

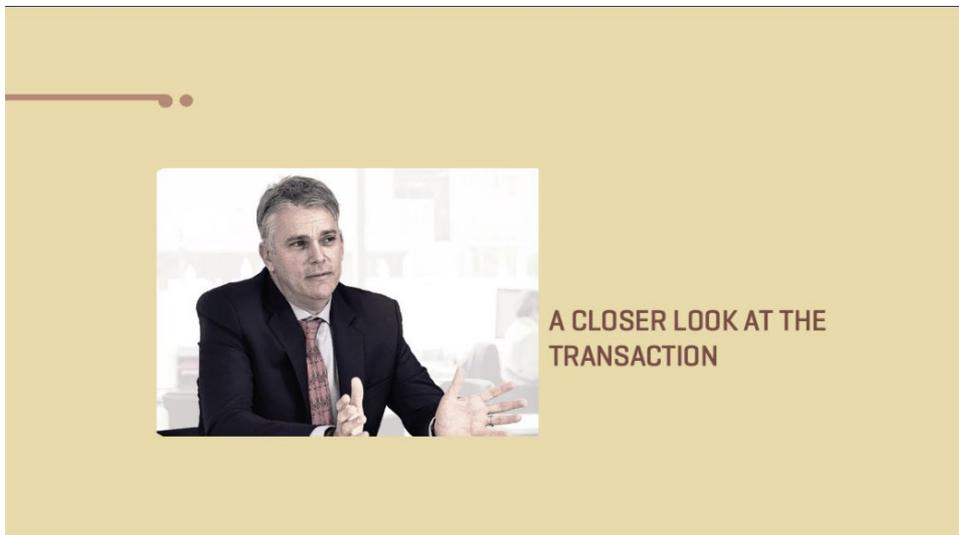
# news release

24 JUNE 2021

## CEO ADDRESS TO SPECIAL MEETING OF SHAREHOLDERS

**10am Thursday, 24 June 2021**  
**Front+Centre, Cnr Tory & Tennyson Sts**  
**Wellington 6140, and online / virtually**

Andrew Jefferies  
Chief Executive



Ladies and gentlemen,

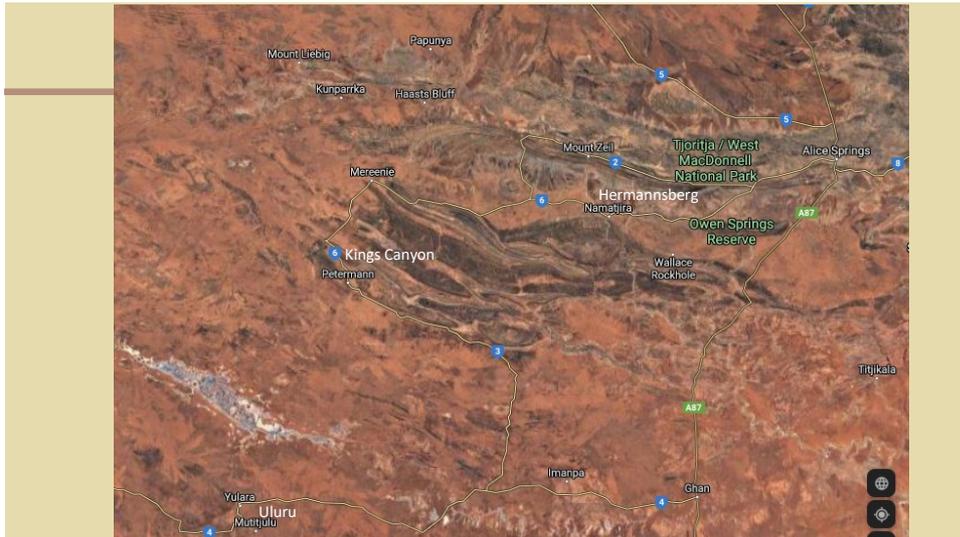
One of our major strengths as a business is our expertise in evaluating assets.

The excellence of your company's staff has added value for you in the past, such as when we were able to motivate our partners to agree to development projects at Kupe.

Confidence in our assessment of resource volumes, provides confidence in the value of assets.

This means we don't pay too much for assets that come to market. It also provides confidence in our assessment of the financing requirements and returns.

The evaluations for each of the assets in this transaction are set out in the Notice of Meeting.



The assets we are talking about today are in the Amadeus basin in the middle of Australia’s red center. The fields are 3 and a half hours north of Uluru and 3 hours west of Alice Springs, in the locality of the aboriginal community of Hermannsberg (or Ntaria) on the traditional lands of the Arrernte people.

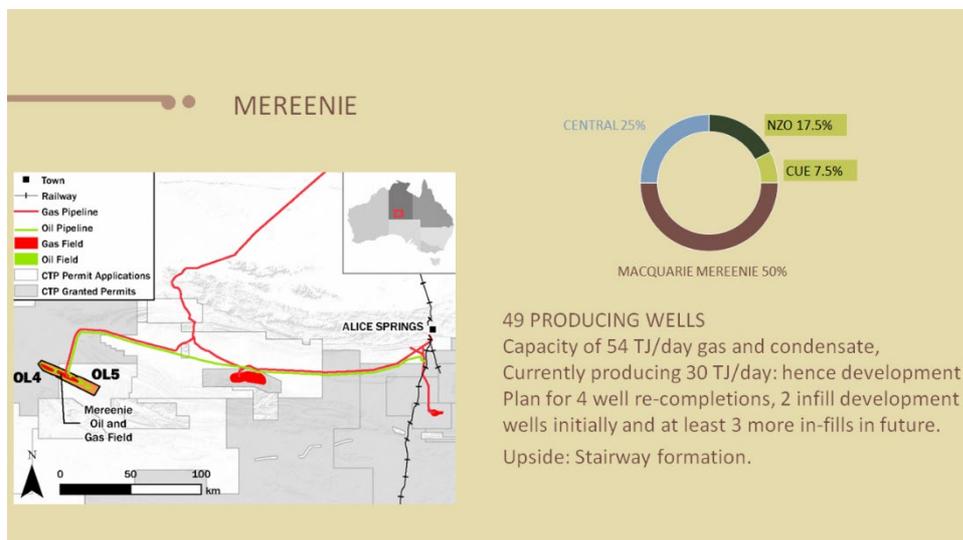
As an aside for those who have not ventured outside of Australian cities:

- First, you should. It is in the emptiness that you can feel the “spirit of place”.
- Secondly once in the outback distance is described in hours rather than distance, as 50 km on blacktop highway can take half an hour, on bush track in the wet half a day.

Its rugged natural beauty was described by explorer Ernest Giles in 1872, “its springs, glens, gorges, ferns, cycads and flowers would charm the eyes and hearts of toil-worn men”.

It is the home of the famed landscape artist Albert Namatjira, a couple of examples of his work were on our title slide. His Hermannsberg style endures through the Itjar NTjarra workshop in Alice Springs ([www.manyhandsart.com.au](http://www.manyhandsart.com.au)).

Now let's jump into the “Landy” and take a little tour through those assets in detail.



The Mereenie field kicked off in 1984...a couple of years before the Wallaby's kicked off their last Eden park win.

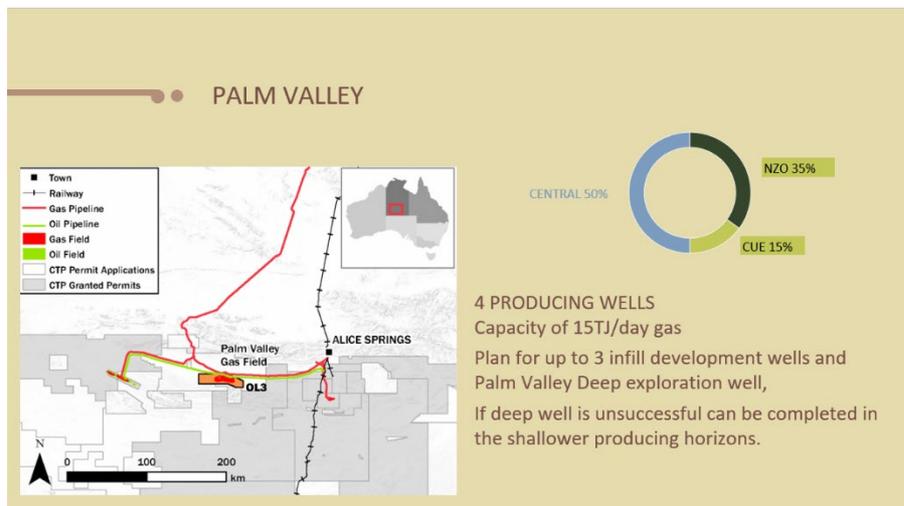
Central Petroleum bought the asset from Santos in 2015 and completed an upgrade in 2018.

71 wells have been drilled, 49 currently producing. Plant capacity is 54 TJ/d of gas although current production is about 30 TJ/d. To put that in perspective, the Kupe plant capacity is 77TJ a day, and it is currently doing about 55TJ/day.

We can see growth in Mereenie coming from re-completion of wells and infill wells to use the spare capacity. There is also untapped potential in the shallower Stairway formation.

Four well re-completions are in progress and two new in-fill wells are being drilled with more planned based on results.

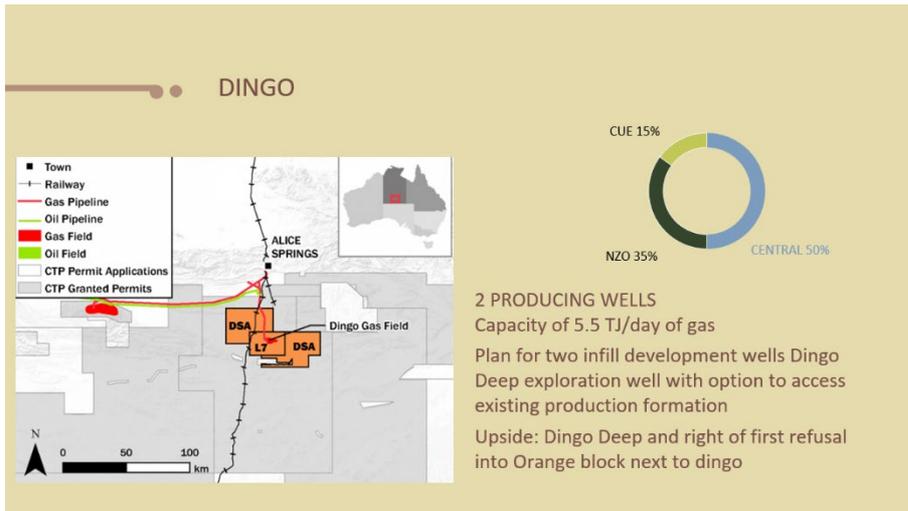
If the joint venture decides to drill further appraisal wells we will pay Central's share of the costs up to the capped maximum of A\$40million. Their share of the costs for infill and exploration wells at Palm Valley and Dingo deep and included in this amount.



Palm Valley has 12 wells, production starting in 1983.

The gas production facility has a capacity of 15 TJ per day.

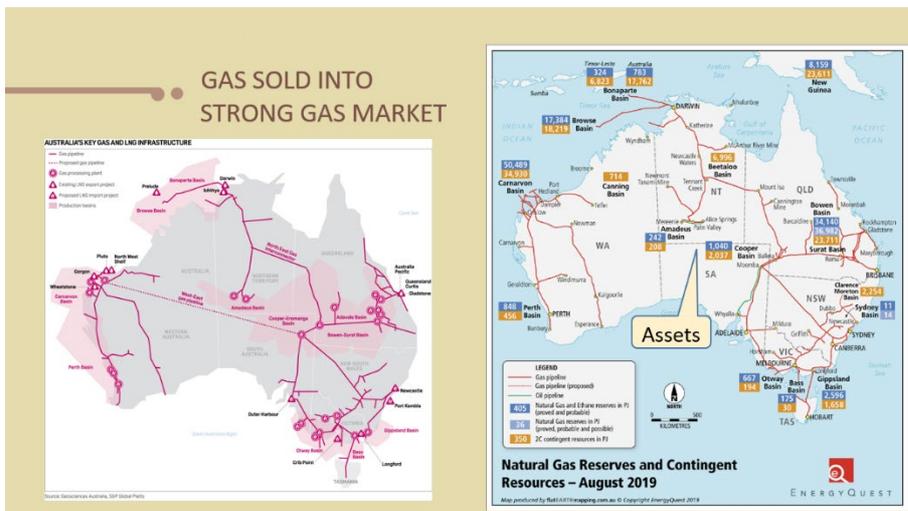
Wholly owned and operated by Central since 2014, we plan three infill wells and exploration of deeper formations, which if unsuccessful, can be completed in the shallower producing horizons.



You don't get any more meliforously 'stralian in terms of prospect names than Dingo deep.

The Dingo gas field started production in 2015. It is wholly owned by Central, and its four wells have a capacity of 5.5 TJ per day.

The plan is to drill two infill wells and one exploration well targeting the deeper formations. As with Palm Valley, if the deeper well is unsuccessful, it can be completed in the shallower producing horizons.



Gas from the Dingo field is sold on long term contract. The other gas is sold on short term contracts.

The gas contracts are mainly with local buyers, however, in 2019 the Northern Gas Pipeline connected the Northern Territory to the Australian East Coast gas system, where there are shortages of gas supply.

This makes for a good outlook for gas prices.

These are quality assets.





We structured the deal to fund this from our current balance sheet, along with Cue contributing its share. Depending on timing and outcomes, we may need some minor capital or debt to top up during our low cash period.

In addition, the team that landed this opportunity will continue to fish for others. We still believe there are deals of value, that tick the right boxes, coming to market.



The operator, Central Petroleum, has a track record of keeping to its budgets and forecasts. We know a number of their key staff, they have a strong technical team like our own, and we are able to engage well with them. They are similar size and scale to us, so we are likely to stay aligned on the pace and scope of development spending. They are good neighbors creating jobs for locals in this region where opportunities are scarce.

Central are selling down equity to be able to fund development.

This makes it a good deal for us all.

Central get to access their undeveloped reserves.

We get a transaction that fits our strategic ambition.



We will acquire proven, producing assets that have attractive upside.

Gas prices are good in the markets these fields have pipelines to sell into.

The transaction is the right size for us, it deploys our cash.

And Cue also gets to enhance shareholder value alongside us, which we also benefit from through our 50.04% stake.

Finally let me talk a little about CO<sub>2</sub> impact.

The Dingo gas sells into a dedicated power station, if not for this gas it would burn diesel trucked in. CO<sub>2</sub> emissions would be 20% higher, power more expensive, and jobs elsewhere.

The rest of Australia burns coal to produce 70% of its power requirements, renewables are growing fast but the Australian government sees gas as the best way to transition, providing back-up power when the sun doesn't shine, or the wind doesn't blow. With about 1/2 the CO<sub>2</sub> emissions of coal, clean reliable gas fits the bill, again being locally produced the money and opportunities stay in Australia.

The gas we will be producing is needed and valued...Aussies will not be forgoing their gas barbies in the foreseeable future.

I have often talked about the salmon that John West throws back that make their salmon the best. We have thrown back a hell of a lot. This is a keeper.