

Central Petroleum Limited: New Gas Sale Agreements

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Brisbane, Australia - [Central Petroleum Ltd.](#) (ASX:CTP) (FRA:C9J) (OTCMKTS:CNPTF) is pleased to advise that its gas sale Expression of Interest ("EOI") process has successfully concluded after targeting bids from across the Northern Territory and the east coast where potential gas shortfalls were forecast over the next few years.

Central's objectives for the EOI process were to lock in firm gas prices under current market dynamics in order to generate higher cash flows from firm production that will not be affected by interruptions in the Northern Gas Pipeline ("NGP"), should they occur.

Key Points

- Central and its Mereenie and Palm Valley JV Partners have entered into new gas sale agreements (each a "GSA") for the supply of up to 40.5 PJ (up to 12 PJ Central share) to the Northern Territory Government ("NTG") for the six years from 1 January 2025 through to 31 December 2030. The gas supply is structured to achieve the following outcomes:
- High degree of revenue certainty through bespoke take-or-pay provisions;
- Mitigates risk to NGP closures by contracting all firm production capacity and expanding by up to 16 TJ/d (up to 4 TJ/d Central share) on any day in 2025 that the NGP is unable to deliver gas to existing east coast customers; and
- Underwrites investment in two new production wells at Mereenie by increasing firm sales to the NTG by up to 6 TJ/d (up to 1.5 TJ/d Central share) (subject to JV FID and successful drilling results).
- The existing conditional Arafura GSA supply period has been amended to three years commencing on 1 January 2028, with deliveries through to 31 December 2030 (up to 4.1 PJ Central share). The conditions precedent date has been extended to 31 December 2024.
- The resultant ex-field pricing for the NTG and Arafura GSAs reflects market pricing for firm gas supply on a term basis, from fields with existing proven reserves.

NB: Contracted volumes include 6 TJ/d from 2 proposed Mereenie Development wells, but excludes non-firm production and any new production that could arise from field optimisation and additional investments such as new wells at Palm Valley, further development wells at Mereenie, and appraisal success from the Mereenie Stairway formation.

New Mereenie GSA

Central's relevant subsidiary company and its Mereenie joint venture partners, NZOG Mereenie Pty Ltd, Horizon Australia Energy Pty Ltd, and Cue Mereenie Pty Ltd (collectively the "Mereenie JV"), have signed a GSA with the NTG for the supply of up to 25 TJ/d or 33 PJ of gas (6.3 TJ/d or 8.3 PJ net to Central) from 1 January 2025 to 31 December 2030 ("Mereenie NTG GSA"). The Mereenie NTG GSA is comprised of several components:

- Base Gas Supply: 14.2 PJ over three years from 1 January 2026 (Central share 3.6 PJ), the bulk of which (13.5 PJ, or 3.4 PJ Central share) will be delivered over 2026 and 2027.
- NGP-diverted gas: Up to 5.8 PJ (Central share 1.5 PJ) in 2025 for gas that cannot be delivered to existing east coast customers should the NGP be closed at any time during the year.
- Additional gas: The contracted gas volume can be increased to include additional gas (including future production from two new proposed Mereenie wells), of up to 6 TJ/d (Central share 1.5 TJ/d) over six years from 2025. This could total up to 13.1 PJ (Central share 3.3 PJ) over six years.

The Mereenie NTG GSA is for firm gas supply ex-field, with bespoke take-or-pay provisions that reflect a

base gas supply and a fixed price that escalates with the consumer price index.

The Mereenie NTG GSA is anticipated to accelerate a final investment decision by the Mereenie JV for drilling additional wells at Mereenie, including two drill-ready development wells.

The Mereenie NTG GSA also provides a clear market signal to support additional investment in field production increases, including appraisal of the Stairway Sandstone formation at Mereenie. In order to preserve the opportunity to commence Stairway drilling in 2025, the Mereenie JV is progressing permitting and approvals for up to two Stairway appraisal wells in advance of a joint venture final investment decision which will require further gas contracting and funding arrangements by Central.

New Palm Valley GSA

Central's relevant subsidiary company and its Palm Valley joint venture partners, NZOG Palm Valley Pty Limited and Cue Palm Valley Pty Ltd (collectively the "Palm Valley JV"), have signed a GSA with NTG for the supply of up to 7.3 PJ of gas (3.7 PJ net to Central) from 1 January 2025 to the end of December 2030 ("Palm Valley NTG GSA").

The Palm Valley NTG GSA is for firm gas supply ex-field, with bespoke take-or-pay provisions that reflect a base gas supply and a fixed price that escalates with the consumer price index.

The Palm Valley NTG GSA provides a clear market signal to accelerate investment in field production increases, including drilling new Palm Valley wells. In order to preserve the opportunity to commence drilling in 2025, the Palm Valley JV has been progressing permitting and approvals for two Palm Valley appraisal wells in advance of a joint venture final investment decision which will require further gas contracting and funding arrangements by Central.

Arafura GSA

The existing conditional GSA to supply gas to Arafura's Nolans rare earths project (refer Central's announcement dated 17 June 2024 (Arafura Gas Supply Agreement Update)) has been amended to extend the current condition precedent date of 31 July 2024 by five months to 31 December 2024, and to defer the supply start date by two years to 1 January 2028. This results in a reduction in the supply term to three years commencing on 1 January 2028, supplying up to 16.4 PJ (up to 4.1 PJ Central share). The revised conditions precedent have been limited to Arafura's Board approval for a final investment decision. The NTG GSAs have been structured to sell the gas previously committed to Arafura between 1 January 2026 through 31 December 2027 as provided for under the prior Arafura GSA arrangements and to sell additional firm production from the fields above the Arafura contracted volumes after 1 January 2028.

NGP update

We have been advised that the NGP is not expected to reopen until later this year with Central to continue gas sales to firm customers in the NT and to Power and Water Corporation under the as-available contract which commenced in April 2024.

Notwithstanding the extended NGP closure, the Mereenie and Palm Valley gas fields have been selling at full capacity since late April, with brief turndowns in June and July due to seasonal demand fluctuations.

Comments from the Chief Executive Officer Leon Devaney, Central's Managing Director and Chief Executive Officer commented, "We are excited to play a critical role in supplying Territory gas to Territorians, comprising firm, longterm domestic gas supplies backed by proven reserves. The timing for our EOI couldn't have been better, with concerns growing about gas supply from the existing Blacktip field combined with continued appraisal uncertainty associated with the Beetaloo Basin."

"We achieved more than our stated objectives of de-risking forward revenues whilst locking in gas prices that provide a very clear incentive to accelerate further investment to increase gas production from our assets in the Amadeus Basin."

"Importantly, the NTG GSAs and amended Arafura GSA give Central a new level of fiscal strength, with existing firm volumes now fully contracted through 2030, and the cost of our existing liabilities declining rapidly by 2026. Importantly, this successful EOI outcome achieves our key Strategic Review objectives to maximise cash flow, underwrite new investments to increase production, support our debt extension initiatives and accelerate returns to shareholders," he continued.

*To view tables and figures, please visit:
<https://abnnewswire.net/Ink/S4EG9E66>

About Central Petroleum Limited:

Central Petroleum Limited (Central) is a well-established, and emerging ASX-listed Australian oil and gas producer (ASX:CTP). In our short history, Central has grown to become the largest onshore gas producer in the Northern Territory (NT), supplying industrial customers and senior gas distributors in NT and the wider Australian east coast market.

Central is positioned to become a significant domestic energy supplier, with exploration and development plans across 180,000 km² of tenements in Queensland and the Northern Territory, including some of Australia's largest known onshore conventional gas prospects. Central has also completed an MoU with Australian Gas Infrastructure Group (AGIG) to progress the proposed Amadeus to Moomba Gas Pipeline to a Final Investment Decision.

We are also seeking to develop the Range gas project, a new gas field located among proven CSG fields in the Surat Basin, Queensland with 135 PJ (net to Central) of development-pending 2C contingent resource.

Source:
Central Petroleum Limited

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