

19 April 2022

Amadeus Basin exploration program commences

Central Petroleum Limited (“Central”) (ASX: CTP) advises that the Palm Valley 12 (PV12) well in OL3, Southwest of Alice Springs in the Northern Territory, spud on Sunday, 17 April 2022.

The PV12 well is the first of a 2-well drilling program that also includes the Dingo-5 exploration / production well. Central has a 50% interest in both PV12 and Dingo-5, which are free-carried for Central by New Zealand Oil & Gas (ASX: NZO) (35% interest) and Cue Energy Resources (ASX: CUE) (15% interest) and are scheduled to be completed this year. The PV12 well has two alternative objectives, consisting of a deeper gas exploration target or a shallower gas appraisal lateral that could become a production well.

PV12 exploration target

The PV12 exploration target is the Arumbera Sandstone at an anticipated vertical depth of 3,560m. The well will be drilled to a total vertical depth of 3,980m making it the deepest to be executed in the Amadeus Basin. The target interval is also the gas-producing zone at Central’s Dingo gas field, located about 120km to the east.

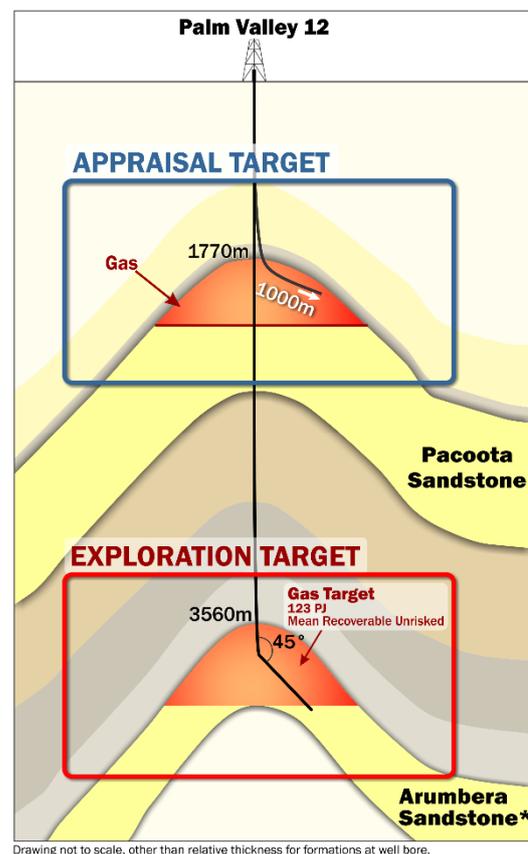
The well will be deviated at up to a 45° angle in the target zone to increase the exposure to potential formation fractures.

PV12 exploration success could open a significant new phase of growth within the existing Palm Valley gas field by targeting 123 PJ of mean prospective resource¹ (Central 50% interest: 61.5 PJ). This is more than four times Palm Valley’s existing 2P reserves and would increase Central’s total existing 2P reserves base¹ of 75.4 PJe in the Amadeus Basin by 81%.

The PV12 well is currently estimated to reach the exploration target in early June.

PV12 appraisal target (alternate objective)

If the PV12 deep exploration objective is unsuccessful, the well will be plugged back and side-tracked to test the shallower Pacoota Sandstone (approx. 1,770m depth), with the potential to become a production well.



¹ Reserves and resources information is included on page 2

The PV12 appraisal well is designed as a deviated well extending up to 1,000m within the Pacoota Sandstone, which is the current producing zone for the existing Palm Valley gas field. The lateral design is similar to the successful PV13 appraisal well drilled in 2019, which had a lateral extension of only 300m and has already produced approximately 5.7 PJs in its first 3 years of production (gross JV).

Comments from the CEO

“We have worked hard over the past year to lay the groundwork for the current two-well exploration program and three sub-salt exploration wells next year, giving us a total of 5 exploration wells over the next 18 months. Today’s announcement marks our transition into a phase of sustained and material exploration news flow for Central. We are also actively pursuing opportunities to expand this drilling program to include an oil exploration well at Mamlambo and gas appraisal wells in the Mereenie Stairway. As a small-cap, delivering each of these exploration wells provides Central with a distinct opportunity for upward momentum. Combined with strong underlying market fundamentals, our pivot into the delivery phase of exploration drilling makes this is an exciting time for our shareholders.” said Central’s Managing Director & CEO, Leon Devaney.

Further updates will be provided as drilling progresses.

Reserves and resources information

Palm Valley 12 Exploration Prospective Gas Resource ¹	Central's 50% (PJ)	Cautionary statement
Low Estimate (P90)	13.0	The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
Best Estimate (P50)	37.5	
High Estimate (P10)	140.0	
Mean	61.5	

The volumes of Prospective Resources included in this announcement represent the unrisks recoverable volumes derived from Monte Carlo probabilistic volumetric analysis as first reported to ASX on 7 August 2020, adjusted for Central’s reduced interests as a result of the asset sale which completed on 1 October 2021.

Inputs required for these analyses have been derived from offset wells and fields relevant to each play and field. Recovery factors used have been derived from analogous field production data.

The reserves in this report are as at 31 December 2021 and were first reported to ASX on 3 March 2022.

Central confirms it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

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This ASX announcement was approved and authorised for release by Leon Devaney, Managing Director and Chief Executive Officer.

About Central Petroleum

Central Petroleum Limited (Central) is an established ASX-listed Australian oil and gas producer (ASX: CTP) with exploration and appraisal permits in the Northern Territory (NT) and Queensland. Central has grown to become the largest onshore gas Operator in the NT, supplying residential and industrial customers in the NT and wider Australian east coast market.

Central is seeking to become a major domestic energy supplier, in addition to helium and “gold” hydrogen, with exploration, appraisal and development plans across 180,000 km² of tenements in Queensland and the NT, including some of Australia’s largest known onshore conventional gas prospects in the Amadeus Basin and prospective CSG resources in the Surat Basin.

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