



# Annual Results and Activity Update

21 September 2022

Central Petroleum Limited (ASX:CTP)



# FY2022 Highlights



## Completed sale of 50% of interests in Amadeus Basin

- Recognised \$36.6 million book profit on sale
- NZOG / Cue are funding Central's share of over \$100 million in development and exploration in the permits

## Steady underlying production and revenues

- New Mereenie production wells brought online
- Reserves upgrade: Increase of 2P reserves across the three fields of 3.5 PJ at 31 December 2021
- \$42.2m revenue / \$16.7m underlying EBITDAX

## Strong markets and access to spot sales

- New gas sales agreement: up to 3.15 PJ over 4 years from 1 January 2022, net to Central
- Newly gained access to the strong east coast spot markets

## Exploration Drilling

- Current program revised to replace Dingo well with investment in new near-term production increases
- PV12 currently drilling laterally at circa 1,860m

## Range testing and pilot expansion

- Two new pilot wells drilled, confirming coal thickness more consistent with expectations for the field
- Early gas production indicates good gas saturation with longer de-watering times
- Local de-watering process underway

## Farm-out provides catalyst for new subsalt exploration program

- Peak Helium to take an interest in three exploration blocks and carry Central's share of costs for two new sub-salt exploration wells targeting natural gas, helium and "gold" hydrogen

## Debt reduced / refinanced

- Net debt reduced by 67% to \$10.2m
- 3 year extension
- Reduced principal repayments, same interest rate margin



# Headline Results

## Sales volume 6.3 PJe

- Down 39% (2% down on like-for-like basis)
- Reflects 50% reduction in ownership interest from October 2021

## Sales revenues \$42.2m

- Down 30% (up 12.7% on a like-for-like basis)
- Stronger commodity prices
- 15% of gas sold into east coast spot gas market

## EBITDAX (Underlying) \$16.7m

- Down 36% in FY2021

## Statutory net profit \$21.3m

- Includes \$36.6m profit on partial asset sale

## Cash balance \$21.6m

- Down \$15.5m
- + \$28.3m asset sale proceeds
- + \$16.2m net cash flow from operations/corporate
- - \$39.0m debt service
- - \$10.8m Mereenie development wells and other sustaining CAPEX
- - \$10.1m exploration: Palm Valley, Range & Amadeus sub-salt program

## Net debt \$10.2m

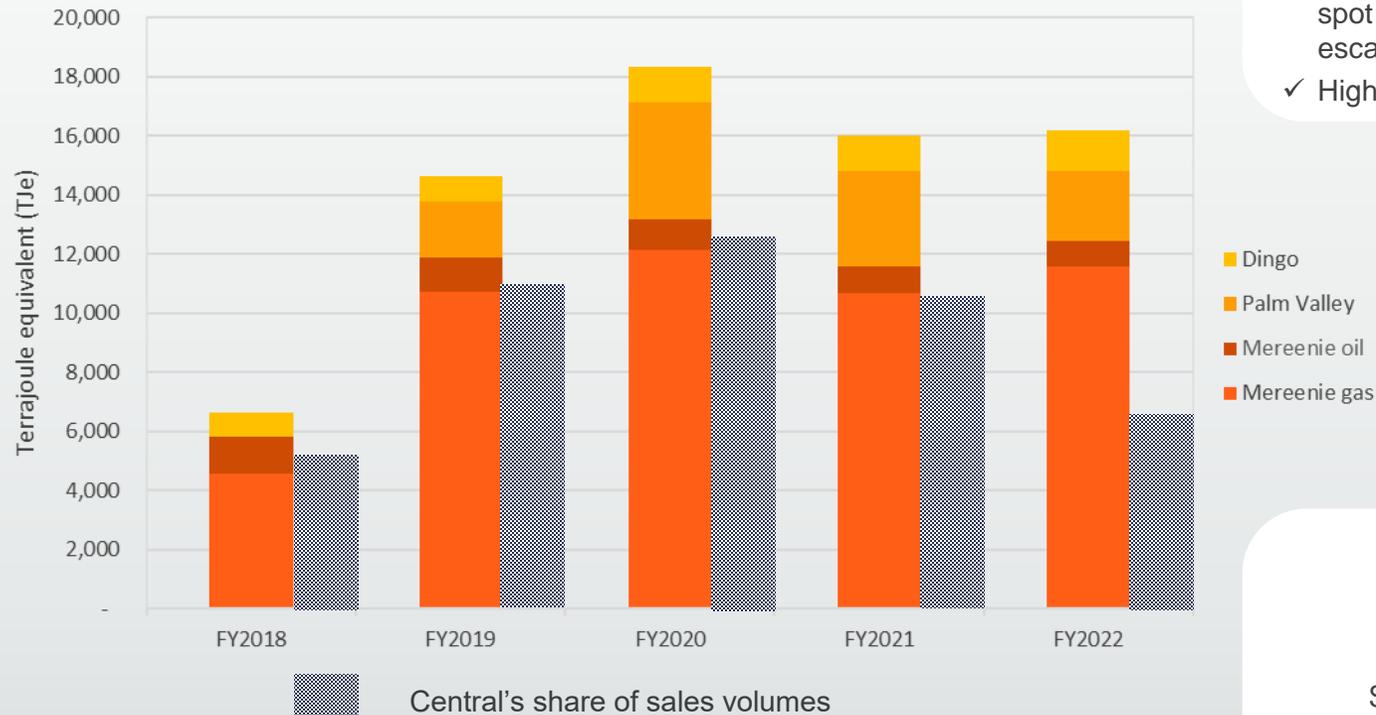
- Down \$21.1m
- Loan balance \$30.8m



# Solid Operational Performance



Sales volumes by field (100% JV full field)



## Sales prices

**\$6.73 / GJe**

\$5.83 in FY2021

- ✓ Gas prices up 15.4% due to spot markets / contract escalation
- ✓ Higher oil prices

## Operating costs

**\$3.39 / GJe**

\$2.81 in FY2021

- Includes transportation costs for new sales contract and spot sales
- Increased royalties on higher revenues

## Exploration

**\$21.6M**

\$7.7M in FY2021

- Palm Valley/Dingo (\$15.8M)
- Planning for sub-salt wells
- Range pilot (\$3.5M)

## Corporate costs

**\$4.2M**

\$5.0M in FY2021

- Cost control
- Recoveries from new JVs

# Financial Security

## Reduction and extension of debt facility

**Net debt \$10.2m** (down \$4.8m)

Loan Balance \$30.8m

### Facility extended

Extended by 3 years to September 2025

Substantially the same terms as existing facility

### Flexibility to fund additional development

Production assets can support more debt if needed

Provision for additional draw-down of \$5m, subject to bank approval

## Carry funds available

**\$21.1m available** at 30 June 2022

Part of consideration for partial asset sale

Available to be invested in increasing production capacity within 12 months:

- PV12 well
- Mereenie well recompletions
- Flare gas recovery project

	Maturing facility	New facility
Expiry	30 September 2022	<b>30 September 2025</b>
Principal repayments	\$2.0m per quarter	<b>\$1.125m per quarter</b>
Early termination fee	Lesser of: <ul style="list-style-type: none"> <li>• 2.5% of prepayment; and</li> <li>• Interest on remaining term</li> </ul>	<b>Nil</b>

Debt balance



# New Contracts in Strong Gas Markets

## Term gas markets remain strong

Existing gas contracts escalate with inflation  
 Very strong market interest in new firm gas contracts from 2023

## New firm gas sales agreements

+ 3.15 PJ\* over 4 years from 1 Jan 2022  
 + 0.9125 PJ\* during 2025

## New access to east coast spot markets

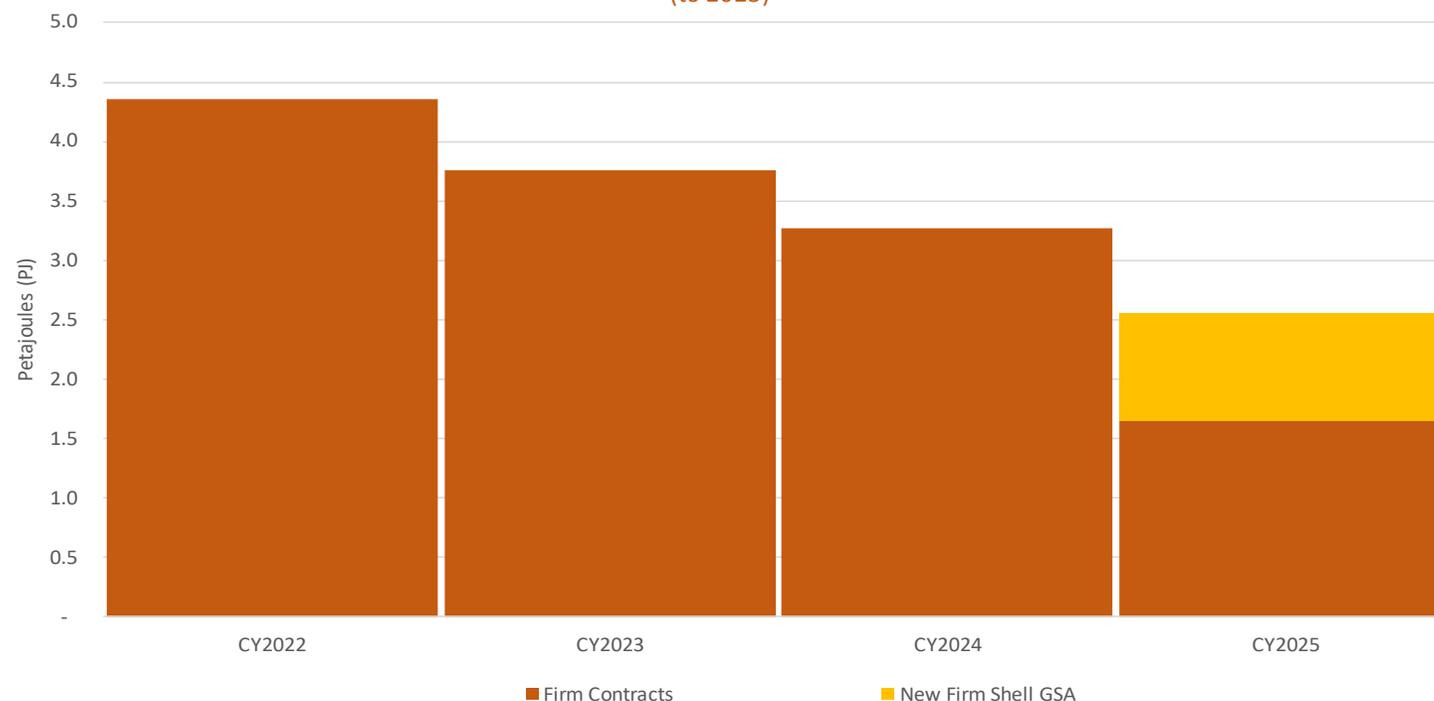
Improves the opportunity to sell all of our non-firm production on a day  
 Approximately 15% of gas production  
 Averaged \$34/GJ in May and June (delivered) brought on by unexpected demand for gas powered generation due primarily to coal generation outages & colder weather

## Prioritising new gas supply

**Palm Valley:** the PV 12 appraisal well is targeting new gas reserves – could commence production later this year if successful

**Mereenie:** plans for additional production capacity at Mereenie – recompletions and new wells over next 12 months (subject to JV approval)

Central's firm contracted gas volumes  
 (to 2025)



## Temporary interruption to Northern Gas Pipeline (NGP)

Eastbound gas transport on the NGP is currently suspended due to lower Blacktip production  
 Various avenues being pursued to enable NGP to reopen, including expected new supply from PV 12  
 Increased gas sales into NT market, but currently 2.5 TJ/day\* below Central's production capacity  
 NT demand expected to increase with onset of warmer weather (increased gas fired power generation)

\* Central's share

# Drilling Program Update

## PV12 drilling progress

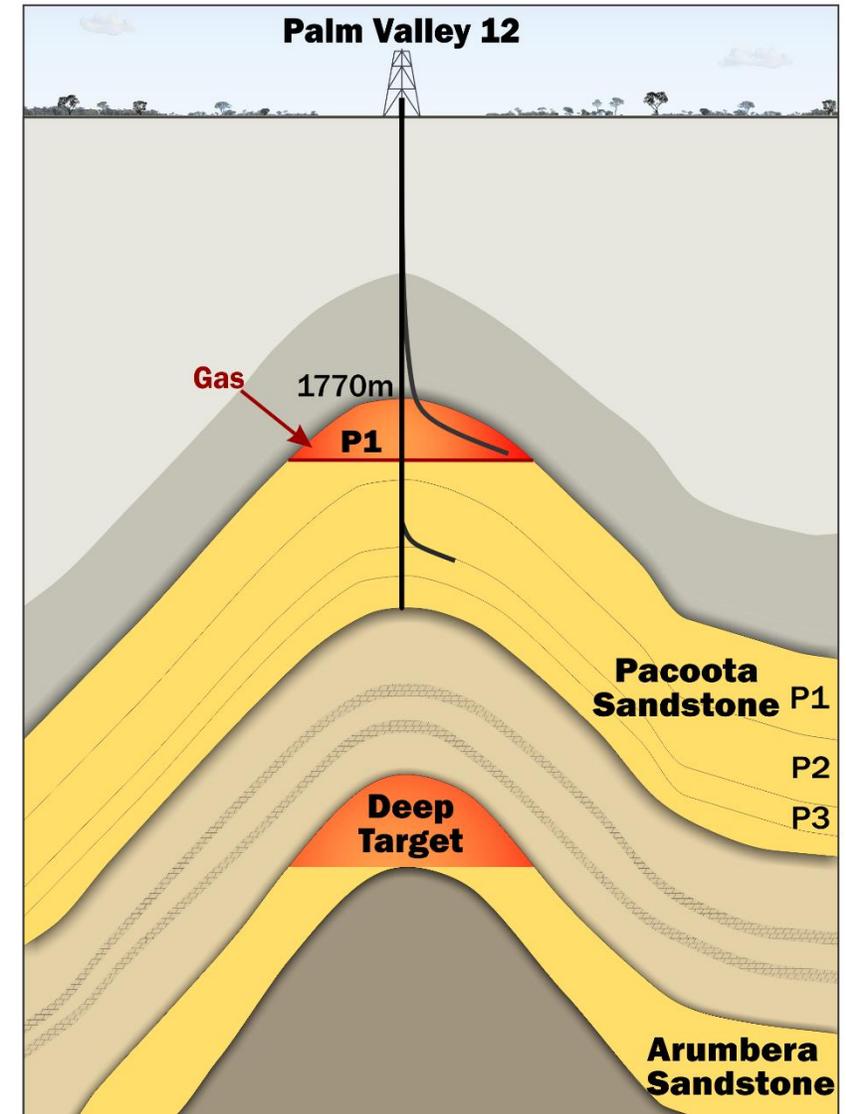
- Original target (PV Deep) at 3,560m
- Difficult drilling conditions – heavily fractured zones resulted in lost circulation of drilling fluids; hard rock resulted in slow rate of penetration
- Revised exploration target in lower Pacoota P2/P3 Sandstones targeted with lateral well – formation water encountered with no gas flows

## Palm Valley 12 current operations

- ST2 lateral currently drilling horizontally into Pacoota P1 Sandstone
- P1 is the producing zone at Palm Valley
- Any gas production can be connected to existing Palm Valley processing facilities this year
- Currently at 1,860m

## Production enhancements prioritised over Dingo Deep exploration

- Dingo Deep exploration well deferred
- Prompted by strong gas market pricing / east coast demand
- Capital to be re-deployed to increase near term production at Mereenie / Palm Valley
- Mereenie recompletions and new wells over next 12 months (subject to JV approval)



Drawing not to scale.

# Sub-salt Exploration Program Update

## Key activities underway

Santos (operator) has commenced procurement, rig contracting, approvals

## Three wells commencing in 2023

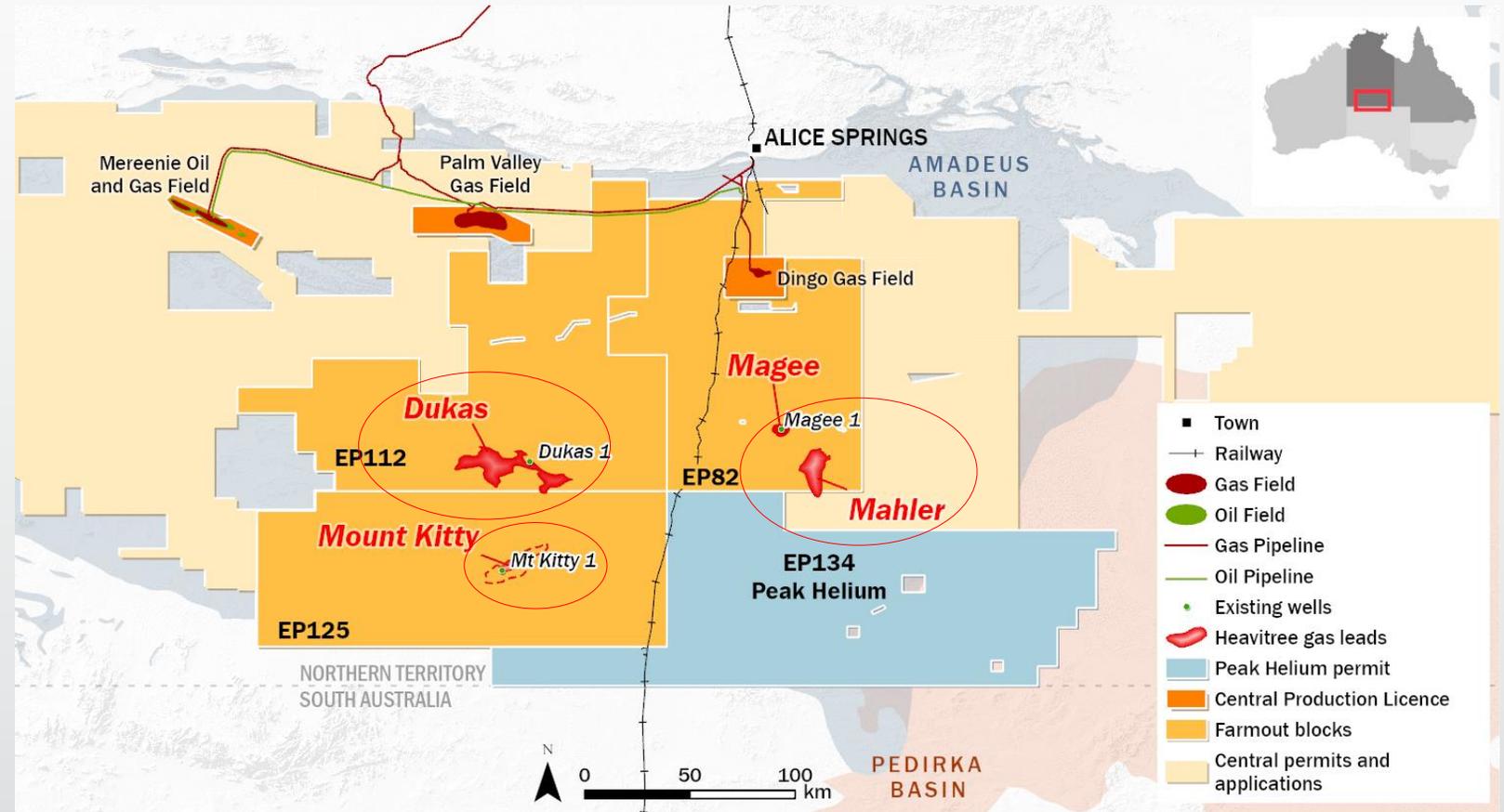
Dukas, Mt Kitty and Mahler  
Targeting helium, naturally-occurring hydrogen and hydrocarbons

## Peak farm-out

Peak Helium will fund Central's costs for Mt Kitty and Mahler (capped at \$20m gross cost per well)  
Satisfaction of conditions precedent extended to 12 October 2022

## Ownership interests

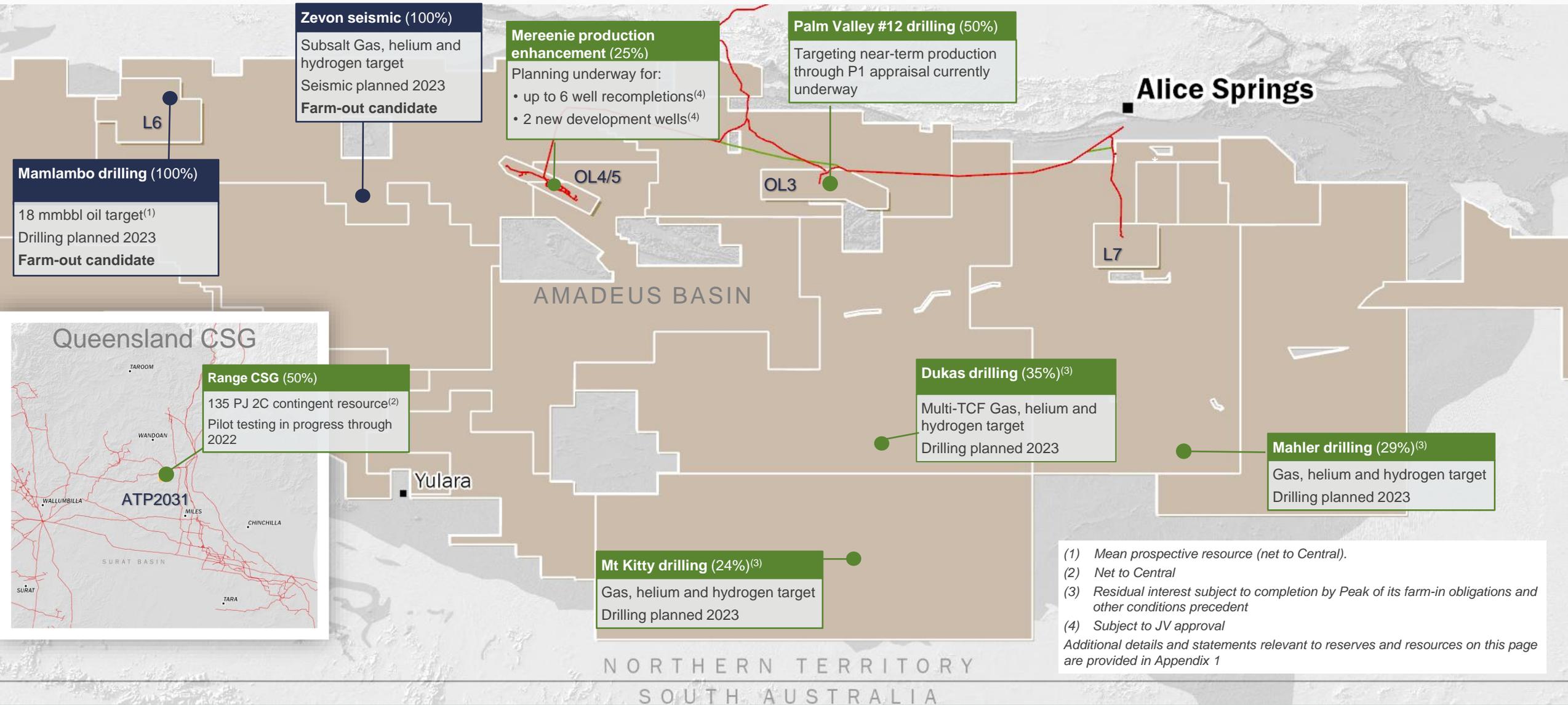
Exploration Permit	After farmouts*		
	Central	Peak	Santos
EP 82	29%	51%	20%
EP 112	35%	35%	30%
EP 125	24%	56%	20%



Completion of Central's farmout with Peak is subject to the usual conditions precedent for a transaction of this nature being met by 12 October 2022 (which may be extended by mutual agreement), including Joint Venture, Central Land Council, royalty holders and NT regulatory approvals.

\* Subject to satisfaction of conditions precedent under the relevant farmouts

# Near-term activity (CTP Share)



(1) Mean prospective resource (net to Central).  
 (2) Net to Central  
 (3) Residual interest subject to completion by Peak of its farm-in obligations and other conditions precedent  
 (4) Subject to JV approval  
 Additional details and statements relevant to reserves and resources on this page are provided in Appendix 1



# Appendix 1

Reserves and Resources Information

# Appendix 1: Reserves and Resources information

## Reserves and contingent resources

Central – existing fields (Central share)	Units	Reserves		Contingent Resources
		Proved	Proved & Probable	Best estimate
		1P	2P	2C
Mereenie oil	mmbbl	0.37	0.41	0.05
Mereenie gas	PJ	30.5	39.2	45.6
Palm Valley	PJ	11.3	12.7	6.8
Dingo	PJ	16.2	19.0	—
<b>Total Amadeus</b> (oil converted at 5.816 PJ/mmbbl)	<b>PJe</b>	<b>60.2</b>	<b>73.3</b>	<b>52.7</b>
Range CSG	PJ	—	—	135.1
<b>Total Central reserves and resources</b>	<b>PJe</b>	<b>60.2</b>	<b>73.3</b>	<b>187.8</b>

### Reserves and contingent resources

The reserves and contingent resources for the Mereenie, Palm Valley and Dingo fields in this report are as at 30 June 2022 and were first reported to ASX on 16 September 2022.

The contingent resources for the Range Gas Project were first reported to ASX on 21 August 2019.

The Mereenie contingent gas resources include 27 PJ attributable to the Mereenie Stairway formation.

The total aggregated reported 1P reserves may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

Central confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

# Appendix 1: Reserves and Resources information

## Prospective Resources – Amadeus exploration targets (Central Share)

Lead / Prospect	Target formation	Permit	Permit Interest	Low Estimate P90 Recoverable (PJ)	Best Estimate P50 Recoverable (PJ)	High Estimate P10 Recoverable (PJ)	Mean Recoverable (PJ)
Dingo Deep	Pioneer	L7	50%	2.5	8.5	27.5	13
	Areyonga	L7	50%	5	16	44	21.5
Orange-3	Arumbera	EP82(DSA)	100%	14	49	148	71
	Pioneer	EP82(DSA)	100%	15	67	233	107
	Areyonga	EP82(DSA)	100%	49	168	456	223
Palm Valley Deep	Arumbera	OL3	50%	13	37.5	140	61.5
<b>Aggregate Gas</b>					<b>346</b>		<b>497</b>
<b>Oil prospects</b>				<b>mmbbls</b>	<b>mmbbls</b>	<b>mmbbls</b>	<b>mmbbls</b>
Mamlambo	Pacoota	L6	100%	3	13	39	18

### Resources Estimates

The volumes of Prospective Resources included in this presentation represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis for each prospect as first reported to ASX on 7 August 2020 for Dingo, Orange and Palm Valley, adjusted for Central's reduced interests as a result of the asset sale which completed on 1 October 2021.

The volumes of Prospective Resources included in the presentation for the Mamlambo oil prospect are as at 9 February 2022 as first reported to ASX on 10 February 2022.

Inputs required for these analyses have been derived from offset wells and fields relevant to each play and field. Recovery factors used have been derived from analogous field production data.

**Cautionary statement:** the estimated quantities of petroleum that may *potentially be recovered* by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

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This presentation was approved and authorised for  
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