

Grant of Performance Rights

16 July 2021



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) has granted 3,119,670 performance rights to key management personnel and certain executives under the Company's Performance Rights Plan ("Plan") which was approved by shareholders at the 2021 Annual General Meeting.

The Plan is designed to:

- (a) align interests between the Company, its shareholders and key employees;
- (b) reward and retain talent; and
- (c) incentivise key members of management to drive higher returns.

403,109 of the granted Performance Rights are in relation to the Company's short term incentive plan where half of key management personnel's short-term incentive awards for the year ending 30 June 2021 are settled by 12 month deferred shares.

2,716,560 of the granted Performance Rights are in relation to the Company's long term incentive plan which have a Vesting Period of three years and are subject to Vesting Conditions.

Type of Performance Right	Number of Performance Rights Granted
12 month deferred equity settled short term incentive	403,110
Long Term Incentive Plan	2,716,560
Total Performance Rights Granted	3,119,670

Vesting Conditions - Long Term Incentive Plan

1,358,280 Performance Rights are subject to the relative total shareholder return vesting conditions and 1,358,280 Performance Rights are subject to the absolute shareholder return vesting conditions, with the level of vesting outlined in the tables below.

Absolute Total Shareholder Return	Level of Vesting
9.99% per annum return of lower	Zero
10% per annum return	33%
Between 10% and 20% per annum return	Pro rata between 33% and 100%
Above 20% per annum return	100%

Relative Total Shareholder Return Against Peers	Level of Vesting
Less than 50 th percentile	Zero
Between 50 th percentile and 75 th percentile	Pro rata between 50% and 100%
75 th percentile or better	100%

Managing Directors Performance Rights

In addition to the Performance Rights granted today, the Company has invited Managing Director, Adrian Cook to apply for 2,724,655 Performance Rights, comprising

- 544,931 12 month deferred equity settled short term incentive Performance Rights; and
- 2,179,724 long term incentive plan Performance Rights

Mr Cook has applied for these Performance Rights and the Grant is subject to shareholder approval at the Company's 2021 Annual General Meeting.

Approved by



Bill Foster

Chairman

Carnarvon Petroleum

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