

14 November 2023

CHAIR'S AGM ADDRESS

When I stood in front of you around this time last year, the energy sector was emerging from a turbulent winter which had focussed attention on energy security and affordability. The gas industry was singled out for special treatment, and over the new year we saw several months of uncertainty as the Federal Government sought to introduce mechanisms to solve a temporary demand and supply imbalance which, by then, had already solved itself. As a result, we now have a gas price cap and other regulations which, on a macro level, will only serve to further restrict investment in the new gas supply that Australian businesses need for reliable and affordable energy.

However, it's not all doom and gloom, particularly for Central. Central, as a small domestic producer, is exempt from the new price cap from December, so our gas marketing and commercial prospects are unlikely to be directly affected.

I have also started to notice a slight change in energy market dialogue, both locally and abroad. Voices of reason are now being respected, confirming the critical role that natural gas will play in the transition to a cleaner energy future.

Central Petroleum has an important role to play in this transition. Whereas, some have historically viewed our remote location as a disadvantage, it is becoming increasingly clear that it is not only the southern states that will face significant gas supply challenges in coming years. Northern Australia, the home of remote mining operations providing rare minerals, critical for the transition to cleaner energy, is facing reducing gas supplies as traditional offshore sources decline.

This supply/demand dynamic has provided a strong gas market in proximity to Central's producing fields, with robust demand and strong term gas prices vindicating our prior investments in additional production from our established fields.

Investment to increase production at Mereenie and Palm Valley this year has added over 11 TJ/day of gas into the market at a time when offshore production in the NT experienced significant production decline and alternate suppliers were struggling to meet demand.

Realised gas prices were significantly higher than the previous year, and although spot prices have been soft in recent months, forward term gas contracts reflect continued gas supply constraints in the NT and Mt Isa regions.

Combined with our recent reserve upgrades, a strong term gas market should continue to support our operational cash flows and financial strength going forward.

In addition to the proven natural gas resources of the Amadeus Basin, there are strong indications that the basin could provide Australia with supplies of other gases – most notably helium, which already exists in low concentrations in our existing gas streams, and has previously been detected in commercial concentrations in previous exploration wells.

We are currently advancing plans for a helium recovery unit at Mereenie to produce helium for the Australian market. The project proposed at Mereenie could be the sole source of domestically-produced helium, helping to satisfy Australia's strategic need for helium which is used in many critical health and technology applications.

Production of helium at Mereenie would create a new income stream for Central, and given the world-wide scarcity of helium sources, elevate the Amadeus Basin as a premier opportunity for sub-salt helium exploration.

The recent failure of our farmout partner has delayed a highly anticipated three-well sub-salt exploration program targeting helium, naturally-occurring hydrogen and natural gas. We are now working to restructure our joint venture so that these exciting prospects can be tested.

On the ground, we continue to work with the people and businesses in our local communities and the Traditional Owners of the land on which we operate. We appreciate their contributions to our success and hope that the opportunities and support we provide in these regions have long-lasting impact.

I thank my Board colleagues, Leon, our CEO and all of our staff at Central who have worked throughout the year to safely and responsibly provide our customers with reliable and affordable energy.

The first outcome from our strategic review was announced yesterday, with our exit from the Range CSG project in Queensland providing a cash injection which will provide greater flexibility across our traditional business in Central Australia and free-up capital for future targeted investment in the region.

Our strategic review continues to explore various opportunities to realise value for shareholders. I am sure you are aware of the issues which have confronted the industry since we started the review late last year. The gas price cap, a proposed mandatory code of conduct (which is now law) and the safeguard mechanism, have all been matters which caused material uncertainty in the sector and impacted the strategic decisions and plans at the international and national levels. These matters are now behind us, but nonetheless, it has slowed our progress. We hope to be able to conclude this process in the near future and appreciate the patience of our shareholders and staff.

We remain confident in the future of our asset portfolio, notwithstanding the current weakness of our share price. The enduring value of our producing assets has been demonstrated with drilling success and reserve upgrades. Helium is emerging as an additional income stream and our portfolio of exploration prospects continues to attract attention from potential investors.

We look forward to the year ahead and to sharing our progress with you, our shareholders.

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This ASX announcement was approved and authorised for release by Mick McCormack, Chair.

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 significant domestic energy supplier, in addition to helium and naturally occurring hydrogen, with exploration, appraisal and development plans across more than 170,000 km² of tenements in the NT, including some of Australia's largest known onshore conventional gas prospects in the Amadeus Basin.

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