

20 April 2026

## At Its Strongest Yet

### NEED TO KNOW

- Palm Valley enters long-term gas sales agreement with NT Govt.
- CTP spreads wings to Otway and Cooper Basins
- 1HFY26 results – best still to come

**Long-term gas sales agreement (GSA) to set up locked-in cashflow:** Central Petroleum (CTP) and its JV partners at Palm Valley (PV) have entered a new long-term GSA with the Northern Territory (NT) Government. The GSA is to sell uncontracted gas from PV of up to 10.5PJ (CTP's share) until end-2034. An accelerated drilling program for 2 new wells will commence at PV at an estimated cost of A\$26m to CTP, to be funded by cash and debt. The NT gas market moving into clear shortfall has prompted the NT Government to lock in a secure gas supply from proven conventional reserves. The GSA provides CTP with long-term contracts at market pricing and sets up the company for strong cash generation.

**CTP moves into Otway and Cooper Basins:** CTP has acquired a 20% interest in an exploration permit in the Otway Basin, and a 49% interest in 24 South Australian Petroleum Retention Leases (PRLs) alongside an exploration permit in the Cooper Basin. This includes the highly prospective onshore Otway Basin Enterprise North (EN) gas target, just north of the producing Enterprise well. An exploration well is targeted at EN for 2HCY26.

**1HFY26 results – cash generation strong:** 1HFY26 underlying profit was +17% on pcp due to higher revenue from NT Government contracts. Cash generation was strong, building the net cash position. As CTP transitions away from gas overlift obligations, the true worth of the NT Government contracts will be reflected in FY27.

### Investment Thesis

**Extreme NT gas market tightness drives high-margin contracts, certified reserves generate sustainable long-term cashflow:** CTP's GSAs with the NT Government out to 2034 highlight the tight NT gas market in the short and medium term. There is strong potential for further long-term contracts to be signed for Mereenie with additional gas customers. CTP's 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 reserves back its capacity to sign long-term contracts and/or to sell into the East Coast gas market.

**Otway and Cooper Basins – low-risk exploration plays could lead to substantial production growth:** Drilling success at EN could lead to a doubling of CTP's current production and potential revenue of A\$200m over the life of the asset. Entry into the established Cooper Basin adds further low-risk exploration potential.

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

Our base-case NPV of A\$0.22/share (previous A\$0.21) implies that CTP is deeply undervalued. At current prices, FY27E P/OCF is 2.4x, P/E 3.4x, and EV/EBITDAX 2.3x, and the implied gas price is A\$7.68/GJ (vs our FY26 forecast of A\$9.75/GJ and CTP's latest realised price of A\$9.59/GJ). Risks: further GSAs not being signed, lack of drilling success at Otway and Cooper.

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)

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

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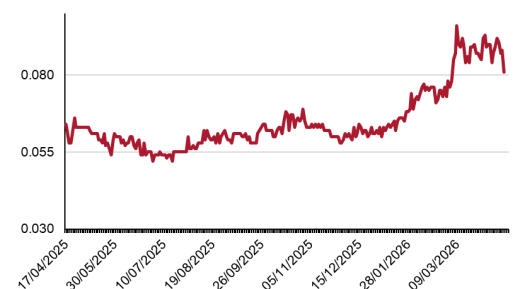
Central Petroleum is the NT's largest onshore gas operator, with a portfolio of gas and oil assets focused on the Amadeus Basin. Its strategy is to unlock and commercialise the vast energy potential of the Central Australian basins to take advantage of a tight supply/demand balance in the domestic gas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

Valuation	<b>A\$0.220</b> (from A\$0.210)
Current price	<b>A\$0.081</b>
Market cap	<b>A\$61m</b>
Net cash	<b>A\$5.3m</b> (31 Dec 2025)

### Upcoming Catalysts / Next News

Period	
1HCY26	Completion of sub-salt farm-out
2HCY26	Exploration – Otway Basin
2HCY26	New wells production increase

### Share Price (A\$)



Source: FactSet, MST Access.

Figure 1: Financial summary, year-end 30 June

Central Petroleum Limited (ASX:CTP)					
<b>Year-end 30 June</b>					
Share Price	A\$/sh		0.081		
52 week high/low	A\$/sh		0.09 / 0.05		
Valuation	A\$/sh		0.22		
Market Cap (A\$m)	A\$m		61		
Net Cash / (Debt) (A\$m)	A\$m		5		
Enterprise Value (A\$m)	A\$m		56		
Shares on Issue	m		745.3		
Options/Performance shares	m		36.5		
Potential Diluted Shares on Issue	m		781.8		
<b>Ratio Analysis</b>					
EPS	2024A	2025A	2026E	2027E	2028E
P/E (x)	1.68	1.04	0.80	2.73	5.90
EPS Growth (%)	3.1	5.3	11.5	3.4	1.6
CFPS (A¢)	0.93	1.92	2.24	3.86	7.29
P/CF (x)	5.7	2.9	4.1	2.4	1.3
DPS	–	–	–	–	–
Dividend Yield (%)	–	–	–	–	–
EV / EBITDA (x)	1.6	2.1	4.9	2.4	0.5
EV / EBITDAX (x)	2.7	1.9	3.5	2.2	0.5
EV / boe (x)	49.2	47.4	97.8	74.1	9.4
EV / PJe (x)	8.2	7.9	16.3	12.4	1.6
FCFPS					
FCF Yield (%)					
<b>Assumptions (Yr end Jun)</b>					
Brent Oil Price (US\$/bbl)	2024A	2025A	2026E	2027E	2028E
Exchange Rate (A\$1:US\$)	80.62	72.18	73.00	74.8	76.7
Gas Price (A\$/GJ)	0.656	0.648	0.648	0.648	0.648
	7.35	8.66	9.75	9.99	10.24
<b>Production</b>					
Gas (TJ/d)	2024A	2025A	2026E	2027E	2028E
Gas (PJ)	12.0	12.3	12.0	16.4	54.0
LPG (kt)	4.4	4.5	4.4	6.0	19.7
Oil / Condensate (mmbbl)	–	–	–	–	–
	0.03	0.03	0.02	0.02	0.02
<b>Total (mmboe)</b>	<b>0.76</b>	<b>0.78</b>	<b>0.75</b>	<b>1.02</b>	<b>3.31</b>
Gas (mmboe)	0.73	0.75	0.73	1.00	3.29
LPG (mmboe)	–	–	–	–	–
Oil / Condensate (mmboe)	0.03	0.03	0.02	0.02	0.02
<b>Year End Reserves 2P (mmboe)</b>	<b>12.6</b>	<b>12.6</b>	<b>11.8</b>	<b>10.8</b>	<b>7.5</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>					
	1 Mar 26	A\$m	Risking	A\$m	A\$ps
Mereenie - OL4 & OL5 (25%)		83	100%	83	0.11
Palm Valley - OL3 (50%)		16	100%	16	0.02
Dingo - L7 & PL30 (50%)		47	100%	47	0.06
Enterprise North - PEP 169 (20%)		20	65%	13	0.02
Cooper Basin (49%)		5	100%	5	0.01
<b>Total Operations</b>		<b>171</b>		<b>164</b>	<b>0.22</b>
Net Cash / (Debt)		(4)	100%	(4)	(0.01)
Admin / Corporate / Other		(36)	100%	(36)	(0.04)
Exploration (risk-adjusted)		24	50%	12	0.02
Mereenie & Palm Valley 2C gas (risked)		39	65%	25	0.03
<b>TOTAL VALUATION</b>		<b>193</b>		<b>160</b>	<b>0.22</b>

CTP Relative to XEJ 12 months					
<b>Profit &amp; Loss (A\$m)</b>					
	2024A	2025A	2026E	2027E	2028E
Oil / Condensate Revenue	3	3	3	3	3
LPG Revenue	–	–	–	–	–
Gas Revenue	34	40	42	60	94
<b>Revenue</b>	<b>37</b>	<b>43</b>	<b>45</b>	<b>63</b>	<b>97</b>
Operating Costs	(18)	(18)	(16)	(20)	(23)
Government Resource Taxes	(3)	(4)	(4)	(5)	(8)
Exploration & Development Expenses	(4)	(2)	(6)	(2)	(4)
Other Net Income / Expense	11	(1)	(4)	(4)	(5)
<b>EBITDA</b>	<b>24</b>	<b>18</b>	<b>15</b>	<b>32</b>	<b>57</b>
<b>EBITDAX</b>	<b>28</b>	<b>20</b>	<b>21</b>	<b>34</b>	<b>61</b>
Depreciation & Amortisation	(8)	(7)	(7)	(9)	(11)
EBIT	16	11	8	23	46
Net Interest Expense	(3)	(3)	(2)	(2)	(1)
<b>Net Profit before-tax</b>	<b>12</b>	<b>8</b>	<b>6</b>	<b>21</b>	<b>44</b>
Tax Expense / Benefit	–	–	–	–	–
<b>Reported Profit</b>	<b>12</b>	<b>8</b>	<b>6</b>	<b>21</b>	<b>44</b>
Exceptional items / non-recurring	14	–	4	–	–
<b>Underlying NPAT</b>	<b>(1)</b>	<b>8</b>	<b>10</b>	<b>21</b>	<b>44</b>
<b>Cash Flow (A\$m)</b>					
	2024A	2025A	2026E	2027E	2028E
Pretax Profit	12	8	6	21	44
D&A & Other Non-Cash Items	(6)	7	11	9	10
Tax Paid	–	–	–	–	–
<b>Cash from Operating Activities</b>	<b>7</b>	<b>14</b>	<b>17</b>	<b>29</b>	<b>55</b>
Development Capex	(3)	(9)	(15)	(27)	(10)
Acquisitions/Other (Net of Sales)	12	1	(10)	(4)	–
Dividends Paid	–	–	–	–	–
<b>Free Cash Flow</b>	<b>16</b>	<b>4</b>	<b>(8)</b>	<b>(2)</b>	<b>44</b>
Cash Provided by Financing	(5)	(2)	(0)	(8)	(5)
<b>Net Change in Cash</b>	<b>11</b>	<b>2</b>	<b>(9)</b>	<b>(10)</b>	<b>39</b>
<b>Balance Sheet (A\$m)</b>					
	2024A	2025A	2026E	2027E	2028E
Cash & short term deposits	25	27	19	9	48
Receivables	5	7	7	10	16
Inventories	4	4	6	9	13
Property, Plant and Equipment	56	58	67	87	89
Capitalised exploration	8	8	7	7	6
Intangibles and Goodwill	2	2	2	2	2
Other assets	4	8	8	8	9
<b>Total assets</b>	<b>104</b>	<b>114</b>	<b>117</b>	<b>132</b>	<b>182</b>
Creditors	3	5	4	6	9
Borrowings	23	23	23	15	10
Other liabilities	45	45	38	39	48
<b>Total liabilities</b>	<b>71</b>	<b>73</b>	<b>66</b>	<b>60</b>	<b>66</b>
Shareholder equity	33	41	51	72	116
<b>Shareholder Equity + Total Liabilities</b>	<b>104</b>	<b>114</b>	<b>117</b>	<b>132</b>	<b>182</b>

Source: CTP, MST estimates.

# Palm Valley Locks in GSAs with NT Government

## Long-term supply of up to 10.5 PJ until 2034 (CTP's share)

CTP and its Palm Valley JV partners have entered into a GSA with the Northern Territory Government.

The GSA will see CTP sell up to 10.5 PJ (CTP's share) of uncontracted gas from Palm Valley until the end of 2034, representing approximately CTP's share of 2P reserves of 10.3PJ at Palm Valley (see Figure 2). It should be noted that the new wells will largely draw from the 6.5PJ of 2C Contingent Resource.

Figure 2: Mereenie and Palm Valley Reserves and Contingent Resource

CTP share		Reserves		Contingent Resource
	Units	1P	2P	2C
Mereenie Gas	PJ	28.9	37.9	45.6
Palm Valley	PJ	9.6	10.3	6.5
<b>Combined</b>	<b>PJ</b>	<b>38.5</b>	<b>48.2</b>	<b>52.1</b>

Source: CTP.

## Drilling program – two new wells at PV

The Palm Valley JV has made a Final Investment Decision to drill the two wells on an accelerated basis.

Drilling for the first well is scheduled to commence in the middle of this year, with production from the new wells anticipated to be brought online progressively over the second half of 2026.

## Cost of new wells and funding

CTP expects the cost of the two new wells (net to CTP) will be A\$26m, inclusive of an allowance for possible elevated diesel prices.

To maintain a working capital buffer while drilling at Palm Valley, along with exploration wells planned for the Cooper and Otway Basins, CTP has increased its existing loan facility. The increased facility provides access to up to \$15m, available until 31 December 2026. CTP expects to require only \$8–10m of this increased facility to fund the PV wells.

## New supply agreements increase CTP production by 40%

The gas supplied from PV will initially increase CTP's production by 40% and will start generating cash before the end of CY2026.

The new GSAs will provide CTP with a further reliable government-backed income stream into the next decade.

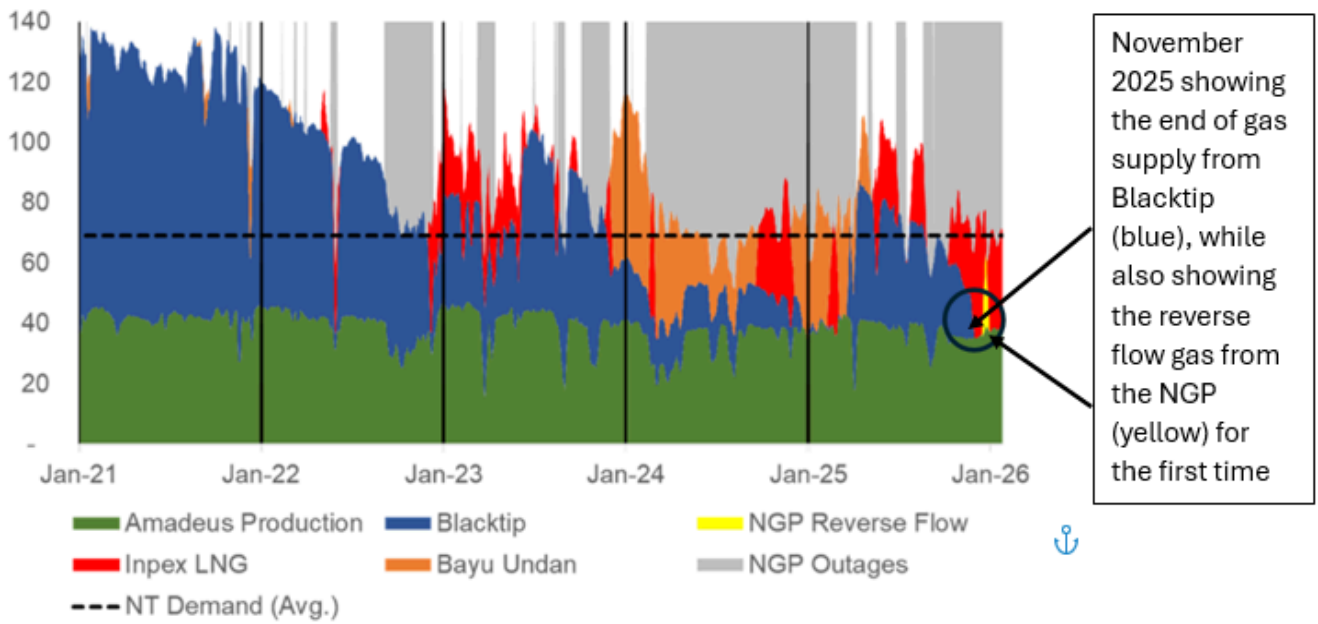
## Agreement rationale – the NT simply needs a long-term reliable gas supply

The GSAs are designed to allow the rapid supply of additional gas to the NT and improve gas supply security.

The NT gas market has moved into a clear shortfall, with ENI's offshore Blacktip field having ceased production in November 2025 (see Figure 4) which has driven a growing reliance on high-cost diverted LNG. NT production is now insufficient to support reopening of the Northern Gas Pipeline (NGP) in its primary (eastern) direction and CTP expects it to remain closed until at least September 2026. A small volume of East Coast gas has been received into the NT market via reverse-flowing the NGP. In addition, new supply from the Beetaloo Basin, while having a very strong chance of being produced, may be still at least 6 months from supplying into the NT and initially may not even replace the volume that was coming from Blacktip. These conditions have increased concerns around the reliability and cost of ongoing gas supply for the NT.

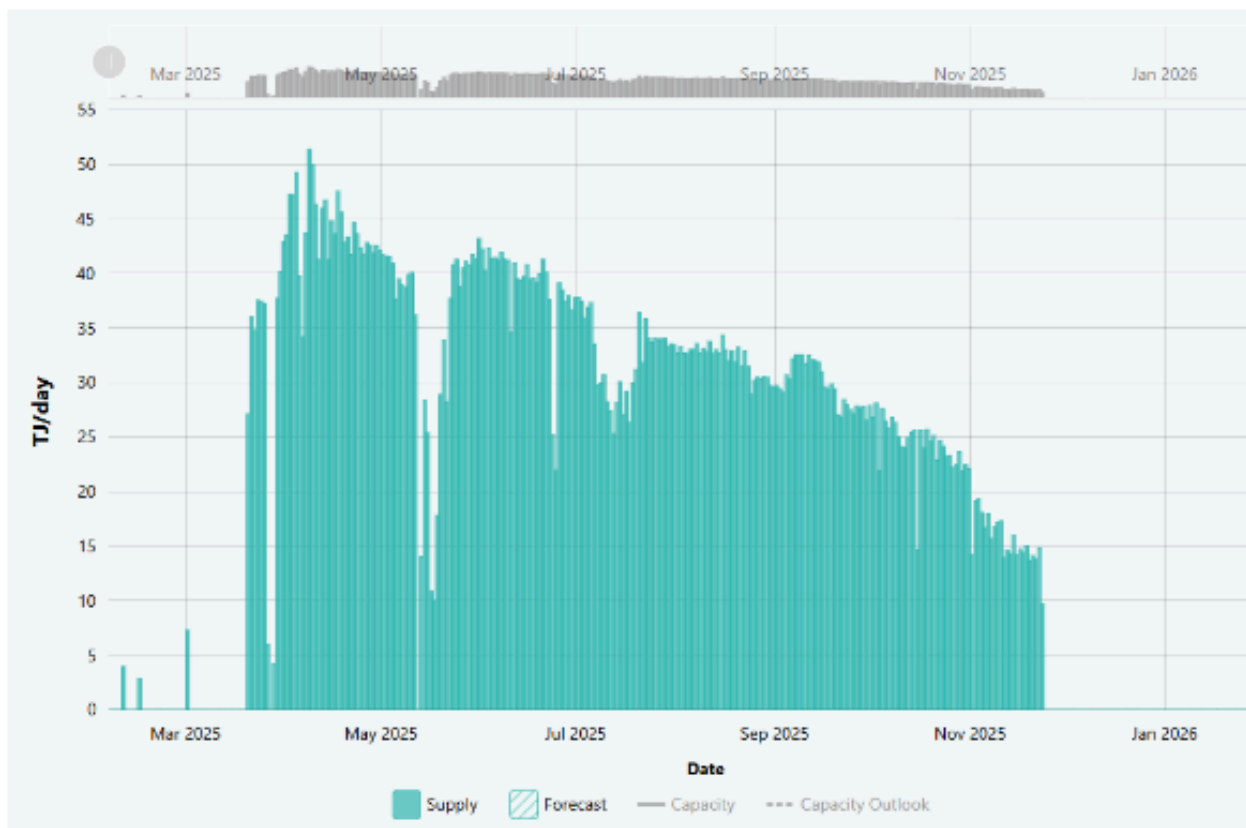
Figure 3 shows the NT domestic gas supply for the last 5 years. Note the significant drop-off of Blacktip (blue in the graph) in 2025, which forced the NT to buy significant volumes of expensive gas from Inpex LNG (red) and for the first time to import gas from the East Coast via reverse flow of the NGP (yellow), demonstrating the need to secure long-term reliable gas supply from the Amadeus Basin.

Figure 3: NT gas supply, last 5 years – Blacktip 'tipped' over



Source: CTP.

Figure 4: Blacktip supply, last 12 months – well stopped supplying in November



Source: AEMO.

## **PWC LOI in December included Mereenie**

This GSA replaces the proposed gas supply arrangements previously outlined in a Letter of Intent (LOI) announced in December 2025 with the NT's Power and Water Corporation (PWC). Under the LOI, Mereenie gas was also included as new gas supply.

These volumes are not included in the GSA, and CTP will market these volumes to customers seeking reliable long-term gas supplies backed by proven reserves.

## **Why the Mereenie LOI was not converted to a GSA**

The LOI in December was with PWC, a NT Government entity. Major contracts entered into by PWC require approval from the NT Government (in this case, ministerial approval).

The LOI presented to the NT Government created some concern at a senior government level that PWC may be 'overcommitting' as far as their gas requirements are concerned. The NT Government is also considering the timing and volume of potential Beetaloo supply.

As a result, the NT Government made a smaller commitment to long-term gas sales arrangements by settling on a smaller Palm Valley deal.

## **Additional GSA contracts all CTP's volumes for next 2 years**

In October 2025, CTP entered a GSA to supply 1.3 PJ (CTP's share) of gas to McArthur River Mining Ltd's NT mine for two years commencing 31 December 2025. Gas supplied under the GSA is aggregated with existing Mereenie supply from the other Mereenie JV partners to deliver up to 4.9 PJ during the two-year period.

# CTP Goes to the Otway and Cooper

In late December 2025, CTP announced that it had entered into binding Sale and Purchase Agreements (SPAs) with ADZ Energy (see Note below) to acquire both:

- a 20% interest in the Victorian exploration permit PEP169 in the Otway Basin
- a 49% interest in 24 South Australian Retention Leases (PRLs) and exploration permit PEL677 in the Cooper Basin.

This is a major leap forward for CTP's portfolio as it secures strategic multi-basin interests in highly prospective conventional exploration permits in the onshore Otway and Cooper Basins. PEP169 in the Otway Basin **includes the prospective Enterprise North (EN) gas target**, with an exploration well targeted for drilling in 2H2026. In the Cooper Basin, extensive seismic surveys have identified 11 priority oil leads, with 2–3 exploration wells planned for drilling in late CY2026 / early CY2027.

*Note: ADZ is a privately owned company that is focused on the development of conventional and unconventional energy resources. The company has a diverse portfolio of assets across Queensland, the Northern Territory, Victoria and South Australia with a primary focus on the discovery, development and production of gas, LPG, condensate and oil.*

## Terms of the SPAs

Under the SPAs, ADZ will continue as operator and CTP will pay:

- upfront cash of A\$9.2m, and CTP's 49% participating interest share of specified back costs (paid in January 2026)
- a A\$3.9m success payment conditional on the success of the planned exploration well at EN
- a 5% royalty on future production from CTP's 49% interest in the Cooper Basin.

## Acquisition rationale: low risk, onshore and conventional gas – CTP's wheelhouse

CTP's acquisition of an initial 20% interest in permit PEP169 (EN) as well as a 49% interest in Cooper Basin exploration rights is a step towards building portfolio diversification, providing a meaningful interest in upside East Coast gas potential with a clear path to market and robust pricing without outlaying significant upfront capital.

If drilling is successful, the opportunity provides a relatively low-risk onshore exposure to gas and potential strong cash generation and value uplift.

## Enterprise North – potential to double CTP's gas production

CTP has acquired a 20% interest in PEP169 within the Otway Basin, onshore Victoria.

The Otway Basin hosts the Waarre Formation, which is a high-quality sandstone formation with world-class porosity and productivity. EN sits within this formation and is a fault block directly north of the existing Enterprise gas field, and is one of the most prospective onshore targets in Australia. The project boasts a favourable location with three processing facilities nearby as well as existing pipelines feeding into the high-value Victorian gas market.

Drilled from onshore, EN represents a relatively low-risk, modest, short-duration gas resource that can be tied into existing pipeline infrastructure (gas could be piped to the Otway Gas Plant [OGP], Athena Gas Plant, or even Iona Underground Storage [IUGS]).

The development cost required is being minimised by designing the well as a production well due to the high historical success rates in the area, with Amplitude Energy reporting a 94% success rate across 17 amplitude-supported exploration wells in offshore Otway. All recent Waarre Formation discoveries in the Otway Basin, both onshore and offshore, are amplitude supported.

CTP estimates its group-wide equity gas production rates will nearly double if the well is successful.

The best estimate for the prospective resource is 5.7 Bcf (see Figure 5), yielding an implied acquisition cost of roughly A\$1.28/GJ. The higher permeability of the Waarre C formation targeted by CTP will yield high flow rates.

In addition to EN, PEP169 hosts 18 further conventional prospects and leads, including additional amplitude-supported targets, some of which are located nearby existing infrastructure.

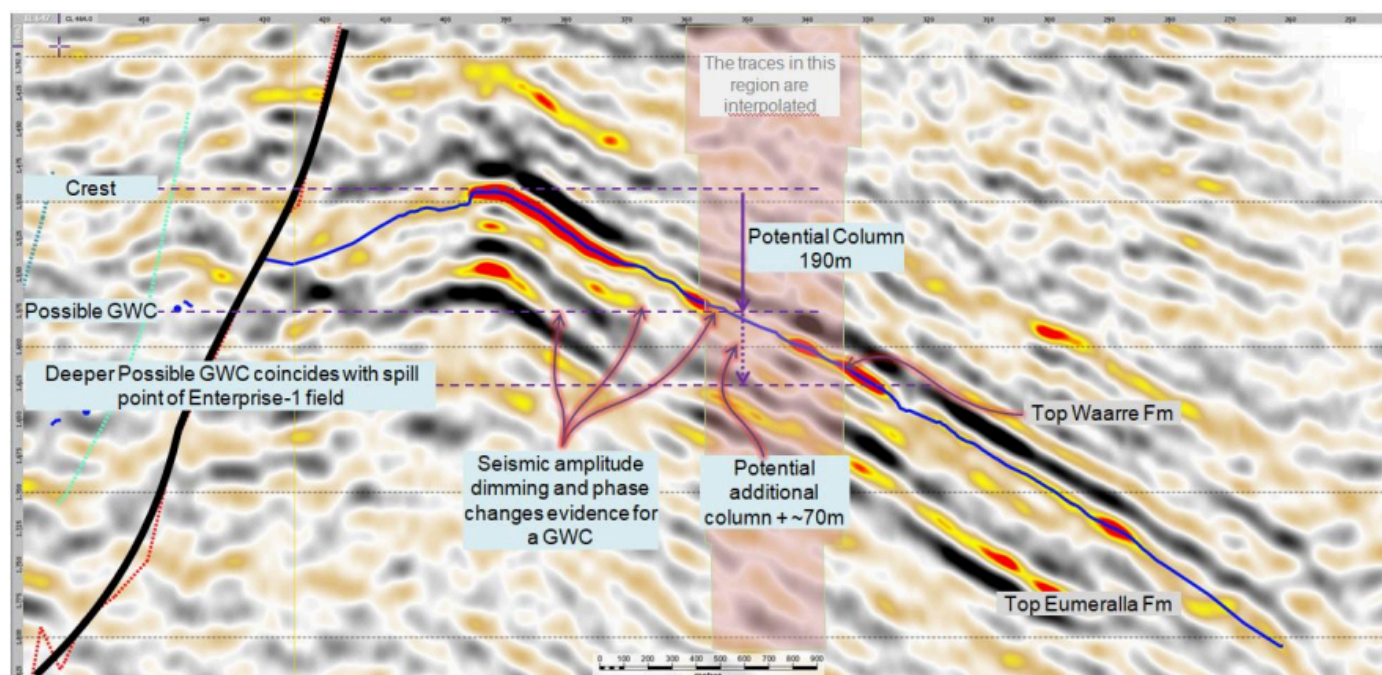
The key risks are timing of drilling, unforeseen mechanical drilling difficulties, commercial flow rates and start-up, and commercial arrangements. Drilling is an FY27 event and start-up would be in FY28.

**Figure 5: Enterprise North gas estimates**

Enterprise North (PEP169)	100% JV		CTP 20% interest	
	Gas in place (Bcf)	Prospective Resource (Bcf)	Gas in place (Bcf)	Prospective Resource (Bcf)
High estimate	78.9	51.3	15.8	10.3
Best estimate	43.9	28.6	8.8	5.7
Low estimate	5.4	3.5	1.1	0.7

Source: Company data.

**Figure 6: Enterprise North Prospect – seismic interpretation (note GWC = Gas Water Contact)<sup>1</sup>**



Source: CTP. Note (1): In simple terms, amplitude-based exploration is 'looking for suspiciously loud or quiet echoes, and how they change with angle, where the geology could reasonably hold oil or gas', and using that to lower drilling risk rather than relying on structure alone.

### Enterprise Field – snapshot

The Enterprise gas field is a nearshore gas development offshore southwest Victoria, about 2.5–5.5 km off the coast near Port Campbell in the Otway Basin, operated by Beach Energy. It was discovered by the Enterprise-1 exploration well in late 2020, drilled from an onshore site using extended-reach drilling.

The Enterprise gas field has 2P reserves around 34 MMboe (gross), including about 161 PJ of sales gas, plus LPG and condensate.

The project has nameplate capacity of some 205 TJ/day. Gas is processed at the existing Otway Gas Plant and sold under a gas sales agreement to Origin Energy to end-2026.

## Cooper Basin

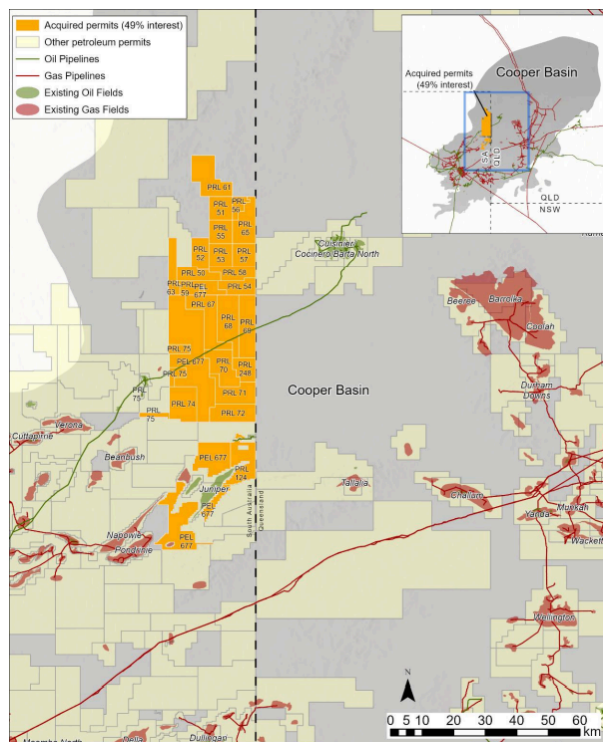
CTP has also acquired a 49% interest in 24 PRLs and PEL677 within the Cooper Basin, together called the Cooper Consolidated Acreage.

The Cooper Consolidated Acreage covers a large portion of the Cooper Basin and is relatively underexplored, yet is supported by significant 2D and 3D seismic and located close to existing conventional oil and gas discoveries. The 24 PRLs have recently come out of suspension in 2025 following 9 years of inactivity.

The acreage boasts a favourable location with nearby infrastructure including existing oil and gas pipelines with access to the high-value East Coast gas market and export facilities, as well as oil pipeline and trucking corridors to refineries and port facilities, allowing any discoveries to be quickly commercialised.

So far, 17 prospects and leads have been identified with at least seven considered drill-ready. CTP is planning to select 2–3 exploration targets to be drilled, with the drilling occurring in late 2026/early 2027.

**Figure 7: CTP's acquired permits and surrounding infrastructure within the Cooper Basin**



Source: CTP.

## Sensible acquisitions in highly prospective basins

These acquisitions diversify CTP's portfolio, adding exposure to onshore gas and enabling access to the Victorian gas market via nearby existing infrastructure and exposure to potential exploration success in the established Cooper Basin.

The upside in gas volumes in the high-permeability Waarre C formation, paired with high historical success rates in the area, lay a solid foundation for CTP to generate strong new cash flows from a nearer-term project.

Both basins represent onshore conventional gas opportunities, in which CTP is highly experienced, and is a low-risk expansion opportunity for the company.

# Capital Allocation: Strong Cash Generation Presents Many Options

## Otway/Cooper acquisitions

The acquisition of the Otway and Cooper Basin portfolios is a major leap forward for CTP and moves the company to a multi-basin play in highly prospective conventional exploration permits.

The initial capital cost is A\$9.2m and opens CTP to lower-cost exploration with significant upside, providing a new long-term growth platform for the company. Additional revenue from these projects could also accelerate the use of CTP's A\$156m in tax losses.

## 2-well drilling program to support new contracts

The signing of long-term LOIs has led to the need to drill 2 additional wells to provide extra production to fulfil those contracts. The cost to CTP is A\$26m.

This investment is low risk, has strong return and rapid payback, and will significantly increase production capacity.

## Amadeus sub-salt exploration

A sale of two sub-salt permits to UK-listed Georgina Energy has the potential to extract value from these assets via an exploration program. For the program to progress, it is subject to an equity raise by Georgina Energy. CTP expect the transaction to close in 2QCY26.

## Share buy-back

In July 2025, 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 was adjusted to commence on 17 November 2025 (from 15 September), allows the company to purchase up to 10% of issued capital.

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.

CTP acquired 799,500 shares during the December quarter for an outlay of \$0.05m. A further 1,385,630 shares were purchased in January 2026, with a total of 2,185,130 shares purchased to date under the share buy-back (0.3% of the total starting issued capital).

With the significant investment program in place for Otway/Cooper and Amadeus Basin drilling, CTP has stated it does not expect material buy-back activity in the foreseeable future.

## Deferred options

### Dividend

Payment of a dividend is a strong indication of a company's financial health. CTP is committed to paying dividends over the medium term, and with the potential for acceleration of the use of tax losses, a franked dividend is an even more attractive option.

The payment of a dividend has been deferred as CTP invests in Otway/Cooper exploration and Amadeus production expansion.

### Pay down debt

Capital repayments under CTP's loan facility are scheduled to commence in March 2027, with the debt to be fully repaid by December 2029.

The repayment/pre-payment of debt reduces interest costs.

CTP has a flexible debt arrangement with Macquarie and with the prioritising of growing the business in the next 12 months, accelerated debt repayments are a possibility from mid-2027.

# 1HFY26 Financial Results and Outlook

## 1HFY26 results: underlying profit up 17% on pcp

CTP announced an underlying profit after tax of A\$2.5m for 1HFY26. This compared to A\$2.17m for the pcp, an increase of 17%. A statutory loss of A\$1.7m was booked after impairment charges of A\$4.2m relating to the withdrawal from exploration permit EP82.

## Net underlying profit driven by increased revenue and higher margins

The improved underlying result was driven by:

- sales revenue increasing 17% to A\$22.1m
- gross profit (margin) up 20% at A\$7.1m.

Both of these were driven by the new higher-priced NT Government gas sales agreements which started in January 2025.

## Sales revenue higher, boost from NT contracts

Revenue from delivered gas was up 24% with lower volumes more than offset by higher average pricing which increased to \$9.71/GJe from \$7.48/GJe in the pcp.

Gas production constraints associated with oil specifications were alleviated from mid-December via alternative offtake arrangements whilst more favourable commercial arrangements continue to be sought for the oil.

## EBITDAX – one-off costs

Underlying EBITDAX for the six months to December 2025 was A\$8.3m, slightly down from A\$8.6m in the pcp. This reflected one-off corporate transaction costs relating to the pending conditional sale of the two sub-salt permits, partly offset by a higher gross profit (excluding depreciation and amortisation) driven by higher gas sales prices.

## Funding and cashflow: building a stronger position

**Net debt position:** The net cash position was A\$5.3m at 31 December 2025, compared to A\$3.9m at 30 June 2025, reflecting net cash inflows for the period. The December interest instalment of \$685,000 into the loan facility balance was rolled over.

The principal balance of the debt facility at 31 December 2025 was \$24.1m. Principal repayments are not required until March 2027. The Group has an expanded A\$43m limit available until 31 December 2026, providing the Group with access to additional funds and additional working capital flexibility if necessary.

**Cashflow:** Net cashflow from operations was A\$4.7m compared to A\$4.3m for the pcp.

Higher receipts from customers were largely offset by higher payments under gas overlift repayment arrangements, including payments relating to the previous period and reflecting higher settlement prices on the back of the higher realised gas prices. CTP expect the gas overlift liability to be fully repaid by June 2026, freeing-up approximately \$6m pa of additional free cash flow from that time.

## FY26–FY27 Forecasts Show Best Still to Come

Figure 8: Forecasts: FY26 and FY27

Profit & Loss (A\$m)	FY25A	FY26E	FY27E	Comments
Oil / Condensate Revenue	3	3	3	
LPG Revenue	–	–	–	
Gas Revenue	40	42	60	Higher pricing offset by slightly lower volumes in FY26. FY27 sees continuation of strong pricing and higher volumes from NT Govt. contracts
<b>Revenue</b>	<b>43</b>	<b>45</b>	<b>63</b>	
Operating Costs	(18)	(16)	(20)	Higher costs in FY27 from higher volumes
Government Resource Taxes	(4)	(4)	(5)	
Exploration & Development Expenses	(2)	(6)	(2)	Includes A\$4.2m impairment in FY26
Other Net Income / Expense	(1)	(4)	(4)	Includes A\$1.5m staff incentive payments, one off costs for corporate transactions in FY26
<b>EBITDA</b>	<b>18</b>	<b>15</b>	<b>32</b>	
<b>EBITDAX</b>	<b>20</b>	<b>21</b>	<b>34</b>	Excludes exploration expensed and impairment charge
Depreciation & Amortisation	(7)	(7)	(9)	
<b>EBIT</b>	<b>11</b>	<b>8</b>	<b>23</b>	
Net Interest Expense	(3)	(2)	(2)	
<b>Net Profit before-tax</b>	<b>8</b>	<b>6</b>	<b>21</b>	
Tax Expense / Benefit	–	–	–	
<b>Reported Profit</b>	<b>8</b>	<b>6</b>	<b>21</b>	
Exceptional items / non-recurring	–	4	–	Impairment of EP182 - A\$4.2m in FY26
<b>Underlying NPAT</b>	<b>8</b>	<b>10</b>	<b>21</b>	
<b>Net Cash</b>	<b>4</b>	<b>(5)</b>	<b>(6)</b>	Use of cash for PV wells and exploration in Otway and Cooper

Source: MST estimates, company data.

# Valuation: Base Case of A\$0.22 (Previous A\$0.21)

## Stock appears substantially undervalued

Our base-case valuation is shown in Figure 9. We have revised some of our cash and non-cash cost assumptions, taken into consideration the new PV GSA with the NT Govt (and the capex for the additional wells) and have included an initial valuation for the Otway and Cooper Basin acquisitions. We have also adjusted net cash / debt to reflect the cost of the PV wells. Our overall valuation has increased to A\$0.22/ share. **Considering the low risks to price and volume, the stock remains trading at a significant discount and should continue to re-rate, in our view.**

Figure 9: Valuation summary – base case

NPV	A\$m Valuation Unrisked	Risking	A\$m	Valuation A\$ps	Previous Valuation	Change
Mereenie - OL4 & OL5 (25%)	83	100%	83	0.11	0.10	0.01
Palm Valley - OL3 (50%)	16	100%	16	0.02	0.03	(0.01)
Dingo - L7 & PL30 (50%)	47	100%	47	0.06	0.06	0.00
Enterprise North - PEP 169 (20%)	20	65%	13	0.02	0.00	0.02
Cooper Basin (49%)	5	100%	5	0.01	0.00	0.01
<b>Total Operations</b>	<b>166</b>		<b>159</b>	<b>0.22</b>	<b>0.19</b>	<b>0.03</b>
Net Cash / (Debt)	(4)	100%	(4)	(0.01)	0.01	(0.02)
Admin / Corporate / Other	(36)	100%	(36)	(0.04)	(0.04)	0.00
Exploration (risk-adjusted)	24	50%	12	0.02	0.02	(0.00)
Mereenie 2C gas (risky)	39	65%	25	0.03	0.03	0.00
Dingo Deep & Palm Valley Deep (Prospective, Best)	–	–	–	–	–	–
<b>TOTAL VALUATION</b>	<b>188</b>		<b>155</b>	<b>0.22</b>	<b>0.21</b>	<b>0.01</b>

Source: MST.

## Amadeus Basin assets – undervalued

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

## NT Government contracts underpin valuation – upside potential

The key underpinning of our valuation relates to the NT Government contracts.

## Preliminary valuation of Enterprise North (EN)

We have included in our valuation a preliminary estimate for EN. We use the same gas pricing assumptions as for the rest of the company's assets, and as the valuation is preliminary in nature, we have risked it at 60%. We assume first production in FY28 at 36 Tj/d, declining over 5 years.

## 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 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\$9.75/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.

## Core production assets (less corp. costs) contribute A\$0.16 to base case

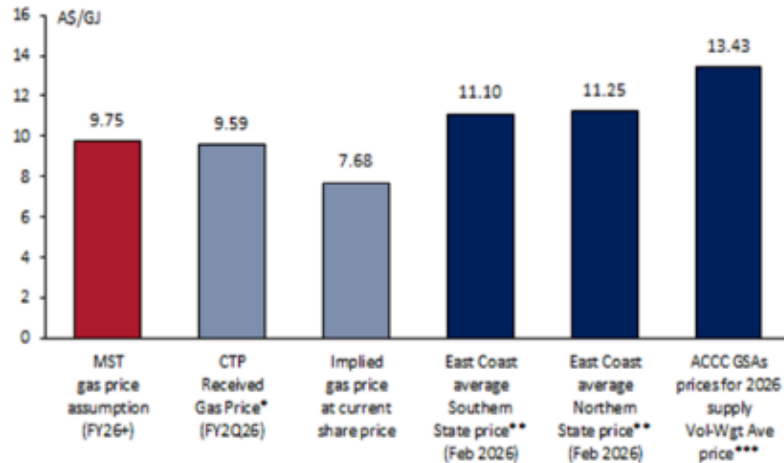
The core production assets of Mereenie, PV and Dingo (less corporate costs) make up A\$0.16 of our A\$0.22 valuation, suggesting that the market is placing a significant discount on assets that have locked-in contracts with one of the lowest-risk customers in the gas sector.

## Valuation cross-checks suggest CTP is undervalued

### Gas price implied by current share price: A\$7.68/GJ (vs. A\$9.59 in 2QFY26)

The current share price implies a gas price of A\$7.68/GJ. CTP received an average price of A\$9.59/GJ in the last quarter, and our forecast is A\$9.75 for FY26. The current share price assumes that CTP's average gas price received will be some 25% less than the last quarter over the life of the assets.

Figure 10: Share price–implied gas price vs forecast and East Coast prices



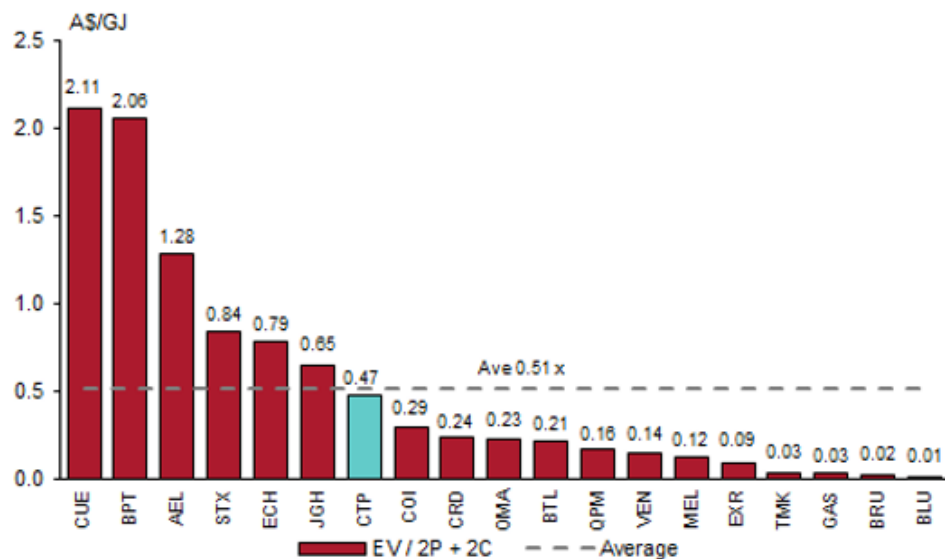
Source: SHA Energy Consulting, MST, CTP, \*AEMO, \*\*AEMO, \*\*\*Gas Market Emergency Price Order.

### Enterprise Value to Resources suggests that CTP is undervalued: market average multiple implies A\$0.095/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 11), 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 CTP's reserve and resource base. CTP is valued 4% below its peer average, having been some 24% under the average in the past. This reflects some market recognition of CTP's value. CTP's EV/2P+2C of A\$0.47/PJ compares to the average of A\$0.51/PJ. The peer average multiple would see CTP valued at A\$0.095 (based on share prices from 13 April 2026) vs. the current share price of A\$0.081 and our valuation of A\$0.22.

Figure 11: Select Australian-listed energy stocks – EV/Resources (A\$/GJ)



Note: Prices at 13/4/2026, data at FY2Q26 or FY1H26. Calcs ignores liquids. SHA Energy Consulting

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:

- further GSAs for Mereenie gas
- finalisation of the transaction with Georgina Energy (sub-salt farm-out)
- 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 and Palm Valley from new wells
- 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. Key focus will be on the Otway Basin drilling and the the Cooper Basin. Assuming that the Georgina Energy farm-out succeeds, market focus will then 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:

- further gas contracts for Mereenie not materialising
- lack of success from Otway and Copper Basin drilling
- the Georgina Energy farm-out not proceeding
- Mereenie Stairway development not proceeding
- 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.

## 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\$0.081 | Valuation A\$0.220;

*Price, target price and rating as at 20 April 2026 (\* 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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