March 2020 Quarterly Update

14 May 2020

Central Petroleum Limited (ASX:CTP)

Central Petroleum

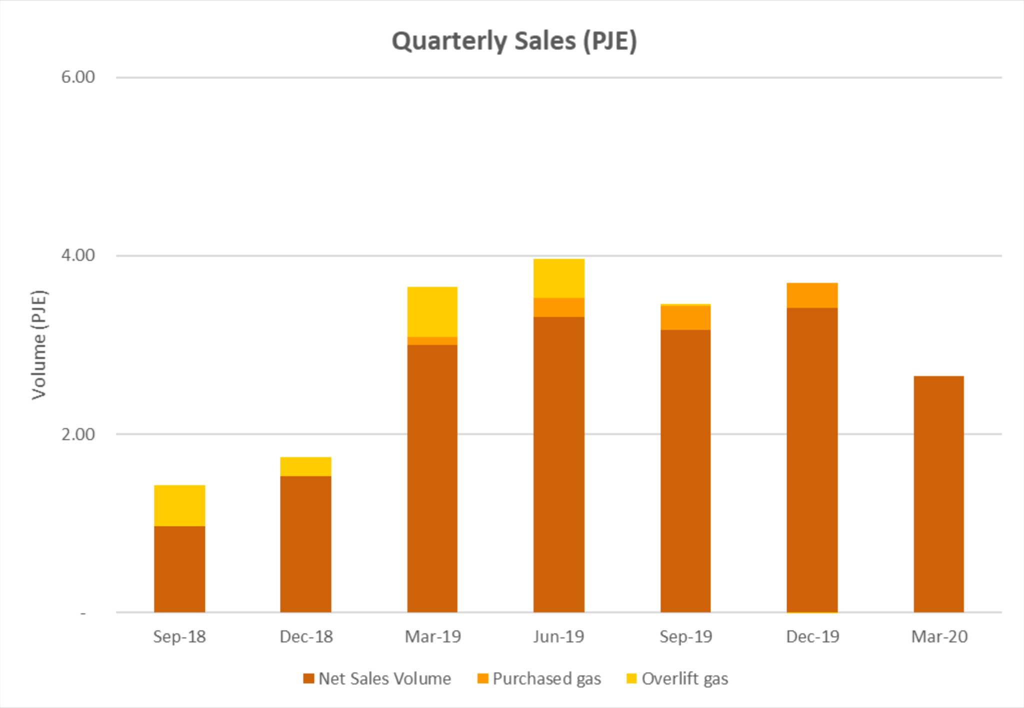
March quarterly highlights

- Oil oversupply and lower energy demand following COVID-19 has generated sudden and unprecedented shocks to the energy sector
- Lower quarterly revenues (18%) reflect these very depressed market conditions, but demonstrate the value of our long-term, firm gas supply contracts.
- Central's business is much more financially resilient and well-placed to ride-out market cycles
  - $26.1 million cash balance, one of Central's highest ever quarter ending cash balances
  - Loan maturity extended to September 2021 and low debt service requirements
  - Corporate costs reduced and discretionary expenditures paused
- Focus now on returning to full growth mode ASAP

March quarter sales volume

Sales volume: 2.7 PJE, down 27% on last quarter:

- Historically weak spot gas market conditions for uncontracted production
- Volumes essentially reflect our portfolio of fixed-price, long-term gas supply agreements
- Replaced 100% interest in 20 TJ/d firm contract with new 20 TJ/d firm/as-available contract at 50% interest from 1 January
- No longer over-lifting gas at Mereenie or purchasing surplus gas from our partner
- Returned 0.45 PJ of previously over-lifted gas (will continue at 0.18 PJ per quarter)



Our strategy to build a solid financial foundation, backed by fixed-price long-term gas supply contracts, enables us to weather an extended period of low oil and gas prices.

March quarter revenues

Product	Unit	FY20 Q3	FY20 Q2	FY20 YTD	FY19 YTD
Gas	$’000	13,987	16,487	45,671	31,817
Crude and Condensate	$’000	1,297	2,059	5,326	6,985
Total Sales Revenue	**$’000**	**15,284**	**18,546**	**50,997**	**38,802**
Revenue per unit	$/GJE	**$5.76**	$5.03	**$5.20**	$5.68

Revenue: $15.3M, down 17.6% on last quarter

- Sales volume reflects our portfolio of fixed-price, long-term gas supply agreements
- Oil accounted for just 8.5% of total revenues for the quarter, with realised oil prices down 29%
- Average unit sales price of $5.76/GJE across portfolio, up 15% from last quarter
  - Low spot sales volume during quarter (80 TJ)
  - New gas long-term, fixed price contract commenced 1 January at favourable price
  - Strong portfolio of fixed price, long term gas sale agreements
- Year to date sales revenues of $51 million are 31% higher than the corresponding period in 2019, demonstrating our new financial resilience following execution of the Gas Acceleration Programme and commencement of the Northern Gas Pipeline in January 2019.

Strong FY2020 financial performance

Metric	Unit	Sept Qtr.	Dec Qtr.	March Qtr.	Comment
Sales volume	PJE	3.5	3.7	**2.7**	Includes purchased gas sold. March quarter sales include minimal spot sales and reflect firm contracted volumes.
Sales revenue	$M	17.2	18.5	**15.3**	Includes revenue for pre-sale deliveries and sales of purchased gas. Oil revenues lower due to historically low prices.
Average sales price	$/GJE	4.96	5.03	**5.76**	Unit prices include lower oil prices, supported by strong firm sales portfolio and a new firm contract commencing in January.
Net cash flows: - Operating - Investing - Financing	 $M $M $M	 4.4 (0.8) (4.9)	 3.9 (0.6) (4.9)	 **5.6** **7.0** **(1.4)**	**Operating**: Includes $3.2M cash received in January for CY2019 take-or-pay volumes not taken **Investing**: March includes Range proceeds of $7.7M received.
Net cash flows	$M	(1.3)	(1.6)	**11.2**	March quarter net cash flow (including debt service) is positive at $0.3M after excluding annual take-or-pay receipts and one-off Range proceeds received.
Debt repaid	$M	4.75	4.75	**1.0**	Scheduled loan repayments at $1.0M per quarter to September 2020 and then $2.0M per quarter thereafter. Accelerated loan repayments were made through CY2019.
Net gearing	%	54%	53%	**47%**	Net gearing based on Market Capitalisation as at 31 March 2020
Cash balance	$M	16.5	14.9	**26.1**	

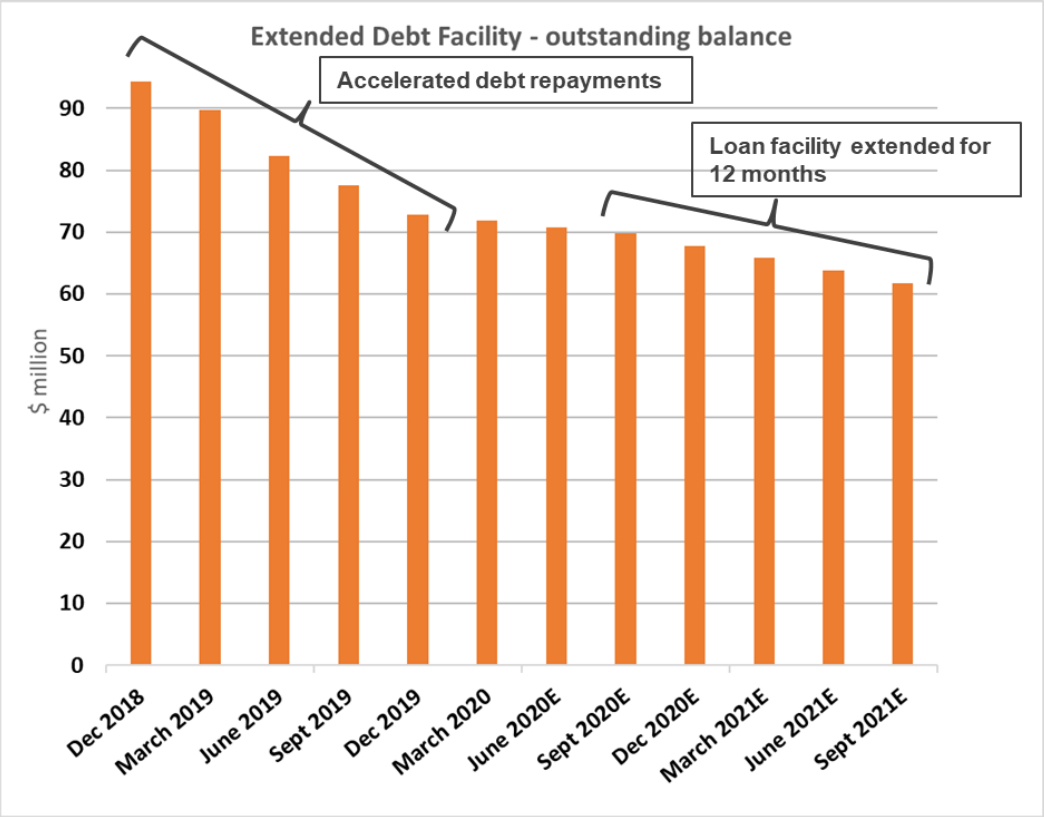
Reducing liabilities

Extended finance facility:

- Matures September 2021
- Only $6 million of scheduled repayments in next 12 months
- Facility interest costs very efficient (5.87% pa at 31 March)

Other liabilities continue to be unwound:

- Pre-sold gas: 432 TJ of gas delivered in March Quarter. Balance will be repaid over the next two years
- Overlift gas: 449 TJ of gas returned in March quarter. Target to reduce this by 180 TJ per quarter through 2022



Conserving capital

We responded quickly to deteriorating market conditions by reducing costs and deferring discretionary expenditure:

- Reduction of head office positions by 10% (20% reduction including contract staff)
- Deferred investment in new production wells as additional production capacity is not required to meet current firm gas supply contracts
- Paused Range pilot programme and pre Financial Investment Decision (FID) activities

We have preserved the ability to quickly resume growth activities when business conditions permit

Financially resilient

- ✓ Cash balance of $26.1 million at 31 March
- ✓ Positive March quarter run rate cash flow of $0.3 million after debt service and excluding one-offs
- ✓ Limited direct exposure to oil prices - only 10% of YTD revenues are from oil sales
- ✓ Long term, fixed price gas contracts – provides downside protection from take-or-pay gas sales of 8.5 PJ/pa worth $48 million pa
- ✓ Modest debt repayments required in the next 12 months
- ✓ Discretionary capital expenditure can be adjusted to reflect prevailing market conditions
- ✓ There is no material mandatory capital expenditure required to maintain plant capacity in the near term
- ✓ There are no material exploration commitments that must be funded over the next 18 months.

Return to full growth mode

Producing assets

- Production capacity is sufficient to satisfy existing firm contracts
- New production well necessary to return to 2019 sales levels
- A new well could be funded from existing cash balances
- This investment to increase production deferred until new firm gas contracts are secured
- Commencing a formal gas marketing process to secure new long-term firm gas supply agreement(s)

Range Gas Project

- Development could nearly double existing reserves and production
- Pilot and pre-FID activities paused to preserve capital
- $6M for pilot / and up to $9M for pre-FID (estimated CTP share)
- Funding through cash flow possible over time
- Farmout, structured finance and 3rd party infrastructure delivery could quickly restart and accelerate FID

Exploration Programme

- $51 million exploration programme targeting significant new gas volumes
- Planning and approval applications are being advanced
- To be fully-funded by farm down of NT assets – attracting strong interest
- Indicative farm-out bids expected mid-year
- Targeting farm-out completion 2H 2020
- Drilling schedule targeting 1H 2021

Dukas

- Multi-TCF target
- Well suspended due to over-pressured zone
- Significant farm-out/JV and well design issues being considered
- Central and Santos continue to collaborate closely on a forward plan to complete Dukas exploration
- Optimistic a forward plan can be in place by end of quarter

Other business development activities have been identified and are being pursued

Key takeaways

- Prudent financial management to ensure financial resilience during market downturn
- Significant growth strategies remain valid with company-changing potential
- Focus is to restart and accelerate growth ASAP

> *"We have taken prudent steps to conserve resources and preserve value by extending our finance facility and deferring discretionary expenditure so that Central can emerge from these extraordinary conditions, strong and ready to take full advantage of the inevitable recovery in energy markets and the opportunities that will present."*
>
> Central Petroleum MD and CEO, Leon Devaney

Notice and legal disclaimer

To the maximum extent permitted by law:

This presentation is not intended for prospective investors and does not purport to provide all of the information an interested party may require in order to investigate the affairs of Central Petroleum Ltd (“Company”). This presentation does not attempt to produce profit forecasts for the Company and should not be relied upon as a forecast or as a basis for investment in the Company. It presents details of scoping studies and does not present and should not be construed to present financial forecasts for potential shareholders or investors. The conclusions reached in this presentation are based on market conditions at the time of writing and as such may not be relied upon as a guide to future developments.

The information, data and advice herein is provided to recipients on the clear understanding that neither the Company nor any of its representatives, directors, officers, employees, agents or advisers (“Company Personnel”) makes any representation or warranty about its accuracy, reliability, completeness or suitability for any particular purpose and does not accept liability (including, but not limited to, for any expenses, losses, damages and/or costs (including, but not limited to, indirect or consequential damage)) nor take any responsibility of any kind whatsoever (including, but not limited to, whether in contract, tort, financial or otherwise) for the information, data or advice contained or for any omission or for any other information, statement or representation provided to any recipient (including, but not limited to, as a result of information, data or advice being inaccurate, unreliable, incomplete or unsuitable in any way and for any reason whatsoever). Recipients of this document must conduct their own investigation and analysis regarding any information, statement or representation contained or provided to any recipient or its associates by the Company or any of the Company Personnel. Each recipient waives any right of action, which it has now or in the future against the Company or any of the Company Personnel in respect of any errors or omissions in or from this document, however caused. Potential recoverable petroleum numbers are estimates only until the prospects are evaluated further by drilling and/or seismic and are un-risked deterministically derived (unless stated otherwise). The data and information herein are subject to change.

This document is the property of the Company. The recipient of this presentation should take appropriate legal advice as to whether such receipt contravenes any relevant jurisdiction’s financial or corporate regulatory regimes, and, if so, immediately destroy this material or return it to the sender.

Reserves and contingent resources statements and other opinions expressed by the Company in this presentation may not have been reviewed by relevant Joint Venture partners. Therefore those reserves and contingent resources and opinions represent the views of the Company only. Activities which may be referred to in this presentation are subject to several contingencies inclusive of force majeure, access, funding, appropriate crew and equipment and may not have been approved by and relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

This presentation may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which may be outside the control of the Company and could cause actual results to differ materially from these statements. These risks, uncertainties and assumptions include (but are not limited to) funding, exploration, commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals, cost estimates and other risk factors described from time to time in the Company's filings with the ASX. Actual values, results or events may be different to those expressed or implied in this presentation. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this presentation is valid only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators’ rules, the Company and the Company Personnel do not undertake any obligation to update or revise any information or any of the forward looking statement in this document if facts, matters or circumstances change or that unexpected occurrences happen to affect such a statement. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "believe," “understand,” "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend,“ “projects,” "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statements and conditional verbs such as "will," "should,“ "would," "may" and "could" are generally forward-looking in nature and not historical facts.

No right of the Company or its subsidiaries shall be waived arising out of this presentation. All rights are reserved.

If the whole or any part of a provision of this “Notice and Legal Disclaimer” is invalid, illegal or unenforceable, then such provision will be severed and neither that part or provision or its severance will affect the validity or enforceability of the remaining parts or provisions.

Contact and Further Information

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

Level 7, 369 Ann Street
Brisbane QLD 4000
Australia

+61 (0)7 3181 3800

info@centralpetroleum.com.au

www.centralpetroleum.com.au