

**CHAIRMAN'S ADDRESS  
AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
OF  
CENTRAL PETROLEUM LIMITED  
7 NOVEMBER 2019**

Good morning Ladies and Gentlemen,

Thank you for your attendance here today.

We would like to acknowledge the Traditional Owners of the land on which we meet and pay our respects to Elders past, present and emerging.

With the actions and plans we have for 2020, the coming year should be a stellar one for Central and we will be operating at a furious pace.

My recent Chairman's Letter to you in the Annual Report, advised that FY19 was not just a good year for Central, but a transformational one. There are two main reasons.

1. We successfully completed Facilities Upgrades for Mereenie and Palm Valley on time increasing Mereenie to a rated production Capacity of 44 TJ/Day and Palm Valley to 15 TJ/day
2. Our gas Production assets in Central Australia were connected for the first time on 3 January to Australia's largest domestic gas market, East Coast Australia.

This has resulted in nearly tripling our contracted gas sales and supported us in adding to the capability and capacity of Central's Management Team in Exploration, Operations, Risk Management and Commercial.

In short FY 19 has set the solid base for us to progress with both strength and speed.

We are focused on delivering value to our shareholders and I will now share with you our key plans and actions for CY2020.

**1. Short Term Exploration Programme**

Last Month we announced a \$51m Exploration Program for CY2020 to be funded by a farmout and sell down of a share in Central's producing assets in Mereenie, Palm Valley and Dingo. We are doing this to make use of the additional Value accruing to Central since the connection to the East Coast gas market via the NGP. Leon Devaney will tell you much more about this Program when he addresses the meeting after we have concluded the business of the AGM. With Duncan Lockhart's team and his

experienced eyes scouring over our Amadeus Basin Assets we have been presented with 5 readily drillable prospects (4 Gas and 1 Oil) which are now on our priority list.

We are really excited about these, including the prospects of Orange and Mamlambo which will be new to you. In total, the Risk Adjusted estimate for the reserves increase from this program is 205 Pj Gas and 9.5 Mbbls. Now we all know that exploration has risks, but these prospects (except for Mamlambo) are all close to existing infrastructure and, in the case of the gas prospects, have a hungry East Coast market ready to buy. Significantly, we have already received unsolicited interest from very credible parties. Success in this program would be material to the company.

## **2. Range Coal Seam Gas Project**

In August we announced the tremendous news that the independent reserves auditor, NSAI, confirmed that drilling results from this Project showed 2C Resources of 270 Pj (Our share 135 Pj). This is 50% more than we had expected and has the potential to almost double our total 2P Reserves.

This is a big but relatively low risk project to develop. Your Board and I believe that the value increase to Central from the project will be appreciated sooner if we accelerate to Final Investment Decision next year and construct the project to provide first gas sales to the domestic market in CY2022. Once successful, this will be company changing for Central.

## **3. Dukas**

Leon Devaney will provide a detailed update shortly but briefly; the situation is that drilling the Dukas prospect had to be suspended when the drill rig could not handle the overpressure from the formation above the drill target. The full drill results from data acquired immediately before suspension of the drilling are still being investigated by the Santos-Central Joint Venture Technical Team.

A forward plan including the sourcing of a much larger capacity rig (15000 PSI Blow out Preventer) is yet to be finalised. I can assure you that the Central team are putting all the resources and influence it can muster in helping the Joint Venture to finalise this plan. It is unlikely that a forward drill plan and schedule can be finalised in the short term as sourcing a rig of this size is unlikely to occur in CY2020.

The year ahead holds great promise, and with a new refreshed board, and a new management team under the leadership of Managing Director Leon Devaney it is our challenge to deliver as promised.

## **4. Stakeholder Engagement and Risk Management**

Before I conclude, let me refer you to the Stakeholder Engagement section in my Chairman's Letter in the Annual Report and to the Risk Management section on pp 8-12 of the Annual Report. I commend you to read these sections at your leisure. In these sections we discuss the risks facing the company including the Environment,

Climate Change and Community Relations and our mitigation strategies for each of these risks.

We have learned a lot from the last 12 Months. Our growth and achievements did not occur without “growing pains” which have resulted in changes both at management and Board levels. We now need stable Board and management to enable us to deliver as promised on our plans.

I'd like to thank all shareholders for your support, the management team and all employees for their great work and acknowledge the Traditional Owners without whose consent we would not be able to operate.

Thank you, ladies and gentlemen. Now to the business of the AGM.

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**Chairman**

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