for potential  
conversion of  
2C to 2P**

**Exploration  
portfolio strategy  
for next phase of  
organic growth**

**Screen farm-out /  
farm-in /  
new permit  
opportunities**

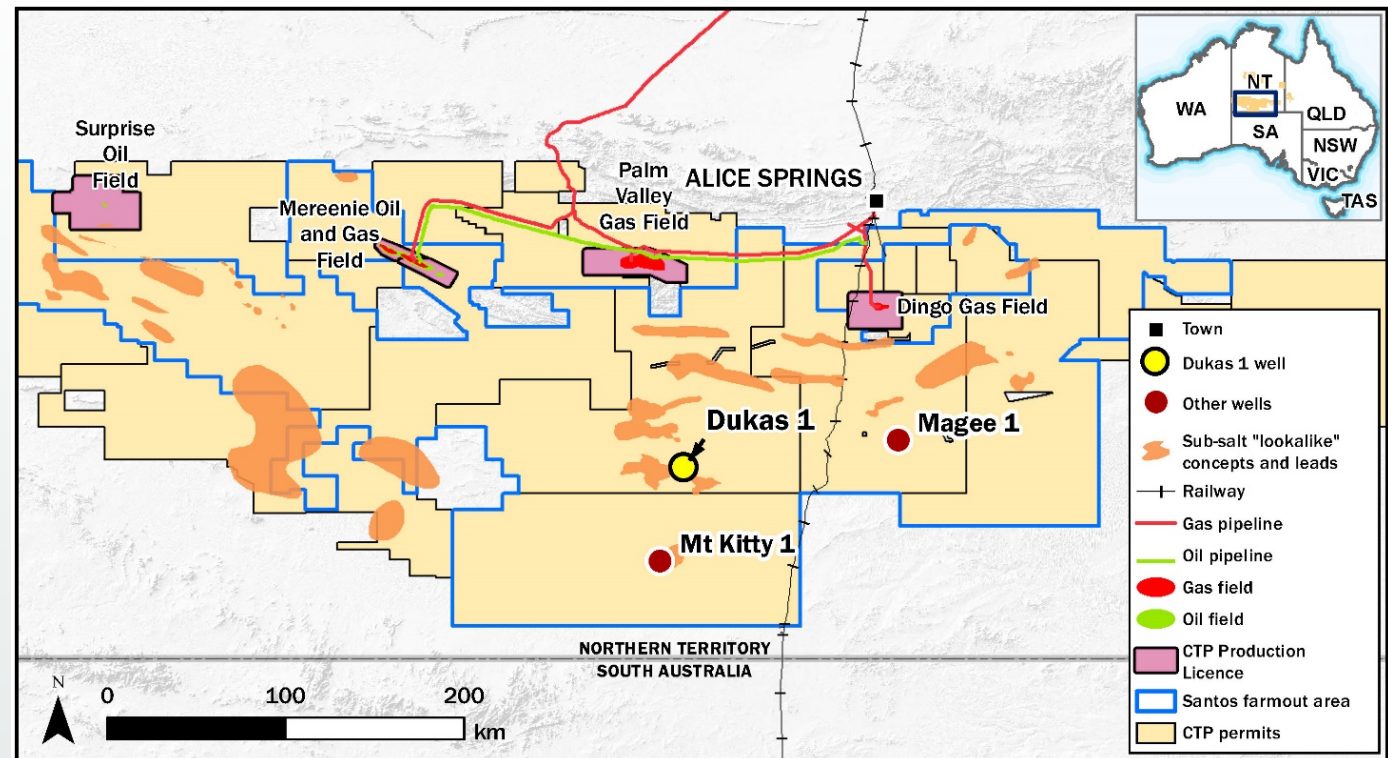
**Progress value-  
adding BD  
opportunities**

**Complete senior  
debt refinancing**

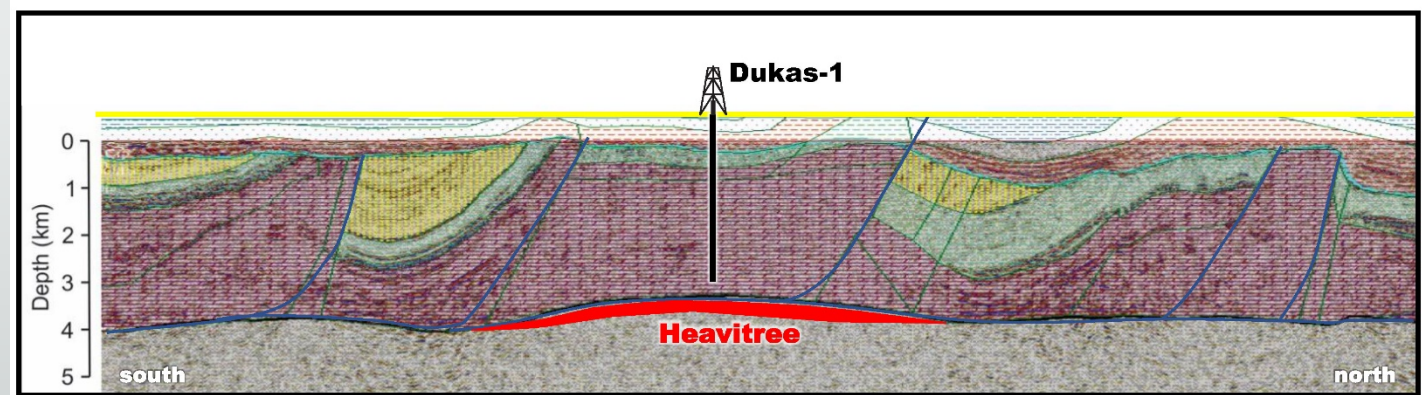
**Reduce debt by a  
further \$10M in  
CY2019**

# Dukas 1 update

- Targeting the sub-salt section of the Amadeus Basin on a large regional high
- Potentially multi-Tcf prospect with several “look-alike” structures in other permits
- Drilling currently stalled for mechanical reasons. Working with Santos on a forward plan, but timing to recommence drilling is now unclear
- All well costs are covered under a farm-in with Santos

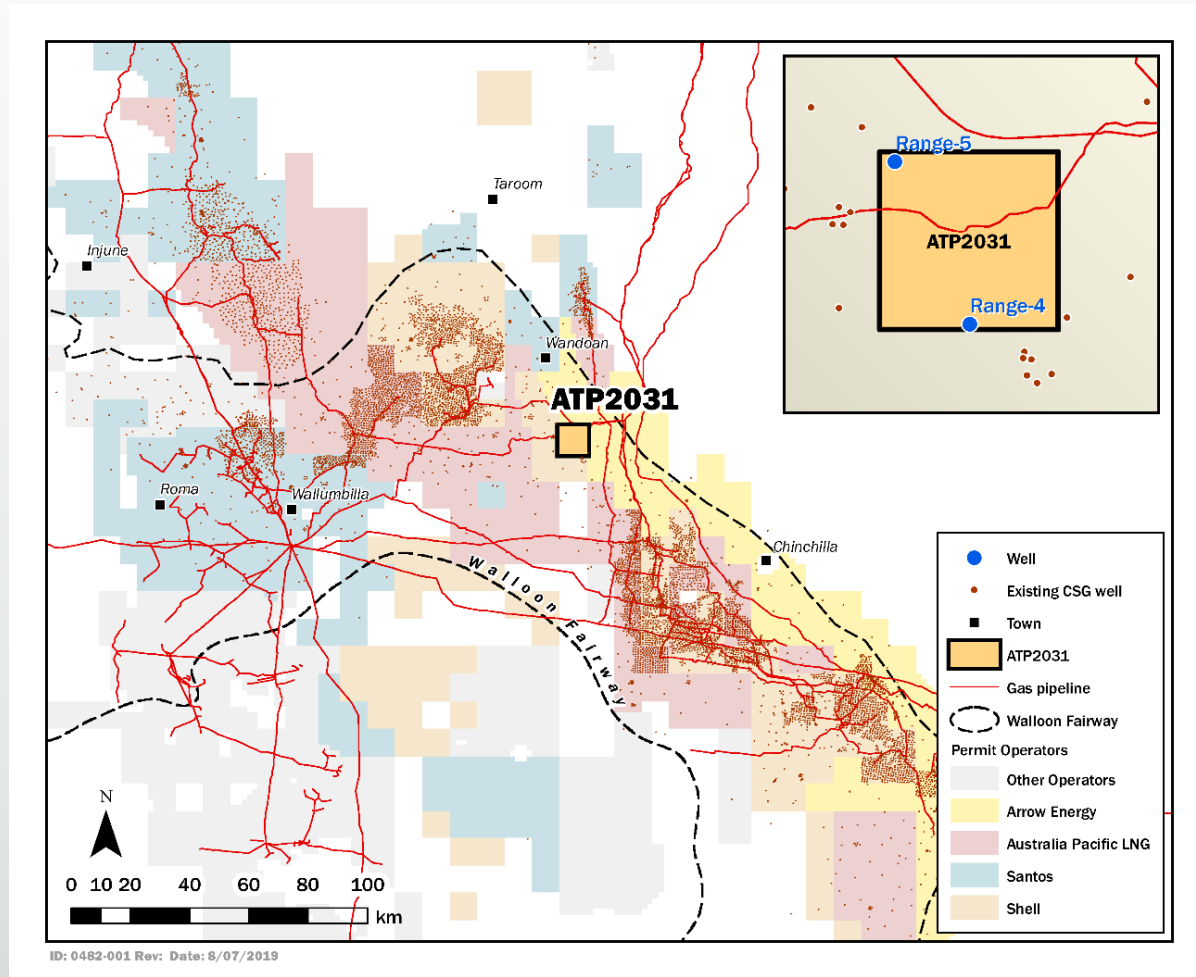


Location of Dukas-1 in relation to other large pre-salt leads in the CTP permits



# Queensland Surat basin CSG – Range Gas Project

- 77km<sup>2</sup> CSG acreage in Queensland surrounded by Shell, Arrow and APLNG
- 4 to 5 well appraisal programme with the first well (Range 4) successfully completed, Range 5 drilled and testing underway
- 50:50 JV with Incitec Pivot Limited, Central to operate development
- Targeting 150-180 PJ\* potentially recoverable (75 – 90 PJ net to Central)\*
- Gas production to be sold into the domestic market

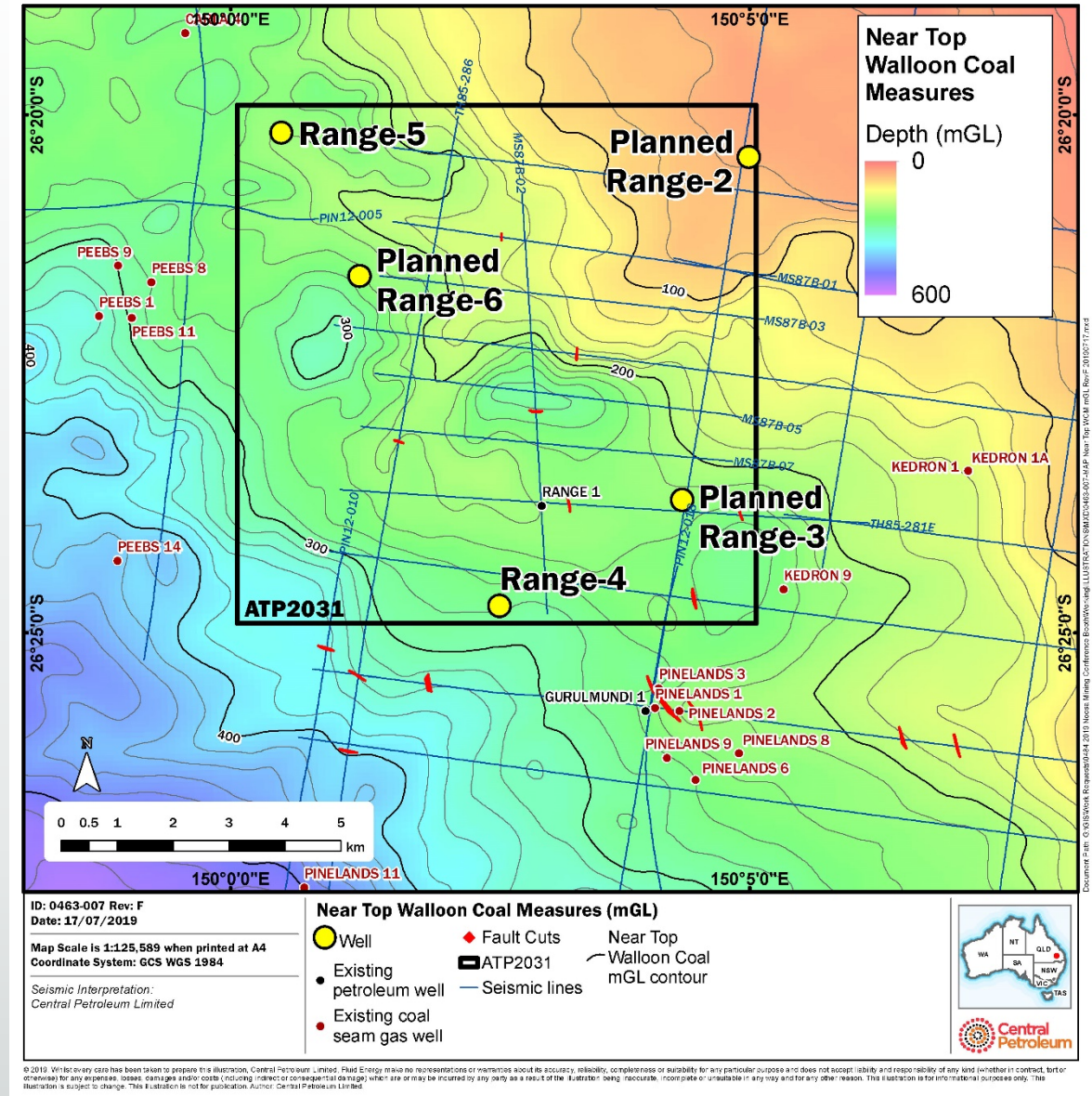


\* Estimate by Queensland Government as part of the tender process



# Range 4 Update

- Range 4 completed and suspended for P&A:
  - TD 845m (on prognosis)
  - total net coal thickness of 31m (on prognosis)
  - over 50% of total net coal tested in 6 DSTs
- DST results encouraging
  - Range-4 was located in a deeper portion of the permit to appraise the area identified as the most challenging for development
  - preliminary permeability results are higher than expected and indicate that vertical-well development of this region could be successful
- Integration of all results at the conclusion of the 4 – 5 well programme (Q3 CY2019) is necessary to fully assess economic viability





# Near-term share price growth catalysts

Catalyst	CY 2019			
	Q1	Q2	Q3	Q4
✓ GAP completed (facility upgrades and 2 appraisal wells)	✓			
✓ Sales nearly tripled following commencement of NGP	✓			
✓ PV13 well tied-in and under production testing		✓		
➤ Execute new gas supply contract(s) for 2020+				
➤ Complete the Range exploration well programme				
➤ Complete the Dukas-1 exploration well				
➤ Complete debt reduction and senior debt refinancing				
➤ Complete exploration portfolio review and growth strategy				
➤ BD activities				



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# Contact and Further Information

Investor and media enquiries:

Helen McCrombie at Citadel-MAGNUS

T: +61 (0)2 8234 0103

M: +61 (0)411 756 248



Level 7, 369 Ann Street  
Brisbane QLD 4000  
Australia



+61 (0)7 3181 3800



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



[www.centralpetroleum.com.au](http://www.centralpetroleum.com.au)

