Central Petroleum Limited: Extension of Finance Facilities

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Brisbane, Australia - Central Petroleum Ltd. (ASX:CTP) (FRA:C9J) (OTCMKTS:CPTLF) announces it has signed an agreement to extend the maturity of its existing $72.8 million Macquarie finance facility by 12 months, with full repayment required by 30 September 2021.

Central has been in discussions with a number of potential senior lenders to refinance the facility which was due for repayment by 30 September 2020. After reviewing various options and considering Central's broader business priorities and strategic objectives it was decided that a 12-month extension of the existing facility was a more compelling option. A key driver of the decision was the alignment of the timing of the loan's maturity with the likely need for an expanded facility for the development of the Range gas project in 2021.

Central and its joint venture partner, Incitec Pivot Limited (ASX:IPL) are currently progressing the Range coal seam gas project in the Surat Basin towards a final investment decision (FID) in early 2021. This follows the certification of 270 PJ1 of 2C contingent gas resources in 2019. Central is targeting 2022 for first gas production from Range and will aim to secure the necessary funding for the development project in time to meet that schedule.

"Our existing debt facility remains very competitive, so we have decided to extend the facility so that its maturity aligns with the timing of arranging a new debt facility for the Range gas project. Importantly, this preserves our negotiating position for the Range project debt which is likely to be larger than the existing facility. It also allows us to avoid a scenario where we pay significant up-front establishment costs twice in less than a year", said Leon Devaney, Central's CEO and Managing Director.

"With the existing facility to be extended to late 2021, we are now focused on unlocking significant value for our shareholders as we work towards FID for the Range gas project and executing an exciting CY2020 exploration programme. Combined, these two initiatives have the potential to triple our gas resources and gas sales by 2022 and potentially launch a major new oil production province in our Western permits", he said.

The extended loan facility will be on substantially the same terms as the existing facility. Principal repayments under the facility will increase from $1 million to $2 million per quarter after 30 September 2020. Under the scheduled repayments, the balance of outstanding debt would be reduced to $62 million at maturity on 30 September 2021.

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.

Contact:

Central Petroleum Ltd. T: +61-7-3181-3800 F: +61-7-3181-3855 E: info@centralpetroleum.com.au WWW:

www.centralpetroleum.com.au Media Enquiries Martin Debelle at Citadel-MAGNUS T: +61-2-8234-0100 M: +61-409-911-189