

23 March 2015

DINGO GAS PROJECT COMMISSIONED

Central Petroleum Limited (**ASX:CTP**) ("**Company**" or "**Central**") today announced the Dingo Gas Project pipeline and plant has been successfully commissioned and the necessary regulatory approvals to operate being obtained.

The Project was completed ahead of schedule and 10% below budget which also satisfies the Company's requirements to have a physical connection to the Owens Springs Power Station ready in order to deliver gas under the Gas Sales Agreement. Actual physical Dingo gas sales will commence as soon as the customer's engineering and tie-in to the Company's delivery point at Owen Springs Power Station has been completed.

In establishing the Dingo Gas Project, Central has developed three important employment strategies to sustain its Northern Territory operations:

- *Family Values for Working Families* - Under this strategy Central maximises the number of employees who can commute daily from their homes in Alice Springs. The commissioning of Dingo Gas Project enables this strategy to be implemented as the Dingo Gas Field will be remotely operated from Brewers Estate on the outskirts of Alice Springs.
- *Northern Territory for Northern Territorians* - Under this strategy, to the extent that Central needs to employ people at remote locations, to the maximum extent possible those employees will be based at Alice Springs and "bussed" in from there rather than depending on Fly In Fly Out workers from elsewhere in Australia.
- *Traditional Values for Traditional Owners* - Under this strategy Central is committed to training and employing people on whose land we operate and indigenous employees generally. Already nearly 30% of our operational employees are indigenous.

"Less than 12 months ago (31st March, 2014), Central acquired the gas assets from Magellan in Central Australia. Strategically it was important to Central for its future cash flows to be underpinned by stable, inflation-indexed, Australia dollar denominated domestic gas contracts. The completion of the Dingo Gas Project is an important milestone in the implementation of this strategy enabling Central to supply the domestic gas market from two

distinct established conventional fields centred near Alice Springs”, said Richard Cottee, Central Managing Director.

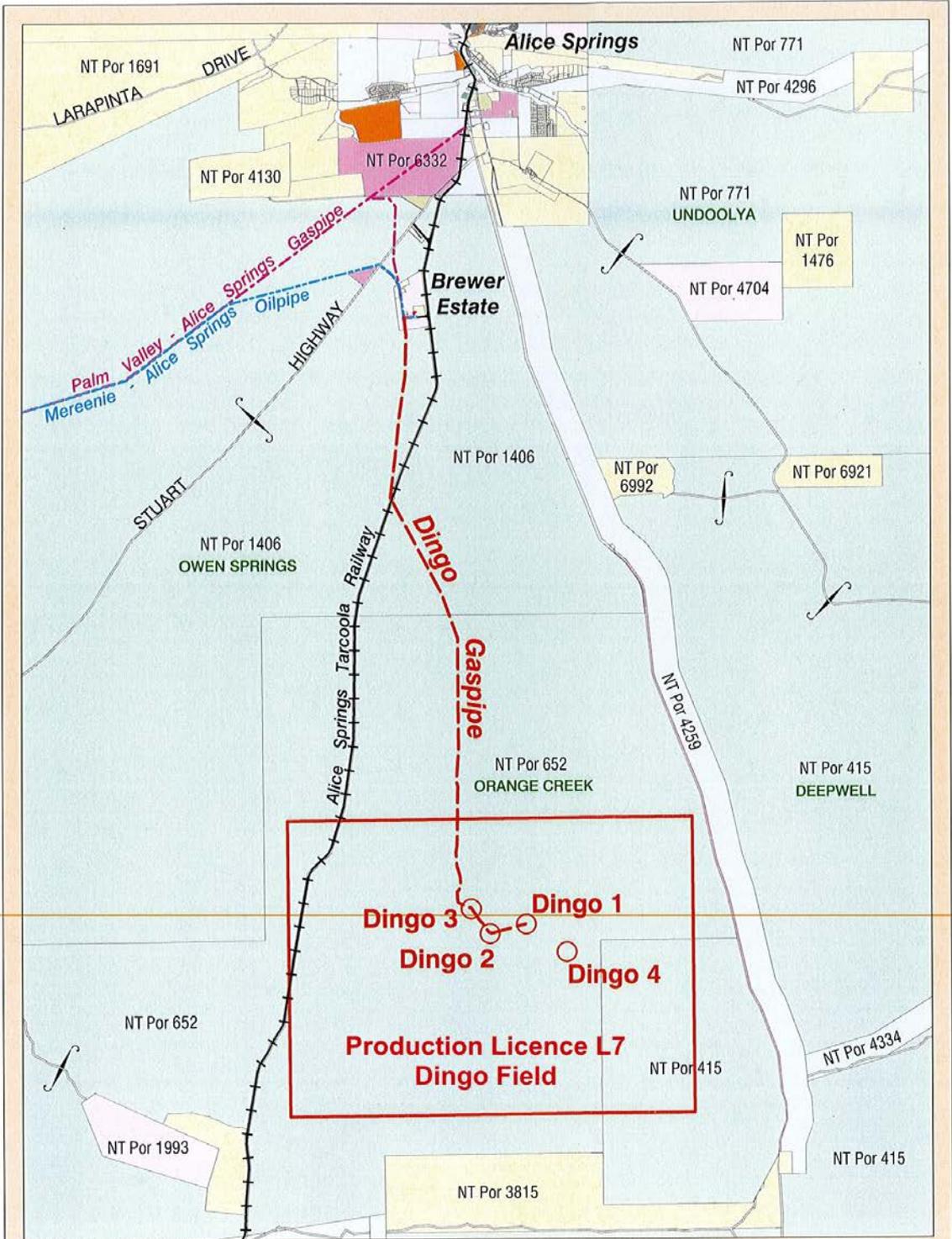
“It is testimony to the professional experience of Mike Herrington’s team that the project could be delivered on time and well within budget in such trying economic climate.”

“Our employment strategy is important to underpin the long term sustainability of Central’s operations in the Northern Territory. Work practices that facilitate and encourage families and indigenous people to live and work locally helps build skills, wealth and a better future for our whole local community in which we live and operate”, Richard Cottee said.

About the Project

The key elements of the project include:

- Above ground piping connections to the well heads at Dingo #2 and #3;
- A 2.0km, 100mm diameter glass reinforced epoxy – GRE (Fiberspar) pipeline from the Dingo #2 lease to the Dingo #3 lease;
- A 38.0km, 100mm diameter GRE (Fiberspar) pipeline from the Dingo #3 lease to a Material Transition Yard just 1.0km south of Brewer Estate;
- A 1.6km, 100mm diameter steel pipeline from the Material Transition Yard to the new the Central Petroleum Brewer Estate City Gas Station (BECGS);
- A 1.6km, 100mm diameter steel pipeline delivering treated gas from the BECGS facility to the connection point at the Owen Springs Power Station;
- The purpose of the BECGS gas treatment facility is to remove liquids from the gas from Dingo No.2 & No.3, filter and then dry the gas to the quality required by the power station to operate its turbines;
- Pipeline/plant capacity is 2.2-2.4 PJ/annum (currently the Raw Gas pipeline is the limiting factor at 2.2-2.4 PJ/annum, operates at a planned maximum 1.96 PJ/annum)
- Cost of the 43km pipeline averaged approximately \$50,000/inch/km whilst current Australian industry average is around \$80,000/inch/km;
- The main pipeline contractor was Marais Laying Technologies which utilized innovative technology that assisted in achieving project savings;
- Local contractors and suppliers were engaged in the project thus providing employment as well as aiding the Northern Territory economy;
- The dried, filtered and processed gas will be transported via the sales gas pipeline to supply the Owen Springs Power Station (operated by Territory Generation).



Dingo Gas Field & Pipeline - Jan2014.dgn

CADASTRE: 31 January 2014
 COMPILATION: 31 January 2014



Northern Territory
 Government



LOCALITY PLAN
DINGO GAS FIELD & PIPELINE
OWEN SPRINGS
& ORANGE CREEK

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