

19 April 2022

EXPLORATION DRILLING COMMENCES AT PALM VALLEY

Exploration drilling is underway at the Palm Valley-12 (PV-12) location in Permit OL3 in the Amadeus Basin (fig 1). Located approximately 120km west of Alice Springs, in the Northern Territory, Australia, PV-12 is expected to take approximately 61 days to reach a total depth around 4144mMD (3980m TVD).

Drilling operations began on 17 April 2022 at 11:00 Hrs (Central Australian Time). The current operation is drilling ahead with a 20" hole. NZOG will be making weekly updates to the market.

PV-12 is an exploration well that will evaluate the gas potential of the Arumbera Sandstone approximately 1300m below the known gas accumulations of the Lower Stairway and Pacoota Sandstones. PV-12 will be drilled as a sub-vertical well from the surface to the top Arumbera Sandstone, and then as an inclined well that builds angle with depth so that the target zone of potential increased fracturing is intersected at a 45° angle. The well is expected to reach the Arumbera at a depth 3567m MD (3560m TVD)

The Arumbera Sandstone, a shallow marine and deltaic sandstone and siltstone, has not been intersected at the Palm Valley location to date, but is inferred through seismic and well correlations from the Dingo and Orange wells (about 120 km to the east). At the Dingo field the Arumbera Fm encountered gas over a 24m interval with porosities ranging from 9-13% at depths around 3,000m. Due to increased depth and potential facies change at Palm Valley the nature of the porosity and permeability is uncertain, it may be a conventional reservoir (as is seen at Dingo) or a fractured reservoir analogous to the Pacoota and Lower Stairway Sandstones at Palm Valley.

If the exploration portion of the well is unsuccessful, the well will be sidetracked via a sub-horizontal appraisal well (Palm Valley-12ST1) into the productive Pacoota Fm. In a success case this sidetrack will be tied-in for immediate production.

CEO Andrew Jefferies says, "Great to be drilling again, and pushing the boundaries of the basin. I look forward to providing updates as they become available."

Participants in Permit OL3 are Central Petroleum (NT) Pty Ltd (Operator, 50%), NZOG Palm Valley Pty Ltd (35%) and Cue Palm Valley Pty Ltd (15%).

