Central Petroleum

Ready to supply the shortfall

The foundations are laid

Developing Unconventional Gas Conference
28 – 30 July 2015

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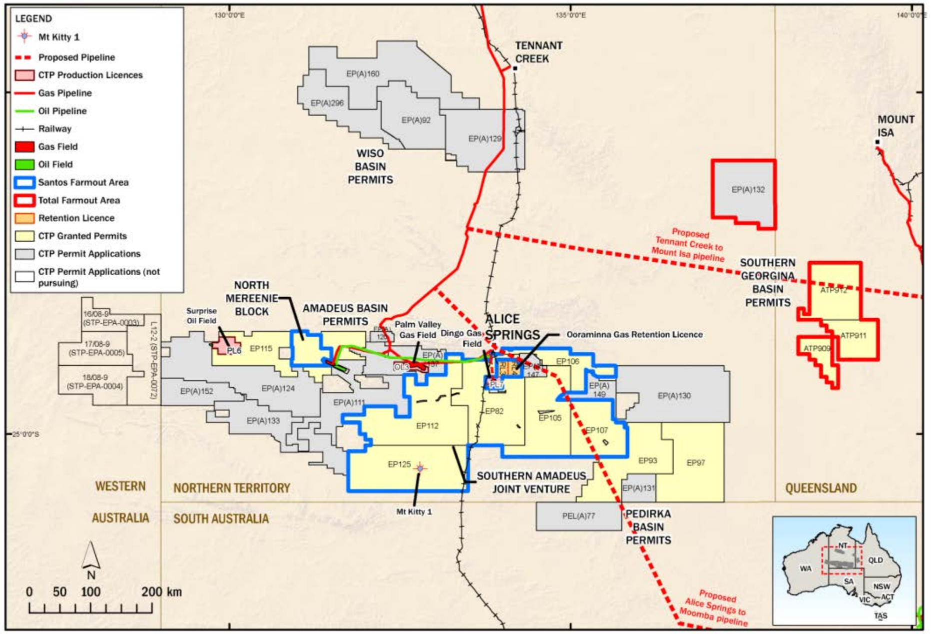
OUR COMPANY

Central Petroleum

- 56,522,900 acres (228,740km²) in exploration tenements, with 47% awaiting Native Title clearance
- Operator of Southern Georgina JV with Total
- Will become Operator of the Mereenie oil and gas JV with Santos
- Operate 100% owned gas fields at Palm Valley & Dingo
- Forecast to earn $2 million in first full year of Mereenie participation (after all commitments & expenses including head office)



- Expects to have 380 PJ in 2P gas reserves within 6-9 months for supply to domestic market or export
- North East Gas Interconnect pipeline (NEGI) construction tender due Oct 2015

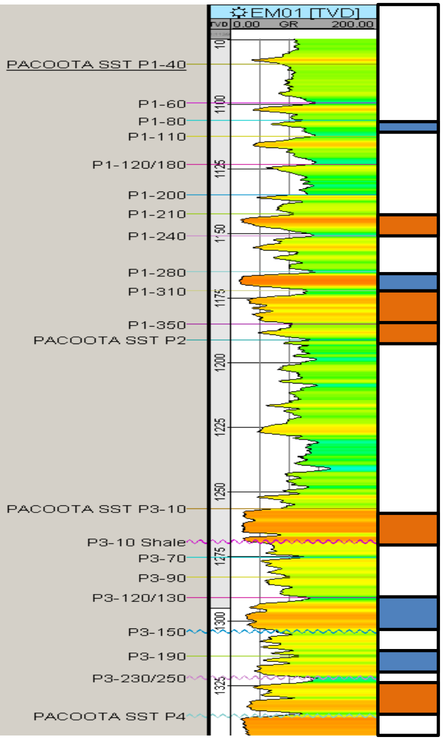
PRODUCTION ASSETS

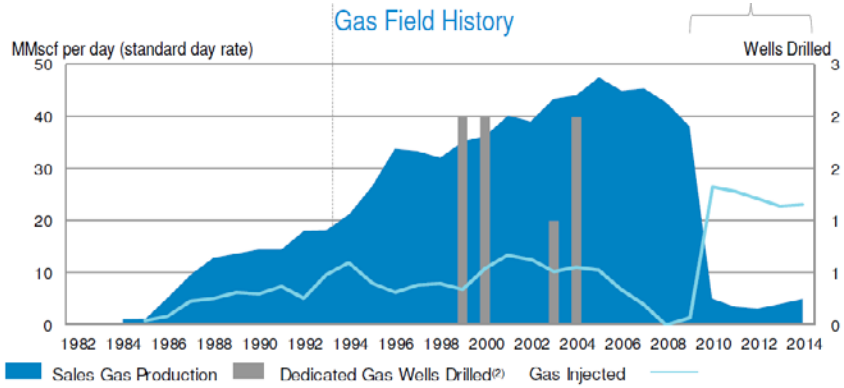
Mereenie Oil & Gas Field

- Mereenie discovered 1963
- Gas accumulation with an oil rim
- Recently optimised for oil not gas
- Gas primarily re-injected since 2008
- Present production capacity of 45 TJ/d (15PJ/a)
- Significant existing infrastructure, including 270km pipeline to Alice Springs
- Internal estimates 123 PJ / 2P Reserves with 120 PJ / 2C*
- Present contracted gas sales of 5TJ/d (1.68 PJ p.a.)

Main producing reservoirs;
- Pacoota P1-80 (Gas)
- Pacoota P1-280 (Gas)
- Pacoota P3-120/130 (Gas/Oil)

Undeveloped reservoirs;
- Stairway Sst
- Pacoota P1-40, 210, 300's
- Pacoota P3 gas-cap
- Pacoota P4





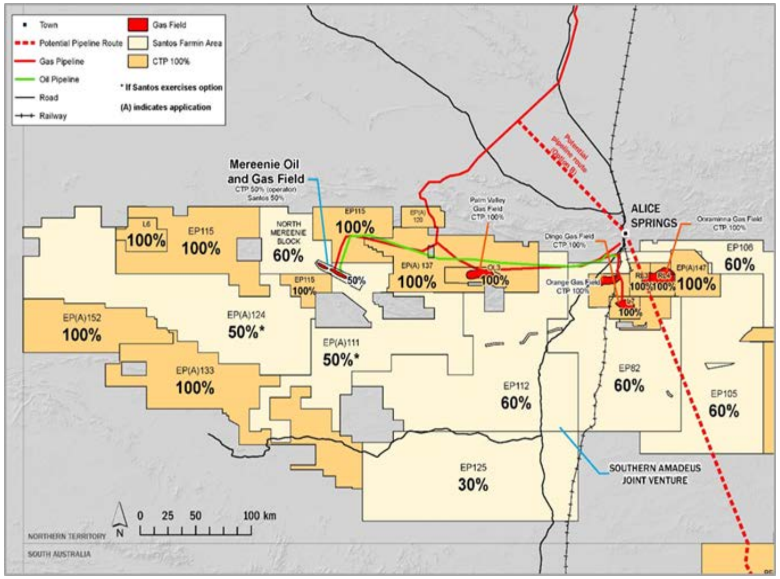
- Five discovered gas zones - Pacoota sands P1 through P4, Stairway sands
- Good gas flows recorded drilling many sands which have not been completed

* Reserve Estimate is based on, and fairly represents, information and supporting documentation prepared by Larry Franks B.Eng (Mech), Principal of Naturally Fractured Development Pty Ltd and member of the Society of Petroleum Engineers.

FIELD CONSOLIDATION

Central Petroleum

- Opportunity to rationalise operating activity and gas portfolio across three fields in Central Australia - Mereenie / Palm Valley / Dingo
- Optimise / consolidate production across three fields
- Unit costs of production is very volume sensitive
- Opportunity to significantly lower production costs (current cost c.a. $2/GJ)



5-yr Average Annual Cash Flow ($Ms)		
	PV/D ⟶	MRN/PV/D
Revenue	19.4	32.4
Cash Flow Before Debt	11.3	20.0
Debt Service*	(9.2)	(10.2)
Free Cash Flow from Projects	2.1	9.8

** Includes principal amortisation and interest*

Generating $2M annually after all costs and expenses including corporate.

NORTH EAST GAS INTERCONNECT (NEGI)

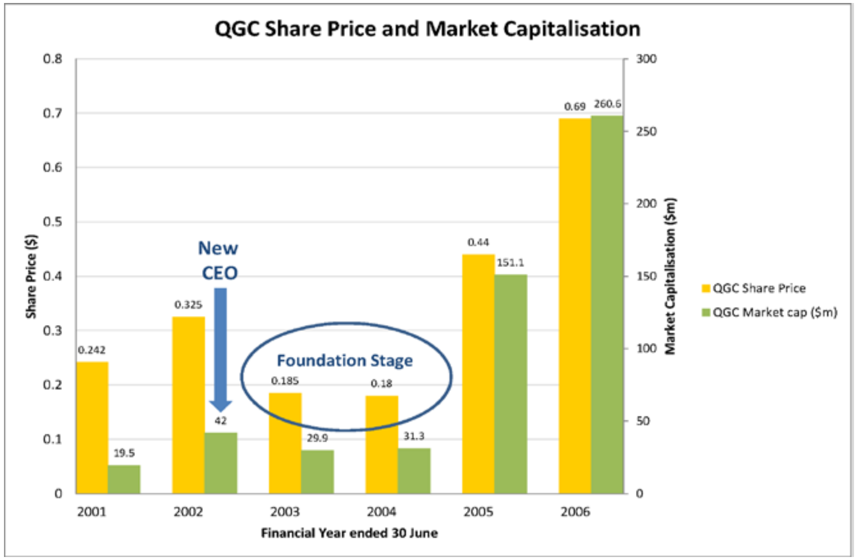
- NEGI pipeline will link Northern Territory gas producers to the main Australian domestic markets in NSW, SE Queensland and Victoria.
- Current East Coast gas demand of approximately 700-800 PJ/p.a. With Gladstone LNG exports it is predicted to increase to 2100 PJ/p.a. by 2017, creating a deep and liquid domestic market.
- In 2019, NEGI first gas delivery target date, EnergyQuest estimates demand for natural gas will be
    - 133 PJ/p.a. short of supply without NEGI, and
    - 83 PJ/p.a. short of supply and growing, with NEGI.
- NEGI construction tender proposals due to close in October 2015. Includes four of the industry's biggest players (APA Group, Duet Group, Jemena and Merlin Energy), and supported by Australian Council of Governments.
- Central expects to be able to supply over half of the gas transported through the NEGI pipeline.

CENTRAL'S CAPACITY TO SUPPLY NEGI - CLOSING THE GAP

- 1C & 2C often are classified as such for non-geological reasons particularly no markets.
- Future Customers are interested in un-contracted gas, which can convert from 1C & 2C into 1P & 2P
- At Mereenie when it lost its contracts its 1P was downgraded by 54 BCF. On NEGI this may be reversed.
- At Palm Valley & Dingo the recent reserve certification showed 70 PJ available to be contracted.
- The combination of the geologically verified gas awaiting an economic outlet before they become 2P Reserves from Mereenie, Palm Valley and Dingo and uncontracted gas allows over 200 PJ presently available pre the NEGI work program to help underwrite NEGI (CTP Share 135 PJ) through sales contracts.

THE FOUNDATIONS OF SUCCESS

- Central has laid the foundations for market success by establishing supply contracts, field development, certified reserves and financing ahead of the NEGI domestic supply pipeline.
- Similarly, QGC took two years to lay its foundations which established local CSG supply. This made the proposed PNG pipeline unnecessary and changed fundamentally the market opportunities.
- After two years marking time, QGC's share price began its steady rise.
- Central's 50% acquisition of Mereenie places it in an advantageous position to capitalise on future gas demand created by the NEGI project and increasing LNG exports.
- Central petroleum now has a foothold on Australia's largest commercial gas acreage



Source: QGC Annual Report 30-June-2006 (page 38)

OVERVIEW

- When the NEGI pipeline is completed in 2019 the east coast Australian domestic gas market will be in short supply
- Central is an existing operator with gas resources across producing assets and their infrastructure and pipelines, and Australia's largest exploration portfolio
- Central aims to produce gas at $1/GJ, excluding operating costs. Unconventional gas is currently costing $4/GJ. East Coast competitors have pre-sold into LNG contracts at oil linked prices.
- Australia’s LNG export industry requires gas far in excess of Australia’s current production, creating an export option for Central Petroleum.
- Central is in JVs with Australian leader Santos and international major Total
- Central’s MD and CEO Richard Cottee is a highly experienced Oil & Gas executive, who developed the Queensland Gas Company (QGC) and led the gas industry in Queensland

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