

Central Petroleum Limited: Quarterly Activities Report

29.07.2022 | [ABN Newswire](#)

Brisbane, Australia - [Central Petroleum Ltd.](#) (ASX:CTP) (FRA:C9J) (OTCMKTS:CNPTF) provide the Quarterly Activities Report & Appendix 5B.

Highlights

- Cash balance at the end of the quarter was \$21.6 million, compared to the \$18.9 million balance at 31 March 2022, reflecting:
 - o Strong commodity prices contributing to a \$6.8 million positive net cash flow from operations (before exploration and finance costs).
 - o Ongoing exploration activity (\$0.9 million expended) including the Range CSG pilot activities.
 - o \$0.6 million of capital expenditure, being mainly sustaining CAPEX.
 - o Principal and interest repayments under debt facilities of \$2.5 million.
- Access to East Coast spot gas markets: In early May, Central entered into gas transport and spot trading arrangements allowing for the delivery of uncontracted gas into the eastern Australian markets. Through May and June, Central supplied gas into spot markets at an average delivered price of \$34/GJ, generating over \$2m (CTP share) in revenue from uncontracted production.
- Sales revenue for the year was \$42.2 million and \$10.1 million for the quarter, up 18.7% from the March quarter with stronger pricing more than offsetting lower volumes:
 - o Unit sales prices across the portfolio increased by 26.9% to an average of \$8.49/GJe (Gigajoule equivalent), up from \$6.69/GJe in the March quarter, reflecting Central's new access to historically high east coast spot gas markets.
 - o Sales volumes for the quarter were 6.5% lower at 1.19 PJe (Petajoule equivalent) from 1.27 PJe in the March quarter largely as a result of planned maintenance on the Northern Gas Pipeline, taking the sales volume for the full year to 6.27 PJe.
- Revised Amadeus exploration program: The current drilling program was revised to target lower-risk appraisal and development opportunities potentially capable of increasing near-term production after considering historically high domestic gas prices and the difficult drilling conditions encountered at this crestal Palm Valley 12 location when drilling towards the original deeper Arumbera target.
- Current drilling activity: Central commenced drilling the Palm Valley 12 (PV 12) exploration well in April. After encountering gas shows while drilling through the lower P2/P3 unit of the Pacoota Sandstones, a side-track lateral appraisal well commenced in July to evaluate this zone. If successful, the lower P2/P3 would be a new gas resource that could be connected into the existing Palm Valley production system.
- Debt facility extended by three years: the term of Central's \$32.8 million debt facility was extended in April by three years, with maturity now at 30 September 2025. The extended debt facility has substantially the same terms as the existing facility, but with reduced quarterly principal repayments.
- Net Debt was \$10.2 million at 30 June, down from \$15.0 million at the end of March due to higher cash balances.

Message from Managing Director and CEO

We saw the business continue to contend with several cross currents over the quarter. Cost pressures, along with supply chain and COVID disruptions, were challenges, particularly within our exploration drilling program where cost and schedule overruns were compounded by very difficult geological drilling conditions.

At the same time, we have seen a near perfect storm in energy markets with geopolitical issues, off-line coal

fired generation and colder weather resulting in historically high pricing for electricity, gas and oil. These factors have prompted us to reprioritise our capital toward near-term production and lower appraisal risk.

Our revised PV12 drilling program has essentially swapped the deep exploration target with an appraisal lateral targeting the lower P2/P3 sandstones where we observed gas shows. Our Dingo deep exploration well has also been deferred to facilitate investment in near-term production increases. Whilst deferral of deep exploration is disappointing, focussing on lower risk appraisal and development gives us the best opportunity to materially increase near-term production for sale into historically high priced domestic gas markets.

Importantly, the capital allocation decisions we made this last quarter will facilitate our participation in the three new sub-salt exploration wells to be drilled in the Amadeus Basin which is expected to commence within 12 months. Our subsalt exploration program is a strategic priority that gives us three separate opportunities for potentially company-making discoveries of natural gas, helium and naturally-occurring hydrogen.

In addition to the currently scheduled exploration, we are actively pursuing farmout opportunities to fund an exploration well at Mamlambo that has the potential to open up our oil-prone western flank, and a seismic program across our Zevon prospect which could become a fourth sub-salt exploration drilling target.

We have finalised transport and spot trading arrangements that have enabled us to deliver uncontracted nonfirm gas into eastern markets for the first time. This commercial milestone was well timed as it allowed us to help deliver gas into a very short east coast gas market. Since commencement of spot sales in May, we have supplied 61 TJ (Central share) of gas into eastern spot markets at an average delivered price of \$34/GJ, generating over \$2 million in revenue from our uncontracted non-firm production.

Whilst comprising a small portion of our current sales portfolio, these spot sales and high oil prices boosted overall revenues by 19% from last quarter and contributed to our \$21.6 million cash balance at 30 June. Our financial position has been further strengthened through the three year extension of our debt facility in April.

Our GM Exploration, Dr Duncan Lockhart will be leaving Central at the end of August. I thank Duncan for his contribution to Central's exploration efforts over the past three years and wish him well in his future endeavours. Kevan Quammie, manager of our subsurface and appraisal team, will now also oversee the exploration function.

This past quarter has seen strength in the oil and gas markets provide an increased incentive for Central to bring more gas to market and we look forward to sharing the results from our revised programs as the year progresses.

Leon Devaney
Managing Director and Chief Executive Officer

*To view the full Quarterly Report, please visit:
<https://abnnewswire.net/Ink/CC0003H7>

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 km² 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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Die URL für diesen Artikel lautet:

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