



16 December 2014

## COMPANY UPDATE

Central Petroleum Limited (**ASX:CTP**) ("**Company**" or "**Central**") advises following the recent drop in oil prices which has affected oil revenues from the Surprise field, Central has taken decisive action to ensure that the Company will be able to live within its present cash flows. The following actions have been taken:

1. The Company is applying for all necessary permits to operate the Surprise Oil Field remotely from Alice Springs in a concerted effort to reduce the costs of production.
2. The Company has implemented a 40% reduction in its headcount primarily targeting consultants and contractors. To a large extent the employment of Traditional Owners has been exempted.
3. The Company will only incur absolutely necessary expenditures.
4. Directors have agreed to defer 20% of their Director's fees until the next Financial Year.

Since last year, Central has been focussed on its gas operations and this focus remains. Gas revenues are unaffected with domestic gas prices still expected to rise. The Company's Gas Acceleration Programme remains unaffected with sources of funding being actively pursued. The NT Pipeline EOI closed today and the Company remains confident that the interconnect project will be aided by the recent events.

### Media enquiries please contact:

Martin Debelle at Citadel +61 2 9290 3033 or Mobile +61 (0)409 911 189

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