

ASX ANNOUNCEMENT

Grant of performance rights

14 July 2023

Carnarvon Energy Limited (**Carnarvon**) has granted performance rights to its employees under the Company's Performance Rights Plan (**Plan**), as approved by shareholders at the 2020 Annual General Meeting.

The Plan is designed to:

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

The performance rights have been granted under Carnarvon's long term incentive plan (**LTIP**). All performance rights have a vesting period of three years and are subject to specific vesting conditions.

LTIP vesting conditions

Performance rights granted under Carnarvon's LTIP are subject to vesting conditions in respect of relative total shareholder return and absolute total shareholder return, with the level of vesting outlined in the tables below:

Absolute Total Shareholder Return	Level of Vesting
9.99% per annum return or 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 50th percentile	Zero
Between 50th percentile and 75th percentile	Pro rata between 50% and 100%
75th percentile or better	100%

Approved for release by:



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Chair
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