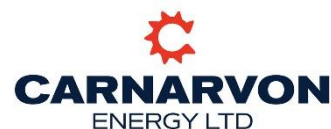


Fully underwritten institutional placement to raise A\$70 million

28 March 2022



Highlights

- Fully underwritten institution placement to raise approximately A\$70 million from professional and institutional investors
- Carnarvon well positioned to finance the Dorado development and progress its growth opportunities

Carnarvon Energy Limited (“Carnarvon” or the “Company”) (ASX:CVN) is pleased to announce that it is conducting a fully underwritten institutional placement (“Institutional Placement”) of 234.8 million new fully paid ordinary shares (“New Shares”) to raise approximately A\$70 million.

The Institutional Placement, together with Carnarvon’s existing cash, will provide funding for a number of important activities which include:

- Contribution towards the equity component of Phase 1 (liquids) of the Dorado development;
- Front End Engineering Design (FEED) work for the Dorado development;
- Drilling of the high impact Apus-1 exploration well;
- Appraisal of the recent Pavo-1 oil discovery, and studies to identify the next high impact drilling targets in the Bedout Sub-basin; and
- General corporate purposes, overhead expenses, working capital requirements and contingencies, including costs.

Carnarvon Managing Director and CEO, Mr Adrian Cook, said:

“The proceeds from the Institutional Placement will be used to bring the Dorado liquids development to a Final Investment Decision in 2022. Dorado is a world class resource, containing high-quality reservoirs and fluids in shallow water which we expect to result in strong returns for our shareholders.

There is also a significant amount of tie-in potential close to the Dorado development. The funds will also be used to test this potential, including the upcoming Apus-1 well, which will commence drilling next month. In addition to the recent Pavo-1 discovery, this well has the potential to materially add value to the Dorado project”.

Fully underwritten institutional placement

The Company will issue 234.8 million New Shares at an issue price of A\$0.30 per share to raise gross proceeds of A\$70 million. The issue price of the New Shares represents:

- 9.1% discount to the last closing price of \$0.33 per share on 25 March 2022;
- 18.0% discount to the 5-day VWAP on 25 March 2022; and
- 14.6% discount to the 10-day VWAP on 25 March 2022.

The New Shares will be issued within the Company’s placement capacity under ASX Listing Rule 7.1 and without disclosure in accordance with Chapter 6D.2 of the *Corporations Act 2001* (Cth) (“**Corporations Act**”). The Placement is not subject to shareholder approval and each New Share issued under the Placement will rank equally with existing fully paid ordinary shares on issue.

Euroz Hartleys Limited and Barrenjoey Markets Pty Ltd are acting as Joint Lead Managers to the Institutional Placement. The Institutional Placement is fully underwritten.

Settlement of the New Shares issued under the Institutional Placement is expected to occur on Monday, 4 April 2022, with allotment and normal trading scheduled for Tuesday, 5 April 2022.

Further information in relation to the Institutional Placement and Carnarvon can be found in the investor presentation, released on Carnarvon's ASX platform today.

Indicative timetable

Event	Date (2022)
Trading halt and announcement of the Institutional Placement	Monday, 28 March
Institutional Placement executed	Monday, 28 March
Announcement of the outcome of the Institutional Placement	Wednesday, 30 March
Trading halt lifted and trading of shares recommences on ASX	Wednesday, 30 March
Settlement of New Shares under the Institutional Placement	Monday, 4 April
Allotment and normal trading of New Shares issued under the Institutional Placement	Tuesday, 5 April

This timetable is indicative only and subject to variation. Carnarvon reserves the right to alter the timetable at its discretion and without notice, subject to the ASX Listing Rules, Corporations Act and other applicable law.

Approved by:



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Forward-looking statements

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.