

21 November 2016

Macquarie allowed non-exclusive Due Diligence

On 10 November 2016, Macquarie SCT Pty Ltd (“**Macquarie**”) made an unsolicited, indicative and non-binding proposal to acquire 100 per cent of the issued capital of Central Petroleum Limited (“**Central**” or the “**Company**”) by way of a scheme of arrangement at 17.5 cents per share (“**Proposal**”). The Board of Directors of Central determined that the Proposal is not in the best interests of shareholders.

However, the Board of Central has agreed that Macquarie can conduct confidential due diligence, with a view to Macquarie developing an improved proposal.

Macquarie is not be bound to make a formal offer and has no entitlement to any break fee if Central proceeds with another proposal.

Given the Company’s capital need to fund the further development of the Company’s gas fields, in particular the Stairway Project ahead of the expected completion of Jemena’s Northern Gas Pipeline (“**NGP**”) in 2018, the Company has not agreed to any fetter on that process as a result of granting due diligence. The NGP will link Central’s gas fields south of Alice Springs to Australia’s main gas demand centres on the eastern seaboard and which are reportedly facing significant shortages.

General Disclaimer and explanation of terms:

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