

Well there you go.

So it appears *“the deep throat source”* was correct after all !

New financial information has emerged today which appears to give the impression that CTP is at death's door, or at least in a *“parlous state”* and only Mac Bank can give it the kiss of life.

And turn it into a virile, throbbing and pulsating fountain of financial profits.

*“Abandon ship”* is the underlying mantra, save yourselves and jump onto the rafts and into the lifeboats being provided by that magnanimous benefactor Mac Bank and genuflect to the great savior as you do.

*“Only we (MB) can save you from yourselves and your poor decisions”*

*Take what you can get, run for the hills to higher ground, or you may get left behind.*

*That Gas tsunami looming over the horizon will sweep you all away like insignificant dross.*

*You will thank us for making you select your method of suicide, that of being shot or hanged.*

*You are doomed to a life of struggle by staying with CTP, let us put you out of your misery. It is after all an act of mercy on our part”.*

**Yeah right !!**

Don't worry about the fact that up till October 2017 the BOD told us that we were about to be part of a great bonanza, a veritable Gas tsunami looming over Australia and today we are being asked to sell for a pittance.

Today we are told at page 3 and 4 the following,

## ***“2.2 AS A JOINT VENTURER***

*Central's prime asset is the Mereenie oil & gas field which is not only Central's lowest cost per GJ producer but also the field that has the quickest, lowest risk and cheapest potential to increase reserves. The plant was essentially built between 1984 to 1986 (see*

page 220 of the Scheme Booklet) and the field reached a gas potential of 45 TJ/day (15 PJ pa) at its peak about a decade ago. Since 2009, it has been processing gas ordinarily at a rate of 4-10 TJ/day but the plant requires substantial upgrading and new technology to return the plant to its original production capacity.

All activities at Mereenie can only be carried out pursuant to an approved joint venture budget unless a joint venturer elects to sole-risk (i.e. at that party's sole cost) a particular project. The joint venture agreement was negotiated with Santos and has not been amended since the sale of its interest to Macquarie Mereenie. As a 50:50 joint venture, both joint venture parties have a veto on the joint venture budget other than those expenditures required by law. If a party acting in its own commercial interest wants to sole risk a project, for example, aimed at maximising the gas available for delivery into the east coast gas market on the commissioning of the Northern Gas Pipeline (NGP), the other party will need to elect to participate (taking into account, in Central's case, the financial impact of such participation on its loan covenants) or not participate and suffer the resulting dilution of its percentage of sales gas available as a result of such a project. [ENDS]

## 2.3 AS A CUSTOMER

To enable Central to complete the acquisition of its 50% interest in Mereenie from Santos, Central entered a pre-sale agreement with MBL. Upon the earlier of when the NGP becomes operational and 1 January 2019, MBL may elect to be repaid by taking revenue from gas sales contracts which Central has entered into after the pre-sale agreement date. On present facts, this could mean in 19 months' time all the take-or-pay revenues from the EDL contract could flow to MBL and not Central to satisfy its pre-sale obligations. If no further contracts are entered into from now, Central will then revert to a cash-burning situation. Importantly, the EDL contract ensures that the Company does not need to raise capital to fund operating losses in the near term.

## 2.4 AS A GAS MARKETER

As neither Macquarie Mereenie (nor Santos before that) has used a material portion of their entitlement under the Mereenie Interim Gas Balancing Agreement, Macquarie Mereenie has substantial volumes of gas to sell under that arrangement. Since the Interim

*Gas Balancing is a limit on total sales for each joint venturer, such sales do not contractually re-set or re-balance Central's over lift, i.e. these sales do not enable Central to re-commence gas sales from Mereenie unilaterally. It was always envisaged with Santos that eventually there would be a marketing arrangement agreement negotiated, hence the word "interim". The value ascribed to Central by the Independent Expert has assumed that further volumes can be sold (i.e. this hurdle will be overcome) but given the change in joint venture arrangements this, as yet, is not assured.*

### **3 OTHER HURDLES**

#### **3.1 SANTOS BONUS PAYMENT**

*Under the original Mereenie acquisition agreement with Santos, a bonus payment of \$15 million may be payable by Central plus possibly a free-carry for a \$55 to \$75 million Mereenie development programme and a certain shortfall payment could be payable (such payment not to exceed half of the \$55 million minimum expenditure) to make up the difference of that free-carry if at least \$55 million is not unexpended within 5 years, if all participants of the Mereenie joint venture enter into a gas transportation agreement with the NGP project proponent prior to 4 June 2018. This potential obligation remains on foot despite the change in joint venture partner.*

#### **3.2 OORAMINNA COMMITMENT WELL**

*Central has a 100% interest in Retention Licences 3 and 4 which has a Commitment Well which must be drilled by 6 March next year (see page 242 of Scheme Booklet for Ooraminna's prospectivity) for which capital will need to be raised. This timeframe has already been deferred from the original deadline. Given the east coast gas shortage and the imminent commissioning of the NGP with spare capacity there is a clear risk that another deferral of this commitment would not be granted again by the NT Government. To avoid the commitment Central could hand back the licences with adverse consequences to the value of Central.*

I presume that a significant part of the \$2 mil has probably gone towards the IER and this latest information.

So it begs the question *“Why was this information not supplied before”*?

Just located? Why ?

Why hasn't the IER been amended ?

Is it so immaterial and insignificant that the IER did not require amending?

Not relevant before, but relevant today? Then why are we being told this?

**Or is it really “a beat up” to scare the beeeeeeeeejesus out of us all?**

But, clearly I am too much of a cynic, and clearly MB and our BOD only have our best interests at heart.

I will self-flagellate later to atone for my sin of mistrust.

One must of course thank the management of CTP for alerting us so quickly to this disastrous state of affairs.

I am sure it was oversight and that they have acted swiftly and properly to bring this to our attention.

Phew, there we go, and we all very nearly voted **NO**, and now we have the opportunity to reverse our position and save ourselves from economic ruin.

Fancy that being saved from *“penury”* by the magnanimous Mac Bank, gee I am grateful, I could very easily have gone through life cursing my decision to **vote NO**.

Close call that one !! Phew.

Think we all came down in the last shower?

Yeah right!.

CB

