



9 February 2015

DINGO GAS PROJECT UPDATE

EARLY GAS SALES

Central Petroleum Limited (**ASX:CTP**) ("**Company**" or "**Central**") today announced agreement with Power and Water Corp (PWC) for the early sale of gas under a Gas Sale and Purchase Agreement executed in September 2012. Under the new arrangement, Central will immediately begin selling approximately 2TJ/day of gas from its Palm Valley Gas Field in advance of the commencement of the Dingo Gas Field which remains on schedule and under budget, with completion to be in Q2 this year.

The sale of early gas from Palm Valley will be incremental to the current gas production already occurring from Palm Valley under a Gas Sale Agreement with Santos, and provides an acceleration of gas sales revenue with only a small incremental operating cost.

The Dingo Gas Field and Pipeline Project remains on time and under budget with commissioning expected to occur in Q2 of this year. By completing the Project under budget, Central will construct the Project below the Macquarie Debt Facility limit of \$50 million announced in February last year.

"With 88% of our acreage being gas prone, the early gas sales to Power and Water Corp is another step in establishing Central as a gas supplier to the domestic gas markets. The Company advanced its transition from explorer to domestic gas producer and supplier in the 1st quarter of last year with the acquisition of the Dingo & Palm Valley assets. The supply agreement supports our Gas Acceleration Program and the North East Gas Interconnect (NEGI). This means that Central's revenues are overwhelmingly based on fixed domestic gas prices with CPI-escalation which, notwithstanding the fall in oil prices, continues to remain robust", said Richard Cottee, Managing Director.

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