

Central Petroleum Limited: Announces A\$27m Equity Raising to Support Gas Acceleration Programme

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Brisbane - [Central Petroleum Ltd.](#) (ASX:CTP) (OTCMKTS:CPTLF) is pleased to announce the successful completion of a placement to institutional and sophisticated investors to raise approximately A\$9.2 million (Placement); and that it is to undertake a 5 for 12 traditional non-renounceable entitlement offer to raise approximately A\$18.0 million (Entitlement Offer).

Together the Placement and Entitlement Offer will raise approximately A\$27.2 million before expenses (Equity Raising).

Highlights

- Central has raised approximately A\$9.2 million before costs via a fully-underwritten institutional placement at an issue price of A\$0.10 per share
- Central to raise approximately A\$18.0 million before costs via a 5 for 12 fully-underwritten traditional non-renounceable entitlement offer, also at an issue price of A\$0.10 per share
- Offer price of A\$0.10 per new share represents (based on the last traded price on 9 August 2017):
 - o a 12.4% discount to the TERP of A\$0.114;
 - o a 16.7% discount to the last traded price of A\$0.120; and
 - o a 17.2% discount to the 5 day VWAP of A\$0.121
- Proceeds from the equity raising will be used to fund a A\$25 million drilling programme comprising a total of four horizontal wells, with no intention of fracing, with the objective of substantially increasing Central's gas reserves in time to have delivery coincide with the Northern Gas Pipeline becoming operational in the 2nd half of calendar year 2018

Overview

The Placement and Entitlement Offer are fully underwritten by Macquarie Capital (Australia) Limited (Macquarie) and Morgans Corporate Limited (Morgans).

A number of institutional and sophisticated investors have subscribed for Shares in the Placement and/or entered into sub-underwriting arrangements with Macquarie and Morgans for the Entitlement Offer.

Macquarie Commodities and Global Markets Group (a subsidiary of Macquarie Bank Limited), which currently holds 2.3% of Central's shares on issue, intends to participate for its entitlement in the offer and will not as a result of this transaction be increasing its relative shareholding in Central.

Use of proceeds

The net proceeds raised from the Equity Raising will be used by Central to fund a A\$25 million drilling programme comprising a total of four horizontal wells, with no intention of fracing, with the objective of substantially increasing Central's gas reserves in time to have delivery coincide with the Northern Gas Pipeline (NGP) becoming operational in the 2nd half of calendar year 2018. The drilling programme will focus on targets where gas is already known to exist, including:

- Two targets in the Mereenie Stairway;
- One target in Palm Valley Shallow; and
- One target in the Ooraminna field.

The estimated potential incremental reserves from each of the drilling targets respectively, if successful, are

summarised in the table (see the link below).

When considering Central's existing total 2P Reserves of 125.9 PJ (see Note 1 below), a successful drilling programme implies total potential 2P Reserves, net to Central, of between 352.9 - 541.4 PJ.

Commenting on the Equity Raising, Central Managing Director, Mr Richard Cottee, said:

"The Placement saw strong support from a range of leading institutional and sophisticated investors and will further strengthen Central's register through the addition of what we hope will be additional long term holders.

The Equity Raising will facilitate a drilling programme that, if successful, will allow Central to increase total Reserves and position itself to further capitalise on the completion of construction of the Northern Gas Pipeline during the 2nd half of 2018.

Gas is already known to exist in each of the four targets and a substantial amount of fracture modelling work has been carried-out in order to identify the target well locations. Subject to joint venture approvals and funding, we expect all four targets will be ready for execution by the fourth quarter".

Equity raising details

Details of the Placement

Pursuant to the terms of the fully underwritten Placement, Central has agreed to issue approximately 92 million fully paid ordinary shares (Shares) to institutional and sophisticated investors at an issue price of A\$0.10 per Share to raise A\$9.2 million before costs. Settlement of the Placement will occur on 16 August 2017. Shareholder approval is not required as the Placement comes within the Company's existing capacity pursuant to ASX listing rule 7.1.(see Note 2 below) All Shares issued under the Placement will rank equally with existing shares on issue but will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer

The Entitlement Offer consists of a fully-underwritten traditional non-renounceable entitlement offer of 5 new Shares for every 12 Shares held at an issue price of A\$0.10 per new share to raise approximately \$18.0 million before costs.

Participation in the Entitlement Offer will be open to Central shareholders who are registered holders of Shares on the record date of 7.00pm on Wednesday, 16 August 2017 and who have a registered address in Australia or New Zealand (Eligible Shareholders). (see Note 3 below)

The entitlements of an Eligible Shareholder under the Entitlement Offer (Entitlement) are non-renounceable and will not be tradeable on ASX or otherwise transferable off-market. Shareholders may take up all, part or none of the Entitlement, however shareholders who do not take up all or part of their Entitlements will not receive any value in respect of those Entitlements not taken up. Shareholders who are not Eligible Shareholders cannot participate in the Entitlement Offer and will not receive any value in respect of the Entitlements.

Approximately 180 million new ordinary shares in Central will be issued under the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares on issue.

The Entitlement Offer will include a shortfall facility, under which Eligible Shareholders who take up their full Entitlement will be able to apply for additional Shares (subject to a cap) in the Entitlement Offer from a pool of new Shares made up of those not taken up by other Eligible Shareholders or by shareholders that are ineligible to participate in the Entitlement Offer. There is no guarantee that applicants under this shortfall facility will receive all or any of the new Shares they apply for under the shortfall facility.

Central will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible Shareholders will receive an Entitlement Offer Information Booklet (Booklet). The Booklet will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Further information in relation to the Entitlement Offer, including the terms and conditions, will be outlined in the Booklet, expected to be lodged with the ASX on Tuesday, 15 August 2017 and distributed to Eligible Shareholders on Friday, 18 August 2017.

Further information in relation to the Equity Raising and the matters set out above, including important

notices and key risks, are set out in the investor presentation lodged with ASX on Thursday, 10 August 2017.

Key dates (see Note 4 below)

Event: Announcement of Equity Raising
Date: Thursday, 10 August 2017

Event: Entitlement Offer ex date
Date: Tuesday, 15 August 2017

Event: Entitlement Offer record date
Settlement of Shares issued under the Placement
Date: Wednesday, 16 August 2017

Event: Allotment of Shares issued under the Placement
Date: Thursday, 17 August 2017

Event: Entitlement Offer Booklet despatched and Entitlement Offer opens
Date: Friday, 18 August 2017

Event: Entitlement Offer closes
Date: Thursday, 31 August 2017

Event: Settlement of Shares issued under the Entitlement Offer
Date: Thursday, 7 September 2017

Event: Allotment of Shares under the Entitlement Offer
Date: Friday, 8 September 2017

Event: Despatch of holding statements and normal trading of new Shares issued under Retail Entitlement Offer
Date: Monday, 11 September 2017

Note:

1. Consistent with 2P figure net to Central quoted in RISC Independent Technical Expert's Report appended to page 242 SoA Booklet
2. Central has been granted a waiver of ASX listing rule 7.1 to enable it to calculate its available placement capacity based on the number of Central's shares on issue post the Entitlement Offer.
3. Determination of eligibility of shareholders for the of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Central, Morgans and Macquarie. Shareholders should refer to the Booklet for further information.
4. All dates are indicative only and are subject to change. Central reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of new Shares under the Entitlement Offer. All times above are Australian Eastern Standard time.

To view tables, please visit:
<http://abnnewswire.net/lnk/4AB34U93>

To view the equity raising Investor Presentation, please visit:
<http://abnnewswire.net/lnk/4LZ18455>

About Central Petroleum Limited:

[Central Petroleum Ltd.](#) (ASX:CTP) (OTCMKTS:CPTLF) is an oil and gas explorer and producer listed on the Australian Securities Exchange focused on supplying the domestic gas market. Central is advancing several separate projects across what is regarded as the biggest package of proven and prospective oil and gas acreage across central Australia. This spread of assets gives Central multiple options for growth and

development. 88% of this land being gas prone has led to the Company's focus on becoming a major domestic gas producer.

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