

30 August 2023

MEREENIE HELIUM RECOVERY UNIT MOU

New Zealand Oil & Gas and its Mereenie Joint Venture Partners (the Mereenie JV) have entered into a Memorandum of Understanding (**MOU**) with Twin Bridges LLC (Twin Bridges), a private US company who specialises in helium appraisal and production, to progress a helium recovery unit (HRU) project at the Mereenie field in the Northern Territory towards a final investment decision (FID). Central Petroleum Limited (Central) is the field Operator and has issued a release which contains the key points regarding the MOU.

New Zealand Oil & Gas CEO Andrew Jefferies says “This initiative demonstrates the Joint Venture’s commitment to finding value from our assets. Helium is a valuable global commodity in short supply, facilitating all sorts of processes from knee MRI’s to deep ocean exploration, rocket science to party balloons. I look forward to keeping the market informed as the project develops.”

Central’s release is attached.

New Zealand Oil & Gas has a 17.5% participating interest, Cue Energy Resources has a 7.5% participating interest (New Zealand Oil & Gas owns 50.04% of Cue), Macquarie Mereenie holds a 50% participating interest and Central (Operator) holds a 25% participating interest in the Mereenie licence.

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Mereenie Helium Recovery Unit MOU

Central Petroleum Limited (**ASX:CTP**) ("**Central**") advises that it has entered into a Memorandum of Understanding (**MOU**) with its Mereenie co-venturers and Twin Bridges LLC (**Twin Bridges**), a private US company specialising in helium appraisal and production, to progress a helium recovery unit (**HRU**) at its Mereenie field in the Northern Territory towards a final investment decision (**FID**).

The proposed HRU project will target production of up to 60,000 scf of compressed helium gas per day, separating helium from the existing natural gas produced at Mereenie.

Key Points

- Central and its co-venturers at Mereenie will work with experienced US-based helium developer and producer, Twin Bridges, to progress the HRU project at Mereenie toward FID.

(Central is operator of the Mereenie JV and holds a 25% interest via a subsidiary. Co-venturers include Macquarie Mereenie Pty Ltd (50%), NZOG Mereenie Pty Ltd (17.5%) and Cue Mereenie Pty Ltd (7.5%))

- The proposed HRU project will:
 - Extract helium from the existing Mereenie gas stream using proven membrane technology.
 - Target production of up to 60,000 scf/d of compressed helium gas.
- Preliminary technical studies and helium offtake negotiations have been completed indicating solid project economics, leveraging on the existing gas stream and infrastructure at Mereenie.
- Under the terms of the non-binding MOU:
 - Twin Bridges will design, build, fund and own the HRU, accelerating commencement of helium production and increasing project value through access to their proven helium processing and marketing expertise.
 - Operating profit from the HRU project will be shared 50/50 between Twin Bridges and the Mereenie JV.
- Indicative term contract pricing for helium gas is currently very strong, with the impending closure of the Darwin LNG plant making the proposed Mereenie HRU Australia's sole source of domestically-produced helium.
- Successful production of helium at Mereenie will also demonstrate the potential of the Amadeus Basin as a world-class helium resource, where Central has a material position in several large sub-salt prospects where relatively-high helium content has previously been measured.

The MOU with Twin Bridges has a term of 12 months, with the parties working together to achieve the necessary design, engineering, commercial and financial milestones required to reach FID for the construction of the HRU at Mereenie. The MOU provides for up to an additional 12 months exclusivity for Twin Bridges, who will draw on their expertise in building similar plants in North America. If the project proceeds, Twin Bridges will design, build, fund and own the HRU plant which will be integrated with the existing Mereenie gas processing facility operated by Central. Twin Bridges will market the produced helium with offtake arrangements already well advanced.

Preliminary financial modelling indicates solid project economics leveraging on the brownfield economics afforded by the existing gas stream and infrastructure at Mereenie and strong helium markets.

It is proposed that the HRU will be sized to process up to 30 TJ/d of Mereenie gas, which typically contains over 0.2% helium, extracting up to 60,000 scfd of helium gas using proven membrane technology.

The compressed helium gas is anticipated to be sold ex-field to a major helium aggregator and distributor in Australia. The Mereenie JV will share the operating profits from the HRU project on a 50/50 basis with Twin Bridges.

The only domestic production of helium in Australia is expected to cease when the Darwin LNG plant closes later this year. The proposed Mereenie HRU project would then be the sole source of domestically-produced helium, helping to satisfy Australia's strategic need for helium which is used in many critical health and technology applications.

Additionally, successful production of helium at Mereenie will also demonstrate the potential of the Amadeus Basin as a world-class helium resource, where Central has a material position in several sub-salt prospects. Helium concentrations of 6% have been recorded at the Magee-1 well and 9% at Mt Kitty. Central is seeking to drill several sub-salt appraisal/exploration wells in the Southern Amadeus to further test these prospects along with the promising Dukas lead. Seismic data will also be acquired at the Zevon lead to the north-west of the Mereenie field later this year to identify the location for a possible exploration well.

"We are excited to be working with Twin Bridges to advance this opportunity to produce and sell the helium resource at Mereenie", said Leon Devaney, Central's Managing Director and CEO.

"Helium is only produced at a handful of locations world-wide, so successful commercial production at Mereenie is likely to draw international attention to the unique and potentially vast helium resources of the Amadeus Basin. Helium is also found in our produced gas at Palm Valley and Dingo, and far higher helium concentrations have previously been encountered in sub-salt exploration wells throughout the basin. Having a partner like Twin Bridges gives us an advantage in creating value within our existing producing assets, but also potentially as a partner in exploring high-potential Amadeus Basin sub-salt prospects like Zevon", he said.

About Twin Bridges

The US-based Twin Bridges LLC, a private company, has over 10 years of experience in helium development projects in North America, including the redevelopment of Pinta Dome and Navajo Springs in northeastern Arizona, and other important discoveries of helium in Colorado, Utah and Montana, as well as other projects in various stages of development in North America.

“We are extremely pleased to be working with Central Petroleum and the Mereenie joint venture on a helium recovery unit at the Mereenie oil and gas field,” said David Wallace, Managing Partner at Twin Bridges. *“This is a very exciting opportunity with solid economics using proven technology that has important strategic implications for Australia. Worldwide helium is in short supply, and we are excited to further our involvement in solving this critical supply shortage.”*

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This ASX announcement was approved and authorised for release by Leon Devaney, Managing Director and Chief Executive Officer.

About Central Petroleum

Central Petroleum Limited (Central) is an established ASX-listed Australian oil and gas producer (ASX: CTP) with exploration and appraisal permits in the Northern Territory (NT) and Queensland. Central has grown to become the largest onshore gas Operator in the NT, supplying residential and industrial customers in the NT and wider Australian east coast market.

Central is seeking to become a major domestic energy supplier, in addition to helium and naturally occurring hydrogen, with exploration, appraisal and development plans across more than 170,000 km² of tenements in Queensland and the NT, including some of Australia's largest known onshore conventional gas prospects in the Amadeus Basin and prospective CSG resources in the Surat Basin.

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