



CARNARVON
PETROLEUM LTD



SUSTAINABILITY REPORT 2020



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A STATEMENT FROM THE CEO



Our first Sustainability Report represents an exciting and important step in the evolution of Carnarvon Petroleum.

The past 12 months has seen Carnarvon consolidate and mature as a Western Australian based oil and gas exploration company. We successfully appraised the Dorado liquids project with no safety or environmental incidents. We have also safely acquired new, high quality 3D seismic data to identify new opportunities in the Dorado region.

We signed a Production Sharing Contract with the Government of Timor-Leste, which followed the Maritime Boundary Treaty which determined a new Maritime Boundary between Australia and Timor-Leste. This provides us with the certainty to progress the Buffalo re-development project in Timor-Leste.

As we continue to evolve, Carnarvon is committed to achieving high performance in all aspects of our business. Whether it is making significant discoveries in WA's North West Shelf or making our contribution towards the UN Sustainability Goals. With this in mind, we have invested in corporate policies and practices to ensure we address and find a balance on matters such as the environment, social license and corporate governance.

This year has also seen us commence some important steps in our approach to addressing climate risk. We refined our governance structure so that climate change is formally recognised in our risk management, ensuring we continue to work to build a robust framework that aligns with TCFD to manage climate change as we grow as a Company. We have commenced taking active steps towards developing a climate and emissions strategy and are committed to building on our climate transparency as this develops.

Carnarvon is proactive within the communities in which it operates in establishing and maintaining relationships. We seek to be a trusted, respected and accepted member of the communities. In particular we are proud of our local content plan in Timor-Leste to maximise local employment, training and procurement of services in Carnarvon's tendering processes.

We find ourselves in such a strong position thanks to the dedication, diligence and hard work of our greatest asset – our people. We have an empowered and enabled workforce. I am extremely proud of what we have accomplished in the past year and look forward to an even bigger year to come.

As you read through this report further, I invite you to provide your thoughts and comments via admin@cvn.com.au

Adrian Cook
Managing Director/CEO



EXPLORATION BY **INNOVATION**



ABOUT US

Carnarvon Petroleum Ltd (ASX: CVN) (“Carnarvon” or “The Company”) is an oil and gas exploration company listed on the Australian Securities Exchange (ASX).

Carnarvon is on the cusp of something significant as we are unlocking Australia’s newest hydrocarbon province in the Bedout-Sub Basin. The recent Dorado discovery was the largest oil field discovered in the North West Shelf of Australia in the last 30 years. Importantly, we believe there is more to come from this region and we hope to create a significant amount of value for our shareholders and the people of Australia for many years through employment, taxes and energy security.

Carnarvon’s Buffalo oil field re-development project in Timor-Leste is an example of where innovative thinking has resulted in a fantastic opportunity for Carnarvon to grow and also play a significant role in the development of Timor-Leste, one of the world’s youngest countries.

To achieve these goals, we encourage our talented team to think differently and embrace the latest technology. Together with our dynamic and trusted partners and suppliers, we seek to deliver value while keeping our employees safe and protecting the environment.

Carnarvon ultimately aims to create sustainable value in a responsible manner. Our corporate culture is very important to us and accordingly, we manage our business and make decisions in line with our values and for the benefit of the Company’s shareholders.



Our Values

CREATE SUSTAINABLE VALUE

We are committed to creating value for the owners of our business based on sustainable financial performance and long-term growth. That means managing risk, and carefully considering each strategic, tactical and investment decision.

BE A TRUSTED PARTNER

We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and working positively with our partners and the communities we work in. We want our partners to be proud to be associated with our company.

OUR PEOPLE ARE IMPORTANT

We value the contribution of each and every member of our workforce. We want to invest in their personal development, reward their accomplishments and grow our own future leaders. We want a contribution of diverse inputs and we truly value the broad meaning of diversity, including through gender, age, religion and culture. Importantly we treat each other with respect.

OUR INTEGRITY IS WHO WE ARE

We maintain the highest standards of ethical business conduct. Our business is built on long-lasting relationships, founded on trust. We want to be able to hold our heads high and know we always acted with integrity.

WE WANT HIGH PERFORMANCE

We want our people to be challenged at work and have the opportunity to achieve outcomes that they can be proud of. We encourage innovation, accountability and collaboration and we hold each other accountable for our overall performance. We are constantly seeking to improve and want to learn from our challenges and our successes. We want to grow in a changing world, not be left behind.

BE HUMBLE

We take nothing for granted. There are always challenges ahead and nothing is a certainty. We carry ourselves with a quiet confidence and treat others the same way that we wish to be treated.

PREPARED TO BE DIFFERENT

We encourage our people to think differently about all aspects of improving our business and importantly to then act differently to bring about changes that make a difference.

Our Reach

Our exploration focus lies in the North West Shelf (NWS) of Australia and Timor-Leste regions, with our head quarters based in Perth, Western Australia. We have seven partly or fully owned assets throughout these offshore regions. These exploration assets all aim to fall within the company's low cost business model as they mature into production assets, to allow them to deliver low cost production on a globally comparable basis.

ASSET	OWNERSHIP	STATUS
Australia Perth	100% CVN	Office / Head Quarters
Timor-Leste Dili	100% CVN	Office
Australia Taurus	100% CVN	No operating assets
Australia Condor	100% CVN	No operating assets
Australia Eagle	100% CVN	No operating assets
Australia Phoenix (Dorado & Roc)	20-30% CVN 70-80% Santos	Exploration Operated by Others (OBO) - Santos
Australia Labyrinth	100% CVN	No operating assets
Australia Outtrim	70% CVN 30% Skye	No operating assets
Timor-Leste Buffalo	100% CVN	No operating assets

Table 1: Our Reach



Figure 1: Current Projects of Carnarvon Petroleum



EXPLORATION BY **INNOVATION**

OUR 2020 HIGHLIGHTS



Figure 2: 2020 Highlights

SUSTAINABILITY AT CARNARVON

Sustainability is at the heart of everything we do. We put health and safety first during our exploration campaigns, we are environmentally responsible, we respect human rights, and we support host communities.

We believe high standards of governance are critical to delivering on our strategy, creating long-term value and maintaining our social license to operate.

Carnarvon's Board has oversight regarding corporate governance responsibilities. These responsibilities are discharged in accord with the various policies, including:

- ⚙️ HSE Policy
- ⚙️ Corporate Code of Conduct
- ⚙️ Corporate Governance Statement
- ⚙️ Anti Bribery and Anti Corruption Policy
- ⚙️ Risk Management Policy
- ⚙️ Whistle Blower Policy

The corporate governance policies and procedures are reviewed annually against ASX Corporate Governance guidance.

We identify and manage material risks across our business activities, functions and processes through our CMS Risk Management System. All material risks to our business are assessed with consideration of the potential health, safety, environmental, community, reputational, legal and financial impacts.



ABOUT THIS REPORT

This Sustainability Report is the first to be completed by Carnarvon, and outlines our sustainability efforts for the year ending 30 June 2020. The report outlines our performance on material topics which were determined as important for both Carnarvon Petroleum stakeholders and the business itself. We will work to an annual Sustainability Reporting cycle.

Frameworks and Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. For increased transparency and reliability, the following guidance was also considered;

International Petroleum Industry Environmental Conservation Association (IPIECA)






IPIECA is the global oil and gas industry association for environmental and social issues. Their 4th edition Sustainability Reporting Guidance for the Oil and Gas Industry was referenced throughout the preparation of this report, due to its tailored, accurate information for the industry.

The UN Sustainable Development Goals (UNSDGs)

The United Nations Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They include 17 global goals with specific targets and measurable performance indicators. Consulting these throughout the sustainability reporting process has allowed Carnarvon to consider how its material matters and actions can make a meaningful difference in contributing to these goals.



Memberships

-  Australian Petroleum Production and Exploration Association (APPEA)
-  South East Asia Petroleum Exploration Society (SEAPEX)
-  American Chamber of Commerce in Australia

Reporting Boundaries

Defining sustainability reporting boundaries can be difficult due to multifaceted ownership and operational arrangements, such as joint ventures. We chose to follow the IPIECA Operational Approach to defining reporting boundaries. Reporting boundaries therefore primarily include only our Corporate company office spaces in this 2020 Sustainability Report (as no assets are currently in operation).

Our people related data included in this report refers to all direct employees, not including contracted exploration drilling staff as these staff are not under the operation of Carnarvon.

We are committed to increasing ongoing data collection and transparency to support future reports in which assets will be operational and reporting boundaries expanded. See Table 2, page 14 for further information on reporting boundaries and Table 6, page 29 for an index of the GRI disclosures.



MATERIALITY

Material Matters

In 2020 we conducted a materiality assessment to identify and prioritise the sustainability issues that are most critical to our business and to our stakeholders. A quantitative process was followed which scored topics against eight external and internal factors, with information to inform this derived through:

- ⚙ Interviews with CVN employees
- ⚙ Targeted consultation with key stakeholders as part of the regulatory (EP) process
- ⚙ Annual General Meetings (AGM)
- ⚙ Investor Relations feedback and,
- ⚙ General public/media.

This replicable process assists us to both track ongoing issues and identify emerging ones. The analysis informs our sustainability strategies and enables us to provide transparent coverage of key topics in line with Global Reporting Initiative (GRI) principles. The material matter outputs from this process were used to inform Carnarvon's data collection, GRI disclosures and future sustainability goals. (Figure 3)

Our Material Topics

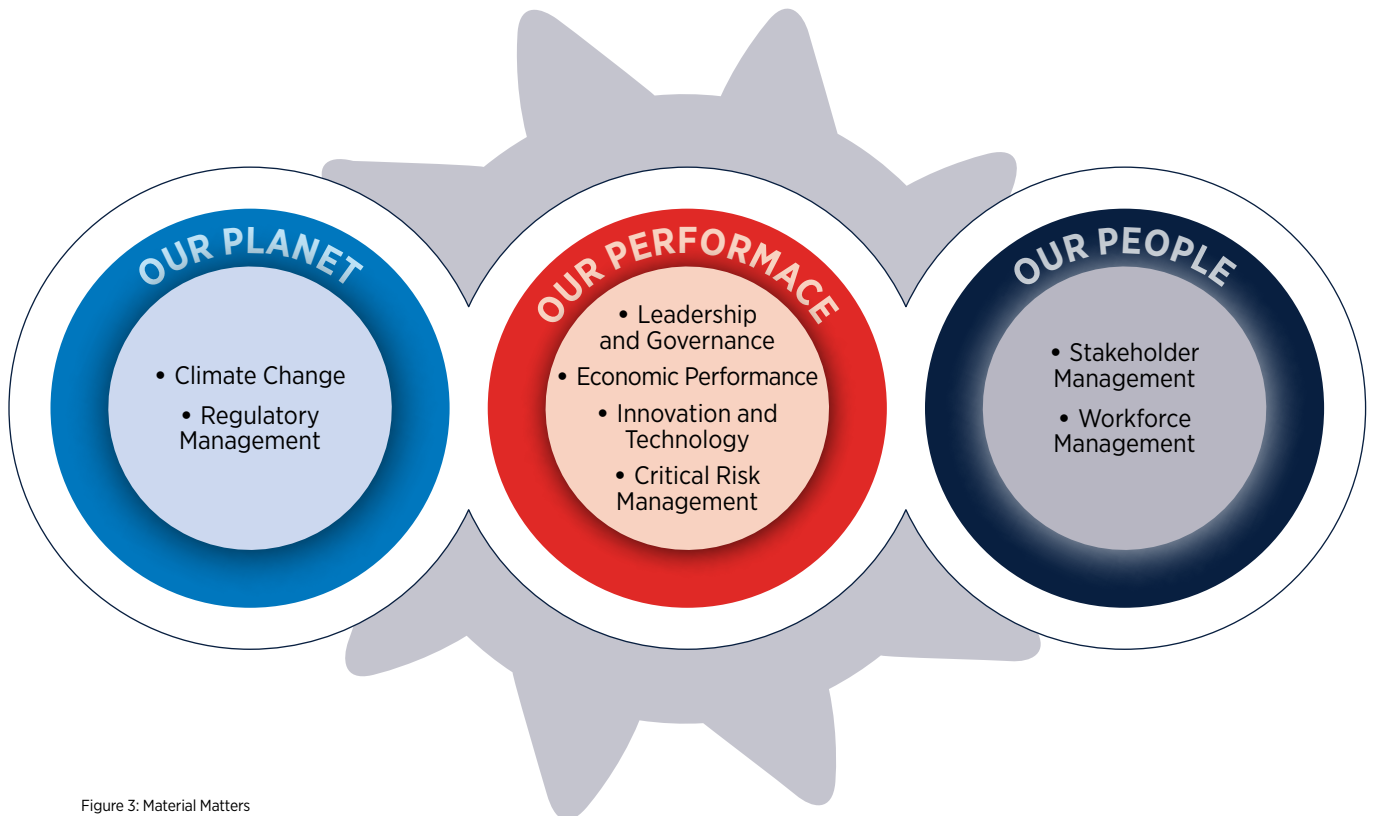


Figure 3: Material Matters

Topic Boundaries

Topic boundaries define the extent of impacts for each material issue. Impacts could occur both within the organisation (internally) and outside the organisation (externally). Topic boundaries for Carnarvon’s material matters have been identified below.

Yes ● No ●

KEY MATERIAL MATTERS/TOPICS	IMPACT WITHIN THE ORGANISATION	IMPACT OUTSIDE THE ORGANISATION
Climate Change	●	Yes – communities, contractors, JV participants, regulators, investors
Regulatory Management	●	Yes – JV participants, regulators, investors
Leadership and Governance	●	Yes – contractors, suppliers, JV participants, regulators, investors
Economic Performance	●	Yes – investors
Innovation and Technology	●	Yes – contractors, suppliers, JV participants, regulators, investors
Critical Risk Management	●	Yes – JV participants, regulators, investors
Stakeholder Management	●	Yes – communities and JV participants
Workforce Management	●	●

Table 2: Topic Boundaries

OUR PLANET

Responsible environmental stewardship requires that we have a comprehensive understanding of, and respect for, our environment and our impact on it. We recognise that activities and actions carried out during exploration and at functioning facilities, including office spaces, all have the potential to impact the environment. Our HSE (Health, Safety and Environment) Policy outlines the steps we take in order to conduct business in a manner that ensures the protection of the environment and considers the precautionary principle and the principles of ecologically sustainable development in all our business strategies.

While our business model still focuses on exploration, our environmental focus for 2020 was embedding climate policies and regulation into our risk and regulatory management.

In the future, as we move into operations there will be a necessity to expand on our environmental focus and goals. These will be at the forefront of our agenda and future sustainability reporting process.



In 2018 Carnarvon published a Health, Safety and Environment (HSE) Policy to strengthen our commitment to ensuring the protection of the environment, whilst complying with all regulatory requirements.

Carnarvon has an ongoing partnership with Carbon Neutral through their “Plant-a-Tree” program. To date, we are proud to have contributed 6,000 trees. These trees represent a tangible demonstration of our commitment to the environment. Carbon Neutral carries out large-scale revegetation of degraded farmlands.

The Carbon Neutral Plant-a-Tree Program allows us to actively support this vital work by funding the planting of mixed native species in the Yarra Yarra Biodiversity Corridor in Southwest Australia.

For more information visit: www.carbonneutral.com.au



Environmental
stewardship

OUR 2021 GOALS

- ⚙️ **Embedding climate change in our strategic & risk planning**
- ⚙️ **Implementing timely and robust regulatory management through enhanced governance and risk management**



Environmental Regulatory Management

We are committed to preventing all significant environmental incidents, minimising environmental impacts from our activities, and complying with all legal and regulatory requirements.

We assess the potential environmental impacts of all activities prior to their commencement, and ensure relevant mitigation and management controls are put in place. All required regulatory documents and approvals were obtained in 2020 from the relevant regulators under Australian and Timor-Leste legislation. Additional approvals will be obtained as required for all future proposed activities.



Carnarvon has zero incidents of non-compliance with environmental laws and regulations for 2020.

GHG Emissions

The Australian *National Greenhouse and Energy Reporting Act 2007* (NGER Act) registration and reporting is mandatory from corporations with operational control of facilities whose energy production, energy consumption or greenhouse gas emissions meet specified thresholds. Due to the exploratory nature of the Company's activities, we have no reportable emissions.

Scope 1 – Operational Emissions

As assets move into an operational phase, emissions will be reported under the NGER Act (where Carnarvon has control of the emissions practices.). Where we do not have operational control, we will work proactively with our Joint Venture partners to ensure best practice emissions reduction is implemented through policy and engineering design.

Scope 2 – Purchased Electricity Emissions

Purchased electricity emissions were measured from the consumption at the Carnarvon head office in Perth. (Figure 4)

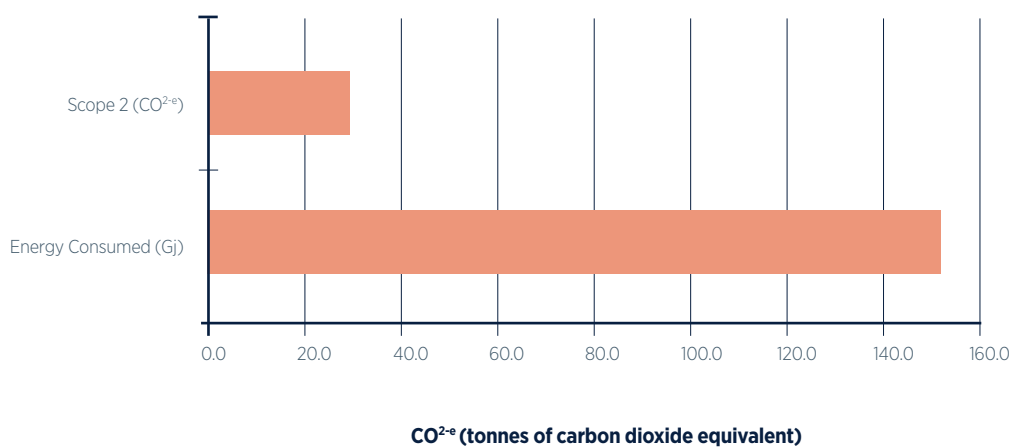


Figure 4: Scope 2 Purchased Electricity Emissions

Climate Change

We recognise climate-related risks and the need for these to be managed effectively particularly across the energy industry. We are committed to continually improving our climate change related disclosures as our processes and understanding of climate related matters mature, alongside our activities and operations.

We have aligned our climate change related disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD). These are summarised in the table below: (Table 3)

GOVERNANCE <i>Disclose the organisation's governance around climate-related risks and opportunities</i>	
Board oversight of climate-related risks and opportunities.	<p>The Board actively oversees risk assessment and its management within the business (which includes climate related risks) and undertakes a formal review of the Corporate Risk Register at least annually.</p> <p>A Climate Change Working Group (CCWG) was established in 2020 with the CCWG reporting progress to the Board as required, with a formal review on an annual basis.</p>
Management role in assessing and managing climate-related risks and opportunities.	Senior Management conducts a climate specific risk assessment and incorporates relevant risks in the Corporate Risk Register. Risks are assessed and updated by Management on a regular basis including an annual formal review.
STRATEGY <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material</i>	
Climate-related risks (opportunities and threats) identified over short, medium and long term.	<p>The physical risks associated with climate change are currently low due to Carnarvon not having operating assets. The medium term (2-5 years) and longer-term (5+ years) physical risks are considered in the development design options through risk management processes.</p> <p>Non-physical risks such as legislative reform, reduced oil demand or stakeholder concerns regarding climate action are the focus of Carnarvon's short-term planning (<1 year).</p> <p>When considering climate related risks, Carnarvon also seeks to identify opportunities that may present in this space.</p>
Impacts of climate-related risks, (opportunities and threats) on organisation's businesses, strategy and financial planning.	Climate-related risks have not had a material impact on Carnarvon to date due to it only operating within a small office environment. In the short to medium term, Carnarvon is prioritising the integration of climate related decisions into its governance, strategy and planning practices.
Resilience of organisation's strategy taking into account different climate scenarios, including a 2°C scenario.	Carnarvon intends to model climate change scenarios as its assets mature.
RISK MANAGEMENT <i>Disclose how the organisation identifies, assesses and manages climate-related risks</i>	
Processes for identifying and assessing climate-related risks.	<p>Climate-related risks are identified and assessed as part of Carnarvon's Corporate Risk Register which is reviewed by the Board on at least an annual basis in line with the Carnarvon Risk Management Policy. Climate risks incorporated into the Corporate Risk Register are identified through an underlying climate specific risk assessment which Carnarvon reviews at least annually.</p> <p>The Corporate Risk Register is a comprehensive document describing risk events, preventive and reactive controls, internal actions and ownership of those actions, along with an initial risk rating in terms of likelihood, consequence, and severity.</p>
Processes for managing climate-related risks.	
How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
METRICS AND TARGETS <i>Disclose the metrics and targets used to assess and manage the relevant climate related risks and opportunities where such information is material</i>	
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Carnarvon is in the process of developing its metrics to manage climate related risks and opportunities.
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Carnarvon's Scope 2 emissions are summarised in the Emissions section of this report. As Carnarvon's assets move into operational phase, Scope 1, 2 emissions will be reported. A methodology for measuring Scope 3 emissions is expected to be developed in the medium term.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Carnarvon is in the process of developing its targets to manage climate related risks and opportunities.

Table 3: Taskforce on Climate-related Financial Disclosures (TCFD)



EXPLORATION BY **INNOVATION**

OUR PEOPLE

Our Employees

We highly value the importance of our people and the diverse contributions of each and every member of our workforce. Carnarvon's employee numbers are small, allowing for a close-knit workforce of respected team members. Carnarvon currently has eighteen employees based in the Perth office and two employees based in the Dili office. 95% of these staff are permanent, with no collective bargaining agreements in place.

We are proud of our commitment to diversity, with women comprising 30% of Carnarvon's workforce compared to 16.8% industry average (WGEA, 2018).

Carnarvon is proud of the strong and innovative culture we have established for our employees. By seeking our employees contribution and empowering them to develop their careers, we are encouraging our employees to grow with the Company. Carnarvon also aims to provide competitive remuneration in relation to our peers, to ensure we can attract the appropriate employees as required and to retain our current employees. As a result, Carnarvon has increased its workforce by 18%, whilst maintaining all of its existing employees, not including retirements. For the coming year, we are working on implementing a new business management system which will include electronic training for all staff on matters such as our values, principles, standards & norms of behaviour.



Empowering people
and communities



Average of **52.5 hrs** of training
per employee.

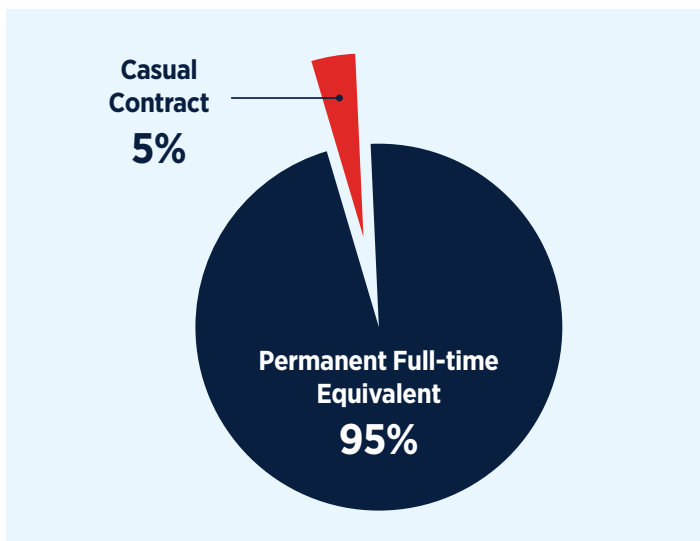


Figure 5: Our Employees

OUR 2021 GOALS

-  Invest in our employees future development, reward their accomplishments and grow our future leaders
-  Enabling gender equality and diversity

Our Stakeholders

We are committed to meeting the highest standards of corporate citizenship by working positively with our partners and the communities we operate in. We want our partners to be proud to be associated with our company.

We adhere to all regulations in regards to stakeholder consultation, and follow a thorough process to map, identify and consult with relevant persons, as set out in our Stakeholder Consultation Strategy document. This strategy outlines the necessary steps in order to establish consistent consultation approaches, and management of any comments or concerns received.

Our stakeholders reasonable expectations and interests were also considered during the Material Mapping process of this Sustainability Report. This allowed our material matters to represent both those matters of high concern to Carnarvon and those of importance to our stakeholders.

OUR 2021 GOALS

 **Build relationships with key stakeholders and capacity in local communities**



CASE STUDY

Timor-Leste Community Engagement

Participation of local populations in the oil and gas value chain is an important element for host countries. Participation allows host countries to benefit from the spin off effects of employment creation and enhancement of the local economy from petroleum activities.

Late last year, Carnarvon signed a Production-Sharing Contract (PSC) with ANPM, the Petroleum Ministry in Timor-Leste, in regards to the exploration phase of our Buffalo project, which is situated within the offshore Timor-Leste Jurisdiction. This PSC signing prompted the development of an Annual Local Content Plan agreement between Carnarvon and the local communities of Timor-Leste, which has since been adopted. The plan aims to describe a series of local content approaches that will enhance local participation in the value chains of the Buffalo project during the early exploration phase.

Carnarvon's local content principles aim to maximise participation by giving preference to local Timorese through employment, training and provision of goods and services in Carnarvon's tendering process during the early exploration phase.



Figure 6: PSC Signing Between Carnarvon and the ANPM of Timor-Leste

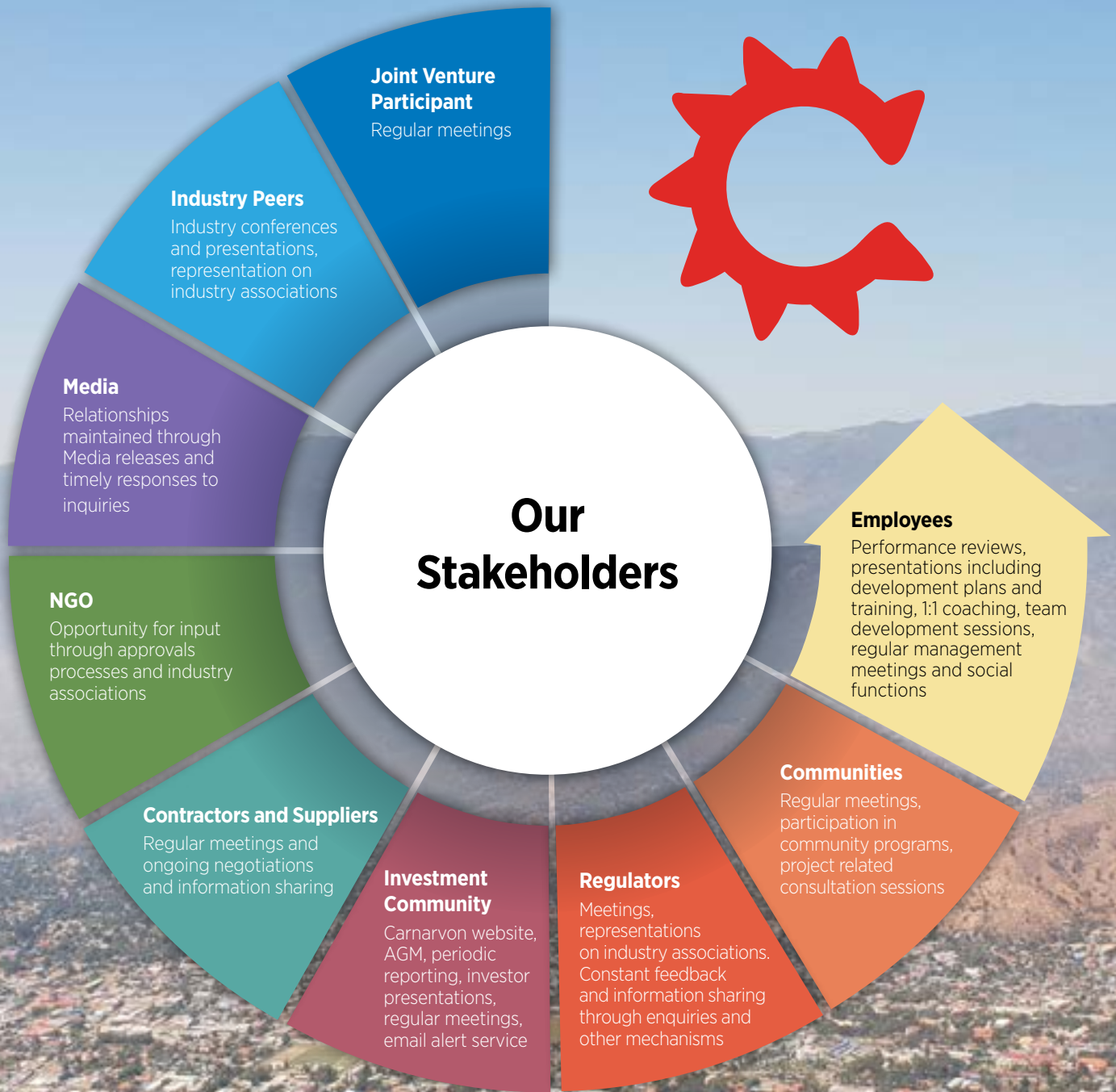


Figure 7: Carnarvon Stakeholder Engagement



EXPLORATION BY INNOVATION

Our Social Investment

Part of our overarching approach when seeking returns for investors is to make sure we do it in a way that improves the social, environmental and economic well-being of society at large.

Our positive contribution begins with small day-to-day changes we have embraced in our Perth office. One example of this is investing in a defibrillator and listing as a community 1st responder with St. John's ambulance, so we can be there ready to help if needed.

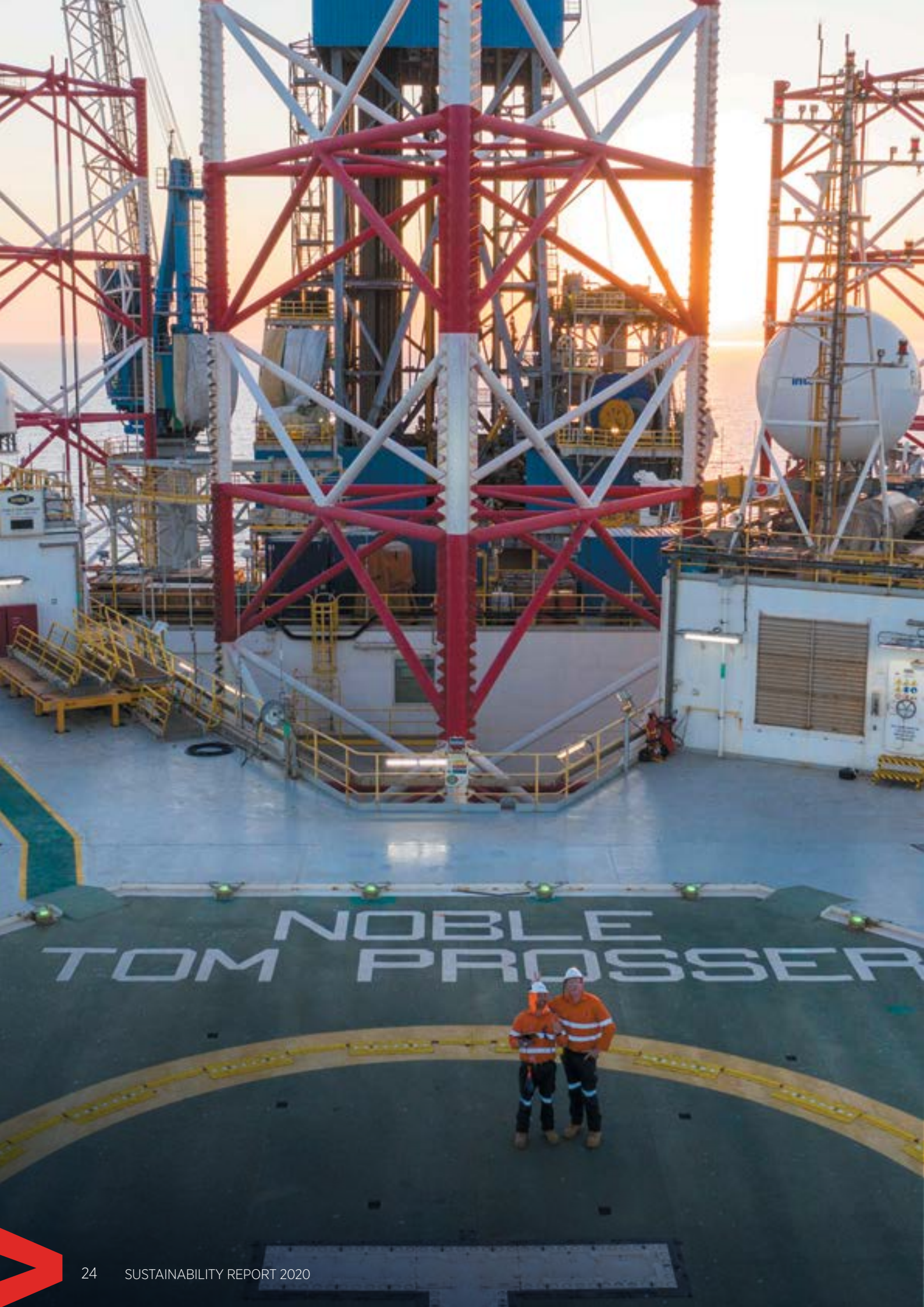
We are conscious we can play a larger role in tackling some of societies challenges, especially during the response to COVID-19. Recognising the challenges faced through this time in the Timor-Leste communities we have donated through UNICEF to assist in the response to COVID-19 and ensure ongoing support for children's early-learning and protection.

Carnarvon donated to UNICEF Australia in support of the organisation's Remote Education for All program in Timor-Leste. The threat of COVID-19 closed education institutions across Timor-Leste during the pandemic. In a context with persistent pockets of inequality, and where many parents may lack education themselves, quality learning at home during the COVID-19 crisis is a significant challenge for the country. Although the Timor-Leste Government has since lifted school closure restrictions, many schools remain closed due to lack of access to

clean water and other facilities. In collaboration with the Ministry of Education, UNICEF's Remote Education for All program aims to benefit 350,000 children and young people by providing at-home learning opportunities. As part of the program, a Safe Schools Protocol is being implemented in 1,834 schools to upgrade handwashing and sanitation facilities so that children can return to a safe educational environment. For more information or to donate please contact partnerships@unicef.org.au



Figure 8: UNICEF Remote Education for All Program



OUR PERFORMANCE

Our Value

We are a company that contributes to the national and regional economies where we operate. With continued successful exploration results, we are carefully laying the foundations for a larger contribution in the future.



Our annual report provides an overview of our economic performance in the 2019/2020 financial year. This can be found at www.carnarvon.com.au

Our Governance

Carnarvon's corporate governance policies and procedures are reviewed annually against ASX Corporate Governance guidance.

The composition of the Board of Directors is an important factor in maintaining our commitment to corporate governance. The Board is comprised of five members, who are collectively responsible for providing leadership for and supervision over the company's affairs and promoting the success of the company. Responsibility for management of the company's business activities is delegated to the Chief Executive Officer, who is accountable to the Board.

As outlined in the Board and Management Functions Policy, the election of Board members is substantially guided by shareholders, although Carnarvon commits to the following principles when appointing members of the Board:

-  the Board will comprise Directors with a blend of skills, experience and attributes appropriate to the Group and its businesses.
-  the principal criterion for the appointment of new Directors is their ability to add value to the Group and its businesses.



Doing business right

OUR 2021 GOALS

-  **Build a strong, diverse and sustainable organisation**
-  **Maintain an excellent company culture**
-  **Long term steady growth providing value to shareholders**
-  **Embrace innovation and technology across the business**
-  **Enhancing risk management approach in company**

Our Ethics and Integrity

We are fully committed to working with integrity and our Code of Conduct specifically prohibits engaging in unethical behaviour. Like safety, working with integrity and doing what is right and doing what we say we will do is the starting point for everything we do. We care as much about how results are achieved as we do about the results themselves.

We value that our business is built on long-lasting relationships and founded on trust. These values are an important part of our commitment to stakeholders and are reinforced through a series of policies, including our; Anti Bribery and Anti Corruption Policy, Corporate Code of Conduct, Corporate Governance Statement, Executive Code of Conduct and Whistle Blower Policy.



Carnarvon had zero incidents of corruption or legal actions for anti-competitive behaviour, anti-trust, and monopoly practices for 2020.

Human Rights and Modern Slavery

We are respectful of the communities we work in and the fundamental rights of our stakeholders and employees. We welcome the introduction of the *Modern Slavery Act (2018)* in Australia and are taking steps to ensure compliance with this Act both in Australia and throughout the international supply chains and communities we engage with. We are committed to the development of a company policy to formalise our corporate governance in this area.

CODE OF CONDUCT

The Code of Conduct sets out the standards of behaviour expected of all Carnarvon employees, directors, officers, contractors and consultants. The key principles of this Code are:



Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company.



Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company.



Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.



Deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.



Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.



Report any breach of this code of conduct to the chairman, who will treat reports made in good faith of such violations with respect and in confidence.

Table 4: Carnarvon Code of Conduct Principles

Innovation and Technology

WE WANT TO GROW IN A CHANGING WORLD, NOT BE LEFT BEHIND

Innovation is about staying at the forefront and identifying technologies that can unlock value. We look to the future at emerging technologies and at how these can be best applied within our business. This ties back to our core values which speak to high performance through encouraging innovation, accountability and collaboration.

The development of the Buffalo field is an example of when we have embraced new technologies, including Full Waveform Inversion (FWI) technology. The FWI reprocessing considerably improved the data quality, allowing clearer analysis of key intervals in and around the Buffalo oil field.

The subsequent technical work supported the interpretation of a significant attic oil accumulation remaining after the original development, based on sub-optimal positioning of early wells using poorly processed seismic data.

Carnarvon also conducted a significant research and development project during the acquisition of the Keraudren 3D Seismic Survey.

The objective of the research was to develop and test new seismic surveying techniques which are capable of obtaining near offset data in shallow water with high velocity carbonate layers. The developments were trialled by field acquisition in the greater Dorado region during the survey.

The Keraudren 3D project used a world-first single vessel 'negative offset' seismic source set up to record seismic data in the Bedout basin. The early results of this project have displayed a significant increase in the quality of the seismic data within the region. The improved data will be instrumental in developing the Dorado field and assessing the follow-up prospects nearby to Dorado. The survey will also be utilised to guide further seismic acquisitions within the basin.



Our Risk Management

Carnarvon recognises that risk is inherent in its activities and operations and managing risk is essential to its continuing success. Carnarvon is committed to identifying, evaluating, and treating all risks in a proactive and effective manner. During the 2020 year we updated our Risk Management Policy to provide a current, relevant and consistent process for the identification and management of risks across our business and operations.

Carnarvon also has an Incident Management Plan (IMP) in place, in order to provide the Incident Management Team (IMT) with the necessary structure and process to help respond to any incidents from the Perth and Dili offices. These plans and teams have not yet been required. However, as our activities and operations develop, so too will our emergency preparedness strategies and awareness.

Contact Details

Carnarvon Petroleum Ltd.

Level 2, 76 Kings Park Road

West Perth, WA 6005

e: admin@cvn.com.au

ph: +61 8 91325 2665

Acronyms

ABBREVIATION / TERM	DEFINITION
ANPM	Autoridade Nacional Do Petroleo E Minerais Timor-Leste
APPEA	Australian Petroleum Production and Exploration Association
ASX	Australian Stock Exchange
CEO	Chief Executive Officer
CVN	Carnarvon Petroleum Ltd
ESG	Environmental, Social & Governance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
IPIECA	International Petroleum Industry Environmental Conservation Association
OPGGS(E)	Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009
SEAPEX	South East Asia Petroleum Exploration Society
UNSDG	United Nations Sustainable Development Goals

Table 5: Acronyms

GRI Content Index

DISCLOSURE	DESCRIPTION	REFERENCE
GRI 102: General Disclosures		
ORGANISATIONAL PROFILE		
102-1	Name of the organization	Page 5
102-2	Activities, brands, products and services	Page 5
102-3	Location of headquarters	Page 7
102-4	Location of operations	Page 7
102-5	Ownership and legal form	Page 5
102-6	Markets served	Page 7
102-7	Scale of the organisation	Page 7
102-8	Information on employees and other workers	Page 19
102-9	Supply chain	Page 26
102-11	Precautionary principle or approach	Page 15
102-12	External initiatives	Page 11
102-13	Membership of associations	Page 11

Table 6: GRI Content Index

DISCLOSURE	DESCRIPTION	REFERENCE
GRI 102: General Disclosures		
STRATEGY		
102-14	Statement from senior decision-maker	Page 3
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behaviour	Page 26
GOVERNANCE		
102-18	Governance structure	Page 25
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Page 21
102-41	Collective bargaining agreements	Page 19
102-42	Identifying and selecting stakeholders	Page 20
102-43	Approach to stakeholder engagement	Page 20
102-44	Key topics and concerns raised	Page 13
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Refer to the Carnarvon Petroleum Annual Report (www.carnarvon.com.au)
102-46	Defining report content and topic boundaries	Page 14
102-47	List of material topics	Page 13
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	Page 11
102-51	Date of most recent report	Not applicable
102-52	Reporting cycle	Page 11
102-53	Contact point for questions regarding the report	Page 28
102-54	Claims of reporting in accordance with the GRI standards	Page 11
102-55	GRI content index	Page 29
102-56	External assurance	Not applicable

DISCLOSURE	DESCRIPTION	REFERENCE
GRI 200: Economic Disclosures		
ANTI-CORRUPTION		
205-3	Confirmed incidents of corruption and actions taken	Page 26
ANTI-COMPETITIVE BEHAVIOUR		
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Page 26
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Refer to the Carnarvon Petroleum Annual Report (www.carnarvon.com.au)
GRI 300: Environmental Disclosures		
CLIMATE CHANGE AND GHG EMISSIONS		
305-2	Energy indirect (Scope 2) GHG emissions	Page 16
REGULATORY MANAGEMENT		
307-1	Non-compliance with environmental laws and regulations	Page 16
GRI 400: Social Disclosures		
EMPLOYMENT		
401-1	New employee hires and employee turnover	Page 19
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	Page 19
LEADERSHIP AND GOVERNANCE		
As per general disclosures		
CRITICAL RISK MANAGEMENT		
G4-DMA	Emergency Preparedness	Page 28
INNOVATION AND TECHNOLOGY		
N/A	Spend on innovative technology	Page 27



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