

ASX:CTP

# Activities Report and ASX Appendix 5B

REVIEW OF OPERATIONS FOR THE QUARTER ENDED  
31 DECEMBER 2020

## Highlights

*“The December quarter delivered solid results from our producing assets and the platform is now laid for a surge in activity in 2021 that could prove transformational for Central.*

*After the challenges of 2020, I am pleased to hit the ground running in 2021 and I join our Board and shareholders in looking forward to the planned drilling activities throughout our permits.”*

Central Petroleum MD and  
CEO, Leon Devaney

- **Cash balance** at the end of the December quarter (the quarter) was \$38.5 million, up from the \$26.3 million balance at 30 September 2020, reflecting:
  - \$16.6 million net cash flow from operations (before exploration and finance costs) which includes the receipt of proceeds from the pre-sale of 3.5 PJ of gas to be delivered in 2022 and 2023
  - Principal repayments under debt facilities of \$1.0 million. Macquarie pre-sale gas deliveries totaled 437 TJ, and 170 TJ of previously over-lifted gas was returned.
- **Net Debt** was \$31.2 million at 31 December, down from \$44.6 million at the end of September and \$57.8 million 12 months ago.
- **Sales volumes** were 2.49 PJE (Petajoule equivalent), 5% lower than the 2.62 PJE in the September quarter, with the decrease largely due to scheduled maintenance on the Northern Gas Pipeline and at the Mereenie and Dingo fields during the quarter.
- **Sales revenues** totaled \$14.1 million, down 4% from \$14.8 million in the September quarter, reflecting the lower sales volumes.
  - **Unit sales price** across the portfolio averaged \$5.69/GJE, up from \$5.64/GJE in the September quarter, reflecting stronger oil prices.
- **New Gas Sales Agreement (GSA)** - A new GSA was signed in October 2020 for the sale of 3.5 PJ of gas over CY2022 and CY2023. The sale proceeds were pre-paid in full in December 2020 and will finance new production capacity at Mereenie which is scheduled to come on-line in 1H CY2021.
- **Preferred Bidder selected for farm-out** – a preferred bidder for an interest in Central’s Amadeus Basin producing assets was selected and began conducting final due diligence.
- **Extension of loan agreement** – The Group’s \$69.8 million finance facility was extended for a further 12 months to 30 September 2022.
- **Restart of Range Gas Project** – Central and Incitec Pivot Limited restarted work on the Range CSG Project in the Surat Basin (QLD), with a three well appraisal program to commence drilling in early April 2021.

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# Message from Managing Director and CEO

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We move into 2021 with cautious optimism, having taken advantage of strengthening markets in the December quarter to progress several programs which form the critical next steps in our growth strategy.

We remain on track to commence drilling two new production wells and recomplete four existing wells in Q2 of this year, targeting more than 40 PJ of gas for future sale (20 PJ net to Central) and boosting field production capacity to over 45 TJ/day. To finance this investment, we pre-sold 3.5 PJ of gas for delivery in 2022/2023.

Accordingly, our balance sheet at the end of the December quarter is in a solid position, with net debt standing at \$31.2 million on a cash balance of \$38.5 million.

We have extended the term of our finance facility by 12 months to September 2022, providing almost 2 years of remaining term and reducing near-term re-financing risk.

In November we reactivated the Range CSG Project in Queensland and a drilling contract has now been awarded for the drilling of a three-well pilot, commencing in April.

We progressed our exploration program in the Amadeus Basin, targeting formations known to be productive in other areas. The Amadeus exploration program is to be funded from a partial farm-out of our producing fields. Our progress with a preferred farm-out partner is tracking well with a target of first quarter CY2021 to announce agreed terms of this transaction, allowing us to plan for exploration drilling to begin in Q3 CY2021.

Our exploration team worked closely with Santos to return to exploration at Dukas, and we anticipate a final well design will be approved by the JV shortly. In parallel to Dukas, we continue to consider options to appraise the larger Zevon sub-salt lead through seismic, including the potential to farm-out exploration in EP 115.

We continued our efforts to progress the Amadeus to Moomba Gas Pipeline (AMGP), including initial discussions with other Northern Territory gas suppliers for foundation volumes. Alternatively, our Amadeus exploration program later this year could be the catalyst to construct this major piece of gas transportation infrastructure.

Corporately, we welcomed Mick McCormack in his new role as Chair of the Board and farewelled Board members Wrix Gasteen and Julian Fowles. We thank Wrix for his eight years of Board service, and congratulate Julian in his new role as CEO and MD of Karoon Energy.

With our producing assets delivering solid results in the December quarter, the foundation is set for increased activity in 2021 that could prove transformational for Central. After the challenges of 2020, I am pleased to hit the ground running in 2021 and I join our Board and shareholders in looking forward to the planned drilling activities throughout our permits.



**Leon Devaney**  
Managing Director and Chief Executive Officer



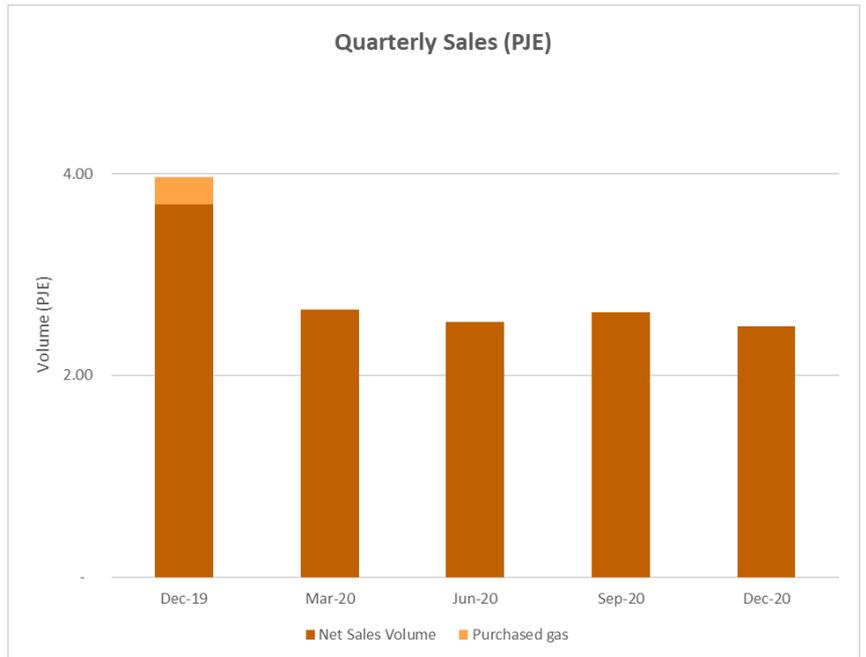
# Production Activities

## SALES VOLUMES

Scheduled maintenance on the Northern Gas Pipeline and at the Mereenie and Dingo fields resulted in slightly lower sales volumes at 2.49 PJE (including 0.17 PJ of overlift repayment gas).

Weaker customer nominations from the Dingo field adversely impacted sales volumes, but the contractual shortfall has subsequently been fully recovered via the take-or-pay mechanism in January 2021.

Firm long-term gas supply contracts accounted for 97% of December quarter volumes.

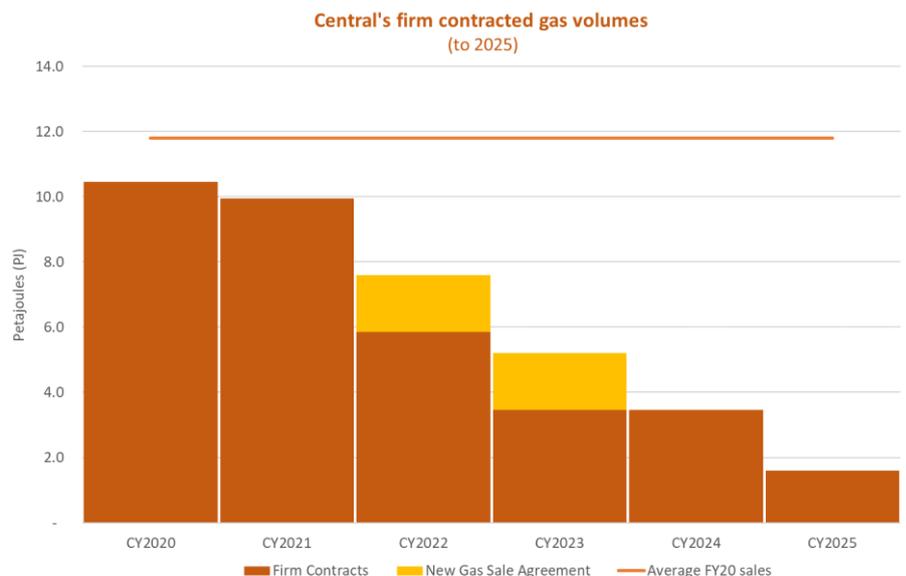


Spot and as-available sales have been recovering as east coast gas prices have strengthened through the quarter. The market for firm term gas sales is expected to remain resilient, particularly in relation to gas supply from 2022. The current portfolio of firm gas supply contracts has various terms that extend beyond 2025.

## NEW FIRM SALES CONTRACT

A new agreement for the sale of 3.5 PJ of gas over calendar years 2022 and 2023 was signed in October and prepayment for the full 3.5 PJ was received in December. The gas sale agreement removes Macquarie's previous option to purchase additional gas in 2022 and 2023, thereby reducing marketing and revenue uncertainty associated with the option and increasing Central's firm contracted gas sales to 7.5 PJ in CY2022 and 5.2 PJ for CY2023.

The funds for the gas paid in advance will be used by Central to recomplete four existing wells and drill two new crestal production wells at the Mereenie field in 2021. This activity is expected to increase the quantity of firm gas available for marketing from 2022.



## SALES REVENUE

Total sales revenue in the December quarter was \$14.1 million, down 4.4% from \$14.8 million in the preceding quarter, reflecting scheduled maintenance shut-downs during the quarter and the seasonal reduction in demand over the Christmas period.

| Sales revenue<br>Product   | Unit          | FY2021 |               | H1     |               |
|----------------------------|---------------|--------|---------------|--------|---------------|
|                            |               | Q1     | Q2            | FY2020 | FY2021        |
| Gas                        | \$'000        | 13,737 | <b>13,013</b> | 31,684 | <b>26,750</b> |
| Crude and Condensate       | \$'000        | 1,057  | <b>1,126</b>  | 4,029  | <b>2,183</b>  |
| <b>Total Sales Revenue</b> | <b>\$'000</b> | 14,794 | <b>14,139</b> | 35,713 | <b>28,933</b> |
| Revenue per unit           | \$/GJE        | \$5.64 | <b>\$5.69</b> | \$4.99 | <b>\$5.66</b> |

Average unit pricing for gas was steady, reflecting the fixed-price nature of Central's term sale contracts. Oil prices continued to strengthen during the quarter.

## MEREENIE OIL AND GAS FIELD (OL4 AND OL5) – NORTHERN TERRITORY

CTP - 50% interest (and Operator), Macquarie Mereenie Pty Ltd - 50% interest

Mereenie field production was impacted by scheduled maintenance on the compressors at Mereenie and on the Northern Gas Pipeline during October. This resulted in gross production of 2,561 TJ, 4% lower than the September quarter's 2,680 TJ. Demand for as-available gas strengthened during the quarter in response to rising east-coast spot gas prices, with November production averaging 32.2 TJ/d before the seasonal drop in demand in December.

The production capacity of the Mereenie field was approximately 32 TJ/d (100% JV) at the end of the quarter.

Planning activities continued for recompletion of four existing wells and the drilling of two new crestal production wells in 2021 which are expected to return the Mereenie field's gross production capacity to around 45 TJ/d (100% JV) and produce at least an additional 40 PJ of gas over their lifetime (20 PJ net to Central).

## PALM VALLEY (OL3) – NORTHERN TERRITORY

CTP - 100% interest

Palm Valley field produced 845 TJ over the quarter, down 8% from 921 TJ in the September quarter due to scheduled maintenance on the Northern Gas Pipeline and natural field decline.

Production capacity was 9 TJ/d at the end of the quarter. PV13 continues to outperform and is declining slower than first anticipated, indicating the horizontal well is accessing more reservoir volume than initially apparent. This supports a strategy of drilling further horizontal wells across the field, including a horizontal leg from the Palm Valley Deep exploration well.

## DINGO GAS FIELD (L7) AND DINGO PIPELINE (PL30) – NORTHERN TERRITORY

CTP - 100% interest

The Dingo gas field supplies gas directly to the Owen Springs Power Station in Alice Springs. Gas production was 260 TJ, impacted by maintenance activity and lower customer nominations. The daily contract volume of 4.4 TJ/d is subject to take-or-pay provisions under which Central has subsequently been paid \$3.2 million in January 2021 for the gas nomination shortfalls by the customer in 2020.

# Development Activities

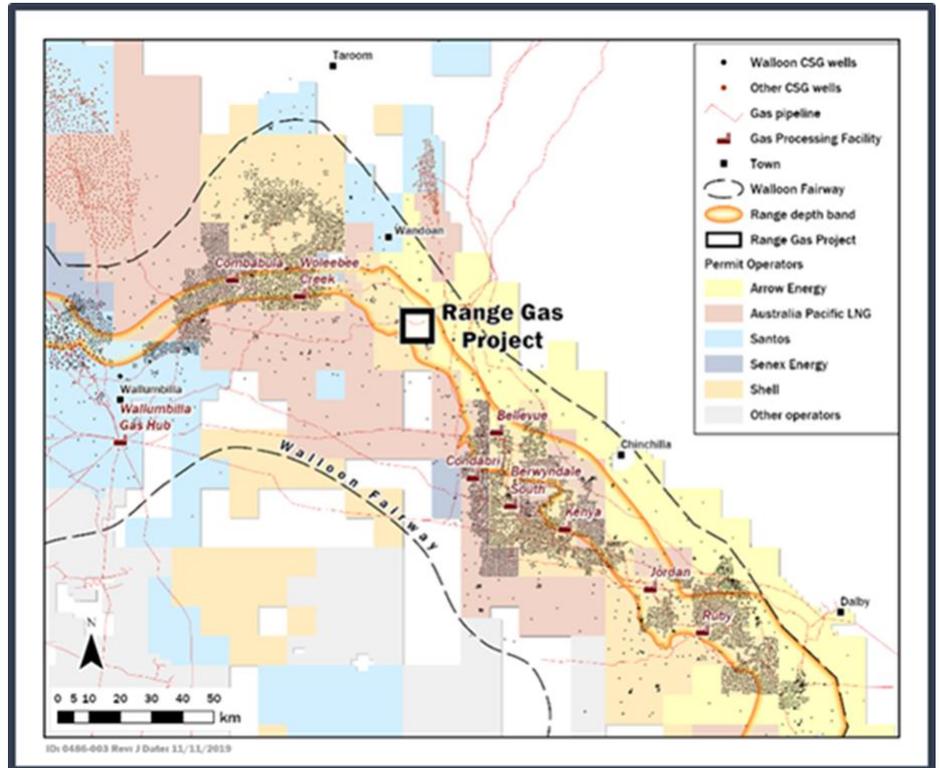
## RANGE GAS PROJECT (ATP 2031) – QUEENSLAND

CTP - 50% interest, Incitec Pivot Queensland Gas Pty Ltd (“Incitec”) - 50% interest

In November, Central and Incitec agreed to restart activities required to reach a final investment decision (“FID”), including a 3-well appraisal pilot program and approvals and permits for project development.

Drilling of the 3-well pilot is expected to commence in April 2021, with the Silver City Drilling Rig #34 contracted to perform the work. The three pilot wells are designed to produce water and gas over a three to six month test period to provide key subsurface and production data.

The Range Gas Project is on path to be one of Central’s most significant growth projects and, if successful, Central’s 50% share of the project will result in a step-change in the Company’s reserves base and production rates.



The 77km<sup>2</sup> tenement (ATP 2031) is strategically located in the heart of Queensland’s coal seam gas (CSG) province which hosts thousands of CSG wells producing from the same coal measures at similar depths. The Range Gas Project contains an estimated 270 PJ of 2C contingent gas resource (Central share 135 PJ).

The Surat Basin remains one of Australia’s premier gas production precincts, with the Range Gas Project positioned for development to take advantage of an expected shortfall of gas supply in eastern Australia from 2023.

# Business Development

## FARMOUT PROCESS ADVANCED WITH PREFERRED BIDDER

Central is well advanced in a formal farm-out process for an interest in its Amadeus Basin producing tenements to fund a planned exploration program in 2021. Progress with a preferred farm-out partner is tracking well with a target of first quarter CY2021 to announce agreed terms of this transaction, allowing us to plan for exploration drilling to begin in Q3 CY2021.

# Exploration Activities

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## AMADEUS EXPLORATION PROGRAMME – NORTHERN TERRITORY

Work continued on planning and approvals for Central's planned multi-well exploration program in the Amadeus Basin which targets proven hydrocarbon-bearing formations that can be tied-in to existing infrastructure. The proposed gas exploration program includes three wells, Dingo Deep (Dingo 5), Orange 3, and Palm Valley Deep. Two of these wells (Palm Valley Deep and Dingo Deep) are being designed to produce from the shallower producing formations in addition to deeper exploration. If successful, and in conjunction with subsequent development, the program would more than double Central's oil and gas reserves.

Well designs have been finalised, tenders called and applications lodged for various approvals required for exploration in the Northern Territory. The exploration program is subject to the farm-out process currently underway, with a target commencement of drilling in Q3 CY2021.

## DUKAS-1 (EP112) – NORTHERN TERRITORY

CTP – 30%, Santos (and Operator) – 70%

Dukas-1 is a gas prospect with multi-TCF potential located approximately 175 km south west of Alice Springs. The structural closure appears to be in excess of 400 km<sup>2</sup>, making it one of the largest-known onshore conventional gas prospects in Australia.

The Dukas-1 exploration well was suspended at a depth of 3,704m in mid-2019, after encountering hydrocarbon-bearing gas from an over-pressured zone close to the primary target.

During the December quarter, work progressed on assessing various options to intersect the target formation using specialised high-pressure drilling equipment. A decision on the preferred option is expected early in 2021.

Central and Santos are targeting 1H of CY2022 to drill the follow-up to Dukas-1. This schedule allows the opportunity to consider the various options and associated well designs, permits and approvals, and sourcing of specialist high-pressure equipment and drill rig. The JV is currently working to finalise and approve a well design and drilling schedule.

Central can be carried for the first \$3 million of its share of the cost of the Dukas-1 follow-up well in certain circumstances.

## EP115, AMADEUS BASIN – NORTHERN TERRITORY

CTP – 100% interest

In parallel to Dukas, options are being considered to appraise the larger sub-salt Zevon lead through the acquisition of seismic data, as well as potential opportunities to farm-out exploration in EP 115.

# Health, Safety and Environment

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Central recorded no MTI / LTIs during the quarter and no reportable environmental incidents. The Company's TRIFR (Total Recordable Injury Frequency Rate) is currently 4.2, reflecting one incident in more than a year.

In addition, the COVID-19 protocols enacted during 2020 have remained robust with no interruptions to production as a result of the pandemic.

# Corporate

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## CASH POSITION

The Group held cash of \$38.5 million at the end of the quarter, significantly higher than the \$26.3 million at the end of September. The net cash inflow from operations for the quarter was \$14.8 million after exploration costs and finance charges. Key amounts included:

- Cash receipts from customers during the December 2020 quarter of \$25.1 million, significantly higher than the previous quarter due to the receipt of proceeds from the pre-sale of 3.5 PJ of gas to be delivered in 2022/2023.
- Exploration preparation costs of \$0.5 million for the forthcoming Amadeus exploration program and planning for Dukas drilling.
- Cash production costs of \$7.6 million for the current quarter, inclusive of payment of annual insurance premiums, scheduled maintenance costs and \$0.9 million of payments associated with joint venture gas balancing arrangements.
- Staff and administration costs of \$1.0 million net of the final JobKeeper subsidy of \$0.25 million.
- Interest and finance charges of \$1.2 million, including costs associated with the 12 month extension of the debt facilities. The debt facility is efficiently priced (5.4% at quarter end) and tied to the variable BBSY interest rate which remains at historic low levels.

Capital expenditure amounted to \$1.4 million, with activity focused on preparations for drilling the new production wells and recompleting existing wells at Mereenie, as well as overhauling and replacing some of the surface equipment.

Principal repayments under Macquarie debt facilities totaled \$1.0 million during the quarter. The total outstanding balance of the Macquarie facilities was \$68.8 million at quarter end.

Fees, salaries and superannuation contributions paid to Directors during the quarter amount to \$0.281 million as disclosed at item 6.1 of the Appendix 5B.

The statement of cash flows for the quarter and financial year to date are attached to this report at Appendix 5B.

## EXTENSION OF FINANCE FACILITY

In October 2020, Central extended the \$69.8 million debt facility with Macquarie Bank for another 12 months to 30 September 2022.

There is no change to facility pricing and the finance facility has a restructured repayment profile which continues principal repayments at \$1.0 million per quarter, increasing to \$2.0 million per quarter on and from 31 December 2021 through to the end of the facility term in September 2022.



Leon Devaney  
Managing Director and Chief Executive Officer

29 January 2021

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

# Annexure 1: Interests in Petroleum Permits and Licences

as at 31 December 2020

## PETROLEUM PERMITS AND LICENCES GRANTED

| Tenement                                    | Location                 | Operator | CTP Consolidated Entity       |                         | Other JV Participants                             |                         |
|---|--------------------------|----------|-------------------------------|-------------------------|---|-------------------------|
|   |                          |          | Registered Legal Interest (%) | Beneficial Interest (%) | Participant Name                                  | Beneficial Interest (%) |
| EP 82 (excl. EP 82 Sub-Blocks) <sup>1</sup> | Amadeus Basin NT         | Santos   | 60                            | 60                      | Santos QNT Pty Ltd ("Santos")                     | 40                      |
| EP 82 Sub-Blocks                            | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| EP 105                                      | Amadeus/Pedirka Basin NT | Santos   | 60                            | 60                      | Santos  | 40                      |
| EP 112 <sup>1</sup>                         | Amadeus Basin NT         | Santos   | 30                            | 30                      | Santos  | 70                      |
| EP 115 (excl. EP 115 North Mereenie Block)  | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| EP 115 North Mereenie Block <sup>2</sup>    | Amadeus Basin NT         | Santos   | 60                            | 100                     |   |                         |
| EP 125                                      | Amadeus Basin NT         | Santos   | 30                            | 30                      | Santos  | 70                      |
| OL 3 (Palm Valley)                          | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| OL 4 (Mereenie)                             | Amadeus Basin NT         | Central  | 50                            | 50                      | Macquarie Mereenie Pty Ltd ("Macquarie Mereenie") | 50                      |
| OL 5 (Mereenie)                             | Amadeus Basin NT         | Central  | 50                            | 50                      | Macquarie Mereenie                                | 50                      |
| L 6 (Surprise)                              | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| L 7 (Dingo)                                 | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| RL 3 (Ooraminna)                            | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| RL 4 (Ooraminna)                            | Amadeus Basin NT         | Central  | 100                           | 100                     |   |                         |
| ATP 909                                     | Georgina Basin QLD       | Central  | 100                           | 100                     |   |                         |
| ATP 911                                     | Georgina Basin QLD       | Central  | 100                           | 100                     |   |                         |
| ATP 912                                     | Georgina Basin QLD       | Central  | 100                           | 100                     |   |                         |
| ATP 2031                                    | Surat Basin QLD          | Central  | 50                            | 50                      | Incitec Pivot Queensland Gas Pty Ltd              | 50                      |

## 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               | Wiso Basin NT     | Central  | 100                     | 100                     |                       |                         |
| EPA 111              | Amadeus Basin NT  | Santos   | 100                     | 50                      | Santos                | 50                      |
| EPA 120              | Amadeus Basin NT  | Central  | 100                     | 100                     |                       |                         |
| EPA 124 <sup>3</sup> | Amadeus Basin NT  | Santos   | 100                     | 50                      | Santos                | 50                      |
| EPA 129              | Wiso Basin NT     | Central  | 100                     | 100                     |                       |                         |
| EPA 130              | Pedirka Basin NT  | Central  | 100                     | 100                     |                       |                         |
| EPA 131 <sup>4</sup> | Pedirka Basin NT  | Central  | 100                     | 0                       |                       |                         |
| EPA 132              | Georgina Basin NT | Central  | 100                     | 100                     |                       |                         |
| EPA 133 <sup>5</sup> | 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 <sup>3</sup> | Amadeus Basin NT  | Central  | 100                     | 100                     |                       |                         |
| EPA 160              | Wiso Basin NT     | Central  | 100                     | 100                     |                       |                         |
| EPA 296              | Wiso Basin 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 Mereenie    | 50                      |
| PL 30            | Amadeus Basin NT | Central  | 100                     | 100                     |                       |                         |

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Notes:

- 1 As announced on 16 July 2020, prior to 31 July 2021 Santos can elect that Central be carried for the first \$3 million of Dukas-1 well costs. In return for a carry by Santos and if Santos so elects, Central will transfer 30% equity in EP82 (excluding the Orange prospect) to Santos. Should Santos not carry Central in exchange for the option to have 30% equity in EP82, its interest in EP112 (including Dukas-1 well) will decrease from 70% to 55% (Central's interest in EP112 will increase from 30% to 45%).
- 2 On 12 December 2019 Central received notice from Santos of its intention to withdraw from EP 115 North Mereenie Block effective 31 January 2020.
- 3 On 22 March 2018 (in respect of EPA 124) and on 23 March 2018 (in respect of EPA 152) Central received notice from the NT Department of Primary Industry and Resources that EPA 124 and EPA 152, respectively, had been placed in moratorium for a period of 5 years from 6 December 2017 until 6 December 2022.
- 4 This exploration permit application has been disposed. Transfer of the registered interest is awaiting the grant of an exploration permit.
- 5 This exploration permit application was placed into moratorium on 22 October 2015 for a five (5) Year period ending on 22 October 2020.

### **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 programs 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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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CENTRAL PETROLEUM LIMITED

ABN

72 083 254 308

Quarter ended ("current quarter")

31 DECEMBER 2020

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| <b>1.</b>                                   | <b>Cash flows from operating activities</b>                |                                    |  |
| 1.1   | Receipts from customers                                    | 25,072                             | 37,680   |
| 1.2   | Payments for   |                                    |  |
|   | (a) exploration & evaluation (if expensed)                 | (516)                              | (1,286)  |
|   | (b) development  | –                                  | –  |
|   | (c) production and gas purchases                           | (7,564)                            | (14,290)                                       |
|   | (d) staff costs  | (734)                              | (3,228)  |
|   | (e) administration and corporate costs (net of recoveries) | (473)                              | (426)  |
| 1.3   | Dividends received (see note 3)                            | –                                  | –  |
| 1.4   | Interest received  | 20                                 | 50   |
| 1.5   | Interest and other costs of finance paid                   | (1,222)                            | (2,242)  |
| 1.6   | Income taxes paid  | –                                  | –  |
| 1.7   | Government grants and tax incentives                       | 250                                | 1,149  |
| 1.8   | Other (provide details if material)                        | –                                  | 1  |
| <b>1.9</b>                                  | <b>Net cash from / (used in) operating activities</b>      | <b>14,833</b>                      | <b>17,408</b>                                  |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

|            |  |                |                |
|------------|--|----------------|----------------|
| <b>2.</b>  | <b>Cash flows from investing activities</b>            |                |                |
| 2.1        | Payments to acquire:                                   |                |                |
|            | (a) entities   | —              | —              |
|            | (b) tenements  | —              | —              |
|            | (c) property, plant and equipment                      | (1,448)        | (2,437)        |
|            | (d) exploration & evaluation (if capitalised)          | —              | —              |
|            | (e) investments  | —              | —              |
|            | (f) other non-current assets                           | —              | —              |
| 2.2        | Proceeds from the disposal of:                         |                |                |
|            | (a) entities   | —              | —              |
|            | (b) tenements  | —              | —              |
|            | (c) property, plant and equipment                      | —              | —              |
|            | (d) investments  | —              | —              |
|            | (e) other non-current assets                           | —              | —              |
| 2.3        | Cash flows from loans to other entities                | —              | —              |
| 2.4        | Dividends received (see note 3)                        | —              | —              |
| 2.5        | Other - (lodgement) or redemption of security deposits | 10             | —              |
| <b>2.6</b> | <b>Net cash from / (used in) investing activities</b>  | <b>(1,438)</b> | <b>(2,437)</b> |

|             |   |                |                |
|-------------|---|----------------|----------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |                |                |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | —              | —              |
| 3.2         | Proceeds from issue of convertible debt securities                                      | —              | —              |
| 3.3         | Proceeds from exercise of options   | —              | —              |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (2)            | (4)            |
| 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 (principal elements of lease payments)  | (136)          | (341)          |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(1,138)</b> | <b>(2,345)</b> |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

|            |  |               |               |
|------------|--|---------------|---------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |               |               |
| 4.1        | Cash and cash equivalents at beginning of period                             | 26,287        | 25,918        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | 14,833        | 17,408        |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (1,438)       | (2,437)       |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (1,138)       | (2,345)       |
| 4.5        | Effect of movement in exchange rates on cash held                            | –             | –             |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>38,544</b> | <b>38,544</b> |

|            |   |                                    |                                     |
|------------|---|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances <sup>1</sup>  | 38,543                             | 26,286                              |
| 5.2        | Call deposits   | –                                  | –                                   |
| 5.3        | Bank overdrafts   | –                                  | –                                   |
| 5.4        | Other (cash on hand)  | 1                                  | 1                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>38,544</b>                      | <b>26,287</b>                       |

<sup>1</sup> Includes the Group's share of Joint Venture bank accounts and cash held with Macquarie Bank Limited (Current Quarter \$17,836,374), Previous Quarter \$5,751,357) to be used for allowable purposes under the Facility Agreement.

**6. Payments to related parties of the entity and their associates**

|     |   |     |
|-----|---|-----|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 281 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | –   |

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Directors Fees, Salaries, and superannuation contributions.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| <b>7. Financing facilities</b>  | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> |   |  |
| 7.1 Loan facilities   | 68,809  | 68,809   |
| 7.2 Credit standby arrangements   | –   | –  |
| 7.3 Other (please specify)  | –   | –  |
| <b>7.4 Total financing facilities</b>   | <b>68,809</b>   | <b>68,809</b>                                  |

7.5 **Unused financing facilities available at quarter end** –

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 – Represents the Macquarie Bank loan facility which is a secured partially amortising term loan maturing 30 September 2022 with quarterly principal and interest repayments. The interest rate at the end of the current quarter is 5.39% (floating interest rate).

| <b>8. Estimated cash available for future operating activities</b>                | <b>\$A'000</b>                         |
|---|--|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | 14,833                                 |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d))                            | –                                      |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)                                | 14,833                                 |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6)                           | 38,544                                 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)                 | –                                      |
| 8.6 Total available funding (Item 8.4 + Item 8.5)                                 | 38,544                                 |
| <b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b> | <b>N/A – positive cash flow at 8.3</b> |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

**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.

Date: 29 January 2021.....

Authorised by: Leon Devaney, Managing Director and CEO.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.