

09 December 2025

Sub-Salt Farm-Out

NEED TO KNOW

- CTP farm-out of sub-salt assets to accelerate drilling
- September quarter sees some seasonal weakness
- Blacktip 'tipping over' – CTP still core to NT gas supply

Sub-salt exploration potentially closer with CTP farm-out: In early November, Central Petroleum (CTP) entered a conditional sale and purchase agreement to sell its interests in its three Northern Territory (NT) sub-salt exploration permits to Georgina Energy (LON.GEX). As consideration, CTP will receive a 25% equity interest in Georgina (via ordinary shares). The farm-out increases the probability of a substantial appraisal program, focusing first on the Mt Kitty asset.

September quarter sees some seasonal weakness; NT contracts still delivering: 1QFY26 marked CTP's third full quarter under new contracts with the NT Government. Average realised prices were similar to the previous quarter, still registering above A\$10/GJ. Some seasonal demand weakness saw slightly lower sales and revenue; however, the current December quarter is typically a high-demand quarter as NT temperatures increase.

NT supply uncertainty grows as Blacktip decline accelerates: The NT gas market has moved into a clear shortfall this quarter, with production from ENI's offshore Blacktip field now appearing to be in decline. These conditions, combined with the summer demand peak, have heightened concerns around the reliability and cost of ongoing NT gas supply.

Investment Thesis

High-margin contracts, certified reserves generate sustainable long-term cashflow: CTP's gas sales agreements with the NT Government highlight tight NT market conditions in the short-to-medium term. 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.

Buy-back is the first step in capital management; other options include growth, optimisation, exploration: CTP's announced buy-back 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, with multiple opportunities.

Valuation and Risks: CTP Stacks Up on Every Metric

Our base-case NPV is A\$0.21/share, highlighting CTP's substantial undervaluation. At current prices, FY26E P/OCF is 2.7x, P/E 4.4x, and EV/EBITDAX 1.6x. The share price implies a gas price of A\$6.73/GJ, well below our FY26 forecast of A\$9.50/GJ and CTP's latest realised price of A\$10.15/GJ. On an EV/2P+2C basis, the market average multiple suggests a share price of A\$0.072. Key risks include the Georgina sub-salt farm-out not proceeding, potential production issues, lack of exploration success and unsuccessful development wells.

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557.
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)

Equity Research Australia

Energy

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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 tight supply/demand balance in the domestic gas market.
www.centralpetroleum.com.au

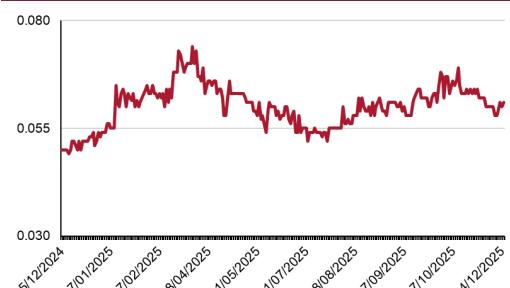
| | |
|---------------|------------------------------|
| Valuation | A\$0.210 (unchanged) |
| Current price | A\$0.061 |
| Market cap | A\$46m |
| Net cash | A\$3.3m (30 Sep 2025) |

Upcoming Catalysts / Next News

Period

| | |
|--------|-------------------------------------|
| 2HCY25 | Commencement of buyback |
| 1HCY26 | Re-contracting Arafura Gas for 2028 |
| 1HCY26 | Completion of sub-salt farm-out |
| 1HCY26 | Palm Valley drilling |

Share Price (A\$)



Source: FactSet, MST Access.

Figure 1: Financial summary, year-end 30 June

| Central Petroleum Limited (ASX:CTP) | |
|-------------------------------------|------------------|
| Year-end 30 June | |
| Share Price | A\$/sh 0.061 |
| 52 week high/low | A\$/sh 0.07/0.05 |
| Valuation | A\$/sh 0.21 |
| Market Cap (A\$m) | A\$m 46 |
| Net Cash / (Debt) (A\$m) | A\$m 4 |
| Enterprise Value (A\$m) | A\$m 42 |
| Shares on Issue | m 753 |
| Options/Performance shares | m 28.14 |
| Potential Diluted Shares on Issue | m 780.89 |

| CTP Relative to XEJ 12 months | |
|-------------------------------|--|
| | |

| Ratio Analysis | | | | | |
|--------------------|-------|-------|-------|-------|-------|
| | 2024A | 2025A | 2026E | 2027E | 2028E |
| EPS | 1.68 | 1.04 | 1.47 | 2.81 | 3.66 |
| P/E (x) | 3.1 | 5.3 | 4.4 | 2.3 | 1.7 |
| EPS Growth (%) | n/m | -38% | 41% | 91% | 30% |
| CFPS (A¢) | 0.93 | 1.93 | 2.37 | 3.99 | 4.98 |
| P/CF (x) | 5.7 | 2.9 | 2.7 | 1.6 | 1.3 |
| DPS | — | — | — | — | — |
| Dividend Yield (%) | — | — | — | — | — |
| EV / EBITDA (x) | 1.6 | 2.1 | 2.0 | 1.0 | 0.0 |
| EV / EBITDAX (x) | 2.7 | 1.9 | 1.6 | 0.8 | — |
| EV / boe (x) | 49.2 | 47.4 | 51.6 | 29.5 | -1.3 |
| EV / P/Je (x) | 8.2 | 7.9 | 8.6 | 4.9 | -0.2 |
| FCFPS | | | | | |
| FCF Yield (%) | | | | | |

| Profit & Loss (A\$m) | | | | | |
|------------------------------------|------------|-----------|-----------|-----------|-----------|
| | 2024A | 2025A | 2026E | 2027E | 2028E |
| Oil / Condensate Revenue | 3 | 3 | 3 | 3 | 3 |
| LPG Revenue | — | — | — | — | — |
| Gas Revenue | 34 | 40 | 45 | 61 | 65 |
| Revenue | 37 | 43 | 47 | 63 | 68 |
| Operating Costs | (18) | (18) | (20) | (20) | (18) |
| Government Resource Taxes | (3) | (4) | (4) | (5) | (5) |
| Exploration & Development Expenses | (4) | (2) | (2) | (3) | (3) |
| Other Net Income / Expense | 11 | (1) | (1) | (4) | (5) |
| EBITDA | 24 | 18 | 20 | 32 | 38 |
| EBITDAX | 14 | 20 | 25 | 37 | 43 |
| Depreciation & Amortisation | (8) | (7) | (7) | (9) | (10) |
| EBIT | 16 | 11 | 13 | 23 | 28 |
| Net Interest Expense | (3) | (3) | (2) | (2) | (1) |
| Net Profit before tax | 12 | 8 | 11 | 21 | 27 |
| Tax Expense / Benefit | — | — | — | — | — |
| Reported Profit | 12 | 8 | 11 | 21 | 27 |
| Exceptional items / non-recurring | 14 | (1) | — | — | — |
| Underlying Profit | (1) | 7 | 11 | 21 | 27 |

| Cash Flow (A\$m) | | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|------------|
| | 2024A | 2025A | 2026E | 2027E | 2028E |
| Pretax Profit | 12 | 8 | 11 | 21 | 27 |
| D&A & Other Non-Cash Items | -6 | 7 | 7 | 9 | 10 |
| Tax Paid | 0 | 0 | — | — | — |
| Cash from Operating Activities | 7 | 14 | 18 | 30 | 37 |
| Development Capex | (3) | (9) | (14) | (20) | (6) |
| Acquisitions/Other (Net of Sales) | 12 | (1) | — | — | (2.60) |
| Dividends Paid | — | — | — | — | — |
| Free Cash Flow | 16 | 4 | 4 | 10 | — |
| Cash Provided by Financing | (5) | (2) | — | (8) | 31 |
| Net Change in Cash | 11 | 2 | 4 | 1 | (5) |

| Balance Sheet (A\$m) | | | | | |
|--|------------|------------|------------|------------|------------|
| | 2024A | 2025A | 2026E | 2027E | 2028E |
| Cash & short term deposits | 25 | 27 | 31 | 33 | 59 |
| Receivables | 5 | 7 | 8 | 10 | 11 |
| Inventories | 4 | 4 | 6 | 9 | 12 |
| Property, Plant and Equipment | 56 | 58 | 66 | 79 | 77 |
| Capitalised exploration | 8 | 8 | 7 | 7 | 6 |
| Intangibles and Goodwill | 2 | 2 | 2 | 2 | 2 |
| Other assets | 4 | 8 | 8 | 8 | 9 |
| Total assets | 104 | 114 | 128 | 147 | 176 |
| Creditors | 3 | 5 | 4 | 6 | 6 |
| Borrowings | 23 | 23 | 23 | 15 | 10 |
| Other liabilities | 45 | 45 | 49 | 54 | 60 |
| Total liabilities | 71 | 73 | 76 | 75 | 76 |
| Shareholder equity | 33 | 41 | 52 | 73 | 100 |
| Shareholder Equity + Total Liabilities | 104 | 114 | 128 | 147 | 176 |

Source: CTP, MST estimates.

'Substantial' Sub-Salt Transaction

CTP farms out part of exploration permits to Georgina Energy

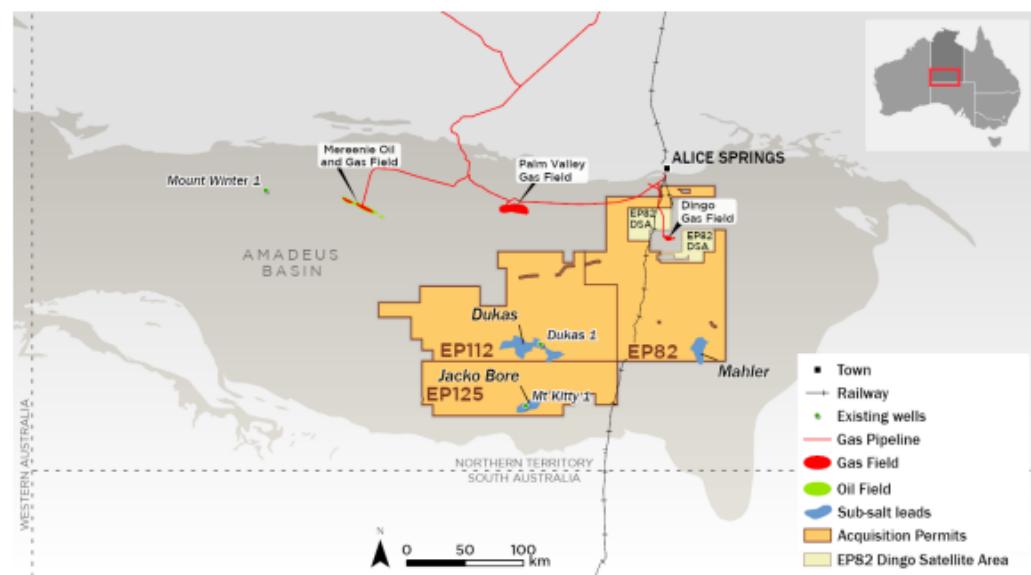
In early November, CTP entered a conditional sale and purchase agreement to sell its interests in its three NT sub-salt exploration permits to Georgina Energy Plc (LON.GEX) in consideration for a 25% equity interest in Georgina through ordinary shares.

Details of the interests

CTP is selling its entire interests (as stated as a % below) in the following three exploration permits:

- EP82 (Mahler/Magee) (60% interest, excluding several sub-blocks adjacent to the Dingo production license – 'DSA sub-blocks')
- EP112 (Dukas) (45% interest)
- EP125 (Mt Kitty/Jacko Bore) (30% interest).

Figure 2: CTP's sub-salt assets



Source: CTP

These three prospects are highly prospective to helium, hydrogen, and hydrocarbons in the sub-salt accumulations.

Details of the transaction

Conditions: As a condition of the transaction, Georgina must have at least £7m in cash available immediately prior to completion of the transaction, to be raised via an equity offering. Georgina will use this cash to fund its share of the Mt Kitty appraisal well, with drilling expected by June 2027.

Based on Georgina's closing share price prior to the transaction of £0.048, CTP's interest in Georgina would be worth ~A\$8.8m (~A\$0.012/share). The proposed in-specie distribution of Georgina shares to CTP shareholders also serves as a tax-preferred 'return of capital'.

Key dates: The transaction is targeted for completion in 1HCY26, with Georgina shares to be distributed to CTP shareholders in 2HCY26.

Mt Kitty holds the goods

Mt. Kitty is a helium-rich sub-salt gas discovery in Central Australia with world-class concentrations of helium (9% He) and hydrogen (11.5% H) measured. The conditional £7m raise would allow Georgina to prioritise initial appraisal drilling at Mt Kitty while planning its exploration opportunities at the nearby helium and hydrogen prospects throughout the Amadeus and Officer Basins. Following the transaction, CTP shareholders would gain exposure to the opportunities under the control of Georgina.

A good deal for CTP shareholders

Benefits

The transaction provides CTP shareholders with several major benefits:

- exposure to a significant helium exploration company with focused expertise and access to helium investors and risk capital
- interest in the coming restart of sub-salt exploration drilling in the Amadeus Basin, which has been stalled for several years
- including the interest in the initial Mt Kitty appraisal in mid-2027, to be followed by multiple other large prospective targets. Currently, Georgina holds interests in two exploration permits in Central Australia and plans to re-enter previous wells to drill to deeper helium and hydrogen targets at Mt Winter (EPA155, Amadeus Basin, NT) and Hussar (EP513, Officer Basin, WA).

Flexibility and optionality

CTP shareholders do not need to participate in Georgina's capital raise and will have the flexibility to either hold Georgina shares to retain upside exposure or monetise their shares.

Following the transaction, CTP will continue to hold significant conventional hydrocarbon exploration permits in the Amadeus Basin while providing shareholders with the exposure to Georgina's specialised exploration and upside.

Sept-Quarter 2025: Some Seasonal Weakness

Modest revenue decline after bumper previous quarter

CTP's September-quarter (1QFY26) results saw its revenues decline modestly following its previous (and strongest-ever) quarter, with a seasonal demand slowdown along with a prolonged NGP closure softening revenue.

Funding: steady cash met with higher expenditure

The September 2025 quarter saw a seasonal slowdown in revenues combined with some one-off costs, including overlift gas and staff incentive payments.

Results: Net cash was A\$3.3m at September 2025 (vs. A\$3.96m at June 2025). This was made up of A\$26.7m in cash (down A\$0.8m from June) and A\$23.5m in debt (no change since June).

Operational cash flow (after exploration and interest costs) was lower at A\$0.6m (vs A\$6.3m for the June quarter), with a net interest payment of A\$0.5m and exploration-related expenditures of A\$0.8m, including the finalisation of remediation works at the Southern Georgina Basin and preparation for seismic acquisition in EP115. Additional cash payments included a 'catch up' of overlift gas payments (A\$2.8m), as well as annual staff incentive payments, including the cash settlement of share rights at the prevailing share price to reduce the dilutionary impact on existing shareholders.

The quarter saw slightly lower capex of A\$1m (vs A\$1.1m for the June quarter).

Outlook: With some 'one-off' expenses and seasonal weakness now behind CTP, we expect the net cash position will improve in the December quarter.

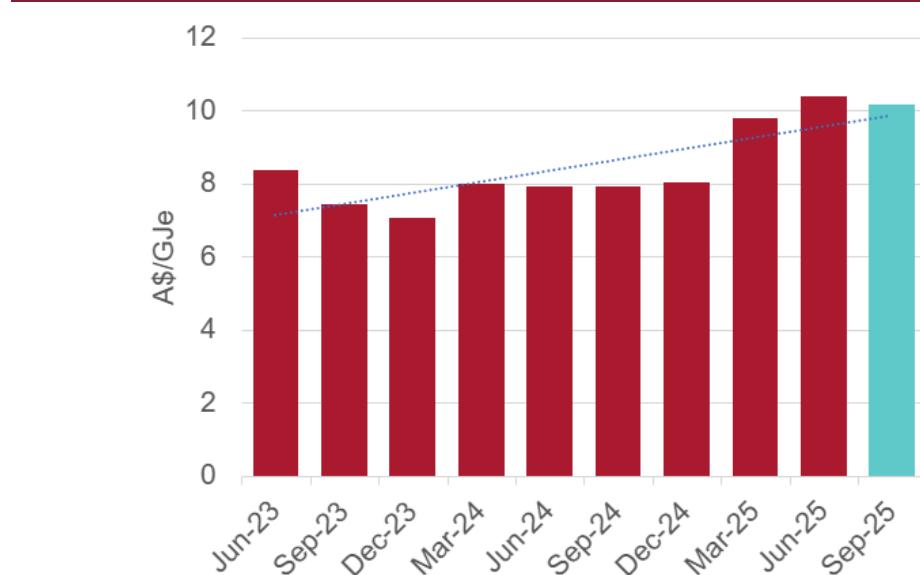
Sales price: over A\$10/Gigajoule equivalent (GJe)

Step change continues

Results: Average realised prices across the portfolio were A\$10.15/GJe for the quarter, down 2.2% from the June quarter (A\$10.38/GJe) but 28% higher than the same quarter last year (A\$7.91/GJe). The September 2025 quarter represents the third full quarter under the new NT Government contracts, demonstrating the step change in CTP's business. Figure 3 shows the significant changes to pricing seen over the past 2 years.

Outlook: We expect pricing to continue at or around these levels, possibly with a further small increase as legacy contracts roll off. Whenever the Northern Gas Pipeline (NGP) is open (it has been both open and closed during the quarter), CTP will be able to deliver into East Coast contracts (up to 1.5 PJ in CY2025), which may result in some variation in pricing. The East Coast contracts may result in a lower net price due to the transport costs to deliver the gas to the customers. We should also see some upward take-or-pay adjustments next quarter.

Figure 3: Pricing received – last 10 quarters



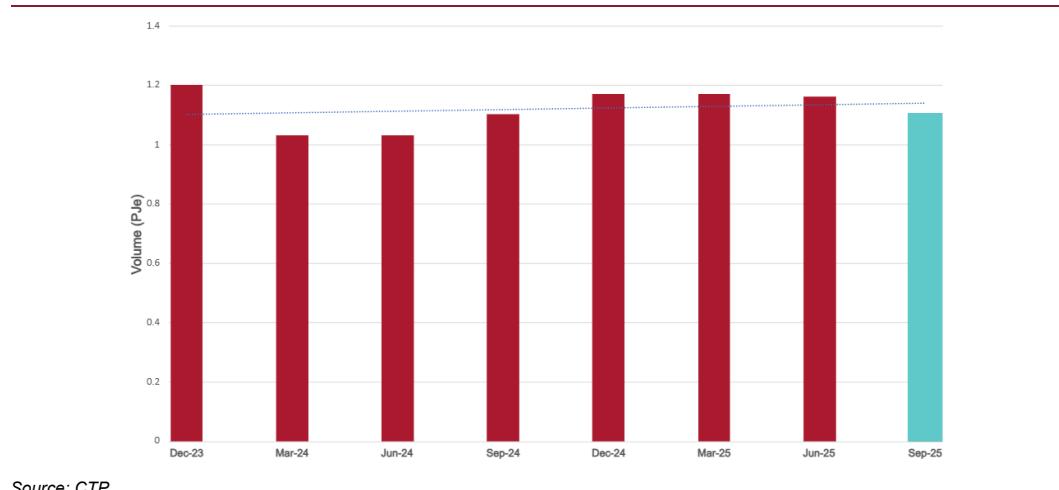
Source: CT

Sales volumes: pipeline pressure

Results: Sales volumes were slightly lower at 1.1 PJe (CTP share) vs. 1.16 PJe in the previous quarter. The small downturn mostly reflects the lower seasonal demand, extended closure of the NGP, temporary pipeline pressure restrictions, and partial offtake constraints.

Outlook: The NGP was closed for 65% of the quarter, restricting supply to eastern states amid weaker seasonal demand. However, with CTP's alternative gas contracts in the NT mitigating the effect of such closures, we expect sales volumes to increase next quarter (NT contracts have take-or-pay provisions which should see some uplift next quarter).

Figure 4: Quarterly sales – last 8 quarters



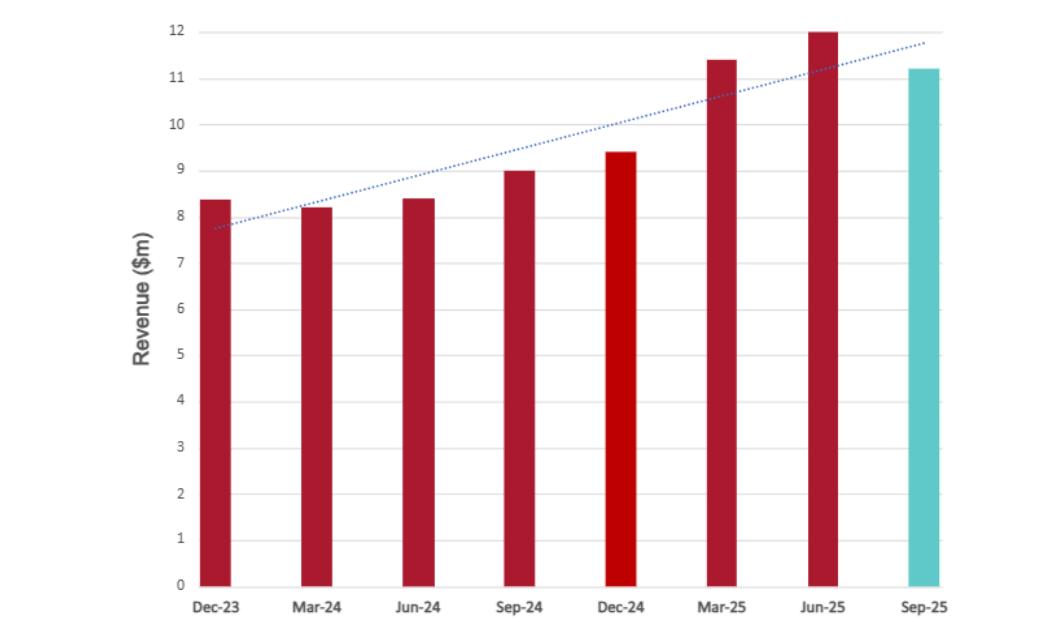
Source: CTP

Revenues: combination of lower demand and lower prices

Results: The combination of slightly lower volumes and slightly lower pricing saw revenue of A\$11.2m for the quarter, 6.6% lower than the A\$12m in the prior quarter but 24.4% higher than the same quarter last year.

Outlook: We expect revenues will be back up in the December quarter as demand improves and pricing rises slightly. While CTP expect the NGP to remain closed until at least March 2026, this can be counteracted by strong pricing and higher volumes from Mereenie following 1P and 2P reserve upgrades.

Figure 5: Revenue – last 8 quarters



Source: CTP

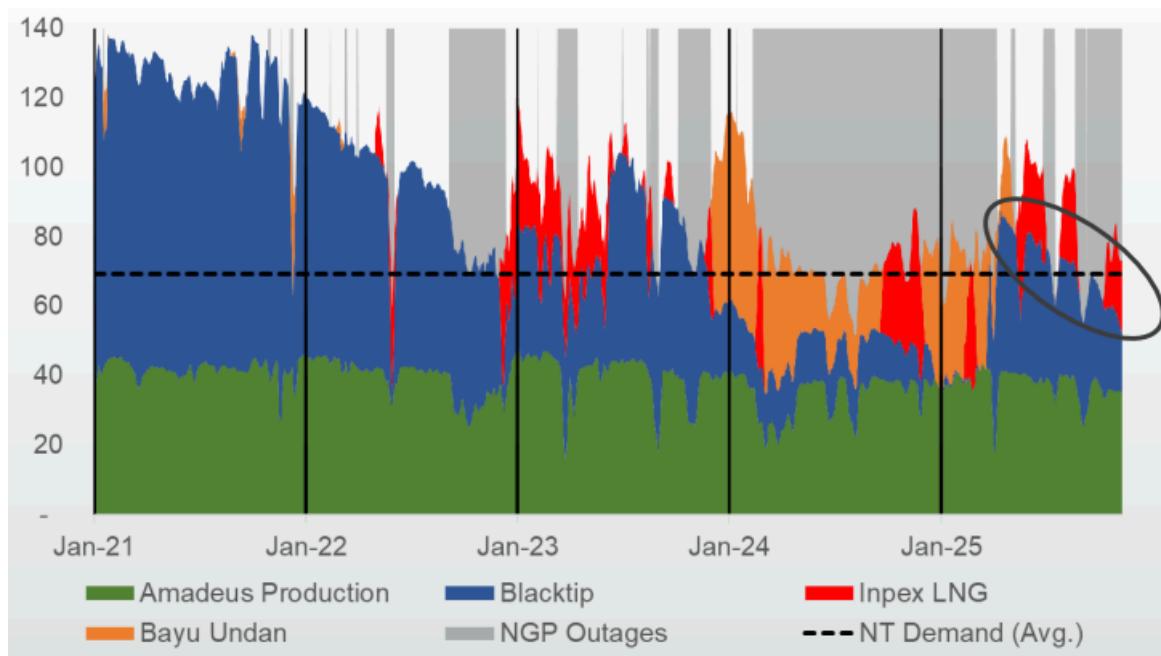
The NT Gas Market – Blacktip 'Tipping Over'

CTP remains in the box seat

NT supply continues to decline, falling below demand

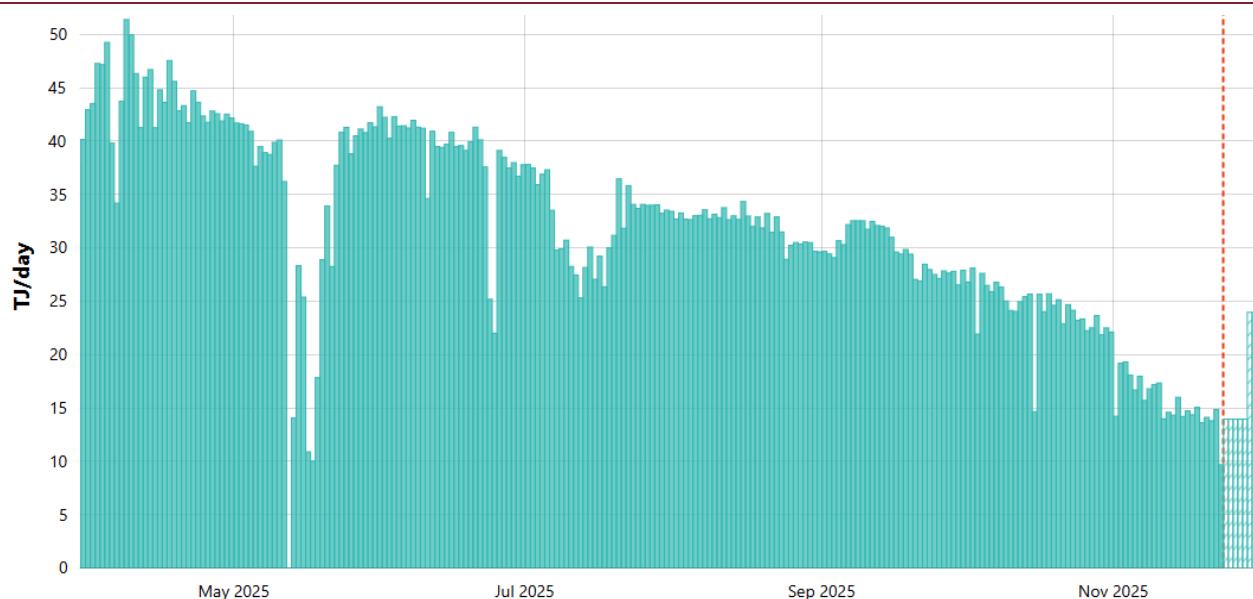
The NT gas market has moved into a clear shortfall this quarter, with ENI's offshore Blacktip field now appearing to be in decline. The weakening of Blacktip has driven a growing reliance on high-cost diverted LNG, and overall NT production is now insufficient to support reopening of the NGP, which is expected to remain closed until at least March 2026. These conditions, combined with the approaching summer demand peak, have heightened concerns around the reliability and cost of ongoing NT gas supply.

Figure 6: NT gas supply, 2021–2025 (circle indicates decline of Blacktip)



Source: AEMO, CTP.

Figure 7: Recent Blacktip production (May–November 2025)



Source: AEMO

Longer-term supply remains uncertain

Longer-term supply into the NT gas market remains uncertain, with a number of pieces of the puzzle to be finalised.

Blacktip decline leaves a hole in supply

The recent decline in Blacktip has left a hole in NT supply, increasing the market's reliance on diverted and expensive NT LNG. This is only a temporary solution and a longer-term solution is required.

Beetaloo provides part of the answer – timing to be confirmed

Beetaloo gas is currently targeting first volumes in mid-2026.

Beetaloo will be a long-term supplier into the NT. However, timing, scale and long-term shale deliverability are still to be confirmed.

CTP has the answers

The concern from the equity market with respect to CTP's position is that the flow of new gas from the Beetaloo will create an oversupply situation in the NT, and that therefore CTP will not be able to contract all of its production or will be forced to take significantly lower prices, reducing its cash flow and lessening its ability to expand production and manage capital. However, CTP has the near-term solution for the market due to:

- The recent decline of Blacktip has added a layer of imminent supply uncertainty to the market.
- CTP's proven production potential is backed by certified reserves (see Figure 8). The 2P reserves position at 30 June 2025 was 73.1PJ net to CTP, inclusive of 1P reserves of 59.2PJ.

Figure 8: CTP reserves (net to CTP) – 30 June 2025

| Reserves As at 30 June 2025 | Units | Working Interest | 1P FY25 | 1P FY24 | 2P FY25 | 2P FY24 |
|--------------------------------|-----------|---------------------|-------------|-------------|-------------|-------------|
| Mereenie Oil | mmbl | 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 |
| Total (GJ) | PJ | | 59.2 | 59.4 | 73.1 | 73.3 |

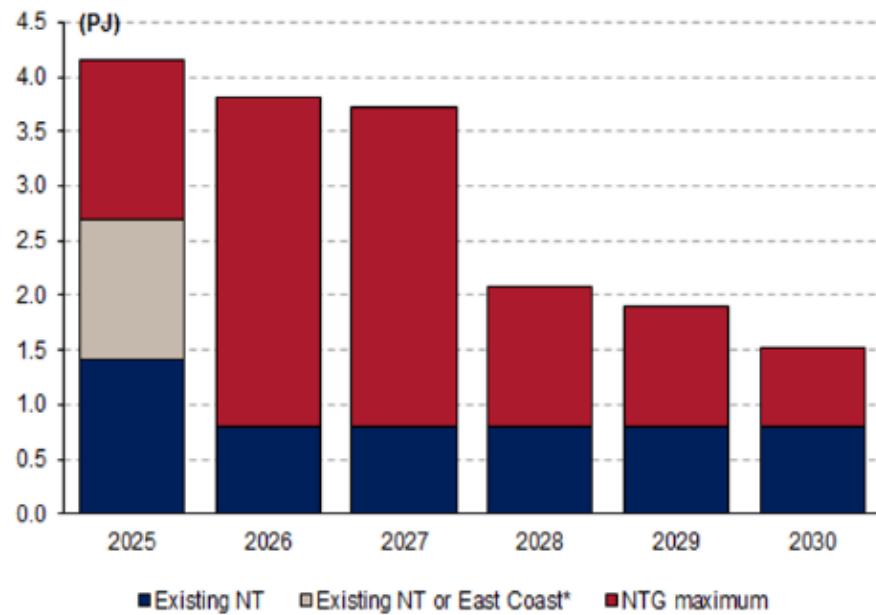
Source: CTP.

- At the moment, CTP has a 2P Reserves/Production (R/P) ratio of ~15 years (1P R/P of ~12 years). This healthy reserve life, coupled with CTP's record of consistent production and delivery, should in our view give potential customers sufficient comfort to undertake long-term contract positions.
- CTP's capacity to supply has a high level of certainty.
- CTP remains fully contracted through 2027, with uncontracted gas available from 2028, and has the potential to lift production from Mereenie and Palm Valley through new wells from 2026, subject to securing a term gas sales agreement (GSA) to underwrite a FID. CTP is actively marketing future gas supply.
- CTP's Amadeus Basin gas, delivered into the NT, has a significant transport cost advantage compared to currently-available alternative gas supplies

What if the new supply comes in? Then CTP can sell to the East Coast – so it works either way!

Any potential oversupply situation created by these other sources could actually have a potential silver lining. This is because this situation could enable the NGP, which is now bi-directional, to maintain threshold through-put (estimated at ~20 TJ/d), and remain open. This provides CTP with another gas commercialisation route via exposure to the East Coast spot market. As discussed above, this would mean an additional transport cost for CTP. However, given the current level of East Coast prices (A\$13/PJ) and the potential further shortfall in supply to the East Coast market, this provides CTP with a strong backup to signing long-term contracts with NT customers with similar pricing net to CTP.

Figure 9: CTP firm contracted volumes (CY2025–CY2030)



Source: CTP

Demand: customers are somewhat reluctant to sign longer-term contracts; Arafura FID could add 25% to NT demand

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 the McArthur River Gas pipeline) are playing on the minds of customers (and the equity market).

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 suppliers, 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). With established reserves and infrastructure, Amadeus Basin gas offers relatively lower-risk, cost-effective supply compared to the current offshore supply (Blacktip), the as-yet undeveloped Beetaloo, or expensive, emergency LNG backfill (INPEX).

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. The risk of customers potentially delaying in an attempt to try and arbitrage estimated future price differentials, or obtain better pricing via specific contract terms, could mean that tranches of current competitively cheap gas become scarcer or no longer available at today's prices, and could be relatively more expensive in several years' time.

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 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.

Potential new demand from Arafura's rare earth project possible. FID of the project could add ~25% to NT consumption, tightening the outlook further.

Buy-Back Yet to Be Implemented

In late July, CTP announced its first-ever on-market share buy-back, marking a significant milestone as the company's maiden return of capital to shareholders. The 12-month program, which could be activated from 15 September, allows the company to purchase up to 10% of issued capital. At recent prices, a 5% buy-back would cost ~A\$2m, while the full 10% would equate to ~A\$4m. The buy-back is open until November 2026.

The timing and volume of purchases will be subject to the prevailing share price, market liquidity, trading restrictions and regulatory constraints. The total number of shares purchased may be significantly lower than the 10% limit, or the program may be suspended if CTP is in possession of material non-public information (MNPI). To date, CTP has not bought back any shares due to ASX trading constraints (such as CTP being in possession of MNPI).

The buy-back is supported by CTP's cash reserves and long-term gas contracts, which underpin its operating cash flows.

The program is designed to improve shareholder returns and reduce dilution from future share issues, with a portion of the key management personnel (KMP) share rights being cash-settled to align incentives without issuing additional shares.

The buy-back provides flexibility to allocate capital, including to potential growth initiatives, accelerated debt repayment, and the future introduction of a sustainable dividend policy. It is an important milestone that reflects the progress that CTP has made over the past 5 years.

CTP Set Up to Grow, Improve, Explore and Return!

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).

Return: this stage has commenced – cash generation drives share buy-back

The buy-back marks CTP's first-ever return of capital to shareholders. The additional cash generated from CTP's NT Government contracts has given the company confidence in forward cash flows to commence its capital management program. The cash balance has grown to A\$27m – equivalent to about two-thirds of CTP's market capitalisation.

A full 10% buy-back would cost around \$4m. If a full buy-back occurred at A\$0.059 per share, our valuation would lift to A\$0.22 per share.

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

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 buy-back strongly signals CTP's confidence in the future cash flows of the company and management's view that the shares are undervalued.

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

CTP is looking across its portfolio at growth options.

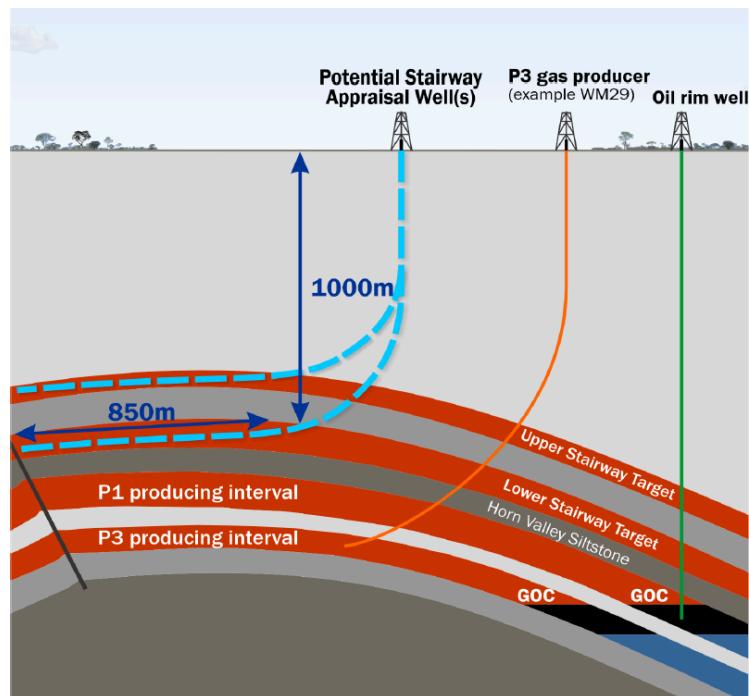
Mereenie Stairway – the next Mereenie focus for drilling

CTP has been considering drilling the shallower Mereenie Stairway Sandstones for some time. The 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.

CTP is assessing the timing of a Stairway program.

The Mereenie Stairway program aims to increase Mereenie reserves to enable CTP to both grow production and extend the asset life.

Figure 10: Mereenie potential Stairway appraisal



Source: CTP.

Palm Valley potential

Palm Valley (PV) is a large field of 616km².

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.

Dingo – worth looking at as well

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 as well as to look at opportunities to expend Dingo's production to sell into the NT market.

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

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.

Improve: 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. Given current production is ~26 TJ/d, there is opportunity to look at 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.

Explore: near and far

CTP has strong exploration opportunities within the portfolio and has a strategy to bring in new partners to assist in funding further exploration activity.

Existing assets

Mereenie, Palm Valley and Dingo have large acreage, much of which remains underexplored. Given the current market conditions, CTP will look at near field exploration opportunities to expand the reserves and resource base, including the EP115 permit which is immediately to the north west of the Mereenie field, with little exploration conducted to date.

Sub-salt opportunities

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 recently announced farm-out deal with Georgina Energy has increased the probability of wells being drilled in the near future.

The first well is largely drill-ready, but timing is subject to Georgina raising £7m to fund the well costs.

Valuation: Base-Case of A\$0.21 (Unchanged) Stock Appears Substantially Undervalued

New gas contracts underpin valuation

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

The key underpinning of our valuation relates to 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 are the lowest risk possible as they are take or pay with a Government agency and have increased pricing compared to previous contracts. Considering the low risks to price and volume, 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 new NT Government gas offtakes are unclear for commercial-in-confidence reasons, CTP has been receiving average prices over A\$10/GJ since the commencement of the contracts at the start of CY25.

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 have **gas price assumptions of A\$9.50/GJ for FY26 and for our long-term price**. 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, after which our valuation is unchanged.

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

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

| NPV | A\$m Valuation Unrisked | Risking | A\$m Valuation Risked | New Valuation A\$ps |
|--|-------------------------------|------------|-----------------------------|---------------------------|
| Mereenie - OL4 & OL5 (25%) | 77 | 100% | 77 | 0.10 |
| Palm Valley - OL3 (50%) | 22 | 100% | 22 | 0.03 |
| Dingo - L7 & PL30 (50%) | 43 | 100% | 43 | 0.06 |
| Total Operations | | 142 | 142 | 0.19 |
| 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 |
| TOTAL VALUATION | | 172 | 149 | 0.21 |

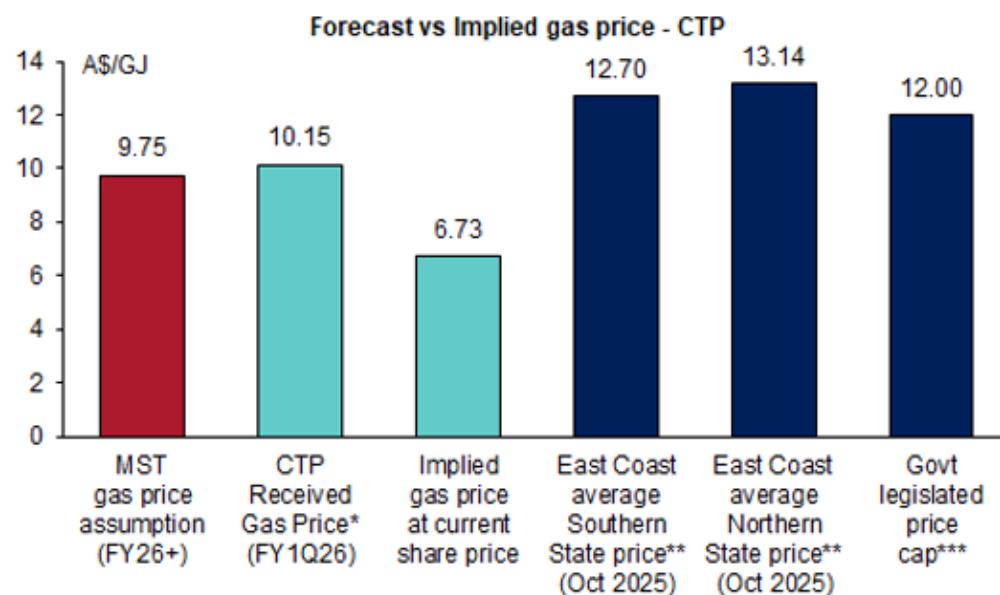
Source: MST estimates.

Valuation cross-checks suggest CTP is undervalued

Gas price implied by current share price: A\$6.73/GJ (vs. A\$10.15 in 1QFY26)

The current share price implies a gas price of A\$6.73/GJ. CTP received an average price of A\$10.15/GJ in the last quarter, and our forecast is A\$9.50 for FY26. The current share price assumes that CTP's average gas price received will be some 38% less than the last quarter over the life of the assets.

Figure 12: Share price–implied gas price vs forecast and East Coast prices



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

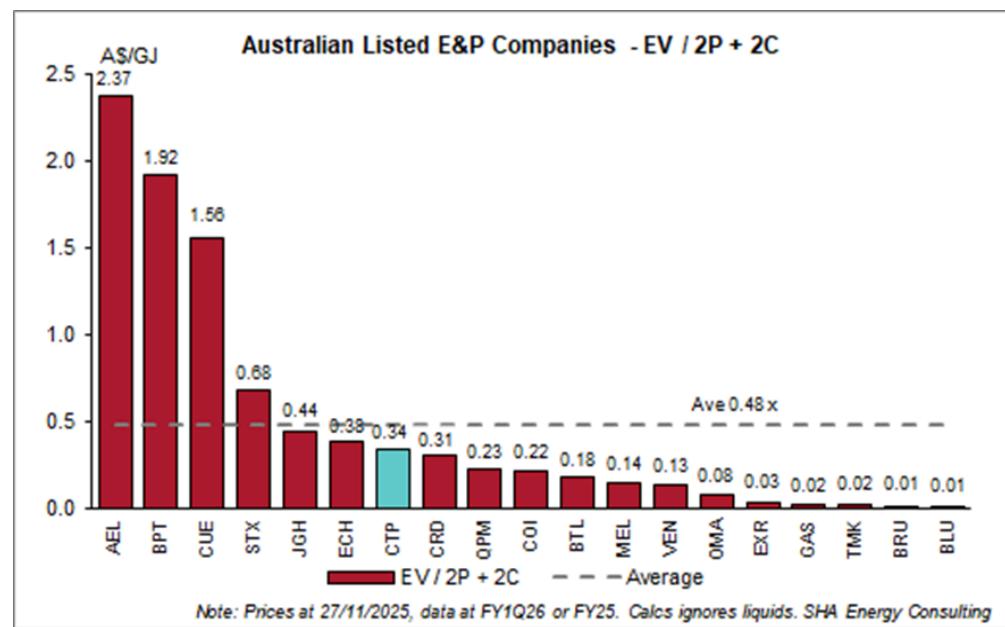
Enterprise Value to Resources suggests that CTP is undervalued: market average multiple implies A\$0.072/share

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 13), 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 24% below its peer average, with CTP's EV/2P+2C of A\$0.34/PJ comparing to the average of A\$0.48/PJ. The peer average multiple would see CTP valued at A\$0.072 vs. the current share price of A\$0.058 and our valuation of A\$0.21.

Figure 13 suggests that the equity market is potentially mis-pricing CTP's gas, given the existing production and cash flow as well as the clear path to market in the NT via quality customer offtake, i.e. significant commercial de-risking.

Figure 13: Select Australian-listed energy stocks – EV/Resources (A\$/GJ)



Source: SHA Energy Consulting, company filings, MST.

Catalysts: upside potential driven by multiple sources

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

- finalisation of the transaction with Georgina Energy (sub-salt farm-out)
- share buy-back: 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 buy-backs
- 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. Assuming that the Georgina Energy farm-out succeeds, market focus will be on the sub-salt exploration program. 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 on costs and validity of extraction before taking this into our valuation
- a potential takeover due to CTP's value proposition.

Risks

Key risks to our valuation and to the share price include:

- the Georgina Energy farm-out not proceeding
- Mereenie Stairway development not proceeding
- Palm Valley development wells not proceeding
- lack of further capital management, and/or the share buy-back being 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.

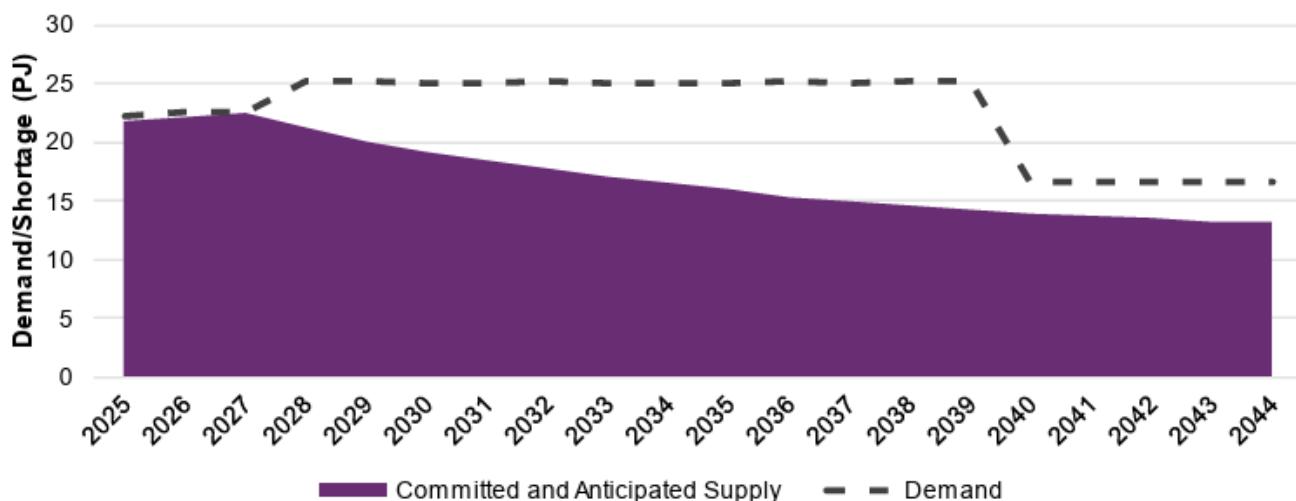
Appendix 1: Recap – 2025 Gas Statement of Opportunities: Continued Tightness in Northern Territory Gas Market

The Australian Energy Market Operator (AEMO) releases an annual Gas Statement of Opportunities (GSOO). The 2025 version continues to emphasise the tight gas market situation in the NT, stating:

"Reliance on alternative and interim gas arrangements may persist in the Northern Territory. The Northern Territory presently relies on alternative and interim gas arrangements, including with Darwin LNG exporters. There is currently reduced production from the Blacktip field, and it is not clear when production levels will be fully restored. Carpentaria Gas Field from Beetaloo Basin in Northern Territory has progressed from uncertain to anticipated status with expected production of 10 terajoules a day (TJ/d) from 2026 which will increase to 25 TJ/d or 9 PJ/y from 2027. **However, this is still not enough to supply the increasing industrial demand and ongoing reliance on gas-powered electricity generation (GPG) for electricity generation in the Northern Territory.**

"The Northern Gas Pipeline (NGP) which transports gas eastward to Mount Isa from the Northern Territory is currently not flowing, and the resumption of these flows is not forecast in the 2025 GSOO. In August 2024, Jemena completed the NGP Reversal Capability project, which enables gas to flow towards the Northern Territory from Queensland. Reversal of the NGP provides a backup solution to address forecast supply gaps in the Northern Territory if gas supply is not available from alternative arrangements."

Figure 14: Forecast annual demand and shortage in the Northern Territory, step change, 2025–44 (PJ)



Source: AEMO GSOO.

Appendix 2: Recap of the Terms of the NT Government Gas Contracts

The 6-year gas supply deal:

- ensures that CTP's onshore gas operations (Amadeus Basin) have a more certain commercial pathway irrespective of whether the NGP is open, i.e. it negates reliance on the NGP to access the East Coast market, while simultaneously preserving the option to do so whenever the NGP is operational
- is structured as a base-load supply, with high levels of take-or-pay. This means CTP's expected firm production from existing wells is fully contracted (including any additional production from the two new Mereenie wells which are both on line), and will benefit from more consistent, firm sales at higher average CPI-linked gas prices
- had significant volumes earmarked for the proposed Arafura rare earths mine from 2028. CTP has let this contract lapse as the FID for the mine has been postponed. CTP has indicated that it will look to re-contract this gas into a short-supplied market.

The GSAs de-risk CTP's future cash flows (lowering potential volatility and eliminating its exposure to NGP closures), which underwrites new infill development wells to access proven, undeveloped reserves. In short, the GSAs allow CTP to better plan and budget for development and appraisal activities as well as field optimisation over the coming 12–18 months. Furthermore, they should help CTP to gradually mature its capital management initiatives.

Key advantages of GSAs with the NT Government

The deal is a major win for both parties. The NT Government secures volumes of competitively priced gas (i.e. cheaper than emergency short-term re-routed LNG tail supply) from relatively lower-risk onshore supplies, while CTP gets to monetise a significant portion (~12 PJ) of its production over the next 6 years with low transportation risk at robust CPI-linked gas prices with a low-risk counterparty. Although details around the NT Government GSA pricing have not been disclosed, June and September 2025 quarter reports provide an insight. Average prices in the June quarter increased a 5.5% from March to \$10.38/GJ before softening slightly to \$10.15/GJ in the September quarter.

The higher pricing is still very competitive compared to the high-priced emergency diverted LNG gas the NT Government has been forced to buy, with short-term gas prices purportedly in the range of ~A\$17–18/GJ. As CTP rolls off its legacy contracts, margins could increase by more than \$1/GJ from the ~\$2.50/GJ previously attained.

The GSAs offer flexibility to CTP. Importantly, in CY2025 there is a volume of 'NGP-diverted gas' (~1.25–1.50 PJ). This is essentially gas supply from Mereenie that has been allocated to CTP's East Coast customers in CY2025, but can only be sold if the NGP is operational. If the NGP does not operate and the gas cannot be delivered to East Coast customers, it can be made available to the NT Government, i.e., the destination is flexible. This was the case in the first quarter of CY2025 and for much of the third quarter.

Northern Gas Pipeline (NGP) reopens – CTP supplying into East Coast

In early February 2024, gas flows on the NGP ceased, primarily from declining production at Blacktip. The Blacktip field's output had dropped from around 92 TJ/d in 2021 to as low as 15 TJ/d for most of 2024, making it impossible to meet the NGP's minimum throughput requirements. As a result, the pipeline was shut for eastward flows for much of 2024 and into 2025. The pipeline re-opened for several short windows in 2025, but is now expected to remain closed until March 2026, due once again to Blacktip's declining volumes.

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\$0.061 | Valuation A\$0.210;

Price, target price and rating as at 09 December 2025 (not covered)*

Additional disclosures

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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