

Central Petroleum Limited (ASX: CTP).

From Stranded Gas to Much Desired Gas

..... Making the NEGI Connection



CSPA Roadshow
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NEGI is Certain

- NT Govt awarded Jemena the 14 inch NEGI Pipeline to go from Tennant Creek to Mt Isa for completion by 2018
 - NEGI is fully funded and not conditional on FID – Parties are committed
 - NT Govt (through PWC) has committed 31 TJ/day of throughput
 - Central has committed in the NEGI data room 35 TJ/day from existing known conventional resource provided tariff to Ballera or Moomba is in the \$2-3/GJ range and can now finalise gas sales for around that volume for delivery from 2018
 - Subject to presently funded NEGI appraisal programme (centred on Mereenie's conventional resource) being successful Central committed another 15 TJ/day into the NEGI data room
 - Central's appraisal programme for NEGI capability targeting completion in the first quarter next year
 - Phased results of the programme will be known from December
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Domestic Gas Market – The times are a-changing



- The domestic gas market shortfall is now widely acknowledged
- Gas is needed from 2018
- NEGI is able to supply with our existing resource around 30 PJ pa (about 20% of projected shortfall¹)
- If NEGI appraisal programme is successful, this will rise to 40 PJ pa (or 30% of projected shortfall¹)
- ACCC reports on Gas Market in April 2016
- AEMC inquiry into Gas Trading (including transportation) underway
- Productivity Commission Inquiry ongoing

^{*1} EnergyQuest estimates shortfall in 2019 to be 133 PJ

Timing Is Everything

- Mereenie has installed gas capacity of 45 TJ/day (gross) Palm Valley 10 TJ/day and Dingo 5 TJ/day
 - No construction or capital risk anticipated as it is only de-mothballing
 - \$10.2 million cash balance as at 30 September 2015 (NEGI appraisal programme \$8 million to our account)
 - \$10.5 raised through placement (\$10 million payable to Santos on 02/06/16)
 - If SPP is successful no further equity raise is required to supply through NEGI
 - First NEGI gas sales should commence in 2018 (just over 2 years away!)
 - Existing wells will be able to meet NEGI gas sales with production drilling scheduled from 2020 (year 2 of sales contract – funded from gas sales revenue)
 - Mereenie and Palm Valley has 30 year production history so known reservoir performance
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Domestic is Central Focus

- Central presently is contracted in NT to supply 4.4 PJ pa (equity accounted)
 - If NEGI appraisal programme is successful another 18.25 PJ pa will be contracted by Central (equity accounted) before 2018 giving 22.5 PJ pa (a 400% increase) of sales revenue.
 - Central's strong preference is for domestic customers - to avoid currency and oil price risk thus giving us access to the debt market at the lowest interest rate
 - In Q1 of 2014, 100% of Central's revenue was oil price related
 - By Q3 of 2015, 70% of Central's revenues were from domestic gas sales
 - By 2018, over 90% of our anticipated revenues should not be affected by oil prices or currency movements
 - Stable revenues = lower financial risk
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Summary

- In 2 years, Central expects to have approximately 20 PJ pa under domestic gas sales contracts generating above \$50 million after costs revenue annually
 - In 2 years' time over 90% of Central's revenues should be based on fixed \$A long term contracts unrelated to oil prices
 - Low construction cost/risk exposure as field gathering and production facilities already in existence and wells drilled
 - Known conventional gas reservoirs – no exploration risk or unproven unconventional reservoirs
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