

OPERATING ACTIVITIES REPORT AND ASX APPENDIX 5B

For the Quarter ended 31 December 2017



Figure 1: Wet season encroaches on Mereenie Oil and Gas Field

HIGHLIGHTS

- A webinar presentation was held by the Managing Director on 9 October 2017 to discuss the Annual Report for the year ended 30 June 2017.
- Testing of the Stairway Sandstone at Mereenie from the previously drilled West Mereenie 15 continues free flowing gas at sustainable rates with a low nitrogen content of 2.6%. Additional recompletion opportunities have been identified.
- The Annual General Meeting of Shareholders was held on 29 November 2017 with all resolutions passed by Shareholders.
- Dr Sarah Ryan, Mr Martin Kriewaldt and Mr Tim Woodall joined the Central Board as independent Non-executive Directors as part of Central's commitment to augment and strengthen the current Board.
- Cash balance at the end of the quarter was \$28.6 million.

MANAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

I am pleased to report that Central has finished the quarter with more cash than it began, notwithstanding increased expenditure on planning for the drilling programme, plant and equipment for the Dingo plant and the purchase of the long lead items necessary to ensure that the Mereenie plant is capable of processing 50 TJ/day (up from the present 25 TJ/day) by the time the Northern Gas Pipeline ("NGP") is operational. The NGP appears to be on schedule to enable delivery of gas by Central outside of the Northern Territory in the fourth quarter of this year.

In the quarter, the offtake of gas from the Dingo field remained substantially below Take-or-Pay ("T or P") levels, as has been the case in each quarter of 2017. This has resulted in nearly \$6 million being accrued as T or P and paid in January. The offtake from Dingo in January, however, has now started to approach contracted levels.

All the necessary planning work for the four well drilling campaign has been completed with the first of the wells to be spudded this quarter. Unfortunately, the original rig identified for use has suffered an unacceptable delay in completing its existing contracts. Consequently, the Company has agreed commercial terms with Ensign Drilling to take its Rig 932 out of mothballing. The result will be that the spud date will be delayed by one month and is scheduled for March.

The market for gas remains tight, though the ADGSM has helped in temporarily steadyng the market and, as such, the Company remains confident that the market should support the capacity for new sales contracts before December. The Gas Price Trends Review 2017 by Oakley Greenwood for the COAG Energy Council showed that the wholesale gas price for Industrial users was \$9.19/GJ (in the middle of our projected range of \$8-10/GJ). Since 20 December 2017, the LNG Japan Spot rose 13% from November to December and the Henry Hub rose 33% from \$2.72/MMBtu to \$3.64/MMBtu indicating a worldwide tightening of the gas market. Central and its Mereenie Joint Venture Partner are awaiting a decision by the ACCC on its application for joint marketing before formal active gas marketing can commence. A decision is expected soon. However, as Joint Venture approval is conditional on ACCC clearance for joint marketing, the sequencing of the drilling programme may need to be altered to accommodate the delay in the ACCC decision. The Company expects each well to take a little over 30 days per drilling location.

The Company has already ordered the long lead time items necessary to restore and debottleneck the Mereenie processing plant. The aim of this programme is to ensure that the Mereenie plant is capable of producing at least 50 TJ/day of sales gas by 1 December 2018, with a possibility of increasing that capability by another 20-25%. Funding for this programme will be from existing cash reserves and FEED should be completed by April.

Pipeline reforms have continued unabated and Central welcomes the new GMRG recommendations announced this month as well as the AEMC review of the National Gas Law ("NGL") for regulated pipelines. The implementation of the GMRG recommendations as well as decisions from the AEMC's review of the NGL are anticipated this year which would align with commencement of the NGP. In addition, there is a market study underway to determine if the Northern Territory pipeline network (which is fully contracted by the NT government through the Power Water Corporation) should be excluded from the GMRG's pipeline reforms (including the Day Ahead Auction) or if those pipelines should be treated consistent with all other transmission pipelines in the east coast. We anticipate this decisions to be made early this year

We have begun this year on solid ground with a promising outlook. The work on the Mereenie plant should ensure that the joint venture can significantly increase its sales gas capacity to 50 TJ/day (gross) (18 PJ p.a.) from our existing certified reserves in time for commencement of the NGP for over 5 years, obviously for an extended period if the drilling is successful.

The four well programme based on brownfield economics can only provide tantalising upside to that scenario. 2018 should be the year in which Central Petroleum becomes a substantial new supplier into the east coast gas market.

With the appointment of Tim Woodall, an experienced oil and gas veteran with impeccable Australian commercial experience, augmenting the earlier appointment of Dr Sarah Ryan and Martin Kriewaldt, the promised Board renewal is now completed.

As announced at the Annual General Meeting, our Chairman, Mr Robert Hubbard, intends to retire from the Board by the end of this fiscal year. The Company is indebted to Rob for his professional guidance given to the Company during his tenure and his steady hand in quite a turbulent time in the Company's history. With the new Board in place it will now begin the task of selecting the new chairman.

Richard Cottee
Managing Director

REVIEW OF OPERATIONS AND OTHER JOINT VENTURE ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2017 ("THE QUARTER")

EXPLORATION/DEVELOPMENT ACTIVITIES:

ATP 909, ATP 911 and ATP 912, Southern Georgina Basin – Queensland (CTP - 100% interest)

Department of Natural Resources and Mines (DNRM) have reviewed the Project Status submission from Central Petroleum. Central will consult with DNRM in Q1, 2018 with regards to the best approach to secure Project Status for the Southern Georgina permits. Central has also finalised lease arrangements for the Boulia warehouse and the consolidation of leases on which this facility sits.

Santos Stage 2 Farm out – Southern Amadeus Basin, Northern

Due to the complexity of seismic processing, interpretation and depth conversion of the initial 932 km of data, Santos has requested a further 4 month extension of the Stage 2 end date to 3 July, 2018. Santos have also requested an additional 2 month extension on the Stage 3 end date to 3 June, 2019. Central are currently considering these requests.

Southern Amadeus Area	Total Santos Participating Interest after completion of Stage 1	Total Santos Participating Interest after completion of Stage 2
EP82 (excluding EP82 Sub-Blocks)	25%	40% (i.e. additional 15% earned)
EP105	25%	40% (i.e. additional 15% earned)
EP106 *	25%	40% (i.e. additional 15% earned)
EP112	25%	40% (i.e. additional 15% earned)

* Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.

The survey comprises two rounds. The first round of 2D seismic is to mature the natural gas and helium prospective Dukas lead and to gather data for the Rossini lead has been completed. The second part of the seismic acquisition program will consist of additional 2D seismic lines over the Dukas Lead to bring the total program to 1,300 line km. Second round line locations are being confirmed for resumption of data acquisition in July. Adverse weather conditions in the area have caused the focus to be concentrated on the Dukas Lead.

Central is actively reviewing data in these permits, seeking to upgrade a variety of exploration play types and targets, which could be prospective for hydrocarbons and/or helium.

The joint venture's exploration endeavours on these four permits focus on maturing large sub-salt leads. The primary reservoir objective is the Heavitree Quartzite. Secondary reservoir objectives in the Neoproterozoic units include the Areyonga Fm and Pioneer Ss which are gas bearings in the Dingo and Ooraminna fields, respectively.

Amadeus Basin (includes EP115 North Mereenie Block), Northern Territory

No tenures comment.

Other Exploration and Application Areas

Ooraminna Field (CTP - 100% interest)

Two wells have been drilled at Ooraminna with both wells having proved gas flow from the Pioneer formation. Although the flow rates were sub-economic, it is encouraging to note that the wells were drilled in an area with apparent low natural fracture density within the Pioneer formation. Structural mapping has been updated following the reprocessing of the seismic data. This has been augmented by outcrop mapping to assist in structural definition between seismic lines. This updated mapping has been incorporated into a natural fracture model which has defined areas with the greatest fracture density. The subsurface target and well trajectory have now been defined and the surface location of the Ooraminna 3 has also been identified. The appropriate licensing and approvals are currently being acquired and the drilling program for the well has been developed and sent to the DPIR for approval. The Ooraminna field has an inferred closure area of ~175 km² and preliminary estimates of Original Gas In Place (OGIP) for the Pioneer formation range from ~125 Bcf to ~425 Bcf. Currently, there are no resources certified at Ooraminna, however, demonstrating increased productivity through drilling in areas of predicted increased natural fracture density will lead to resource/reserves certification.

No material developments occurred in Central's other exploration and application areas during the quarter. However, Central continues to work with stakeholders and progress discussions pertaining to the grant of application areas and rationalisation of low prospectivity areas.

PRODUCTION ACTIVITIES:

Mereenie Oil and Gas Field (OL4 and OL5) – Northern Territory (CTP-50% interest [Operator], Macquarie Mereenie Pty. Ltd -50%.

During the Quarter:

- Wellhead Safety Device fitted to EM20 in line with regulator's requirements.
- Production Flowline from EM20 well has been re-routed and de-bottlenecked.
- Control improvements implemented on both refrigeration plants, resulting in more reliable operations.
- Wellpad control improvements at EM22, WM05, and
 - Well integrity campaign completed.
- New instrument air compressors purchased and delivered for Central Treatment Plant.
- New inlet separators procured for Central Treatment Plant from surplus available equipment.
- Received a visit from the NT scientific inquiry into hydraulic fracturing.

Stairway Sandstone at Mereenie

West Mereenie 15 was shut-in during the quarter to continue to gather pressure build-up data. Through additional decline curve and pressure transient analysis, it is confirmed that the well is producing from a dual porosity/permeability system, with natural fractures and matrix both contributing to production and the natural fractures enhancing the productivity and Estimated Ultimate Recovery (EUR). Natural fractures identified in outcrop, core and wireline logs support the production and pressure build-up observations. Also, the Lower Stairway formation in the eastern part of the field produced ~2 Bcf from a naturally fractured vertical well. Natural fracture data gathering and modelling of the Upper and Lower Stairway formations has been completed to determine areas with the greatest natural fracture density which subsequently are targets for the planned sub-horizontal wells West Mereenie 25 and 26. Subsurface (reservoir) lateral intervals have been selected for both wells as well as associated surface well locations. Drilling programs have been developed, licenses and approvals are currently being acquired. Preliminary estimates of OGIP for both the Upper and Lower Stairway range from ~240 Bcf to

~400 Bcf and reserve auditor (NSAI) has certified 120 PJ of 2C resources. By targeting areas of predicted increased natural fracture density with sub-horizontal wells, productivity and EUR are predicted to convert resources to reserves. Existing wells will also be utilized where possible in order to significantly reduce capital associated with converting resources to reserves.

Health, Safety and the Environment

- Certificate's II & III training is progressing with Charles Darwin University and site skills collectively covering all necessary elements. Central is working closely with Oil & Gas Production Training Services to provide on-site training.
- Continue to work with the NT DPIR for approval of the recently submitted Field Environment Management Plan that was developed with leading environmental experts to ensure full compliance with the new NT Petroleum regulations.



Figure 2: Inlet Separator on the "Jump-up" road in transport to Mereenie



Figure 3: 2 out of the 3 separators purchased from Santos at Mereenie

Palm Valley - Northern Territory (CTP-100% interest)

Palm Valley Stairway and Pacoota

- The main producing reservoirs at Palm Valley are the Lower Stairway and Pacoota formations. To date, ~160 Bcf of gas has been produced from the naturally fractured reservoir. OGIP estimates vary greatly over the field, but all are in excess of 1 Tcf. With the current wells, the EUR is predicted to be around ~200 Bcf, this is a very low recovery factor for a naturally fractured reservoir and implies a large quantity of gas still remaining in the ground. Production performance and interference testing have shown that the existing wells may not be connected to the total estimated gas in place volume, which implies that there are other compartments of the field that have not been drained and contain gas in possibly producible quantities. To determine the possible location and size of these areas that could be segregated from the producing wells, a natural fracture model has been created with data from seismic, outcrop, image logs, production and core data. The model predicts hydrocarbon resources which are the target for a deviated infill appraisal well which will prove the hypothesis, potentially leading to an increase in 2P reserves. A subsurface target and well trajectory has been identified, the subsequent well surface location has been selected and optimised to utilise an existing well pad and production facilities. The drilling program is being developed and licenses and approvals are currently being acquired.

- Plant remained on standby for the period.

Health, Safety and the Environment

- Inspections and routine maintenance continues on equipment and infrastructure to ensure compliance and operational readiness.
- Weed and combustible material management is underway.

- Prepare and submit for approval the new Field Environment Management Plan to ensure full compliance with the new NT Petroleum regulations.

Dingo Gas Field (L7) and Dingo Pipeline (PL30) – Northern Territory (CTP – 100% Interest)

During the Quarter:

- Construction of Water Bath Heater completed and despatched to site.
- Construction of TEG dehydration unit nearing completion.

Health, Safety and the Environment

- An internal site safety audit was completed with no major non-conformances noted. Various minor issues were recognised and rectified.
- Ongoing staff training to ensure HSE obligations are met.
- Management of staff with Return To Work (RTW) restrictions (non work related injuries) continues to be managed and monitored.



Figure 3 dated 4/12/17: Water bath heater for Dingo

Surprise Production License (L6) – Northern Territory (CTP - 100% Interest)

- Surprise West remained shut-in during the quarter. The well has been temporarily shut-in to gather pressure data to assess the re-charge potential of the field. The fluid level is being monitored regularly. Further assessment of the pressure build-up, expected well deliverability and production forecast will aid in determining the commerciality of bringing the well back on production given the recent increase in oil prices.

Health, Safety and the Environment

- External third party annual environmental audit conducted and report received. No major non-conformances observed.
- Central continues to comply with environmental monitoring during the shut-in period.
- Prepare and submit for approval the new Field Environment Management Plan to ensure full compliance with the new NT Petroleum regulations.

2018 Drilling Campaign Mereenie Stairway (CTP – 50% Interest), Palm Valley Stairway/Pacoota and Ooraminna Pioneer Commitment wells (both CTP 100% Interest)

During the quarter, Central managed to form a team of highly specialised drilling engineers and specialists to commence planning on the four (4) appraisal well campaign at Mereenie, Palm Valley and Ooraminna that is planned to commence in Q1 2018.

The team has reviewed all aspects of the specialised drilling engineering required to successfully execute the challenge and exciting drilling program whilst optimizing on the synergy between the wells. The planning to date has concentrated on:

- Review of the lessons learnt from all wells drilled to date in Mereenie, Palm Valley and Ooraminna.
- Detailed review all relevant offset well data.
- Review of the fracture modelling, map the highest fracture densities and plan well trajectories and drilling requirements to intersect the naturally occurring fractures.
- Prepared detailed drilling programs for the first three wells and submit these to the DPIR.
- Programming on the remaining final well ongoing.
- Review of drilling contractors, hardware and service companies for program.
- Conduct multiple peer reviews of the programs with leading industry experts.
- Purchased long lead items for the drilling program.
- Submit the appropriate Programs and Environmental Management Plans to the NT DPIR to obtain the appropriate regulatory approvals for the program.

West Mereenie Appraisal Drilling Update

Based on geological well proposals, the modelling for two sub-horizontal wells targeting the Stairway Sandstone reservoir in the Mereenie field has proceeded. The targets are well defined along with the offset well information for the modelling. The primary goal for the drilling phase is to place a deviated 6 inch open-hole section into the Stairway Sandstone running parallel with the bedding plane penetrating multiple/high density naturally occurring fractures. Based on a history of formation impedance when the sands were drilled with a water based drilling fluid, air has been selected as the preferred circulating medium.

The wells have been designed with nine (9) 5/8 inch surface casing set into the top of the Stokes Siltstone and drilled as a vertical hole section from surface. The next hole section will build angle from vertical to land into the reservoir at near horizontal. This will be drilled with (8) 1/2 inch bit and then cased with a 7 inch liner. The liner will be set on a hanger with a liner top packer which will be set 50m into the previously set surface casing. Once cemented in place, a Cement Bond Log will be performed across the liner and surface casing strings. After confirming the integrity of the casing strings and cement, a tie-back casing and Downhole Deployment Valve (DDV) will be installed. The DDV allows for the safe recovery of the drilling assemblies while tripping in and out of the well without the need to place fluids across the drilled interval. At the end of the drilling phase a completion assembly will be installed that allows for the suspension of the well with gas across the reservoir.

The drilling programs have now been submitted to DPIR for approval and the drilling rig tendering process is being finalised. Other major service providers have also been identified with contract negotiations underway.

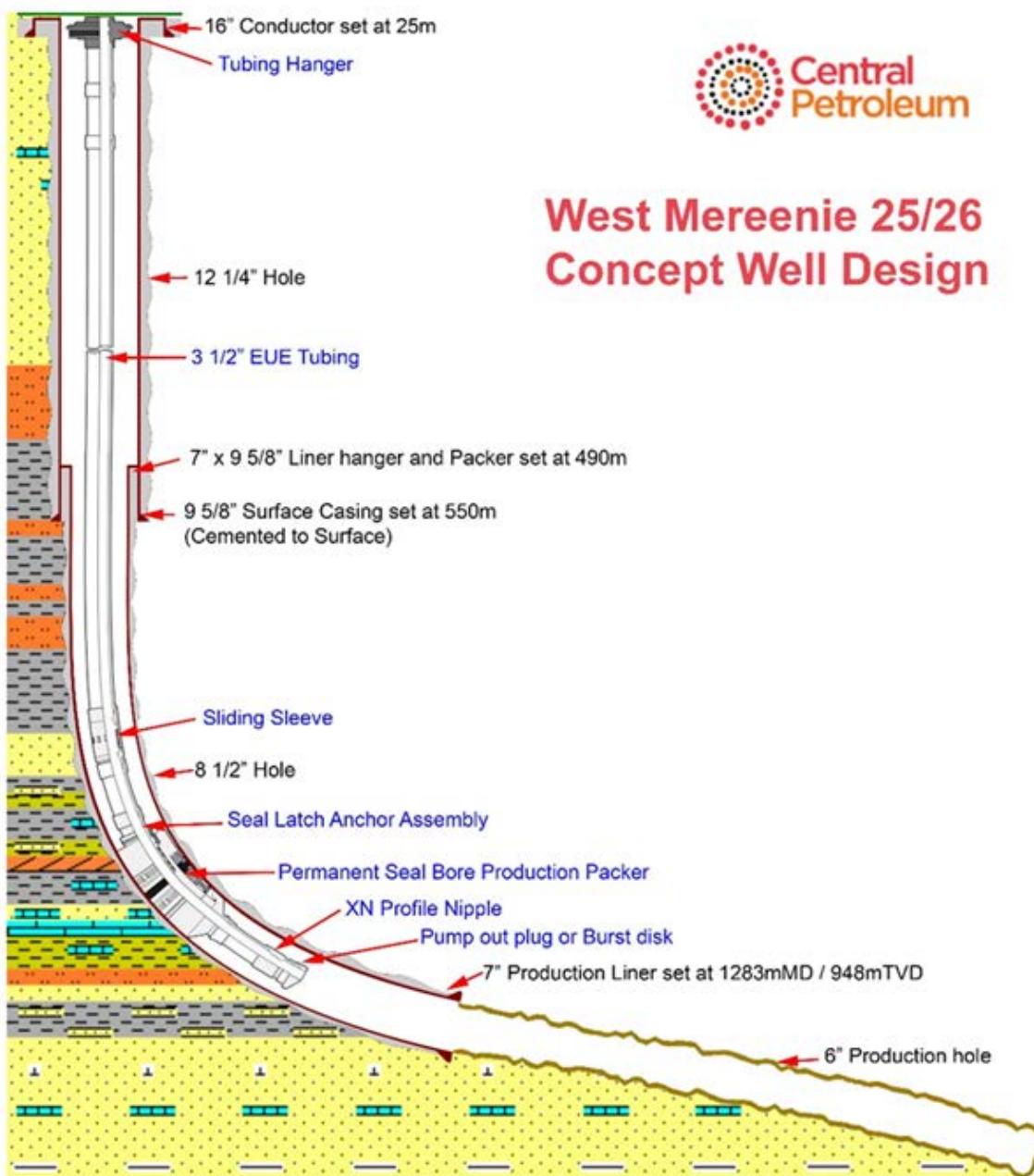


Figure 4: West Mereenie 25/26 Concept Well Design

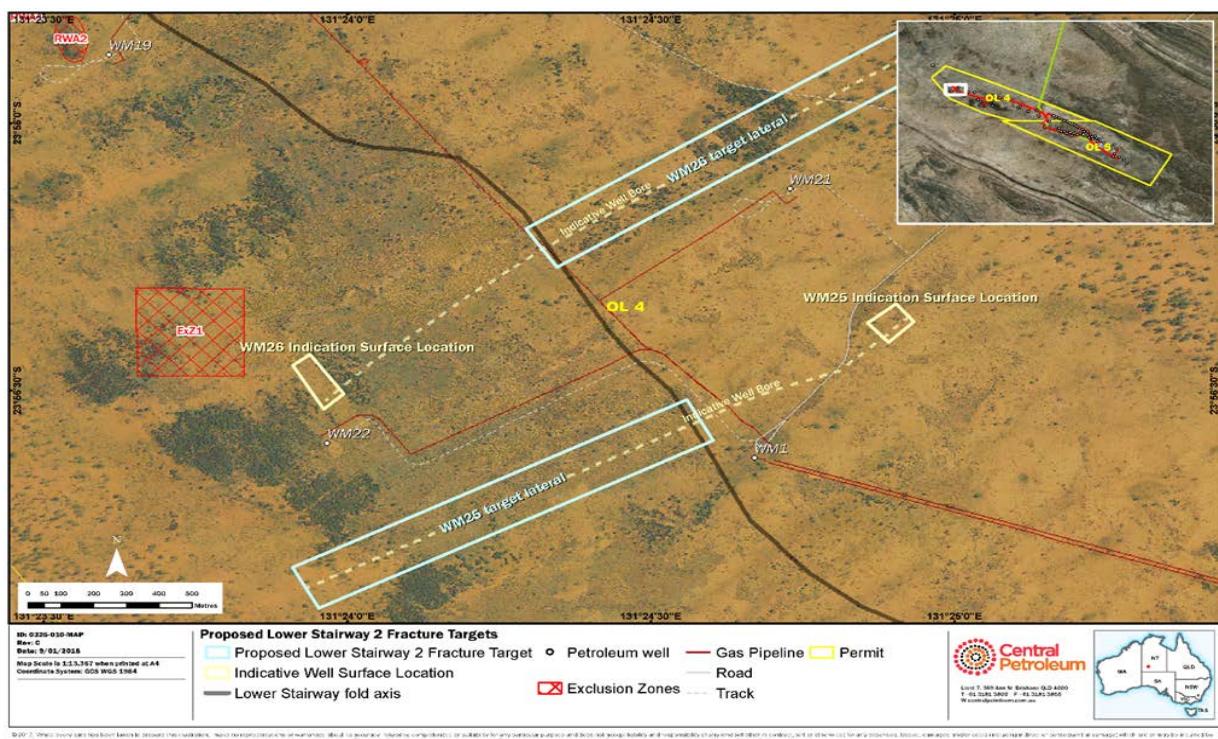


Figure 5: West Mereenie 25, 26 surface locations and reservoir trajectory projections

Oraminna Appraisal Drilling Update

A vertical appraisal well is being planned as part of the Northern Territory drilling campaign. The well design is to set (9) 5/8 inch surface casing at 400m - 500m and then an eight (8) 1/2 inch hole will be drilled to total depth to allow for a full reservoir evaluation and depth control. Once the data has been analysed a decision will be made as to further drilling or completion options. The well is located to intersect the naturally occurring fractures to enhance the likelihood of the wells success.

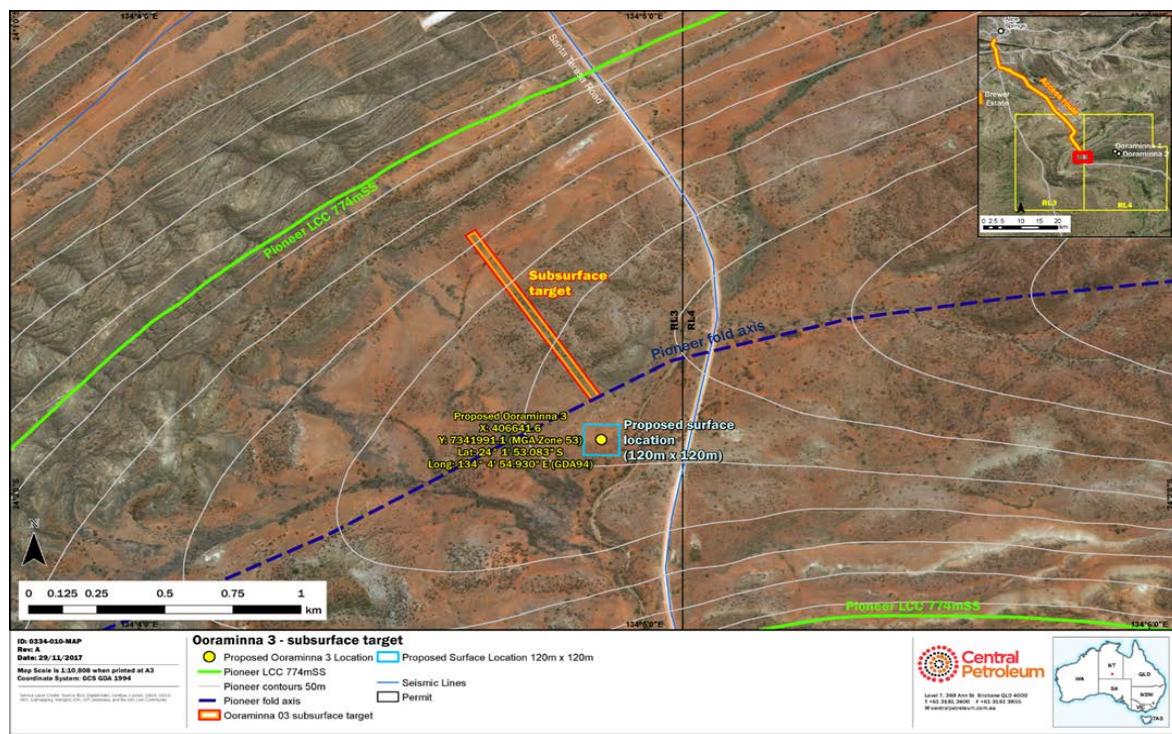


Figure 6: Oraminna 3 surface location and reservoir trajectory projection

Palm Valley Appraisal Drilling Update

Palm Valley 13 is planned as an appraisal well to evaluate the Stairway, Pacoota Sandstone and Horn Valley Siltstone reservoirs to connect as many as possible of the naturally occurring fractures. It is proposed to drill the well as a high angle directional well from an existing well pad due to surface constraints. A well design and directional plan has been created that allows for a vertical surface hole to +/-1000m followed by a directional build section to intersect the top of the reservoir. This section will be cased with a 7 inch liner. A six inch production hole will be drilled horizontally within the Pacoota using direct circulation air/mist drilling techniques.

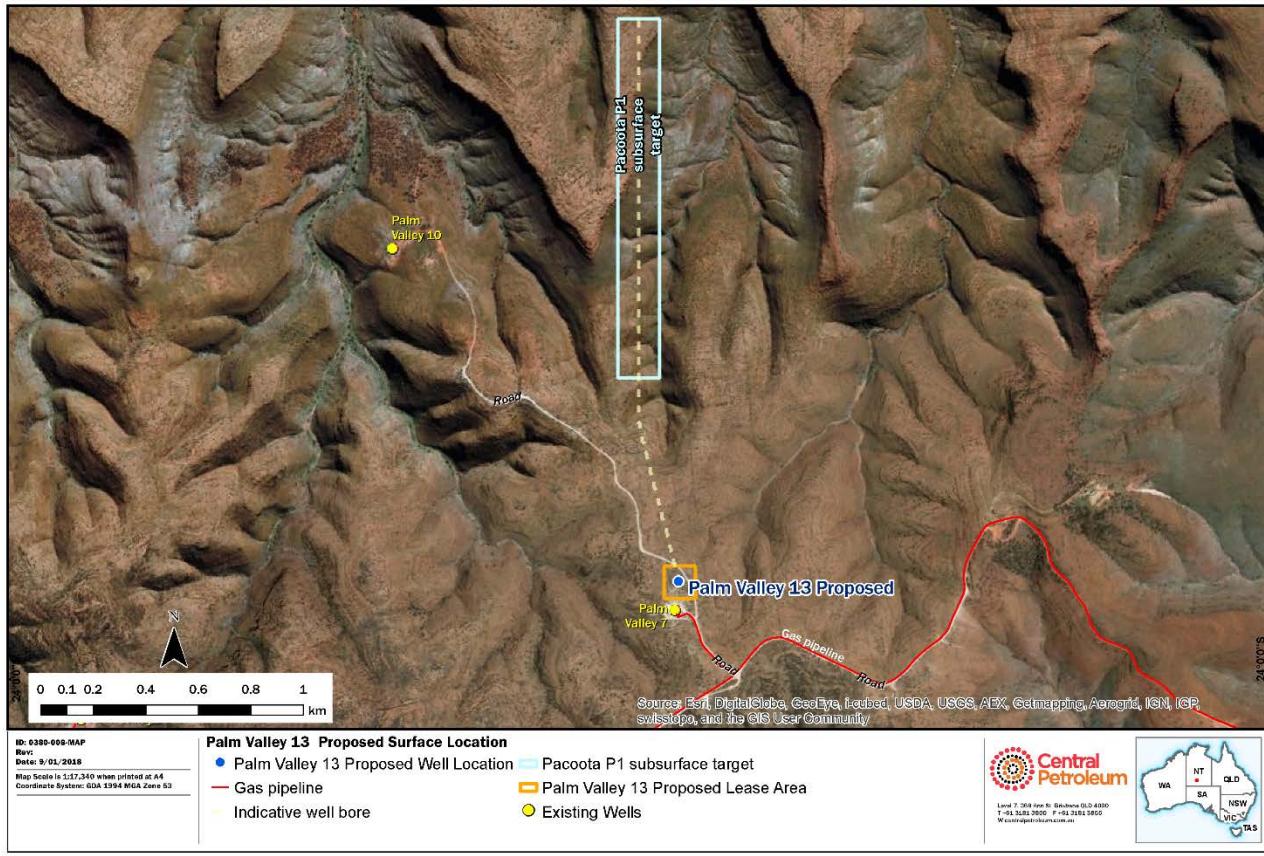


Figure 7: Palm Valley 13 surface location and reservoir trajectory projection

SALES – CENTRAL PETROLEUM EQUITY ADJUSTED SHARE

Sales Volumes

Product	Unit	Q2 2017/18	Q2 2016/17	YTD 2017/18	YTD 2016/17
Gas	TJ	1,358	908	2,545	1,689
Crude and Condensate	bbls	24,753	27,898	54,684	56,663

Sales Revenue

Product	Unit	Q2 2017/18	Q2 2016/17	YTD 2017/18	YTD 2016/17
Gas, Crude and Condensate	\$'000	9,331*	6,829	17,674	12,639

*Includes take or pay revenue of \$439,000 (2016/17 - \$469,000)

INTERESTS IN PETROLEUM PERMITS AND LICENCES AT 31 DECEMBER 2017

Petroleum Permits and Licences Granted

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EP 82 (excl. EP 82 Sub-Blocks) ¹	Amadeus Basin NT	Santos	60	60	Santos	40
EP 82 Sub-Blocks	Amadeus Basin NT	Central	100	100		
EP 93 ⁷	Pedirka Basin NT	Central	100	0		
EP 97 ²	Pedirka Basin NT	Central	100	0		
EP 105 ¹	Amadeus/Pedirka Basin NT	Santos	60	60	Santos	40
EP 106 ⁴	Amadeus Basin NT	Santos	60	60	Santos	40
EP 107 ⁵	Amadeus/Pedirka Basin NT	Central	100	0		
EP 112 ¹	Amadeus Basin NT	Santos	60	60	Santos	40
EP 115 (excl. EP115 North Mereenie Block)	Amadeus Basin NT	Central	100	100		
EP 115 North Mereenie Block	Amadeus Basin NT	Santos	60	60	Santos	40
EP 125	Amadeus Basin NT	Santos	30	30	Santos	70
OL 3 (Palm Valley)	Amadeus Basin NT	Central	100	100		
OL 4 (Mereenie) ⁶	Amadeus Basin NT	Central	50	50	Macquarie	50
OL 5 (Mereenie) ⁶	Amadeus Basin NT	Central	50	50	Macquarie	50
L 6 (Surprise)	Amadeus Basin NT	Central	100	100		
L 7 (Dingo)	Amadeus Basin NT	Central	100	100		
RL 3 (Ooramonna)	Amadeus Basin NT	Central	100	100		
RL 4 (Ooramonna)	Amadeus Basin NT	Central	100	100		
ATP 909 ⁸	Georgina Basin QLD	Central	100	100		
ATP 911 ⁸	Georgina Basin QLD	Central	100	100		
ATP 912 ⁸	Georgina Basin QLD	Central	100	100		

Petroleum Permits and Licences under Application

Tenement	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
EPA 92	Lander Trough NT	Central	100	100		
EPA 111 ³	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 120	Amadeus Basin NT	Central	100	100		
EPA 124 ^{3 & 9}	Amadeus Basin NT	Santos	100	50	Santos	50
EPA 129	Lander Trough NT	Central	100	100		
EPA 130	Pedirka Basin NT	Central	100	100		
EPA 131	Pedirka Basin NT	Central	100	100		
EPA 132	Georgina Basin NT	Central	100	100		
EPA 133	Amadeus Basin NT	Central	100	100		
EPA 137	Amadeus Basin NT	Central	100	100		
EPA 147	Amadeus Basin NT	Central	100	100		
EPA 149	Amadeus Basin NT	Central	100	100		
EPA 152 ⁹	Amadeus Basin NT	Central	100	100		
EPA 160	Lander Trough NT	Central	100	100		
EPA 296	Lander Trough NT	Central	100	100		

Pipeline Licences

Pipeline Licence	Location	Operator	CTP Consolidated Entity		Other JV Participants	
			Registered Interest (%)	Beneficial Interest (%)	Participant Name	Beneficial Interest (%)
PL 2	Amadeus Basin NT	Central	50	50	Macquarie	50
PL 30	Amadeus Basin NT	Central	100	100		

Notes

- 1 Santos' right to earn and retain participating interests in the permit is subject to satisfying various obligations in their farmout agreement with Central. The participating interests as stated assume such obligations have been met, otherwise may be subject to change.
- 2 On 20 June 2016 Central submitted an application to the NT Department of Mines and Energy for consent to surrender EP 97. The application is currently under review.
- 3 Effective 1 May 2017, Santos exercised its option to acquire a 50% participating interest in and be appointed operator of EPA 111 and EPA 124, which was granted as part of Central's acquisition of a 50% interest in the Mereenie oil & gas field.
- 4 Santos (as Operator) has continued the process of an application with the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 106.
- 5 On 23 September 2016 Central submitted an application to the NT Department of Primary Industry and Resources for consent to surrender EP 107. The application is currently under review.

- 6 As per Central's announcement dated 20 December 2016, Santos has sold its 50% interest in the Mereenie oil and gas field (OL 4 and OL 5) and the Mereenie to Alice Springs Pipeline (PL 2) to Macquarie Mereenie Pty Ltd (a subsidiary of Macquarie Group Limited) with effect on and from 1 January 2017.
- 7 On 25 January 2017 Central submitted an application to the NT Department of Primary Industry and Resources for consent to surrender Exploration Permit 93. The application is currently under review.
- 8 As per Central's announcement dated 27 February 2017, Total GLNG Australia has elected not to proceed with the Stage 2 Farmin into Central's Queensland Permits. As a result, Central will retain 100% interest in the acreage.
- 9 On 8 December 2017 Central received notice from the Central Land Council that consent for exploration permit application 124 and exploration permit 152 would not be granted.

CORPORATE

Cash Position

The Group began and ended the Quarter with \$28.6M in cash. Cash positions are inclusive of the Group's share of cash held in Joint Venture bank accounts and funds held with Macquarie Bank to be used for allowable purposes under the Facility Agreement.

Cash inflow from Operations for the quarter was \$1.7M, after deducting \$1.5M of interest charges relating to the Macquarie debt facility, and \$0.5M of exploration costs.

Receipts from customers were \$8.5M for the quarter, compared to \$8.2M in the previous quarter. This does not include the annual "take or pay" receipts under the PWC GSA amounting to \$5.5M, which were received in January 2018 and will be reflected in next quarter's cashflow.

Cash outflows for the December quarter comprise normal operational and administrative expenditures. Higher recoveries were realised during the December quarter due to timing issues. This partly offsets the higher staff costs that were reported in the September quarter.

A further \$1M principal repayment was made in respect of the Macquarie Bank loan facility together with the quarterly interest payment of \$1.5M.

The Company constantly reviews its costs in order to prudently manage its cash position.

Issued Securities of the Company

At 31 December 2017 the Company had 707,081,966 ordinary shares on issue, 31,565,409 share rights expiring on various dates and 30,000,000 unlisted options exercisable at \$0.20 per option and with an expiry date of 1 September 2019.

During the quarter, a total of 8,896,939 share rights were granted to employees in accordance with the Company's Employee Rights Plan and a total of 1,384,319 share rights were exercised by employees. In addition, a total of 28,560,435 unlisted options expired and were cancelled during the quarter.

Richard Cottée



Managing Director
31 January 2018

General Legal Disclaimer

As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified. Resources estimates, assessments of exploration results and other opinions expressed by the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

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+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

Quarter ended (“current quarter”)

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,498	16,656
1.2 Payments for		
(a) exploration & evaluation	(490)	(970)
(b) development	–	–
(c) production	(4,461)	(8,917)
(d) staff costs	(654)	(2,369)
(e) administration and corporate costs (net of recoveries)	78	(1,410)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	172	199
1.5 Interest and other costs of finance paid	(1,486)	(2,993)
1.6 Income taxes paid	–	–
1.7 Research and development refunds	–	–
1.8 Other	11	20
1.9 Net cash from / (used in) operating activities	1,668	216

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(862)	(958)
	(b) tenements (see item 10)	—	—
	(c) investments	—	—
	(d) other non-current assets – Security Bonds	—	—
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	—	—
	(b) tenements and applications (see item 10 for tenements)	310	310
	(c) investments	—	—
	(d) other non-current assets – redemption of security bonds	—	71
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—
2.5	Other (refunded deposit to Joint Venture partner on withdrawal from Joint Venture)	—	—
2.6	Net cash from / (used in) investing activities	(552)	(577)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	—	27,250
3.2	Proceeds from issue of convertible notes	—	—
3.3	Proceeds from exercise of share options	—	—
3.4	Transaction costs related to issues of shares, convertible notes or options	(87)	(1,775)
3.5	Proceeds from borrowings	—	—
3.6	Repayment of borrowings	(1,000)	(2,000)
3.7	Transaction costs related to loans and borrowings	—	—
3.8	Dividends paid	—	—
3.9	Other (provide details if material)	—	—
3.10	Net cash from / (used in) financing activities	(1,087)	23,475

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	28,563	5,478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,668	216
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(552)	(577)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,087)	23,475
4.5	Effect of movement in exchange rates on cash held	—	—
4.6	Cash and cash equivalents at end of period	28,592	28,592

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances ¹	28,591	28,562
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (Cash on hand)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	28,592	28,563

¹ Includes share of Joint Venture bank accounts, and cash held with Macquarie Bank Limited (Current Quarter \$2,323,958; Previous Quarter \$1,421,848) to be used for allowable purposes under the Facility Agreement.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	268
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes Salaries, Directors fees and Superannuation contributions

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	—
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		
		Total facility amount at quarter end² \$A'000
8.1	Loan facilities	80,809
8.2	Credit standby arrangements	—
8.3	Other (please specify)	—
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.	
Represents the Macquarie Bank Facility which is a secured 5 year partially amortising term loan maturing 30 September 2020 with quarterly principal and interest repayments. The weighted average interest rate at end of the current quarter was 7.28% (floating interest rate).		

² Amortised remaining Facility limit. Original facility limit was \$90 million.

9. Estimated cash outflows for next quarter³		\$A'000
9.1	Exploration and evaluation	(4,157)
9.2	Development	—
9.3	Production	(3,321)
9.4	Staff costs (net of recoveries)	(1,086)
9.5	Administration and corporate costs (net of recoveries)	(256)
9.6	Other	
	- Payments for property, plant & equipment	(2,107)
	- Interest and debt repayments	(2,467)
9.7	Total estimated cash outflows	(13,394)

³ Outflows only, does not reflect proceeds from product sales, take or pay, or other income

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: ..31 January 2018.....

Print name:JOSEPH MORFEA.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.