

2 February 2018

CENTRAL SIGNS DRILLING CONTRACT WITH ENSIGN

As foreshadowed in the recent quarterly report, Central Petroleum Limited (“**Company**” or “**Central**”) has contracted with Ensign Australia Pty Ltd to use its presently mothballed Rig 932 for a forthcoming drilling programme of up to four wells. Central has structured the commercial arrangements on the basis that only two wells need to be drilled, for example, Palm Valley and Ooraminna (which permits it holds 100%) with an option of another two wells at Mereenie. Joint Venture approval for the Mereenie wells is subject to ACCC interim clearance of joint marketing with the ACCC still considering the Company’s application.

While the Company would prefer to commence its programme at Mereenie, if there is a further delay in the ACCC deliberation then the first well to be spudded will be at Palm Valley. Under the timetable the first well should be spudded in 6-8 weeks’ time with each well taking slightly more than 30 days. The wells at Mereenie will have a deviated lateral of over one kilometre designed to intersect the natural fractures in the sandstone. None of the wells in the drilling campaign are intended to be fracture stimulated.

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