

21 August 2019

**PROJECT RANGE
2C RESOURCES EXCEED HIGHSIDE EXPECTATIONS**

HIGHLIGHTS

- Netherland, Sewell & Associates (NSAI) has independently certified 270 PJs of 2C Resources (100% JV) at Project Range (ATP 2031).
- This outcome significantly exceeds the original estimate of 150 – 180 PJs (100% JV) potentially recoverable.
- The original estimate was based on recovery from the shallower Juandah coals only. The recent exploration results demonstrate that, in addition to the Juandah coals, the deeper Taroom coals also have good permeability and thickness and are now expected to make a material contribution to production and significantly improve project economics.
- There are no contingencies relating to the coal properties or the application of technology that prevent the contingent resources being classified as reserves. Instead, the 2C Resources are contingent on the finalisation of development plans, marketing terms, development of infrastructure and commitment to develop the resources.
- Central's 50% share of Project Range (135 PJs of 2C) is a significant asset for the Company. A production pilot is planned for early 2020 to demonstrate gas flows to surface and accelerate a financial investment decision (FID).

PROJECT RANGE 2C RESOURCES

Central Petroleum Limited (**ASX:CTP**) ("**Company**" or "**Central**") advises that NSAI has independently certified 270 PJs of 2C Contingent Resources (100% JV) of Walloons coal seam gas (CSG) at Project Range in the Surat Basin, Queensland. NSAI is an internationally acclaimed and respected certifier for petroleum reserves and resources and has been conducting such evaluations in the Walloons CSG play for more than a decade. Their extensive database of coal properties for the region includes the areas immediately surrounding Project Range. Central's 50% share of the 2C Resources is 135 PJs.

NSAI has estimated the original gas-in-place (OGIP) to be 432 PJs (100% JV). The 2C Resources represent a recovery factor of approximately 63% of OGIP which is typical for Walloons coals in this depth range. There are currently no reserves or prospective resources booked in this permit. Estimates for contingent resources have not been adjusted for development risk.

Given the Walloons play at this depth has a history of success, there are no contingencies relating to the coal properties or the application of technology that prevent the contingent resources being classified as reserves. Instead, the 2C Resources are contingent on the finalisation of development plans, marketing terms, development of infrastructure and commitment to develop the resources.

Media Enquiries

Helen McCrombie at Citadel-MAGNUS
T: +61 (0) 2 8234 0103
M: +61 (0) 411 756 248

Central Petroleum Limited

ABN 72 083 254 308
Level 7, 369 Ann Street, Brisbane, QLD 4000, Australia
GPO Box 292, Brisbane, QLD 4001, Australia

T: +61 (0)7 3181 3800
F: +61 (0)7 3181 3855
info@centralpetroleum.com.au
www.centralpetroleum.com.au

OGIP is higher than the original estimate due to the recent four well exploration programme demonstrating the coal is thicker than was previously assumed. In addition, and more significantly, the resources have increased because the exploration results indicate that the Taroom coals have good permeability in all tested areas and are therefore expected to contribute to production. The original estimate assumed nil contribution to resources from the Taroom coals.

The Joint Venture (50:50 between Central and a wholly owned subsidiary of Incitec Pivot Limited (**ASX:IPL**)) is now selecting a location for a production pilot to demonstrate gas flows to surface. The multi-well production pilot is scheduled to be drilled in early 2020. Incitec is contributing up to \$20M towards the Project Range exploration and appraisal, which includes the production pilot.

CHIEF EXECUTIVE OFFICER COMMENT

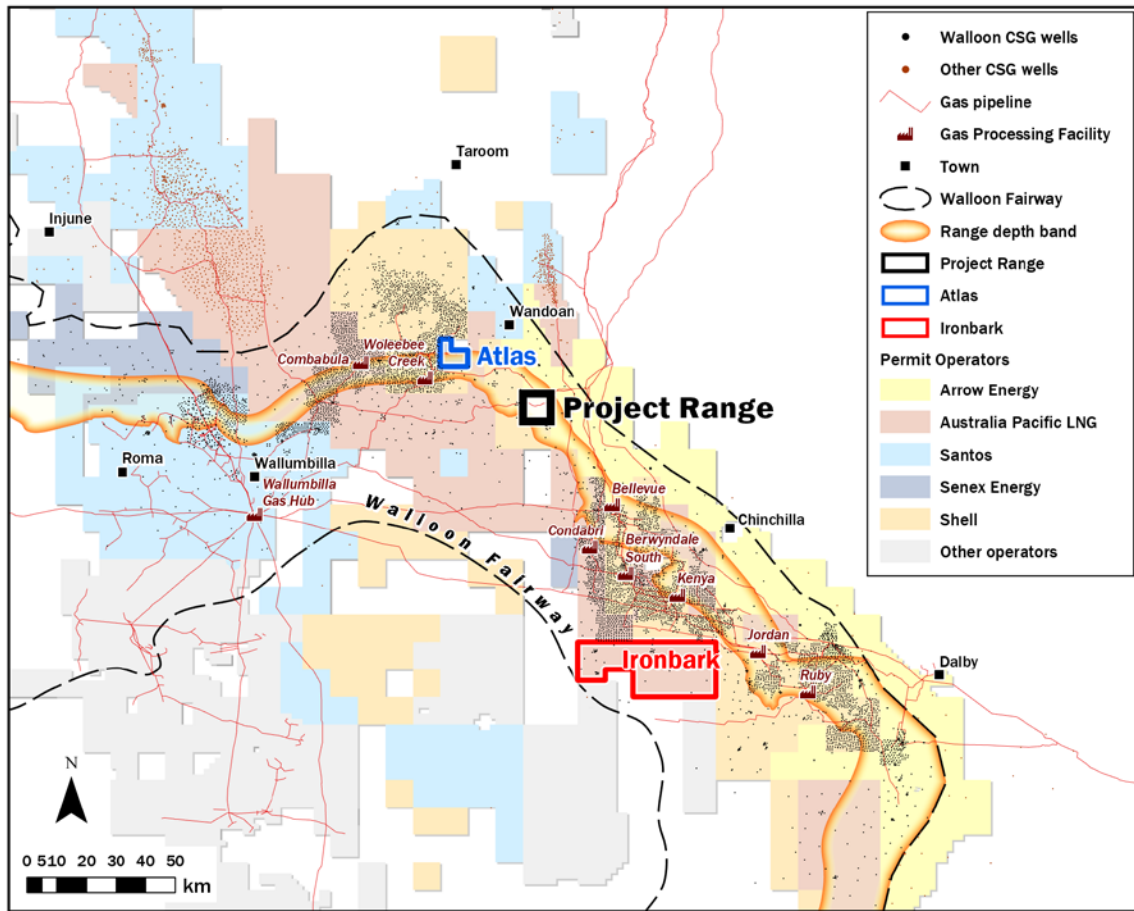
“Project Range delivered an exploration result that significantly exceeded our high-side expectations. ATP 2031 appears to be in a sweet-spot in the Walloons CSG fairway with contribution expected from both the shallower Juandah coals and the deeper Taroom coals. As a result, Project Range is ideally suited to a low-cost vertical well development which should significantly enhance project economics.

Areas to the west and south-east of Project Range targeting the Walloons fairway with similar coal depths have consistently been brought into production at substantial rates. This history of success combined with NSAI’s comprehensive knowledge of these specific coals means our focus is now on development contingencies rather than whether the gas will flow. This gives us a lot of confidence in converting 2C resources into 2P reserves and then into production. We plan to address these remaining development contingencies in parallel with the production pilot so that a FID can be accelerated.

Project Range and our partnering with Incitec clearly demonstrates how supportive Government policy can facilitate smaller gas producers and domestic gas customers working together to deliver supply-based solutions to the prevailing east coast gas market challenges. Given our 2P reserve base of 153¹ PJs, Project Range is a substantial asset for Central and we anticipate it to be a significant source of new gas supply for the domestic market in the near future,” said Leon Devaney (CEO and MD).

Leon went on to add, “Central is showing strong positive momentum. In the last 12 months, we established a new and highly experienced management team, delivered our GAP project, generated strong free cashflow for the first time, augmented our exploration capabilities, initiated a play-based exploration portfolio review and obtained positive technical indicators at Dukas. Now we have booked 135 PJs of high quality 2C Resource located in the heart of the east coast gas market. That momentum will continue as we outline our near and mid-term exploration strategies next month based on a much more rigorous and technically robust play-based portfolio analysis.”

¹ Net to Central Petroleum as at 30 June 2018 for Mereenie and Dingo and as at 31 May 2019 for Palm Valley, these reserves were first reported to the market on 13 November 2018 and 12 June 2019 respectively. PJs rounded to the nearest full PJ. Central Petroleum is not aware of any new information or data that materially affects the reserves information and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



Walloon fairway map which shows areas to the west and south-east in the same depth band have progressed to production

Disclosures under ASX Listing Rules 5.25, 5.27, 5.33 & 5.41

LR 5.25.1

The contingent resources are reported as at 15 August 2019.

LR 5.25.2

The petroleum resources are contingent resources.

LR 5.25.3, LR 5.25.4

There are currently no reserves or prospective resources in this permit. Estimates for contingent resources have not been adjusted for development risk.

LR 5.25.5

The original gas-in-place and contingent resources are reported as Central share or 100% JV as indicated above.

LR 5.25.6

NSAI used a deterministic approach to estimate the original gas-in-place and contingent resources.

LR 5.25.7

A conversion factor of 1.0339 PJ/bcf has been used.

LR 5.27.3

Arithmetic summation by category has been used to determine the contingent resources.

LR 5.27.4

Contingent resources reported are only for Project Range.

LR 5.33.1

The contingent resources are in permit Authority to Prospect (ATP 2031) issued in Queensland under the Petroleum and Gas (Safety and Production) Act 2004.

LR 5.33.2

The existence of a significant quantity of potentially moveable hydrocarbons is confirmed by regional data, seismic data and well data which demonstrate the Walloons coals are present across the entirety of the permit. This data confirms the intervals containing the coals are approximately 350-400m in gross thickness and dip from the northeast to the southwest. The recent four well exploration programme has demonstrated the coal depth and permeability is consistent with coal seam gas production as proven elsewhere in the region.

LR 5.33.3

NSAI conducted an independent evaluation and estimation of the Walloon CSG contingent resources using a deterministic method. The contingent resources estimated are within the sub-class of Development Pending. The PRMS defines this sub-class as having a reasonable

potential for eventual commercial development. The key contingencies that prevent the contingent resources from being classified as reserves at this time are the finalisation of development plans, marketing terms, development of infrastructure and commitment to develop the resources.

LR 5.33.4

The estimates of contingent resources are not contingent on any technology that is currently under development.

LR 5.33.5

The contingent resources are from the entire permit area. A notional well count of 143 (based on 750m well spacing) has been used for the derivation of the contingent resources.

LR 5.41

The contingent resources have been prepared in accordance with the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS) by John Hattner as the qualified petroleum resources evaluator.

LR 5.42

The contingent resources are based on, and fairly represents, information and supporting documentation prepared by John Hattner who is an employee of Netherland, Sewell & Associates and is a member of the Society of Petroleum Engineers. John Hattner has consented to the publication of these contingent resource estimates in the form and context in which they appear in this announcement.

-ends-

General Disclaimer and explanation of terms:

This document 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 Limited ("Company"). The data and information herein are subject to change.

This document 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, 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 reports filed with the ASX. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, the Company, its agents, directors, officers, employees, advisors and consultants do not undertake any obligation to publicly update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such information or 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", "target", "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 or similar expressions of the future which may indicate a forward looking statement or 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 document. All rights are reserved.