

Central Petroleum Limited: Company Update on Gas Acceleration Programme

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Brisbane, Australia - [Central Petroleum Ltd.](#) (ASX:CTP) ("Company" or "Central") today announces an update on the Gas Acceleration Programme ("GAP"). The GAP has an objective of maximising gas sales into the east coast market following connection via the Northern Gas Pipeline ("NGP") scheduled for commencement in December 2018. This is step change in the Company's financial position as gas sales under contract will nearly triple from current levels in just a few months. Not only does this create value from producing assets that were purchased only a few years ago, but it also provides the Company with significant financial flexibility as we seek to create new value through our exploration and business development activity.

The Company has completed a comprehensive review of the GAP driven by:

- Recent management changes (new Acting CEO, new COO, new CCO).
- Completion of front-end engineering and design (FEED) for the Palm Valley facility restart project.
- Independent reviews in several areas of the business, including Palm Valley sub-surface modelling and field deliverability forecasts and funding alternatives.
- Enhanced project planning processes, including additional contingency provisions and risk mitigation strategies.

As a result of this review the estimated total cost of the GAP is forecast to increase by \$11.5 million (inclusive of additional contingency available for Palm Valley field performance). These cost increases relate to both facility projects at Mereenie and Palm Valley and the Palm Valley 13 appraisal well. Importantly, this review provides for a heightened level of planning confidence and risk mitigation going forward.

The Company has also decided to defer the planned drilling of the Ooraminna 3 appraisal well to 2019. This timing provides an opportunity to optimise the Ooraminna appraisal well following West Mereenie 26 results (mineralisation) and pending the Palm Valley 13 results. In addition, it prioritises currently available capital toward those GAP projects that will maximise gas sales immediately on commencement of the NGP. We anticipate that increased operational free cash flow is expected to be available for a deferred Ooraminna appraisal well from 2019.

The GAP cost increases identified above, net of savings associated with a deferral of the Ooraminna appraisal well, can be funded through a \$7.5 million increased debt facility with Macquarie Bank (subject to satisfaction of usual conditions precedent).

Whilst the GAP costs have increased from the original scope and estimate last year, we are achieving the objective of maximising gas sales into the east coast market on commencement of the NGP in December. As a brownfield project, the economics of the GAP remain robust and highly value accretive for the Company.

The attached Company Update (see link below) provides additional detail on the above, including a summary overview of the 2018 annual results.

To view the Company Update, please visit:
<http://abnnewswire.net/lnk/E6K955LR>

About Central Petroleum Limited:

[Central Petroleum Ltd.](#) (ASX:CTP) 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.

Source:

[Central Petroleum Ltd.](#)

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