

23 October 2014



ABN 72 083 254 308

Managing Director's Letter to Shareholders

Dear Fellow Shareholder,

Today your Company launched a trial stage 1 of a 2 stage launch of its new website. We hope that the new website will be more user-friendly and enable our shareholders to access timely and accurate information concerning its activities.

With the advent of social media and many opportunities for views about the activities of your Company to be freely expressed it is important that shareholders are provided with a reliable source of up to date information about Central rather than inaccurate speculation at best. The new website will have the capability to update shareholders on a frequent basis. You will be confident that this information is from Central and not some casual observer. We therefore encourage you to use the Central website and our various releases to the ASX to access information about your Company.

This calendar year has been a year of many achievements:

- In February we entered into an agreement to acquire the assets of Magellan Petroleum in the Amadeus Basin;
- In February Central was granted a production licence (PL 6) for the Surprise Oil Field, the first granted by the Northern Territory government in 21 years;
- In March we went into production of crude oil at Surprise;
- In March the acquisition of the Palm Valley and Dingo gas fields from Magellan Petroleum was completed and Central commenced gas production from Palm Valley;
- March saw Central shift from an explorer to a multi-field producer in both oil and gas markets;
- In April Mt Kitty produced at an initial rate of 500,000 cubic feet per day establishing that the Southern Amadeus Basin was also gas prone;
- In May Central was granted a production licence (PL 6) for the Dingo gas field marking the beginning of the Dingo Gas Field Development;

- In July drilling of Whitely-1, the first of an unconventional two well exploration program in the Southern Georgina Basin commenced;
- In July the Dingo Pipeline Licence (PL 30) was announced and pipeline site works commenced;
- In July Santos elected to proceed to Stage 2 of the Southern Amadeus Joint Venture;
- In August Central regained 100 percent ownership of Retention Licences 3 and 4 (Ooraminna gas discovery).
- In September drilling of the Gaudi-1 commenced, the second of the unconventional two well exploration program in the Southern Georgina Basin;
- In September Central's Financial Accounts audited on a "going concern" basis;
- In October the COAG communique was issued, the start of a process aimed at connecting the Northern Territory to the Eastern Seaboard gas market by 2018. This is indeed a milestone for the Company as for the first time it provides a clear line of sight to a firming gas market for our enviable acreage position;
- In October the around 300 metre coring program as part of the overall Gaudi-1 unconventional well drilling program commenced with nearly 109 metres (15 cores) taken representing over one third of the coring program. All of the cores are desorbing gas which is encouraging; and
- In October Central reached agreement with IOR Transport Pty Ltd for the domestic transportation of crude oil produced at Surprise West cutting transportation costs by over 20%.

Please take time to visit our new interim website. I look forward to meeting some of you at our Annual General Meeting or at the meetings the company is trying to organise in conjunction with CPSA to be held in Sydney, Melbourne and Perth.

Yours faithfully
Central Petroleum Limited



Richard Cottee
Managing Director

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