

13 October 2025

## Gas-Fired Profits Set to Continue

### NEED TO KNOW

- FY25 results: profit, cash flow and balance sheet strength
- Excellent reserves replacement as fields outperform
- CTP to drive growth, exploration, efficiency, capital return

**Full-year results show strong profit growth, cash generation and margin expansion:** FY25 results for CTP showed the business's underlying strength as the new NT Govt. contracts boosted prices, cash flow and profitability. CTP's underlying business turned profitable for the first time in a number of years as higher pricing in 2H improved margins substantially and generated two-thirds of the year's profit. CTP is set to increase profitability and cash flow in FY26 with a full year of the NT Govt. contracts. CTP's net cash position of A\$3.9m gives the company significant financial flexibility.

#### 96% reserves replacement underpins sustainable production; 16 years

**2P reserve life:** The lifeblood of an oil and gas company is its reserves, which are key to the sustainability of the business and its ongoing reliability and productivity. Reserves were substantially replaced due to outperformance of Mereenie wells and remodelled Dingo field performance.

**Financial strength to drive growth, exploration, efficiency and capital return:** Financial strength and coming cashflow generation provide options for CTP to grow the portfolio by developing new wells and seeking acquisitions; explore current production regions and other parts of the Amadeus Basin for increased reserves; improve the portfolio efficiency and return capital (buyback announced; potential sustainable dividend program).

### Investment Thesis

**High-margin contracts, certified reserves generate sustainable long-term cashflow:** CTP's gas sales agreements with the NT Government highlight short- to medium-term tight NT market conditions. CTP's substantially higher cash generation has created strong financial capacity, and CTP is well positioned to expand production, secure low-risk volumes, and benefit from continuing attractive, market-based pricing and higher margins. In the longer term, CTP's certified reserves back its capacity to sign long-term contracts and/or to sell into the tight East Coast gas market.

**Buyback is the first step in capital management; other options include growth, optimisation, exploration:** CTP's 12 month buyback announced in September, is the first step for its capital management program. Further options include debt repayments and a sustainable dividend payment (no expected franking). Higher margins from new contracts and successful Mereenie wells mean CTP will also focus on boosting production, adding reserves and optimising assets. Exploration also remains a high priority.

### Valuation and Risks: CTP Stacks Up on Every Metric

We lift our base-case NPV to A\$0.21/share (from A\$0.20), which implies CTP is substantially undervalued at current levels. At current prices, FY26 P/OCF is 2.7x, P/E 4.4x, and EV/EBITDAX 1.6x. The share price implies a gas price of A\$6.13/GJ, well below our FY26 forecast of A\$9.75/GJ and CTP's latest realised price of A\$10.38/GJ. The market average EV/2P+2C multiple suggests a share price of A\$0.086. Key risks: potential production issues, lack of exploration success, unsuccessful development wells.

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Central Petroleum (CTP.AX)

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Central Petroleum is the NT's largest onshore gas operator, with a portfolio of gas and oil assets focused on the Amadeus Basin. Its strategy is to unlock and commercialise the vast energy potential of the Central Australian basins to take advantage of a predicted tight supply/demand balance in the domestic gas market. [www.centralpetroleum.com.au](http://www.centralpetroleum.com.au)

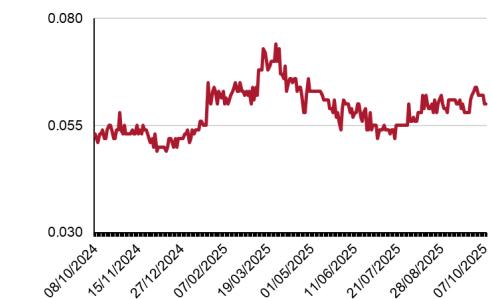
Valuation	<b>A\$0.210</b> (from A\$0.200)
Current price	<b>A\$0.063</b>
Market cap	<b>A\$47m</b>
Cash on hand	<b>A\$3.96m</b> (30 June 25)

### Upcoming Catalysts / Next News

#### Period

2HCY25	Commencement of buyback
2HCY25	Re-contracting Arafura Gas for 2028
2HCY25	Further capital management
1HCY26	Palm Valley drilling

### Share Price (A\$)



Source: FactSet, MST Access.

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Figure 1: Financial summary, year-end 30 June

Central Petroleum Limited (ASX:CTP)					
<b>Year-end 30 June</b>					
Share Price	A\$/sh 0.063				
52 week high/low	A\$/sh 0.07/0.05				
Valuation	A\$/sh 0.21				
Market Cap (A\$m)	A\$m 47				
Net Cash / (Debt) (A\$m)	A\$m 4				
Enterprise Value (A\$m)	A\$m 43				
Shares on Issue	m 745.26				
Options/Performance shares	m 35.68				
Potential Diluted Shares on Issue	m 780.94				
<b>Ratio Analysis</b>					
EPS	2023A 1.09	2024A 1.68	2025A 1.04	2026E 1.47	2027E 2.81
P/E (x)	(4.8)	3.1	5.3	4.4	2.3
EPS Growth (%)	-254%	-38%	41%	91%	
CFPS (A¢)	(0.28)	0.93	1.93	2.37	3.99
P/CF (x)	(18.8)	5.7	2.9	2.7	1.6
DPS	—	—	—	—	—
Dividend Yield (%)	—	—	—	—	—
EV / EBITDA (x)	16.5	1.6	2.1	2.0	1.0
EV / EBITDAX (x)	3.3	2.7	1.9	1.6	0.8
EV / boe (x)	64.0	49.2	47.4	51.6	29.5
EV / PJe (x)	10.7	8.2	7.9	8.6	4.9
FCFPS					
FCF Yield (%)					
<b>Assumptions (Yr end Jun)</b>					
Brent Oil Price (US\$/bbl)	2023A 83.20	2024A 82.24	2025A 73.62	2026E 74.5	2027E 75.9
Exchange Rate (A\$1:US\$)	0.673	0.656	0.648	0.648	0.648
Gas Price (A\$/GJ)	7.83	7.98	8.85	9.95	10.14
<b>Production</b>					
Gas (TJ/d)	2023A 13.4	2024A 12.0	2025A 12.3	2026E 12.3	2027E 16.4
Gas (PJ)	4.7	4.4	4.5	4.5	6.0
LPG (kt)	—	—	—	—	—
Oil / Condensate (mmbbl)	0.03	0.03	0.03	0.02	0.02
<b>Total (mmboe)</b>	<b>0.82</b>	<b>0.76</b>	<b>0.78</b>	<b>0.77</b>	<b>1.02</b>
Gas (mmboe)	0.79	0.73	0.75	0.75	1.00
LPG (mmboe)	—	—	—	—	—
Oil / Condensate (mmboe)	0.03	0.03	0.03	0.02	0.02
<b>Year End Reserves 2P (mmboe)</b>	<b>12.9</b>	<b>12.6</b>	<b>12.6</b>	<b>11.8</b>	<b>10.8</b>
<b>Reserves and Resources</b>					
As at 30 June 2024	Working Interest	1P Gas (PJ)	2P Gas (PJ)	1P Liquids (mmbbl)	2P Liquids (mmbbl)
Mereenie (OL 4 / OL 5)	25%	28.1	36.6	0.30	0.36
Palm Valley (OL 3)	50%	10.9	11.7	—	—
Dingo (L7)	50%	18.7	22.8	—	—
<b>Total</b>		<b>57.6</b>	<b>71.2</b>	<b>0.30</b>	<b>0.36</b>
<b>NET ASSET VALUE (WACC 10.0%)</b>					
		A\$m	Risking	A\$m	A\$ps
Mereenie - OL4 & OL5 (25%)		77	100%	77	0.10
Palm Valley - OL3 (50%)		21	100%	21	0.03
Dingo - L7 & PL30 (50%)		43	100%	43	0.06
<b>Total Operations</b>		<b>141</b>		<b>141</b>	<b>0.19</b>
Net Cash / (Debt)		4	100%	4	0.01
Admin / Corporate / Other		(31)	100%	(31)	(0.04)
Exploration (risk-adjusted)		23	50%	12	0.02
Mereenie & Palm Valley 2C gas (risked)		33	65%	21	0.03
<b>TOTAL VALUATION</b>		<b>170</b>		<b>147</b>	<b>0.21</b>

**CTP Relative to XEJ 12 months**

Line chart showing CTP relative to XEJ 12 months from 08/10/2024 to 03/10/2025. The chart shows two lines: CTP (red) and XEJ (black). CTP starts around 90, fluctuates, and ends around 95. XEJ starts around 90, fluctuates, and ends around 98.

Source: CTP, MST estimates.

# Full-Year FY2025: A Preview of What's to Come

## Profit, Cash Generation and Opportunity

CTP reported an **underlying net profit after tax of \$6.5m for FY25**, compared to an **underlying loss of \$1.4m for FY2024**. Two-thirds of the profit was generated in the second half of FY25, as the new NT Government contracts kicked in.

Underlying EBITDAX at \$19.6m for the year was up 43% from FY2024.

FY25 was a transformational year for CTP, as the second half of the year reflected the inclusion of the new gas contracts with the NT Government and turning CTP from a loss to profitability.

Higher average gas prices from these contracts and more reliable volumes due to locked in volumes and take or pay arrangements has seen a significant lift in profitability and cash flow for CTP.

The successful drilling and commissioning of 2 new production wells at Mereenie increased production capacity.

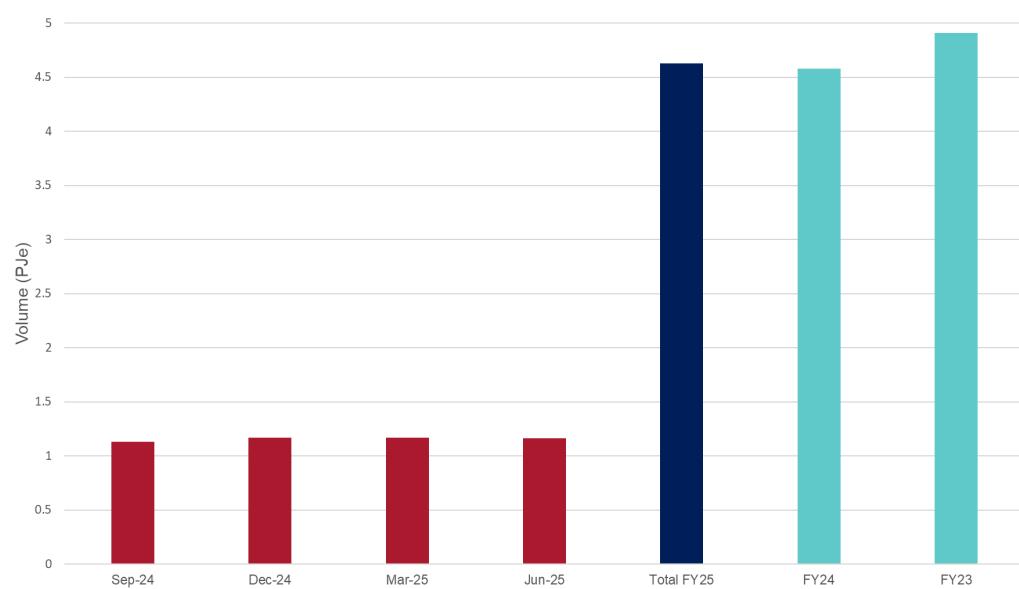
### Overview of FY2025 results

#### Sales volume: reliable volumes return

**Full-year review:** Production for the full year was up 7% on FY2024 as new Mereenie production wells added production capacity. The new NT Govt. contracts provided reliable sales and CTP had reduced exposure to the Northern Gas Pipeline (NGP) being unavailable in the second half of FY25.

**Outlook:** With reliable production from Mereenie, Palm Valley and Dingo, we see sales being at least as strong as FY25, with potential for this number to increase with the optimisation of production and the potential for new Palm Valley wells to be producing in the second half of FY26.

**Figure 2: Sales volume: FY25 vs. FY24 vs. FY23**



Source: CTP.

#### Sales prices: a milestone year, prices above A\$10/GJe for 2HFY25

**Full-year review:** FY25 was a milestone year for pricing as the new NT Govt. contracts boosted pricing in the second half. Second-half prices were 27% above first-half prices and full year prices were 19% above FY24. Average prices for the second half were above A\$10/GJe compared to A\$7.58/GJe in FY24.

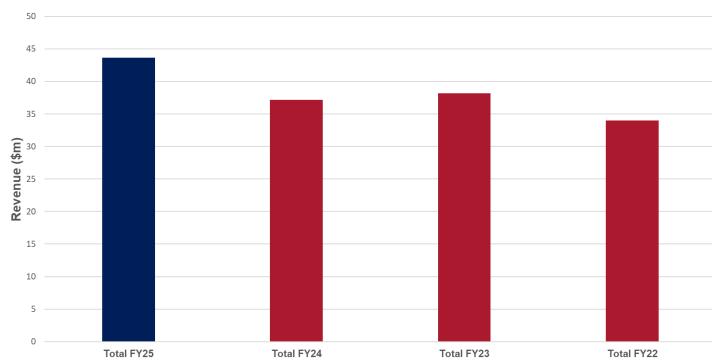
**Outlook:** We expect prices for FY26 to be above those for FY25 as the full year of NT Government contracts flows through, and expect pricing to be greater than A\$10/GJe for the year.

## Revenue

**Full-year review:** At A\$43.6m, revenue was up a very significant 17% on FY24. The combination of higher volumes and substantially higher second-half prices drove the increase.

**Outlook:** With our expectation that volumes will be at least the same as FY25 (and with risk to the upside), and with CTP to benefit from a full year of NT Government contracts, we see a further substantial increase in revenues in FY26.

**Figure 3: Revenue, FY22–FY25**



Source: CTP.

## Margins

**Full-year review:** The increased pricing had the effect of dropping straight through to the bottom line as unit operating costs remained relatively flat. The operating margin was A\$4.60/PJ compared to A\$3.65/GJ in FY24, a 26% increase.

**Outlook:** We see margins increasing as a full year of the new contracts is realised in FY26.

**Figure 4: Review of FY25 vs. FY24**

Profit & Loss (A\$m)	MST 2025F	CTP Actual FY2025	CTP Actual FY2024		Comment FY25 v FY 24
<b>Production</b>					
Gas (PJ)	4.5	4.5	4.4	2%	Additional Merennie wells
Oil / Condensate (mmbbl)	0.03	0.03	0.03	16%	
<b>Total Sales Revenue</b>	<b>42.0</b>	<b>43.6</b>	<b>37.2</b>	17%	Higher prices from NT Govt. contracts
<b>Underlying EBITDAX</b>	<b>20.0</b>	<b>19.6</b>	<b>13.8</b>	43%	Higher margins from new contracts
<b>Underlying EBITDA</b>	<b>18.0</b>	<b>17.9</b>	<b>9.8</b>	84%	Lower exploration expense in FY25
<b>EBIT</b>	<b>10.0</b>	<b>9.9</b>	<b>2.0</b>	399%	
<b>Underlying Profit after Tax</b>	<b>8.0</b>	<b>6.5</b>	<b>(1.4)</b>	573%	Flow through of higher prices and similar unit operating costs
<b>Statutory Profit after Tax</b>	<b>8.0</b>	<b>7.7</b>	<b>12.4</b>	-38%	FY24 included A\$13.8m profit from asset sale

Source: MST, CTP.

## Balance sheet: a significant cash-building year – set up for growth and capital management

The cash balance at the end of FY25 was \$27.5m, up from \$24.9m at 30 June 2024.

Net cash was \$3.9m at 30 June 2025, the highest net cash position since CTP acquired the operating assets and compared to net cash of A\$1.82m at 30 June 2024.

The strong cash position has set up CTP for growth, acquisitions and capital management.

A buyback of up to 10% was announced in mid-September and will take place over a 12-month period.

# FY26 Forecasts – Better Still to Come

Figure 5: Our FY2026 forecasts vs. FY2025 actual

Profit & Loss (A\$m)	2025A	2026F	Change	% Change	Comment FY26 v FY 25
<b>Production</b>					
Gas (TJ/d)	12	12		0%	
Gas (PJ)	4.5	4.5	(0.0)	0%	
Oil / Condensate (mmbbl)	0.03	0.02	(0.0)	-17%	Oil reduction due to customer blend requirements
<b>Total (mmboe)</b>	<b>0.78</b>	<b>0.77</b>	(0.0)	-1%	
Oil / Condensate Revenue	3.4	2.7	(0.7)	-20%	
Gas Revenue	39.6	44.6	4.9	12%	Higher prices from NT contracts flowing through for full year
<b>Total Sales Revenue</b>	<b>43.0</b>	<b>47.3</b>	4.2	10%	
Operating Costs	(18.0)	(20.1)	(2.1)	11%	MST forecasting slightly higher operating costs
Government Resource Taxes	(4.3)	(4.3)	(0.0)	1%	
Exploration & Development Expenses	(1.7)	(2.0)	(0.2)	14%	
Other Net Income / Expense	(1.1)	(1.0)	0.1	-8%	
<b>EBITDA</b>	<b>17.8</b>	<b>19.8</b>	2.0	11%	
<b>EBITDAX</b>	<b>19.4</b>	<b>24.6</b>	5.1	27%	
Depreciation & Amortisation	(6.7)	(6.9)	(0.2)	3%	
<b>EBIT</b>	<b>11.1</b>	<b>12.9</b>	1.8	16%	
Net Interest Expense	(3.4)	(1.8)	1.5	-46%	Lower debt balance in FY26
<b>Pretax Profit</b>	<b>7.7</b>	<b>10.9</b>	3.2	41%	
Tax Expense / Benefit	—	—	—	—	
<b>Net Attributable Profit</b>	<b>7.7</b>	<b>10.9</b>	3.2	41%	
<b>Underlying Profit</b>	<b>6.5</b>	<b>10.9</b>	4.4	68%	

Source: CTP, MST estimates.

## Reserves – The Key to Sustainable Production

### 96% of reserves replaced – 16+ years of production

The lifeblood of an oil and gas company is its reserves.

The replacement of reserves is key to the sustainability of the business, as well as its ongoing reliability and productivity. Reserves also provide confidence in the underlying valuation.

CTP had a strong production year, yet managed to replace 96% of its reserves, effectively meaning the company is in the same position it was 12 months ago (from a reserves perspective), despite 12 months of production.

Reserves were replaced due to the outperformance of Mereenie wells and the remodelling of field performance at Dingo.

2P reserves effectively represent over 16 years of production at FY25 rates, a significant life that underpins substantial cash flows.

Figure 6: CTP reserves, 30 June 2025 (GJe)

Reserves As at 30 June 2025	Units	Working Interest	1P FY25	1P FY24	2P FY25	2P FY24
Mereenie Oil	mmbbl	25%	0.31	0.3	0.39	0.36
Mereenie (OL 4 / OL 5)	PJ	25%	28.9	28.1	37.9	36.6
Palm Valley (OL 3)	PJ	50%	9.6	10.9	10.3	11.7
Dingo (L7)	PJ	50%	19.0	18.7	22.6	22.8
<b>Total (GJe)</b>	<b>PJe</b>		<b>59.2</b>	<b>59.4</b>	<b>73.1</b>	<b>73.3</b>

Source: CTP.

# Strong Financial Position Sets CTP for New Era

## Growth, Exploration, Efficiency and Capital Return Focus

CTP's sound balance sheet, significantly increased cash flow and financial flexibility has set the company up perfectly to grow, improve, explore and return (capital management/dividends).

### Growth: Mereenie success and prospective NT gas market sets CTP up for production growth – several options

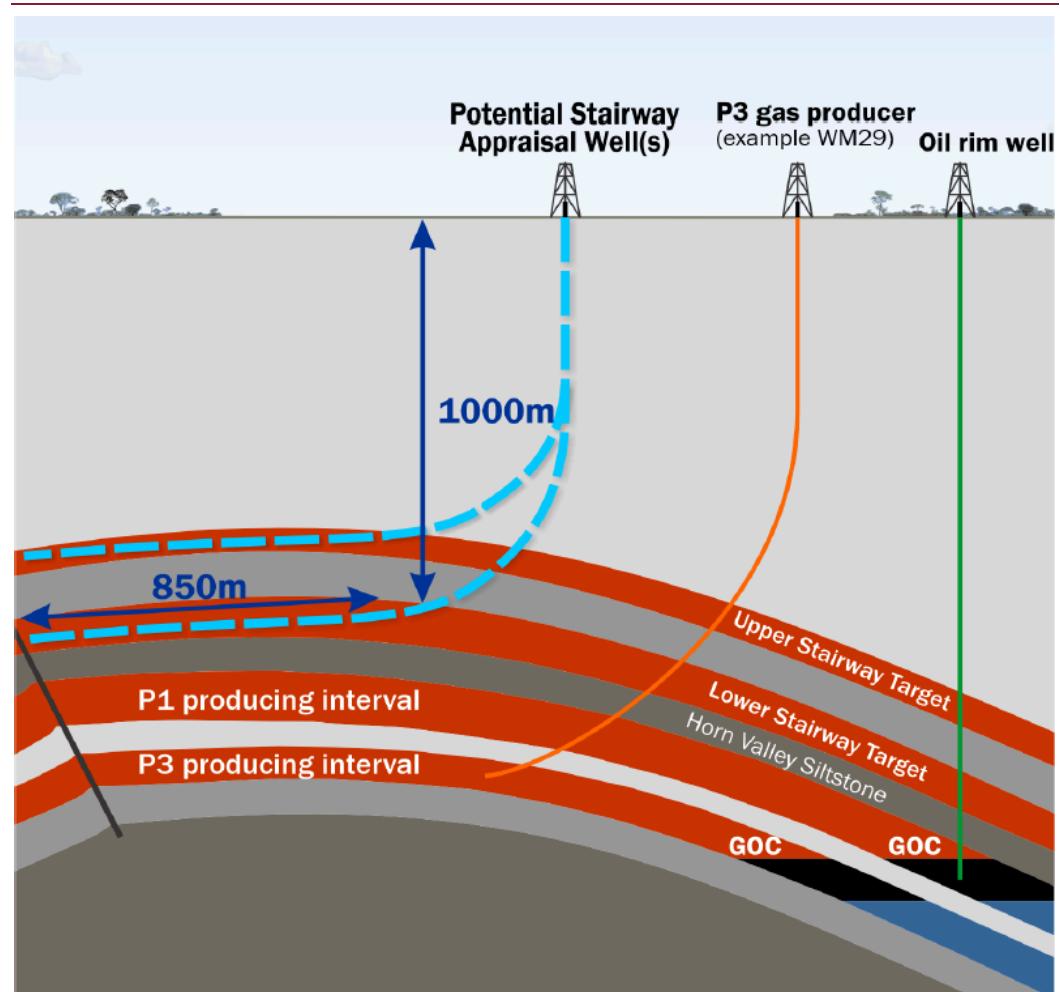
CTP is looking across its portfolio at growth options and is assessing potential acquisitions both within the NT and across South Australia and Queensland.

#### Mereenie Stairway – encouraged by FY25 success at Mereenie

CTP has been considering drilling the shallower Mereenie Stairway Sandstones for some time. The recent drilling of WM29 and WM30 has shown very encouraging signs for the Mereenie Stairway. The 2 wells were drilled through the Stairway on the path to the target P3-producing interval and noted consistent high-pressure gas shows.

The Mereenie Stairway program would aim to increase Mereenie reserves to enable CTP to both grow production and extend the asset life. CTP is assessing the timing of a potential Stairway program.

Figure 7: Potential Mereenie Stairway appraisal



Source: CTP

## Palm Valley potential 50% ownership makes growth attractive

Palm Valley (PV) is a large field of 616km<sup>2</sup>.

The PV gas plant is currently running at around half its capacity (7 TJ/day vs. 15 TJ/day). CTP sees further opportunity to drill more production wells at PV and increase production to utilise the full plant capacity (PV12 and PV13 were very successful wells) and deliver into the NT market. Environmental and cultural heritage approvals have been obtained for two new wells, which remain subject to JV approval. The 50% ownership of the asset makes PV growth particularly attractive to CTP.

CTP will be looking to drill these prospects in CY2026 and is currently in discussion with NT customers to sign a gas sales agreement to cover the potential production from the wells.

## Dingo – a locked-in customer

The Dingo gas field supplies gas through a dedicated 50-km gas pipeline to Brewer Estate in Alice Springs for use in the Owen Springs Power Station at around 3.9 TJ/d.

Additional development wells can be drilled at Dingo to maintain contracted gas volumes when warranted by natural field decline to expand Dingo's production to sell into the NT market.

CTP has begun analysing the potential of drilling production wells, expanding the Dingo plant capacity and connecting it to the Alice Springs pipeline in order to reach the broader NT market.

## Exploration: Still some big ticket potential with sub-salt

### Mamlambo (oil) and EP115 seismic (on trend with Mereenie and Palm Valley fields)

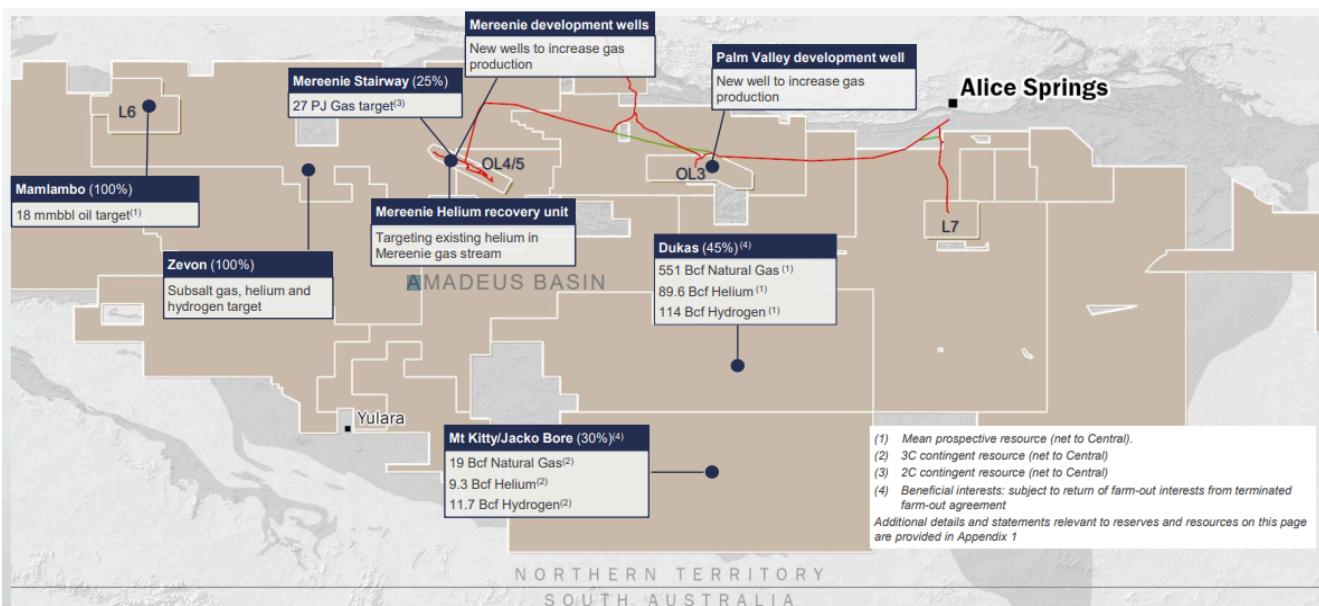
CTP is actively engaging with potential farm-in parties to progress these options.

### Sub-salt exploration (including hydrogen and helium) – potentially large; partner still being sought

The key to maximising the value to CTP of exploration and minimising cash outflows is engaging JV partners and obtaining free carry for the exploration, particularly for the high-cost sub-salt wells (targeting large reserves of gas, helium and hydrogen). The first well is largely drill-ready, but timing is subject to the introduction of a new partner to partially fund the well costs.

CTP is targeting a drilling program to commence mid-CY27.

Figure 8: CTP's exploration portfolio – options abound



Source: CTP.

## Acquisitions and farm-ins – strong balance sheet creates options

CTP's strong financial position has allowed the company to spread its net and look for potential acquisitions that would improve its exploration portfolio or add quality production.

The market for potential acquisitions is strong, and CTP is assessing potential projects across Eastern Australia.

## Efficiency: Mereenie optimisation

CTP sees an opportunity to optimise the performance of Mereenie.

CTP estimates the current plant capacity at Mereenie to be around 40 TJ/day, and given current production is ~30 TJ/d, there is potential for low-cost improvement opportunities. These include:

- 3D seismic to identify opportunities to maximise gas recovery
- further development wells
- above-mentioned Mereenie Stairway
- examining fracking to enhance recovery and flow rates.

## Capital Return: this stage has commenced – cash generation drives share buyback

CTP has announced it will buy back up to 10% (the maximum permitted on-market) of its issued capital over a 12-month period from 15 September 2025 – CTP's first-ever return of capital to shareholders. The additional cash generated from its NT Government contracts has given the company sufficient confidence in forward cash flows to enable it to commence its capital management program. The buyback is an important milestone that reflects CTP's progress over the past 5 years.

The cash balance has grown to \$27.5m – equivalent to about two-thirds of CTP's market capitalisation. A full 10% buyback would cost around \$4m. If a full buyback occurred at A\$0.059 per share then our valuation would lift to A\$0.22 per share.

In addition to the buyback, CTP has also decided to cash settle half of its vested equity incentives, which reduce dilution, at prices prevailing in July 2025.

CTP is contemplating further potential capital management initiatives, including:

- accelerated debt repayment – debt can be prepaid but not redrawn, and cost of debt is lower than cost of equity
- a sustainable dividend program – dependent on monitoring gas market conditions and alternative uses for capital. Unfranked dividends would be tax inefficient for some shareholders.

The buyback strongly signals CTP's confidence in its future cash flows and management's view that the shares are undervalued.

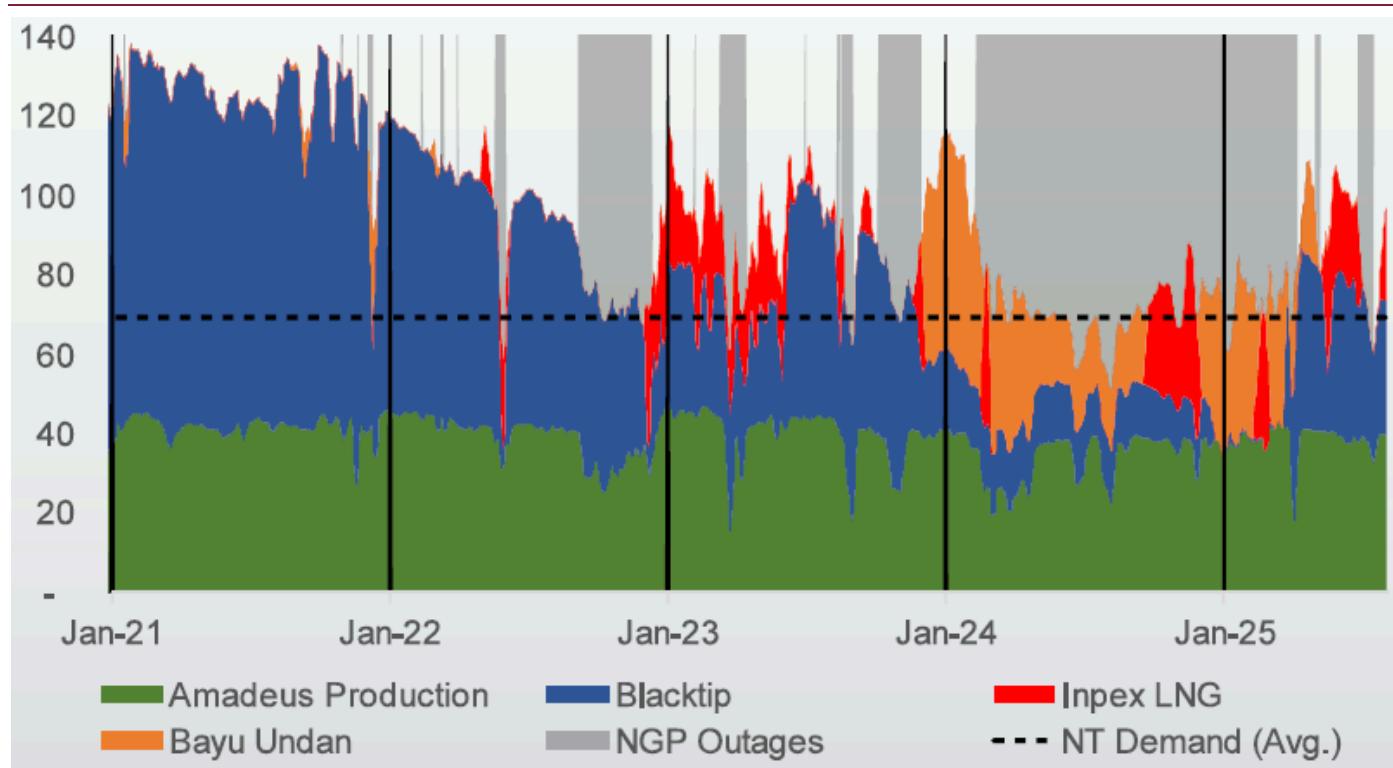
# The NT Gas Market

CTP's Mid-Term Position is Low Risk

## Current NT supply situation balanced

At the moment, the NT gas market supply/demand equation is finely balanced. Approximately **half the market is being supplied by CTP's JVs in the onshore Amadeus Basin (Mereenie and Palm Valley)**, with the remainder being supplied by the offshore Blacktip gas field, and augmented by diverted LNG gas supplies (Inpex) (in the situation where there was historical underperformance of the Blacktip gas field).

Figure 9: NT gas supply, 2021–2025



Source: AEMO/CTP.

### Blacktip – running at high 20s TJ/d

The Blacktip field has faced significant production declines, and during 2024 effectively stopped supplying the NT gas market. This prompted the owner, ENI, to initiate a new drilling campaign. This campaign drilled new development wells and conducted workovers on existing wells to address production decline and meet contract obligations.

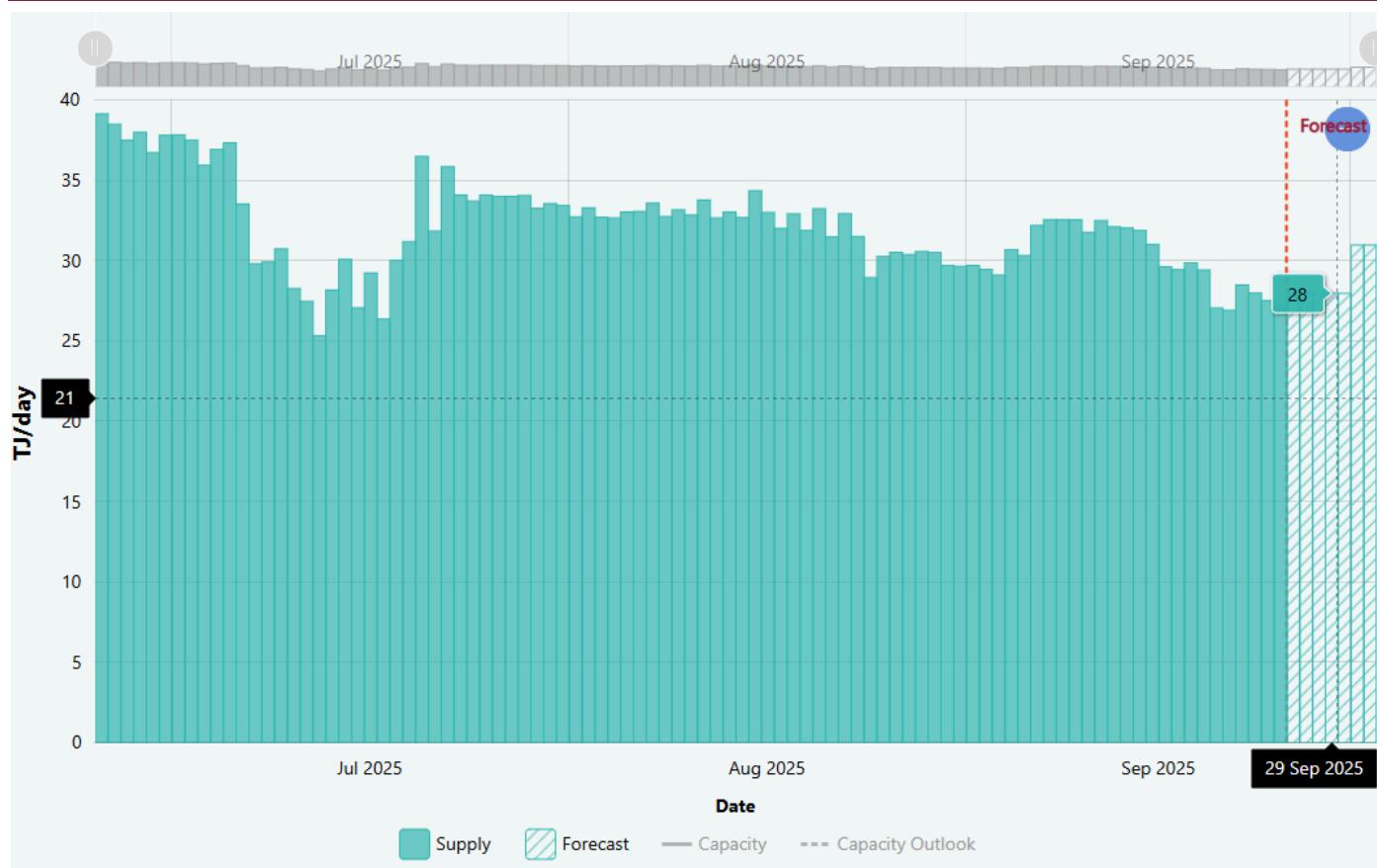
Blacktip volumes have been delivered into the NT market from mid-March 2025. The volumes peaked in April at around 50 TJ/d but have declined steadily and are now running at around 28 TJ/d.

Production from the Blacktip well(s) has assisted in relieving the tight supply situation in the NT and, in the short term, will allow the NT to reduce its expensive purchases of diverted LNG gas.

The current quarter is a cyclical demand low for the NT with the marginal suppliers selling less gas into the market.

**The Blacktip production does not have any effect on CTP's contracts with the NT Government.**

Figure 10: Blacktip production last 3 months



Source: AEMO.

## Northern Gas Pipeline closures determined by Blacktip – what does this mean for CTP? In short – CTP wins either way

The NGP frequently experiences periods of closure as a result of NT supply issues. Last year, the Blacktip supply shortfall (no surplus supply in the NT) meant the minimum throughput threshold rate required for the NGP to operate (estimated to be ~20 TJ/d) was not met, which resulted in the pipeline being shut-in for most of CY24. Since production from Blacktip resumed earlier in 2025, production, and therefore overall NT supply, has been sufficient to re-open the NGP.

The NGP was closed for most of July 2025, and despite a brief open window in August, CTP expect the NGP to be closed until the end of CY2025.

CTP's gas sales agreements (GSAs) with the NT Government underpin CTP's near-term increased earnings and cash flow. Importantly, the GSAs contain a re-direction mechanism that provides near-term protection against the intermittent disruptions from NGP closures. The re-direction mechanism allows CTP to sell into existing CY2025 East Coast contracts when the NGP is open or into the NT contracts when it is closed.

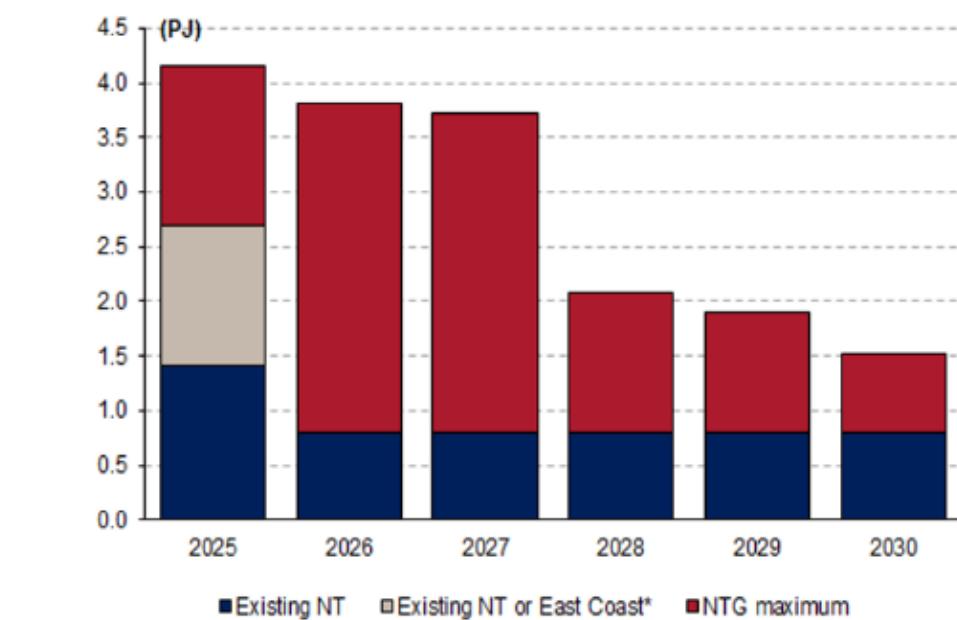
**If the NGP is closed, CTP's revenues are locked in with its NT Government agreements.**

Figure 11 summarises CTP's contracts with the NT Government (on a calendar year basis), which provide 6 years of locked-in revenue at the lowest risk possible. Assuming CTP cannot sell into the East Coast gas market in CY25 due to NGP closures, these agreements provide secure revenue for that period at a good price (via the re-direction mechanism).

**If the NGP is open, CTP has the ability to supply gas into the East Coast gas market.**

CTP also has downside protection when the NGP is open, with the option of supplying the East Coast gas market from CY2026 for any uncontracted gas, thus providing potential exposure to the spot market. The price received for these contracts will be dictated by the East Coast price at the time (around A\$13/GJ presently), but will be reduced on a net basis by transport costs. CTP's transport costs to Mt Isa, for example, are around A\$3/GJ, which would see CTP receive around A\$10/GJ (net) for these contracts, based on current East Coast gas prices, not significantly different from the prices received in the June quarter.

Figure 11: CTP firm contracted volumes (calendar years)



Source: CTP.

## Some reluctance from customers to sign longer-term contracts

CTP has noted that NT gas customers are showing some reluctance to sign up longer-term contracts.

Potential future gas market competition from other supply sources such as the Beetaloo Basin (e.g. two active Beetaloo appraisal projects that are targeting new gas supply in CY26, delivered to McArthur River Gas pipeline) are playing on the minds of customers (and the equity market, demonstrated by CTP's current share price).

This emerging onshore 'basin-on-basin' competition (Amadeus vs Beetaloo) will provide some competitive tension, but we think the NT market is big enough for multiple supplies, and that therefore volume and pricing will depend on surety of supply (deliverability), a cost-effective delivered price for the NT Government, and contract tenor (i.e. short- vs long-duration contracts that underpin customer investment horizons).

Customers can play a 'wait and see' game by trying to determine when the Beetaloo supply will come into the market, when they will need to contract their longer-term supply, and whether they can obtain a better price.

CTP's NT Government GSAs are for the supply of gas for 6 years until 31 December 2030. The agreement secures a market for a large portion of CTP's expected firm production from existing wells until 2027, but CTP is actively marketing uncontracted volumes from 2028+ (i.e. lapsed Arafura volumes) which, if successfully contracted, will further support future increases in revenues and cash flows and justify ongoing development drilling at Mereenie and Palm Valley, as well as assist further capital management initiatives.

# Valuation: Base-Case of A\$0.21 (Up from A\$0.20) Stock Appears Substantially Undervalued

## New gas contracts underpin valuation

The Amadeus Basin assets provide CTP with underlying production, earnings and cash flow which we believe is fundamentally undervalued by the market.

The key element underpinning our valuation is the NT Government contracts for the next 6 years. We see further upside from increases in production at Mereenie and at a later date at Palm Valley. CTP's 6 years of locked-in production contracts with a customer that is the lowest risk possible. The stock is trading at a significant discount and is due a material re-rating, in our view.

## Gas price – further increases likely in our assumptions

While precise details on the NT Government gas offtakes are unclear for commercial-in-confidence reasons, CTP has noted that its June-quarter average portfolio price increased to A\$10.38/PJe, an increase of 6% from the March 2025 quarter.

Our view is that the pricing will be around A\$10/GJ for the NT Government contracts. We have decided to take a more conservative approach and **assume a gas price of A\$9.75/GJ for FY26 and long term**. We consider this gas price forecast to be conservative and see further potential upgrades as the effects of this pricing come through over the next few quarters.

We have revised some of our cash and non-cash cost assumptions and completed some minor production refinements, resulting in our valuation of A\$0.21 (vs. A\$0.20 previously).

## Core production assets (less corporate costs) contribute A\$0.15 to our base case

The NPV valuation of the core production assets (less corporate costs) make up A\$0.15 of our A\$0.21 valuation, **suggesting that the market is placing a significant discount on assets that have locked-in contracts with one of the lowest-risk customers in the gas sector**.

Figure 12: Base-case valuation summary – fully diluted (A\$ per share)

NPV	A\$m Valuation Unrisked	Risking	A\$m Valuation Risked	New Valuation A\$ps	Previous Valuation A\$ps	Change
Mereenie - OL4 & OL5 (25%)	77	100%	77	0.10	0.09	0.01
Palm Valley - OL3 (50%)	22	100%	22	0.03	0.03	(0.00)
Dingo - L7 & PL30 (50%)	43	100%	43	0.06	0.06	(0.00)
<b>Total Operations</b>	<b>142</b>		<b>142</b>	<b>0.19</b>	<b>0.18</b>	<b>0.01</b>
Net Cash / (Debt)	4	100%	4	0.01	0.00	0.01
Admin / Corporate / Other	(31)	100%	(31)	(0.04)	(0.03)	(0.01)
Exploration (risk-adjusted)	23	50%	12	0.02	0.02	(0.00)
Mereenie & Palm Valley 2C gas (risked)	33	65%	21	0.03	0.03	(0.00)
<b>TOTAL VALUATION</b>	<b>247</b>		<b>158</b>	<b>0.21</b>	<b>0.20</b>	<b>0.01</b>

Source: MST estimates.

## Other financial metrics – CTP looks cheap on every measure

Across the board, CTP is cheap and represents a strong re-rating opportunity. With locked in contracts at higher prices, we see very low risk on FY26 numbers. We note below some key metrics for FY26:

- EPS growth, MST estimates (pre buyback): 41%
- P/E FY26: 4.4x
- P/CF FY26: 2.7x
- EV/EBITDAX: 1.6x

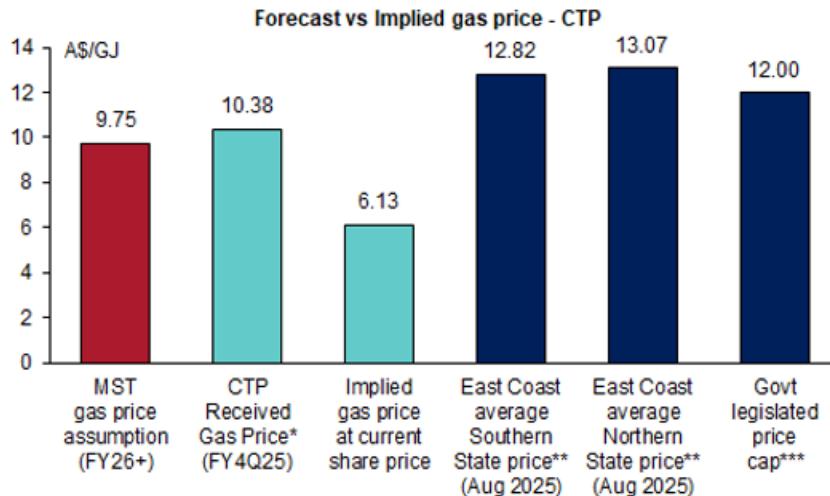
CTP has noted that there is potential to pay dividends on a sustainable basis.

## Valuation cross-checks suggest CTP is undervalued

### Gas price implied by current share price: A\$6.13/GJ (vs. A\$10.38 in 4QFY25)

The current share price implies a gas price of A\$6.13/GJ. CTP received an average price of A\$10.38/GJ in the last quarter, and our forecast is A\$9.75/GJ for FY26. The current share price assumes that CTP's average gas price received will be some 40% less than the last quarter over the life of the assets.

Figure 13: Share price–implied gas price vs. forecast and East Coast prices



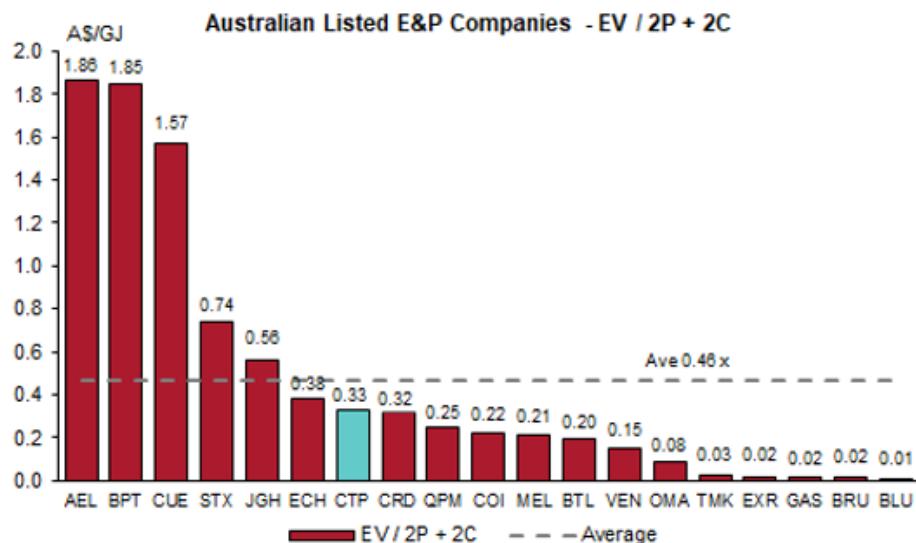
Source: SHA Energy Consulting, MST, CTP, \*AEMO, \*\*AEMO, \*\*\*Gas Market Emergency Price Order.

### Enterprise Value to Resources suggests that CTP is undervalued: market average multiple implies A\$0.086/share

An additional check on our valuation is to observe how the market values the reserves and resources of CTP and its ASX-listed peers (see Figure 14), using EV/2P+2C. This alternative method yields a lower valuation than our NPV-based method, but it still reflects upside to the current share price, particularly if the 2P reserves base can be expanded.

This valuation metric shows the relative value the market attributes to the company's reserve and resource base. CTP is valued 28% below its peer average, with CTP's EV/2P+2C of A\$0.33/PJ comparing to the average of A\$0.46/PJ. The peer average multiple would see CTP valued at A\$0.086 vs. the current share price of A\$0.062 and our valuation of A\$0.21.

Figure 14: EV/2P+2C for Australian-listed peers



Source: Company filings, SHA Consulting.

## Catalysts: upside potential driven by multiple sources

We see further upside potential to the share price and our valuation from multiple sources, which include:

- if a full buy back of 10% occurred our valuation would increase to A\$0.22 per share
- higher cash flow from new NT Government contracts than we currently assume in our valuation
- additional capital returns via dividends or further share buybacks
- increased production from Mereenie, Palm Valley and Dingo
- exploration program – exploration and appraisal remains a source of potential valuation upside within CTP via the potential to increase reserves and thus increase production and/or the life of the assets. We are particularly focused on the sub-salt exploration program, once the JV has a program established post the Peak Helium default. Our valuation reflects minor upside from exploration
- establishment of helium production at Mereenie – we have not considered the potential value of helium in our valuation due to its early stage. The project is on hold and we await further information of costs and validity of extraction before taking this into our valuation
- potential takeover due to CTP's value proposition.

## Risks

Key risks to our valuation/share price include:

- Mereenie Stairway development not proceeding
- Palm Valley development wells not proceeding
- lack of further capital management/share buy back less than expected
- sub-salt exploration not proceeding or lack of success
- government regulation affecting pricing
- the gas price, a key sensitivity for CTP's cash flow and valuation
- operational issues at existing assets
- longer term effect of Beetaloo gas entering the market

## Personal disclosures

Michael Bentley received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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The companies and securities mentioned in this report, include:

Central Petroleum (CTP.AX) | Price A\$0.063 | Valuation A\$0.210;

*Price, target price and rating as at 13 October 2025 (\* not covered)*

## Additional disclosures

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