

15 December 2025

LOI signed for new drilling and long-term gas supply at Mereenie and Palm Valley

Overview

Central Petroleum Limited (**ASX: CTP**) (“**Central**”) and its Mereenie and Palm Valley Joint Venture partners (collectively “**JVs**”) have entered into a binding Letter of Intent (“**LOI**”) with the Northern Territory’s Power and Water Corporation (“**PWC**”) to:

- i) support the immediate commencement of early works for an accelerated drilling program for four new wells; and
- ii) promptly document and execute gas supply agreements consistent with conditional gas supply term sheets that will see uncontracted firm gas production from Mereenie and Palm Valley of up to 25.5 PJ (Central share) sold through the end of 2034.

Drilling Program Early Works

The JVs will immediately begin early works for a four-well drilling program. This includes activities such as ordering long-lead items, progressing civil works, and selecting a drilling rig. The program will involve drilling two wells at Mereenie and another two at Palm Valley, with drilling targeted to commence in mid-2026.

Gas Supply Arrangements

The JVs and PWC have finalised ‘in-principle’ terms for long-term, firm gas supply under term sheets covering uncontracted firm gas production at market pricing from the Mereenie and Palm Valley fields of up to 25.5 PJ (Central share) through the end of 2034, which includes additional production from the four-well program. The gas supply term sheets are non-binding and conditional, requiring final internal approvals from each JV participant and PWC.

The intention is for the parties to formalise and execute binding Gas Sale Agreements (“**GSAs**”), consistent with these term sheets, by 20 February 2026. Arrangements have been agreed under the LOI where the JVs can be reimbursed by PWC for costs associated with the drilling program’s early works in the event binding GSAs are not executed by 20 February 2026.

Project Readiness

The intended supply arrangements are designed to quickly deliver significant new gas volumes to the Northern Territory, while also enhancing gas supply security for customers throughout the region.

Preparations for the new wells are already well-advanced, with key approvals in place or underway. By initiating the drilling program’s early works now, the JVs can target mid-2026 for the commencement of drilling. The additional gas production can be quickly supplied to

the market after drilling, as the wells will utilise available production capacity at the existing Mereenie and Palm Valley gas fields.

Central, via subsidiaries, has a 25% interest in the Mereenie field, along with other Mereenie JV participants (Echelon Mereenie Pty Limited, Horizon Australia Energy Pty Ltd, and Cue Mereenie Pty Ltd) and a 50% interest in the Palm Valley field, with other JV partners (Echelon Palm Valley Pty Limited and Cue Palm Valley Pty Ltd).

Statement from Central Petroleum CEO, Leon Devaney

The Letter of Intent and gas sale term sheets signify a substantial commitment by both the JVs and PWC to rapidly increase gas supply from the Amadeus Basin. Central Petroleum and its partners have recent experience in delivering accelerated drilling programs, with two new wells at Mereenie successfully drilled and brought online earlier this year under a similar gas supply arrangement with the Northern Territory Government. The drilling program is targeting the delivery of additional gas supply, equivalent to over 20% of the NT's total gas demand, from the middle of next year.

Importantly, gas production from the Amadeus Basin is sourced from conventional gas fields, underpinned by proven reserves and a strong track record of reliability. This reliability is essential for Northern Territory customers who depend on a steady supply of gas for affordable and efficient energy. Central Petroleum looks forward to working closely with PWC to deliver this significant GSA and an accelerated drilling program, with the shared goal of increasing gas supply and energy security for all Territorians.

The proposed GSAs would not only underwrite the drilling program, but also provide Central with a reliable government-backed income stream well into the next decade without ongoing exposure to the Northern Gas Pipeline's operations.

ends-

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) with exploration and appraisal permits in the Northern Territory (NT). Central has grown to become the largest onshore gas Operator in the NT, supplying residential and industrial customers in the NT and wider Australian east coast market.

Central is seeking to become a major domestic energy supplier, in addition to helium and naturally occurring hydrogen, with exploration, appraisal and development plans across 169,112 km² of tenements in the NT, including some of Australia's largest known onshore conventional gas prospects in the Amadeus Basin.

General Legal Disclaimer and Explanation of Terms:

This document is for information purposes only and is not investment or financial product advice nor intended for prospective investors and does not purport to provide all of the information an interested party may require in order to investigate the affairs of Central Petroleum Limited ("Company"). This document has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. The data, information, opinions and conclusions ("Information") herein are subject to change without notice.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, likelihood of achievement or reasonableness of the Information contained in this document. To the maximum extent permitted by law, none of the Company or its agents, directors, officers, employees, advisors and consultants, nor any other person, accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of the Information contained in this document.

This document may contain forward-looking statements which include (but are not limited to) forecasts, prospects or returns. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which may be outside the control of the Company and could cause actual results to differ from these statements. These risks, uncertainties and assumptions include (but are not limited to) funding, exploration, commodity prices, currency fluctuations, economic and financial market conditions, environmental risks, legislative or fiscal developments, political risks, project delay, approvals, cost estimates and other risk factors described from time-to-time in the Company's filings with the ASX. Actual facts, matters or circumstances may be different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company and its agents, directors, officers, employees, advisors and consultants, nor any other person, do not undertake any obligation to update or revise any Information or any of the forward looking statements in this document. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "believe", "understand", "estimate", "anticipate", "plan", "predict", "target", "may", "hope", "can", "will", "should", "expect", "intend", "projects", "is designed to", "with the intent", "potential", the negative of these words or such other variations thereon or comparable terminology or similar expressions of the future which may indicate a forward looking statement or conditional verbs such as "will", "should", "would", "may", "can" and "could" are generally forward-looking in nature and not historical facts.

No right of the Company or its subsidiaries shall be waived arising out of this document. All rights are reserved.

For personal use only