

# Central Petroleum Limited: Farmout To Fund Two New Sub-Salt Exploration Wells

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Brisbane, Australia - [Central Petroleum Ltd.](#) (ASX:CTP) (FRA:C9J) (OTCMKTS:CNPTF) advises it has (via wholly owned subsidiaries) entered into a farmout of various interests in certain Amadeus Basin exploration tenements to Peak Helium (Amadeus Basin) Pty Ltd ("Peak"). Under the farmout, Central is free carried (i.e. funded) by Peak for two new sub-salt exploration wells, one at Mt Kitty and the other at either Magee or the nearby Mahler prospect. Combined with the planned Dukas exploration well, a total of three sub-salt exploration wells will now be prioritised for drilling in the Southern Amadeus Basin.

## Key points

- Peak will earn a partial transfer of Central's interests in three permits as follows:

- o 31% in EP82, excluding Dingo Satellite Area (Central's interest will change from 60% to 29%)

- o 10% in EP112 (Central's interest will change from 45% to 35%)

- o 6% in EP125 (Central's interest will change from 30% to 24%)

- In consideration for the farmout interests, Peak will free carry (i.e. fund) Central's costs (capped at \$20 million gross cost per well), effective from 1 October 2021, for two new exploration wells in the Amadeus Basin, targeting sub-salt structures in areas where previous drilling has confirmed the presence of helium, hydrogen, and hydrocarbons at:

- o Mt Kitty in EP125

- o Either Magee or Mahler in EP82

- Santos Limited (ASX:STO) has confirmed that it has entered into farmout arrangements with Peak covering their interests in EP82, EP112 and EP125, as well as their interests in EP105, EP(A)111 and EP(A)124. Central also has interests in the latter three blocks but these are not included in Central's farmout to Peak. There will be no change in Santos' role as operator under the farmout arrangements.

- Following the Central and Santos farmouts to Peak, the relevant joint ventures will be aligned to drill sub-salt wells at Dukas, Mt Kitty and Magee / Mahler, targeting helium, hydrogen, and hydrocarbon gases, with drilling planned to commence in 2023. Subsalt targets are particularly attractive given their potential for high concentrations of helium and hydrogen.

Of specific interest are the relatively high levels of helium identified through previous exploration activities in EP82 (6.3% helium at Magee-1) and EP125 (9% helium at Mt Kitty -1). Central is aware of very few locations in the world where such high concentrations of helium are present and drilling these exploration wells is a major step towards appraising, and possibly commercialising, this highly valuable resource. The price for helium has increased by over 250% in the last decade and, by volume, is currently in the order of 45 times more than the price of natural gas. This price increase has been driven by demand from its diverse applications in the healthcare, energy & power, aerospace, defence and electronics industries.

The exploration program will also target naturally occurring or "gold" hydrogen which makes up a relatively high 11.5% of the gas found at Mt Kitty-1. Hydrogen is gaining significant impetus as a clean energy alternative and gold hydrogen has the potential to be significantly more economic and cleaner than green and blue hydrogen.

In addition, these sub-salt targets, if successful, could help underwrite the Amadeus to Moomba Gas Pipeline (AMGP) and become a major source of new and competitive gas supply for the tight east coast gas market.

## Farmout Details

Central's farmout to Peak includes the following arrangements (refer Map A\*):

- EP82 (includes Magee / Mahler): Peak will receive a 31% interest in EP82 from Central, resulting in

Central's interest in this tenement reducing from 60% to 29%, excluding the EP82 Sub-Blocks (Dingo Satellite Area) in which Central retains a 100% interest. In return, effective from 1 October 2021, Peak will fund Central's share of costs (up to a cap of \$20 million gross well cost) for a new exploration well at either the Magee prospect or the nearby and potentially larger Mahler prospect (subject to final JV decision), targeting natural gas and helium. The Magee-1 well was drilled in 1992, with gas flows containing hydrocarbons and helium (6.3%) recorded from the Heavitree Formation.

- EP112 (includes Dukas): Peak will receive a 10% interest in EP112 from Central, resulting in Central's interest in this tenement reducing from 45% to 35%. Peak will assume its share of joint venture costs incurred effective from 1 October 2021. There is no funding/carry of Central's costs in this permit. Peak has however, committed to the timely drilling of the highly prospective Dukas exploration well. The Dukas-1 well was suspended in 2019 after encountering hydrocarbon-bearing gas and helium (2%) from an over-pressurised zone prior to reaching the primary sub-salt target.

- EP125 (includes Mt Kitty): Peak will receive a 6% interest in EP125 from Central, resulting in Central's interest in this tenement reducing from 30% to 24%. In return, effective from 1 October 2021, Peak will fund Central's share of costs (up to a cap of \$20 million gross well cost), for a new exploration well, or a re-entry of the existing suspended exploration well, at Mt Kitty, targeting helium, hydrogen, and natural gas.

The Mt Kitty-1 well was drilled in 2014, with gas flow containing hydrocarbons, helium (9%) and hydrogen (11.5%) recorded from fractured igneous basement rock.

\*To view tables and figures, please visit:  
<https://abnnewswire.net/Ink/D0W9WWZ7>

About Central Petroleum Limited:

[Central Petroleum Ltd.](#) (Central) is a well-established, and emerging ASX-listed Australian oil and gas producer (ASX:CTP). In our short history, Central has grown to become the largest onshore gas producer in the Northern Territory (NT), supplying industrial customers and senior gas distributors in NT and the wider Australian east coast market.

Central is positioned to become a significant domestic energy supplier, with exploration and development plans across 180,000 km<sup>2</sup> of tenements in Queensland and the Northern Territory, including some of Australia's largest known onshore conventional gas prospects. Central has also completed an MoU with Australian Gas Infrastructure Group (AGIG) to progress the proposed Amadeus to Moomba Gas Pipeline to a Final Investment Decision.

We are also seeking to develop the Range gas project, a new gas field located among proven CSG fields in the Surat Basin, Queensland with 135 PJ (net to Central) of development-pending 2C contingent resource.

Source:  
[Central Petroleum Ltd.](#)

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