

23 February 2021**Half Year Results: Central reports strong cash position and \$2.5 million net profit**

Central Petroleum Limited (**ASX:CTP**) ("**Central**") today reports a net profit after tax of \$2.5 million for the half year to 31 December 2020, continuing solid financial performance despite the market downturn experienced in 2020. This is up 15% on the previous half year due to lower exploration activity, corporate cost savings and lower interest and depreciation charges.

Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration was \$12.9 million, This is an increase of 51% on the previous six months to 30 June 2020 excluding the benefit of the \$7.7 million settlement for the transfer of a 50% interest in the Range CSG Project, reflecting our effective term-gas contracting strategies, cost containment initiatives and solid operations at Central's gas and oil fields in the Northern Territory.

Highlights for the half year

- Sales of oil and gas were steady at 5.11 PJE for the half year, compared with 5.19 PJE sold in the previous six months to 30 June 2020, but 28% below December 2019 half year levels due to weak market conditions in 2020 and timing of scheduled maintenance.
- Operating revenue was \$28.9 million, slightly lower than the \$29.3 million recognised in the previous six months to 30 June 2020, but 19% lower than the \$35.7 million in the half year ending December 2019 due to a significant downturn in the oil and gas markets in 2020.
- A new Gas Supply Agreement was secured to supply 3.5 PJ of gas over calendar years 2022 and 2023. The sale proceeds were pre-paid in full in December 2020 and will help finance new production capacity at Mereenie in 2021.
- Stronger cash position of \$38.5 million, up from \$25.9 million at 30 June 2020 following the receipt of the pre-sale payment, reducing net debt to \$31.2 million, down from \$46.1 million at 30 June 2020.
- Extended the Group's fully-drawn finance facility of \$68.8 million for a further 12 months to 30 September 2022.
- Restarted work on the Range Coal Seam Gas Project in the Surat Basin, with a three well appraisal program to be drilled commencing in April 2021.
- Executed a Memorandum of Understanding with Australian Gas Infrastructure Group with the aim of becoming a foundation customer of a proposed new gas pipeline from Central's Amadeus Basin fields to the Moomba gas hub, potentially providing a more cost-efficient route to the larger east coast gas markets.
- A preferred bidder for an interest in Central's Amadeus Basin producing assets was selected and began conducting final due diligence.

- Welcomed Michael (Mick) McCormack to the Board and his subsequent appointment as Chair, bringing to Central his experience as one of Australia’s energy industry leaders.

Central’s CEO and Managing Director, Leon Devaney said “Our production assets and contracting strategies have shown their quality in sustaining Central through the market turbulence of 2020. We see market confidence improving, and believe we are in a strong position to move forward with several important growth projects in 2021.”

“New wells planned to be drilled at Mereenie should increase production capacity on completion and the pilot wells at the Range Coal Seam Gas Project will take us closer to a Final Investment Decision for our next major development. And finally, our most significant exploration program for years has the potential to unlock major new resources in the Amadeus Basin.”

“We anticipate a comparable EBITDAX for the second half of the 2021 financial year assuming trading conditions remain stable. Exploration expenditures, however, are anticipated to increase substantially this calendar year as we implement several growth strategies”.

Summary of results

	Half year to:			Change from 6 months ending June 2020	
	31 December 2020	30 June 2020	31 December 2019		%
Net Sales Volumes					
- Natural Gas (TJ)	4,890	4,959	6,863	(69)	(1)%
- Oil & Condensate (Bbls)	37,810	39,315	49,701	(1,505)	(4)%
Sales Revenue (\$ '000)	28,933	29,333	35,713	(400)	(1)%
Gross Profit (AUD \$ '000)	14,688	12,875	18,785	1,813	14%
EBITDAX ¹ (AUD \$ '000)	12,911	16,244	17,159	(3,333)	(21)%
EBITDA ² (AUD \$ '000)	11,506	12,046	16,080	(540)	(4)%
EBIT ³ (AUD \$ '000)	5,020	4,978	6,714	42	1%
Statutory Profit after tax (AUD \$ '000)	2,538	2,210	3,201	328	15%
Net cash inflow from Operations ⁴ (AUD \$ '000)	17,629	7,435	8,292	10,194	137%
Capital expenditure ⁵ (AUD \$ '000)	2,804	1,480	1,377	1,324	89%
Cash balance (AUD \$ '000)	38,544	25,918	14,864	12,626	49%
Net debt (AUD \$ '000)	31,166	46,081	59,233	(14,914)	(32)%

Notes:

1. EBITDAX is Earnings before Interest, Tax, Depreciation, Amortisation and Exploration costs.
2. EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation.
3. EBIT is Earnings before Interest and Taxation.
4. Cashflow from Operations includes cash outflows associated with Exploration activities.
5. Capital expenditure on tangible assets

Results presentation

Leon Devaney, Central’s Managing Director will deliver a quarterly webinar this Friday 26 February 2021 at 10am (AEST) / 11am (AEDST). Login details will be advised separately.

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This ASX announcement was approved and authorised for release by Leon Devaney, Managing Director and Chief Executive Officer.

About Central Petroleum

Central Petroleum Limited (Central) is a well-established, and emerging ASX-listed Australian oil and gas producer (ASX: CTP). In our short history, Central has grown to become the largest onshore gas producer in the Northern Territory (NT), supplying industrial customers and senior gas distributors in NT and the wider Australian east coast market.

Central is positioned to become a significant domestic energy supplier, with exploration and development plans across 180,000 km² of tenements in Queensland and the Northern Territory, including some of Australia's largest known onshore conventional gas prospects. Central has also completed an MoU with Australian Gas Infrastructure Group (AGIG) to progress the proposed Amadeus to Moomba Gas Pipeline to a Final Investment Decision.

We are also seeking to develop the Range gas project, a new gas field located among proven CSG fields in the Surat Basin, Queensland with 135 PJ (net to Central) of development-pending 2C contingent resource.

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