

Exploration Update

Investment Highlights

- Exploration drilling to commence in early December.** CTP will shortly commence phase-1 of an extensive exploration campaign, which includes 5 fully cored CSG wells, flow testing of the previously drilled CBM93001 (provisional), further survey work at the Johnstone prospect, 1350km of seismic and drilling of the conventional Ooraminna gas prospect. The CSG drill rig has been mobilised to site and drilling is expected to commence on the 3rd of December. This will be followed by phase-2 of the program, set to commence in Q2 2010, subject to JV approval.
- Stepping up to the plate.** CTP is a unique explorer with an extensive acreage position across Central Australia targeting conventional oil and gas, CSG and helium. The first phase of the program will focus on the CSG potential of the Pedirka basin, with an independently certified prospective resource estimate of 34-70tcf across its 7 permits. The potential of the basin was tested in 2008 with the drilling of CBM93001 which reached 1266m, with a total of 140m of coal intersections over 0.2m. This upcoming phase of drilling will provide crucial information in further delineating the potentially significant resource. Drilling of Ooraminna-2 will also be of great interest, estimated to contain up to 2tcf of gas in place on a P10 (high) basis.
- High impact exploration campaign continues into 2010.** Phase-2 of the program will include 3-7 conventional wells, 10 CSG wells and 2,000km of seismic, subject to JV approval. The program includes drilling of the Johnstone-1 oil target, estimated to contain 998mmbbls on a P10 basis, plus the Magee and Mt Kitty prospects, testing an estimated 0.8tcf and 3tcf of Helium in place, respectively.
- Some challenges remain.** Commercialisation is challenging due to the remote location of the company's assets. An oil discovery would be readily developed while a gas discovery would require a significant discovery to underpin any investment. In addition, the relationship with BG appears to be challenging, however CTP has managed to push ahead with phase 1 of the program, regardless. The ongoing dispute to ratify the ROG farm-in will now go to arbitration but has not impacted ongoing works.
- We maintain our speculative BUY recommendation with a price target of \$0.22/sh.** A number of challenges remain including paths to commercialisation, relations with JV partner BG and the outcome of its farmout to ROG. However these do not outweigh the potential of CTP. Phases 1 & 2 of the campaign will see a definitive period for the company, testing the focus of its work-to-date and will provide a series of catalysts through 2009 and 2010.

Directors

Name	Position
Henry Askin	Non-Executive Chairman
John Heugh	Managing Director
Richard Faull	Non-Executive Director
William Dunmore	Non-Executive Director

Substantial Shareholders

Name	Shares (m)	%
The Strata Gas Group	30	5.3

30 November 2009

12mth Rating

	A\$	BUY
Price	A\$	0.15
Target Price	A\$	0.22
12m Total Return	%	49.8

RIC: CTPAX

BBG: CTP AU

Shares o/s	m	576.8
Free Float	%	100.0
Market Cap.	A\$m	83.6
Net Debt (Cash)	A\$m	-35.2
Net Debt/Equity	%	na
3m Av. D. T'over	A\$m	1.27
52wk High/Low	A\$	0.19/0.07
2yr adj. beta		1.15

Valuation:

Methodology		NPV
Value per share	A\$	0.22

Analyst:

Scott Simpson

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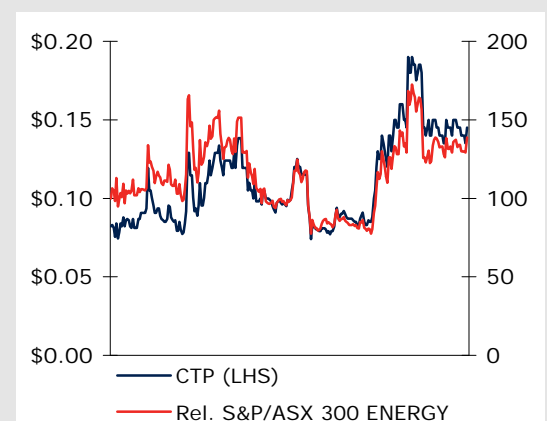
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Disclosure: Patersons Securities Limited acted as Lead Manager to the Rights and Placement issue that raised \$30.7m at \$0.10 per share completed in June 2009. Patersons is retained as a corporate advisor.

12 Month Share Price Performance



Performance %	1mth	3mth	12mth
Absolute	0.0	64.8	145.8
Rel. S&P/ASX 300	3.9	49.1	105.5

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