

22 August 2022

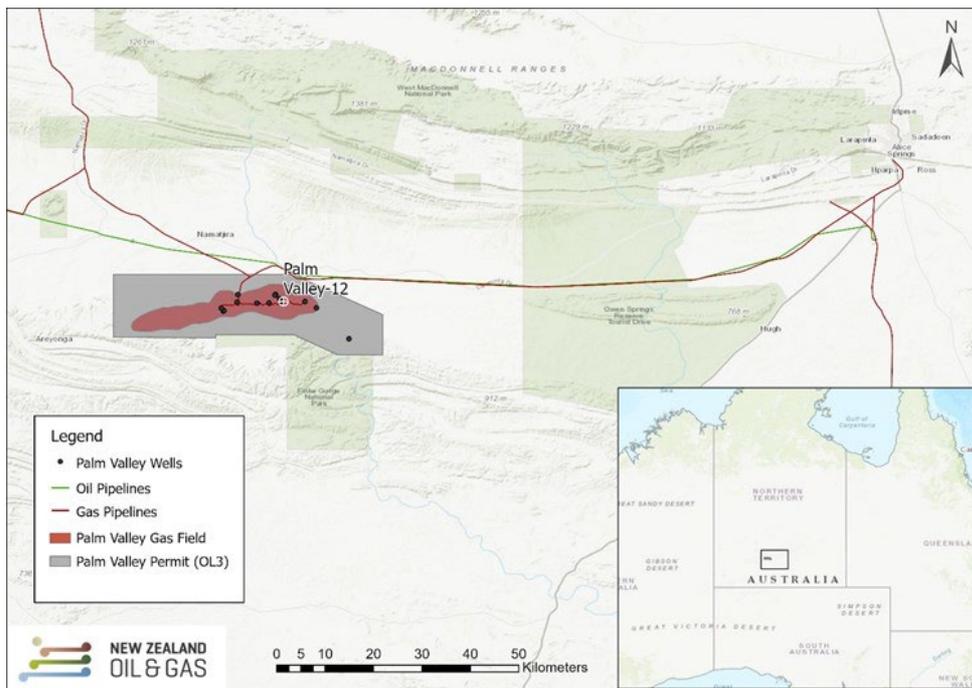
PALM VALLEY-12 DRILLING UPDATE

The Operator Central Petroleum Limited (“Central”) (ASX: CTP) advises that as at 0600 hrs ACST on 20 August 2022, the Palm Valley 12 (PV12) well in OL3, Southwest of Alice Springs in the Northern Territory was at a measured depth of 2,431m in the lower P2 and P3 units of the Pacoota Formation. Water has been recovered from the wellbore and chemical analysis has determined it to be formation water. A combination of the presence of formation water and the absence of significant gas shows during drilling has led to a decision by the joint venture to curtail further drilling in the lower P2 and P3 sidetrack. Preparations are now underway to plug and abandon this lateral section of the well and prepare for sidetrack operations into the P1 unit of the Pacoota Formation.

The P1 formation is the currently producing formation at Palm Valley. A successful PV12 lateral in the P1 formation will be tied into existing production facilities and sold into strong Northern Territory and east coast gas markets.

"Not the outcome any of us wanted, as new gas would have been a bonus, bringing much needed gas into the East Coast Australian market, where prices are high, and demand is booming.." said Andrew Jefferies, Managing Director of New Zealand Oil and Gas. "The P3 opportunity provided us a second chance to unlock the exploration upside of the Palm Valley field, however the business case for the Palm valley field remains rock solid. For now, we plug back this section and get this well side-tracked into the existing P1 reservoir where it can fill up our gas plant and provide additional supply to that burgeoning market.

The PV12 ST1 well is being drilled under a joint venture between Central (50% interest), New Zealand Oil & Gas Limited (ASX: NZO) (35% interest) and Cue Energy Resources Limited (ASX: CUE) (15% interest).



Location of Permit OL3 and Palm Valley-12 exploration well.