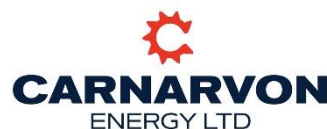


# Renewable diesel business progress

10 March 2022



## Highlights

- **Carnarvon unveils its renewable diesel business as FutureEnergy Australia**
- **Technip Energies progressing FEED for first biorefinery project**
- **The Shire of Narrogin in WA's Wheatbelt region is the focus for the first facility**
- **Secured an exclusive 12-month option to purchase a 65Ha site outside of Narrogin**

Carnarvon Energy Limited ("Carnarvon") (ASX:CVN) is pleased to announce its renewable diesel business as FutureEnergy Australia ("FEA"), a 50:50 joint venture arrangement with Frontier Impact Group.

Carnarvon announced on 6 July 2021 that it would invest \$2.6 million in seed capital towards an initial renewable diesel project which was the first step in an overall strategy to actively reduce the carbon intensity of its portfolio.

Over the past eight months, FEA has been advancing a range of key negotiations, contracts and undertaking extensive on-the-ground stakeholder consultation to progress the first biorefinery project to an FID decision in 2022.

Late last year, world-leading engineering and technology firm Technip Energies was appointed to carry out Front-End Engineering and Design ("FEED") for the first biorefinery project.

The focus of the first project is the Shire of Narrogin, approximately 200kms southeast of Perth. A 12-month exclusive option to purchase a 65Ha site outside of Narrogin has recently been secured. Technical due diligence is currently being undertaken on this site, and relevant approvals are being progressed.

The initial biorefinery is expected to require less than 10% of the potential land acquisition. The land size provides optionality to add additional production modules and, subject to further assessment, develop sustainable aviation fuel (SAF) and graphene refining capability.

FEA's biorefinery business intends to convert sustainably sourced woody biomass such as construction waste, ecological thinnings and plant-based agricultural waste into renewable diesel using high-temperature pyrolysis.

Renewable diesel can be used to replace conventional diesel without requiring modifications to diesel engines. It burns cleaner and has a lower emissions profile compared to conventional diesel.

The high-temperature pyrolysis process also results in the production of high-quality biochar and wood vinegar. The high-quality biochar can be further refined into graphene, which has many 21<sup>st</sup> century applications, including the next generation of high-capacity, long-life, fast-charging batteries.

The sale of these products adds further upside to the commerciality of the biorefinery.

FEA aims to develop multiple biorefinery projects that produce commercial volumes of renewable diesel through net-carbon zero technology and establish a substantial Australian-owned and operated renewable fuels business.

**Carnarvon Managing Director and CEO Adrian Cook said:**

*“We’re pleased to formally launch our renewable diesel business as FutureEnergy Australia, a name that reflects Carnarvon’s investment in the energy transition.*

*“Our project has the potential to transform the approach to fuel production and use for individuals, businesses and organisations looking to reduce their carbon footprint.*

*“The benefits are not exclusive to fuel users, with additional by-products produced in the biorefining process such as biochar and wood vinegar providing significant soil improvement opportunities to the agricultural sector.*

*“We’re excited to be working with our joint venture partner, Frontier Impact Group, in the development of our first biorefinery that will produce important renewable fuel, create a circular economy in Western Australia’s Wheatbelt, foster regional employment opportunities and deliver a significant reduction in carbon emissions.”*

Approved by:



**Adrian Cook**

Managing Director  
Carnarvon Energy

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**Forward looking information**

*This announcement contains certain “forward-looking statements”, which can generally be identified by the use of words such as “will”, “may”, “could”, “likely”, “ongoing”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “forecast”, “goal”, “objective”, “aim”, “seek” and other words and terms of similar meaning. Carnarvon cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on any forward-looking statement.*