

20 May 2026

Key Activity Update

Central Petroleum Limited (**ASX: CTP**) ("**Central**") provides an update on the business and progress of key activities.

Highlights

- Preparations progressing for drilling two new wells at Palm Valley which aim to boost group gas revenue by circa 40% in 2H 2026.
- The final delivery against Central's overlift gas liability was made on 16 May – expected to increase net cash flows by over \$7 million pa.
- Planning for at least three oil and gas exploration wells in the Otway and Cooper Basin is continuing – targeting commencement of drilling in 1H 2027 due to rig availability.

Palm Valley wells

Central is preparing to drill two new wells at the Palm Valley gas field later this year to support the recently announced gas sale agreement with the Northern Territory Government. Site preparation has been completed and the first of the two wells is expected to spud in mid July 2026.

The two appraisal wells, if successful, are expected to increase Palm Valley production up to the plant capacity of around 15 TJ/day and boost Central's total gas production and revenues by circa 40% when they are commissioned in 2H 2026.

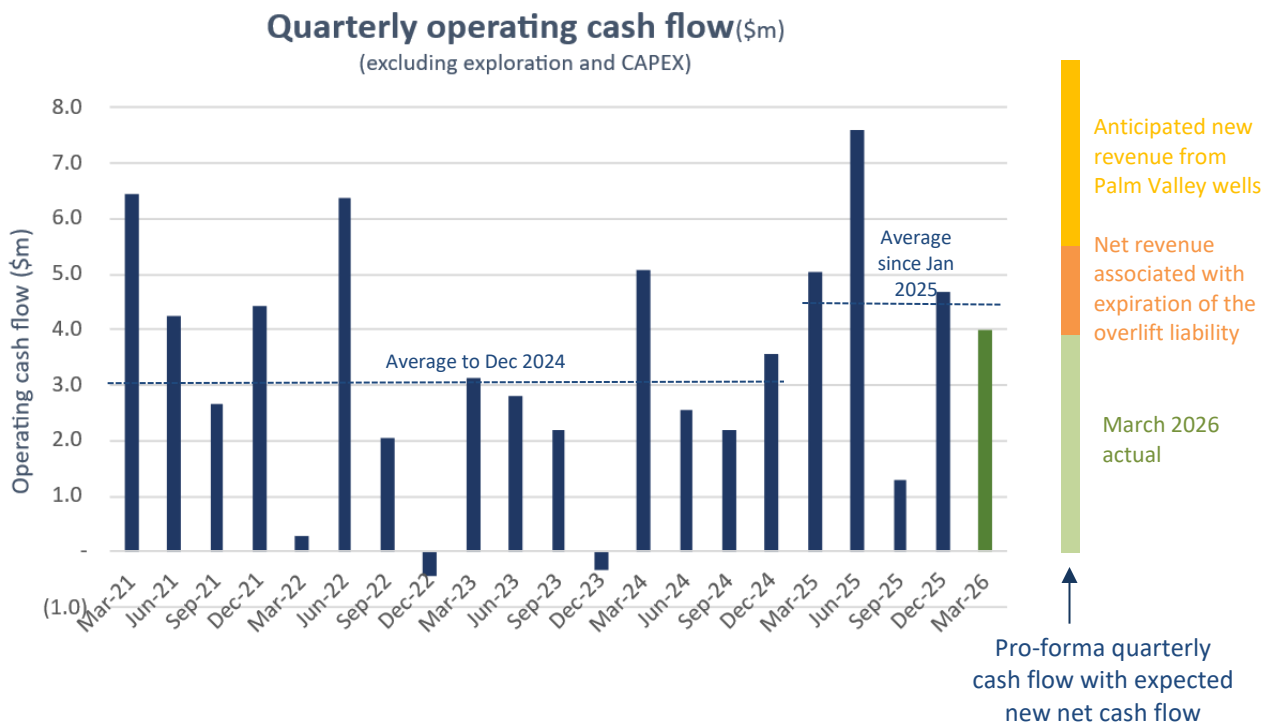
Overlifted gas now fully repaid

Central has now fully repaid the liability for previously overlifted gas from the Mereenie gas field. Central has been repaying this liability with 2 TJ/day of its gas production, effectively receiving nil net revenue for this volume since 2020.

As a result, from 17 May, Central will receive net cash proceeds under existing contracts for an additional 2 TJ/day of gas sales, leading to an incremental increase in cash flow of over \$7 million per year, or \$1.75m per quarter. For context, this would have boosted Central's March quarter operating cash flow (excluding exploration and CAPEX) by 43%.

The combination of expected gas production from the new Palm Valley wells (from 2H 2026) and additional net cash flow from the 2 TJ/day associated with the expiration of the overlift liability is expected to materially increase Central's forward free operational cash flow.

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Cooper and Otway Basin exploration drilling

Central is working with the JV operator, ADZ Energy, to progress drilling of at least three oil and gas exploration wells in the Cooper and Otway Basin exploration permits.

Reprocessing of seismic data in the Cooper Basin is almost complete and drilling locations will be confirmed for at least two exploration wells.

Planning for the Enterprise North exploration well in the Otway Basin is progressing, with long lead items ordered.

Discussions with drilling rig contractors are continuing for both programs, with drilling expected in 1H 2027 due to rig availability.

CEO Comments

Mr Leon Devaney, Central’s CEO and Managing Director, said, “We have a very important 18 months ahead, beginning this month with a significant uplift in operating cash flow following the full repayment of our overlift gas liability. Successfully bringing the two new Palm Valley wells into production later this year is expected to increase net revenue by more than 40%. Beyond that, our planned exploration wells next fiscal year in the highly prospective Otway and Cooper Basins provide Central investors with at least three high-impact growth opportunities that, if successful, have the potential to be transformational for the Company.”

“Central is in a strong financial position, with a step change in net cash flows supported by firm gas contracts and fully funded near-term growth. This is particularly important amid ongoing market uncertainty arising from the Federal Government’s domestic gas reservation policy, which remains short on detail and clarity. As an established gas producer with low marginal production costs, Central is well placed to navigate distortions in the gas market more effectively than emerging and unproven basins or projects that require substantial future drilling and capital investment,” he concluded.

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

About Central Petroleum

Central Petroleum Limited (Central) is an established ASX-listed Australian oil and gas producer (ASX: CTP) and is the largest onshore gas operator in the NT, supplying gas to customers through central and northern Australia.

In addition to its established NT production operations, Central has a pipeline of growth opportunities which include exploration, appraisal and development projects in some of Australia's premier hydrocarbon producing basins – the Amadeus Basin (NT), Cooper Basin (South Australia) and onshore Otway Basin (Victoria).

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