

20 November 2024

CHAIR'S AGM ADDRESS

Standing here today, I have a sense that Central's outlook is more positive than it has been for some time.

As I look back over the year, we have seen three important developments which should result in sustainable positive cash flows and, ultimately, returns to shareholders.

Firstly, we have seen a shift in gas markets, particularly in the Northern Territory where a supply-side shortage has seen Central's onshore gas fields currently supplying about half of the Northern Territory's gas demand. Now more critical than ever to the region's energy balance.

Central's proven reserves and history of reliable production resulted in a successful marketing campaign that will see all of our firm gas production sold at a higher price than historical averages into the Northern Territory from 2025 through to the end of 2030. The importance of these new contracts cannot be understated, with a step change in pricing from maturing legacy gas contracts promising increased free cash flow. These contracts greatly reduce our exposure to pipeline outage risks which impacted our results this year.

Secondly, our decision to exit from the Range gas project in Queensland has reduced our future capital commitments and this, in turn, has strengthened our balance sheet, with \$12.5 million in cash proceeds reducing our net debt. At the end of the year we were in a positive net cash position – for the first time in a decade!

And lastly, the cash demands to service our various forms of debt has declined significantly over the past 5 years, and we now have a clear line of sight to being completely debt-free within 5 years. We have fully repaid one of the debt layers - the pre-sold gas which was used to fund new production wells three years ago. We are now selling this gas volume, previously dedicated to repaying the debt, into the stronger market, giving us a boost in free cash flow.

Our stronger balance sheet, when combined with the contractual certainty from the new multi-year, Northern Territory-focused gas contracts and stronger market pricing, facilitated our recently announced bank loan extension, giving us confidence in our forward cash flow projections to fund high-return investments to increase field production, and to consider

returns to shareholders. We intend to provide more clarity to the market on Central's shareholder return strategy with a view to making an announcement on this in the near future.

The value of Central's producing assets is becoming more obvious in the gas supply constrained market, and the recent transaction which saw New Zealand Oil & Gas (now Echelon Resources) and Horizon Oil purchase Macquarie's 50% interest in the Mereenie gas field for circa \$100 million, confirms the value that we see in these assets.

While our producing assets look set to contribute increasing free cash flows in coming years, we are also working to realise value from our extensive exploration holdings. The helium, hydrogen and natural gas potential of the sub-salt prospects could be company-changing, and the potential value of these prospects is too great to ignore. Our strategy is to fund programs from farmouts where possible to spread the risk and costs while preserving material upside for our shareholders. Finding new participants for exploration in the current market requires some patience, however, we are continuing our discussions with several interested parties. We are progressing discussions on a possible Mereenie helium recovery unit, and this could spark renewed helium exploration interest in the basin.

Turning to our financial performance for the year, unfortunately, the underlying financial results were impacted by the pipeline-induced disruptions to production, which were both unexpected and outside of Central's control. However, the new gas sales contract I mentioned earlier will largely mitigate that risk over the six-year term of that contract.

With our strategic review completed and outcomes now being executed, we farewelled Director Troy Harry from the Board and I thank him for his significant contribution and welcome his ongoing support as Central's largest shareholder.

I also thank our CEO Leon Devaney, together with his management team and staff, for their contributions in safely and efficiently operating our three gas fields. We also greatly appreciate the continuing support and cooperation of the people, suppliers, local communities and traditional owners of the land on which we operate. Their combined efforts allow us to continue to provide a reliable and affordable supply of energy to the businesses and residents of the Northern Territory.

On a closing note, we have responded to the 2023 AGM shareholder vote against our remuneration report by making significant changes to the remuneration structure of our executive team for FY2025 and beyond. The CEO's remuneration package has been re-weighted, with lower fixed remuneration and new at-risk incentives with higher fixed share price appreciation hurdles. The pay of other executives has been frozen at the 2024 level,

and we have retained a smaller executive team (four rather than six) and Board (four Non-executive Directors, down from five) than we have in the past. Short and long-term incentives have been revised, including an equity-linked component that now only rewards a significant increase in share price over three years, requiring around a 50% increase in share price to 8 cents per share over three years to reach the minimum threshold, and only reaching the maximum award if the share price more than triples to 16 cents over three years.

All up, I believe we have made tremendous progress this year implementing the Company's revised strategic objectives. With financial strength and visibility towards sustained returns to shareholders, the future for Central is looking exciting and positive.

Against this backdrop, this will be my last AGM at Central, as I've advised the Directors that I intend to step down and leave the Board within the next twelve months, after ensuring a smooth transition.

On that note I sincerely thank my fellow directors and the Central management and staff for their support during my tenure, and I'm immensely satisfied with what we've achieved in recent years and I look forward to seeing news of more success for Central as the year unfolds.

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

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