

16 October 2023

Dear Shareholder

Carnarvon Energy Limited (ABN 60 002 688 851) (**Company**) is convening its Annual General Meeting of shareholders on Friday, 17 November 2023 at 10:00am (AWST) (**Meeting**) at Meeting Room 1 and 2, Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia.

The notice convening the Meeting (**Notice**) and other meeting documents are available online at <https://carnarvon.com.au/investor-centre/asx-announcements/> and the Company's ASX page at <https://www.asx.com.au/markets/company/cvn>. You will not receive a paper copy of the Notice unless you have elected to receive one. You can request a paper copy by contacting the Company Secretaries, Mr Gavan Sproule or Mr Alex Doering, on +61 8 9321 2665.

The Notice (including the accompanying Explanatory Statement) sets out important details regarding the resolutions that will be put to shareholders at the Meeting. You should read the Notice and all accompanying materials carefully and in their entirety.

If you are unable to attend the Meeting, you may appoint a proxy to attend and vote on your behalf via <https://investorcentre.linkgroup.com/> by following the instructions on the proxy form. Proxy appointments must be received by 10.00am (AWST) on Wednesday, 15 November 2023.

If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss the matters in the Notice, please do not hesitate to contact the Company Secretaries, Mr Gavan Sproule or Mr Alex Doering, on +61 8 9321 2665.

Yours faithfully



Gavan Sproule
Joint Company Secretary
Carnarvon Energy Limited

CARNARVON ENERGY LIMITED

ABN 60 002 688 851

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (AWST)

DATE: Friday, 17 November 2023

PLACE: Meeting Room 1 & 2
Perth Convention and Exhibition Centre
21 Mounts Bay Road
Perth, Western Australia

This Notice of Meeting and the accompanying Explanatory Statement set out important details regarding the resolutions that will be put to Shareholders at the 2023 Annual General Meeting of Carnarvon Energy Limited. You should read all the documents carefully.

If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretaries, Mr Gavan Sproule or Mr Alex Doering on +61 8 9321 2665.

CONTENTS	PAGE
How to Vote	2-4
Notice of Annual General Meeting (setting out the proposed resolutions)	5-8
Explanatory Statement (explaining the proposed resolutions)	9-21
Annexure A: Summary of the Carnarvon Energy Limited Performance Rights Plan	22-24
Annexure B: Constitution - Proportional Takeover Bid Provision	25-26
Glossary	27-28
Proxy Form	Enclosed

HOW TO VOTE

MEETING DOCUMENTS

This Notice of Meeting and the accompanying Explanatory Statement set out important details regarding the resolutions that will be put to Shareholders at the AGM. You should read all the documents carefully.

ENTITLEMENT TO VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), Shareholders eligible to vote at the AGM will be those persons who are registered Shareholders of the Company at 4.00pm (AWST) on Wednesday, 15 November 2023.

YOUR VOTE IS IMPORTANT

The business of the AGM affects your shareholding and your vote is important. If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional adviser prior to voting.

HOW TO VOTE

You may vote by attending the AGM in person, by proxy or attorney, or by an authorised representative (if you are a body corporate).

VOTING IN PERSON

To vote in person, attend the AGM on the date and at the place set out on the front page of this Notice of Meeting.

VOTING BY PROXY

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate.

If you are entitled to cast two or more votes at the AGM, you may appoint up to two proxies and you may specify the proportion or number of votes each proxy may exercise. Where two proxies are appointed, a separate form should be used for each. If you appoint two proxies and the

appointment does not specify the number or proportion of votes each proxy may exercise, each proxy may exercise half the votes.

A Shareholder can direct its proxy to vote for or against, or to abstain from voting on, each Resolution by marking the appropriate box in the voting directions section of the proxy form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chair, who must vote the proxies as directed.

If the Chair is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the proxy form for Resolutions 2, 3 and/or 4, the proxy form expressly directs and authorises the Chair to cast your votes **FOR** Resolutions 2, 3 and 4. This express authorisation is included because without it the Chair would be precluded from casting your votes as these resolutions are connected with the remuneration of Key Management Personnel. Subject to any voting prohibitions that may apply to the Chair in respect of Resolutions 2, 3 and 4 to restrict the Chairman from voting undirected proxies, the Chair intends to vote all undirected proxies **FOR** Resolutions 1 to 5.

To vote by proxy, please complete and sign the enclosed proxy form and return it (together with the original of any power of attorney or other authority, if any, or a certified copy of that power of attorney or other authority under which the proxy form is signed) in accordance with the instructions below.

Proxy forms should be returned to the Company's Share Registry Link Market Services Limited in accordance with the instructions on the enclosed proxy form by 10.00am (AWST) on Wednesday, 15 November 2023.

Proxy forms received later than the time specified above will be invalid.

The following methods of delivery for proxies are specified:

By post: Carnarvon Energy Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South, NSW, 1235

Online: www.linkmarketservices.com.au
Select 'Investor Login' and enter Carnarvon Energy Limited or the ASX code (CVN) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on your proxy form), complete the security validation process, tick the box to confirm you have read the terms & conditions and click 'Login'. Select the 'Voting' tab and then follow the prompts to lodge your proxy. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

By facsimile: (+612) 9287 0309 (from overseas)
(02) 9287 0309 (from Australia)

By delivery: Link Market Services Limited
Parramatta Square
Level 22, Tower 6, 10 Darcy Street,
Parramatta, NSW, 2150

VOTING BY CORPORATE REPRESENTATIVE

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the AGM in accordance with section 250D of the Corporations Act.

To appoint a corporate representative, a body corporate must provide the Company with a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting. The certificate of appointment of a corporate representative must be lodged with the Company and/or the Share Registrar, Link Market Services Limited, before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting Link Market Services Limited on telephone number +61 1300 554 474 or Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company at www.linkmarketservices.com.au (select the "Resources" tab and click on "Forms").

KEY DATES

Event	Date
Deadline for lodgement of proxy forms	10.00am (AWST) on Wednesday, 15 November 2023
Determination of voting eligibility	4.00pm (AWST) on Wednesday, 15 November 2023
AGM	10.00am (AWST) on Friday, 17 November 2023

ENQUIRIES

Shareholders are asked to contact the Company Secretaries, Mr Gavan Sproule or Mr Alex Doering, on +61 8 9321 2665 if they have any queries in respect of the matters set out in this Notice of Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders will be held at 10.00am (AWST) on Friday, 17 November 2023 at Meeting Room 1 & 2, Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Statement forms part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ANNUAL FINANCIAL STATEMENTS AND REPORTS

To consider the Annual Financial Report, the Directors' Report and the Auditor's Report of Carnarvon Energy Limited for the financial year ended 30 June 2023.

RETIREMENT OF DR PETER MOORE AS A DIRECTOR

To record the retirement of Dr Peter Moore as a Director of the Company.

RESOLUTION 1 – RE-ELECTION OF MS DEBRA BAKKER AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That Ms Debra Bakker, who retires by rotation in accordance with rule 35(c) of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.”

RESOLUTION 2 – GRANT OF LONG-TERM PERFORMANCE RIGHTS TO MR ADRIAN COOK, MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“For the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, the Company approves the grant to the Managing Director, Mr Adrian Cook, or his nominee, of 4,556,620 Long-Term Performance Rights under the Company's Performance Rights Plan in respect of the financial year ending 30 June 2023 on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Prohibitions

As required by section 224 of the Corporations Act, a vote on Resolution 2 must not be cast (in any capacity) by or on behalf of Mr Cook or any of his associates. However, this prohibition does not apply if:

- a) the vote is cast by a person as proxy and the proxy form specifies how the proxy is to vote on Resolution 2; and
- b) the vote is not cast on behalf of Mr Cook, his associates or any related party of Mr Cook.

Further, a vote on Resolution 2 must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and

- b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the AGM; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

You should be aware that if the Chair of the AGM is a person who is precluded from voting on Resolution 2 in accordance with section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the proxy form specifies how the proxy is to vote on Resolution 2.

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a) a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Performance Rights Plan; or
- b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- b) the Chair of the AGM as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2023

To consider and, if thought fit, to pass the following resolution as a **non-binding** resolution:

“To adopt the Remuneration Report as contained in the Directors’ Report of the Company for the financial year ended 30 June 2023 for the purposes of section 250R(2) of the Corporations Act and for all other purposes.”

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3:

- a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- b) by a person who is a member of the Key Management Personnel at the date of the AGM, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 3:

- a) in accordance with a direction as to how to vote on the proxy; or
- b) by the Chair pursuant to an express authorisation to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

SPECIAL BUSINESS

RESOLUTION 4 – ISSUE OF SECURITIES UNDER PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)), and for all other purposes, the Shareholders of the Company approve the issue of securities under the Performance Rights Plan, a summary of which is included in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Prohibition

A vote on Resolution 4 must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the AGM; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a) a person who is eligible to participate in the Performance Rights Plan; or
- b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- b) the Chair of the AGM as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

“That the Company renew the proportional takeover provisions contained in rule 72 of the Constitution for a period of three years from the date of the AGM.”

Details of the renewal of the proportional takeover provisions are set out on the Explanatory Memorandum.

Dated: 29 September 2023
By order of the Board



Mr Gavan Sproule
Joint Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in respect of the AGM.

The purpose of this Explanatory Statement is to provide information that the Board believes to be material to Shareholders in deciding whether or not to approve the Resolutions in the Notice of Meeting.

ANNUAL FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Annual Financial Report, the Directors' Report, and the Auditor's Report (**Annual Report**) to be received and considered at the AGM. The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report which can be downloaded from the Company's website at www.carnarvon.com.au.

The Company's auditor, Ernst & Young, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

RETIREMENT OF DR PETER MOORE AS A DIRECTOR

In accordance with rule 35(c) of the Company's Constitution, Dr Peter Moore retires by rotation.

On 1 September 2023, Dr Moore informed the Board that he would not offer himself for re-election as a Director of the Company and, accordingly, he will retire at the conclusion of the AGM.

We thank Dr Moore for his contribution and service as a Director during his tenure and wish him well in his future endeavours.

RESOLUTION 1 – RE-ELECTION OF MS DEBRA BAKKER AS A DIRECTOR

1.1 Background

In accordance with rule 35(c) of the Company's Constitution, Ms Debra Bakker retires by rotation and, being eligible, offers herself for re-election as a Director.

Details of Ms Bakker's experience and qualifications are set out below.

Term of office: First appointed as a Director in October 2020, and re-elected as a Director in November 2020.

Qualifications: MAppFIN., BBus. (FinAcc), Grad Dip FINSIA, GAICD

Skills and experience: Ms Bakker is an experienced financier and deal maker with over 30 years' experience in the resources industry with significant international experience. Ms Bakker has previously held senior positions with Commonwealth Bank of Australia, Standard Bank London Group and Barclays Capital and was the non-executive chair of Capricorn Metals Ltd and a non-

executive director of Azumah Resources Ltd. She is currently the Western Australian Representative for Auramet Trading LLC and a non-executive director of IGO Limited.

1.2 Director's recommendation

The Board (other than Ms Bakker) unanimously recommends that Shareholders vote **in favour** of Resolution 1.

The Chair intends to vote all available proxies **in favour** of this Resolution.

RESOLUTION 2 – GRANT OF LONG-TERM PERFORMANCE RIGHTS TO MR ADRIAN COOK, MANAGING DIRECTOR

2.1 Background

The Board wishes to align the interest of the Company's Managing Director, Mr Adrian Cook, with those of the Company and its Shareholders. The Board believes that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company can attract and retain people of the highest calibre.

The Board considers that the most appropriate means of achieving this is to provide Mr Cook with an opportunity to participate in the Company's future growth and give him an incentive to contribute to that growth. The issue of performance rights as part of the remuneration packages of executive directors is a well-established practice of publicly listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly incentivising Mr Cook.

To this end, the Company proposes to grant Mr Cook (or his nominee) 4,556,620 long-term Performance Rights (**LTI Performance Rights**) under the Company's Performance Rights Plan (**Plan**) in respect of the financial year ending 30 June 2023.

Each LTI Performance Right is a right to subscribe for one Share for nil consideration, subject to satisfaction of the applicable vesting conditions described below, and otherwise on the terms and conditions set out in the Plan. The material terms and conditions of the Plan are summarised in **Annexure A** of this Explanatory Statement.

2.2 LTI Performance Rights

The LTI Performance Rights are intended to incentivise Mr Cook to work towards, and to reward him for, generating a return on investment for Shareholders over the longer term. For this reason, the LTI Performance Rights will be granted subject to performance or vesting conditions that are directly linked to Shareholder returns over a three-year period and which must be satisfied before the LTI Performance Rights can be exercised and converted into Shares.

The vesting criteria for the LTI Performance Rights is set out in the table below and will be assessed at the end of the three-year period commencing on 1 July 2023 (**Performance Period**).

Measure	Weighting	Hurdles	Vesting Percentage
Relative TSR Performance	50%	Less than 50 th percentile	0%
		Equal to or more than 50 th and less than 75 th percentile	Pro rata between 50% and 100%
		75 th percentile or better	100%

Absolute TSR Performance	50%	9.99% or lower per annum return	Nil
		10% per annum return	33%
		Between 10% and 20% per annum return	Pro rata between 33% and 100%
		Equal to or above 20% per annum	100%

The number of LTI Performance Rights that will vest and become convertible to Shares will depend on the rate of return achieved during the Performance Period, with:

- 50% of the LTI Performance Rights weighted on the Company's rate of return relative to the rate of return achieved by a comparative group of 12 ASX-listed Australian exploration and production companies with varying market capitalisations (**Relative TSR Performance**); and
- 50% of the Performance Rights weighted on achievement of Company specific hurdle rates of return (**Absolute TSR Performance**).

The Relative TSR Performance and Absolute TSR Performance will be calculated using the closing price of Shares on the ASX on 30 June 2023, being \$0.13.

For the purposes of assessing the Relative TSR Performance, the comparative group currently comprises:

88 Energy Limited	Elixir Energy Limited	Horizon Oil Limited
Buru Energy Limited	Empire Energy Group Limited	Karoon Energy Limited
Central Petroleum Limited	Galilee Energy Limited	Strike Energy Limited
Cooper Energy Limited	Helios Energy Ltd	Tamboran Resources Limited

The peer group will be reviewed for relevance and amended annually, as appropriate.

In addition to the performance conditions outlined above, the vesting conditions attaching to the LTI Performance Rights require that Mr Cook remains an employee of the Company during, and as at the end of, the Performance Period.

2.3 Other conditions

All LTI Performance Rights that have vested must be exercised within 90 days from the date of vesting, otherwise they will lapse.

The Board retains the absolute discretion to determine that some or all of any LTI Performance Rights that have not vested should vest.

Subject to applicable law and the ASX Listing Rules, if Mr Cook's employment with the Company ceases, some or all of the LTI Performance Rights then on issue may vest and/or be automatically exercised.

If Mr Cook's employment with the Company ceases because of death, retirement, total and permanent disability, or redundancy, he will be deemed a "Good Leaver". If Mr Cook ceases employment for any other reason, he will be deemed a "Bad Leaver" unless the

Board determines otherwise.

If Mr Cook is a Good Leaver and, as at the date of cessation of his employment, he holds:

- LTI Performance Rights which have not vested, those Performance Rights will immediately lapse; and/or
- LTI Performance Rights which have vested, all of those Performance Rights will be automatically exercised and either Shares will be delivered to Mr Cook, or the "Cash Equivalent Value" will be paid to Mr Cook (if the Board determines in its absolute discretion that the Cash Equivalent Value will be paid to Mr Cook in lieu of Shares being delivered). Refer to item 5 of **Annexure A** of this Explanatory Statement for an explanation of the concept of "Cash Equivalent Value".

If Mr Cook is a Bad Leaver, any LTI Performance Rights (whether those rights have vested or not) will immediately lapse.

2.4 Requirement for Shareholder approval

Shareholder approval is required under the provisions of ASX Listing Rule 10.14 in respect of all securities to be issued to directors (or their associates) under an employee incentive scheme.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company without prior shareholder approval, unless the benefit falls within one of various exceptions to that prohibition contained in the Corporations Act. 'Related party' is widely defined and includes all directors of a public company. 'Financial benefit' has a wide meaning and includes the issue of securities by a public company. Resolution 2, if passed, will confer a financial benefit on a Director of the Company.

While the Board believes the offer of the LTI Performance Rights to Mr Cook is reasonable in the context of Mr Cook's overall remuneration, the Board considers it prudent to obtain Shareholder approval for the purposes of Chapter 2E of the Corporations Act.

2.5 Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act (and for all other purposes), the following information is provided to Shareholders:

- (a) Subject to Resolution 2 being passed, the financial benefit would be given to the Company's Managing Director, Mr Adrian Cook (or his nominee).
- (b) The nature of the financial benefit is the grant of 4,556,620 LTI Performance Rights (and the consequent delivery of Shares upon conversion of the Performance Rights into Shares) for nil consideration under the Performance Rights Plan. The material terms and conditions of the Plan are summarised in **Annexure A** of this Explanatory Statement.
- (c) The Board (other than Mr Cook) has carefully considered the proposed issue of the LTI Performance Rights to Mr Cook, as well as Mr Cook's remuneration package generally, and consider the issue to be an important component of his remuneration package in that it:
 - provides a competitive remuneration package, relative to the Company's peers;
 - provides a strategic and value-based reward for Mr Cook;

- preserves the Company's cash resources;
- aligns Mr Cook's interests with the interests of Shareholders; and
- incentivises Mr Cook over the longer term to derive value from those Performance Rights, in particular the LTI Performance Rights.

The Company will not receive any proceeds on the issue of the LTI Performance Rights. Mr Cook will only be able to realise value from the grant of the LTI Performance Rights if the securities vest. The number of LTI Performance Rights proposed to be issued to Mr Cook was determined having regard to these matters and the Board (other than Mr Cook) consider the value of the LTI Performance Rights (see paragraph (g) below) to be reasonable considering these matters.

- (d) The highest and lowest closing prices of Shares on the ASX in the 12 months ending on the last practicable date prior to finalising the Notice of Meeting (**Last Practicable Date**), being 28 September 2023, were \$0.175 on 17 February 2023 and \$0.115 on 23 May 2023, respectively.
- (e) The closing price of Shares on the ASX on the Last Practicable Date was \$0.16.
- (f) As at the Last Practicable Date, the Company has the following equity securities on issue:

Type of security	Number on issue
Shares	1,800,186,904
Performance Rights	17,603,676 (exercisable into 17,603,676 Shares)

If Resolution 2 is approved and the LTI Performance Rights are granted, the Company will have an additional 4,556,620 Performance Rights on issue.

If any of the LTI Performance Rights are converted into Shares, the effect would be to dilute the shareholding of existing Shareholders.

As at the Last Practicable Date, on a fully diluted basis (i.e. assuming all the existing Performance Rights on issue are exercised and no other securities are issued), the Company would have an equivalent of a maximum of 1,817,790,580 Shares on issue. The issue of the Performance Rights to Mr Cook would result in dilution (expressed as a percentage of the Company's fully diluted Share capital as at the Last Practicable Date, assuming the LTI Performance Rights are approved, granted and exercised into Shares, but assuming no other securities are issued) of approximately 0.25%.

- (g) The indicative fair value of the LTI Performance Rights to be granted to Mr Cook (or his nominee) has been determined using a Monte Carlo simulation. The following key assumptions were adopted in estimating the value of the LTI Performance Rights: risk free interest rate, share volatility and the market value of Shares.

The table below provides an estimate of the value of the LTI Performance Rights on the basis of a market price of Shares of \$0.13 (being the closing price of Shares on the ASX on 30 June 2023), a risk-free interest rate of 4.1%, and a share volatility measure of 62.9%.

Market Price of Shares	Value per LTI Performance Right	Accounting Value of Total LTI Performance Rights
\$0.13	\$0.08	\$364,530

Shareholders should be aware that the indicative value of the LTI Performance Rights that are proposed to be granted to Mr Cook (or his nominee), as set out above, is considered to represent the theoretical value for the LTI Performance Rights given the inherent limitations of the Monte Carlo simulation. Any change in the variables applied in the Monte Carlo simulation between the date of valuation and the date of issue of the LTI Performance Rights may have a material impact on the value of the LTI Performance Rights.

- (h) The remuneration paid or payable to Mr Cook for the 12 months ending 30 June 2023 is as follows:

Director	Salary	Share based payments	Superannuation	Bonus	Leave Benefits	Total
Adrian Cook	\$610,028	\$265,992	\$28,946	-	\$86,575	\$991,541

- (i) Mr Cook, as an Executive Director, is currently entitled to an annual salary of \$654,559 (including superannuation). In addition to fixed remuneration, Mr Cook is eligible to participate in the Company's short-term and long-term incentive plans up to 100% of his fixed remuneration, as outlined in the Remuneration Report for the financial year ending 30 June 2023.
- (j) The equity securities in the Company currently held directly and indirectly by Mr Cook as at the Last Practicable Date are set out below.

Director	Shares	Other Securities	Percentage of Share capital on a fully diluted basis
Mr Adrian Cook	15,938,797	5,072,816 (Performance Rights)	1.17%

- (k) There will be an immediate effect on the Company's earnings following the grant of the LTI Performance Rights in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement of approximately \$364,530 over a 3-year period.
- (l) The Board does not consider that there are any significant opportunity costs or taxation consequences (such as fringe benefits tax), or benefits foregone by the Company in issuing the LTI Performance Rights to Mr Cook (or his nominee) on the terms proposed.
- (m) Mr Cook has a material personal interest in the outcome of Resolution 2 since he (or his nominee) will receive LTI Performance Rights under the Performance Rights Plan if the Resolutions are approved by Shareholders.
- (n) Other than Mr Cook, the Directors do not have any interests in the outcome of Resolution 2 for the purposes of section 219(1)(d) of the Corporations Act, other than in their capacity as Shareholders. Mr Cook did not vote at the meeting of the Board to approve

the offer of the LTI Performance Rights to him and Mr Cook is prohibited from voting at the AGM in respect of Resolution 2.

- (o) The Board and the Company are not aware of any other information (other than the information set out or referred to in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to determine whether it is in the best interests of the Company to pass Resolution 2.

2.6 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company (ASX Listing Rule 10.14.1);
- an associate of a director of the company (ASX Listing Rule 10.14.1); or
- a person whose relationship with the company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (ASX Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the LTI Performance Rights to Mr Cook (or his nominee) falls within ASX Listing Rule 10.14.1 and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the LTI Performance Rights in accordance with their terms. Approval of an issue of these securities under ASX Listing Rule 10.14 will also mean the securities are not counted for the purposes of the Company's issue capacity under ASX Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the LTI Performance Rights and the Board will need to consider alternative remuneration arrangements which may include cash payments.

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided for the purposes of Resolution 2:

- the LTI Performance Rights are proposed to be issued to Mr Adrian Cook (or his nominee);
- Mr Cook is the Company's Managing Director and Chief Executive Officer and hence the proposed issue of the LTI Performance Rights falls within the scope of ASX Listing Rule 10.14.1;
- the Company proposes to issue 4,556,620 LTI Performance Rights to Mr Cook (or his nominee);
- Mr Cook, as an Executive Director, is currently entitled to an annual salary of \$654,559 (including superannuation). In addition to fixed remuneration, Mr Cook is eligible to participate in the Company's short-term and long-term incentive plans up to 100% of his fixed remuneration, as outlined in the Remuneration Report for the financial year ending 30 June 2023;
- 5,072,816 Performance Rights have previously been issued to Mr Cook (or his nominee) pursuant to the Plan. These Performance Rights were issued for nil consideration;

- the material terms attaching to the LTI Performance Rights are summarised in sections 2.1 – 2.3 (inclusive) above;
- an explanation of why the Company proposes to issue the LTI Performance Rights is set out in paragraph (c) of section 2.5 above;
- the Company attributes a value of \$364,530 to the LTI Performance Rights on the basis set out in paragraph (g) of section 2.5 above;
- the LTI Performance Rights will be issued to Mr Cook (or his nominee) as soon as practicable following Shareholder approval, but no later than 3 years after the date of the AGM;
- the LTI Performance Rights will be granted to Mr Cook (or his nominee) for nil cash consideration and no amount will be payable by Mr Cook (or his nominee) for any Shares provided on any of those Performance Rights vesting and being exercised;
- the material terms and conditions of the Plan are summarised in **Annexure A** of this Explanatory Statement;
- there is no loan proposed in relation to the grant of the Performance Rights to Mr Cook (or his nominee);
- details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 2 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule; and
- a voting exclusion statement in respect of Resolution 2 is included in the Notice of Meeting.

2.7 Director's recommendation

Having considered the matters set out in paragraph (c) of section 2.5 above, and the alternatives to an issue of LTI Performance Rights to Mr Cook (such as a higher cash-based component of remuneration), the Board (other than Mr Cook) believes that the issue of the LTI Performance Rights to Mr Cook is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour** of Resolution 2.

Mr Cook makes no recommendation to Shareholders in relation to Resolution 2 because he has an interest in the outcome of the Resolution.

To the extent permitted by law, the Chair intends to vote all undirected proxies **in favour** of Resolution 2.

RESOLUTION 3 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2023

3.1 Background

The Directors' Report for the financial year ended 30 June 2023 (**2023 Directors' Report**) contains a Remuneration Report which sets out:

- the Board's policy for the remuneration of Directors and executive officers; and

- the remuneration details of each Director and each executive officer (being Key Management Personnel) named in the Remuneration Report.

In accordance with section 250R of the Corporations Act, the Company submits the Remuneration Report for the year ended 30 June 2023 to Shareholders for consideration and adoption by way of a non-binding resolution.

The Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Board or the Company, nor does it affect the remuneration paid or payable to the Board or executives. However, the Board will take the outcome of the Resolution into account when considering future remuneration policy.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, a resolution (**Spill Resolution**) must be put to Shareholders at the second of those meetings to determine whether the directors who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the Spill Resolution is passed by the requisite majority (being an ordinary resolution), then the Company must convene a Spill Meeting within 90 days of the second annual general meeting, at which all of the relevant directors will cease to hold office but may offer themselves for re-election. This is referred to as the '2 strikes rule'.

At the Company's 2022 AGM, less than 25% of the votes cast on the resolution to adopt the Company's 2022 Remuneration Report voted against its adoption. As such, regardless of the voting on Resolution 3, a Spill Resolution is not required to be considered at the 2023 AGM.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the 2023 Remuneration Report.

3.2 Recommendation

The Board unanimously recommends that Shareholders vote **in favour** of Resolution 3.

The Board acknowledges that the Directors have a personal interest in some aspects of the Remuneration Report.

To the extent permitted by law, the Chair intends to vote all undirected proxies **in favour** of Resolution 3.

RESOLUTION 4 – ISSUE OF SECURITIES UNDER PERFORMANCE RIGHTS PLAN

4.1 Background

Under the Company's Performance Rights Plan the Board can invite executives, employees and certain other eligible persons to acquire rights to Shares in the Company. The Plan is intended to act as an incentive for the eligible participants to share in the ownership of the Company in order to:

- align interests between the Company, its Shareholders and key employees;
- reward and retain talent; and
- incentivise executives to drive higher returns.

A summary of the Plan is set out in **Annexure A** of this Explanatory Statement.

4.2 Requirement for Shareholder approval – Listing Rule 7.2

Listing Rule 7.1 provides that, subject to certain exceptions, a listed company must not issue or agree to issue more equity securities in any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue, Shareholders have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.2 (Exception 13(b)) to enable the Company to issue securities pursuant to the Plan from time to time during the three years from the date of receiving that approval, without being required to count those securities as part of, and without reducing the number of securities the Company can issue under, the 15% limit prescribed by Listing Rule 7.1.

4.3 Information required under Listing Rule 7.2 (Exception 13(b))

Listing Rule 7.2 (Exception 13(b)) requires the following information to be provided to Shareholders:

- a summary of the terms and conditions of the Plan is set out in **Annexure A** of this Explanatory Statement;
- there have been 17,603,676 Performance Rights issued under the Plan as at the date of this Explanatory Statement;
- the maximum number of Performance Rights proposed to be issued under the Plan over three years is 30,000,000 Performance Rights (being 1.67% of the Company's fully diluted Share capital as at the date of this Explanatory Statement). However, it is possible that the vesting conditions attaching to any Performance Rights proposed to be issued under the Plan will result in no Shares being issued upon the vesting of any such Performance Rights within the next three years (subject always to any accelerated vesting pursuant to the terms of the Plan). Shareholders should be aware that the maximum number of Performance Rights proposed to be issued under the Plan stated above is not intended to be a prediction of the actual number of securities to be issued under the Plan but is specified for the purposes of setting a ceiling on the number of securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)); and
- a voting exclusion statement is included in the Notice of Annual General Meeting in respect of Resolution 4.

4.4 Recommendation

The Board (other than Mr Cook) unanimously recommends that Shareholders vote **in favour** of Resolution 4.

Mr Cook makes no recommendation to Shareholders in relation to Resolution 4 because he has a personal interest in the Plan.

To the extent permitted by law, the Chair intends to vote all undirected proxies **in favour** of Resolution 4.

RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

5.1 Background

The Constitution currently contains proportional takeover approval provisions requiring Shareholders to approve any takeover offer for only a proportion of each Shareholder's Shares (rule 72 of the Constitution). These provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

In accordance with the Corporations Act, the proportional takeover provisions expire three years from their adoption, or if renewed, from the date of renewal.

The Company last renewed its proportional takeover provisions on 11 November 2020. Accordingly, rule 72 of the Constitution will cease to operate from 11 November 2023.

Renewal of the proposed proportional takeover provisions must be approved by a special resolution, requiring approval of 75% or more of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If renewed, the proposed proportional takeover provisions will be on the same terms as the existing provisions and will have effect for a three-year period commencing on 17 November 2023.

Rule 72 of the Constitution is set out in full in **Annexure B** of this Explanatory Statement.

5.2 What is a proportional takeover?

A proportional takeover bid is a takeover offer sent to all Shareholders, but only in respect of a specified portion of each Shareholder's Shares. Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of their Shares in the Company and retain the balance of Shares.

5.3 Effect

If a proportional takeover bid is made, the Directors must:

- convene a general meeting no less than 14 days before the end of the bid period; and
- allow shareholders to vote on a resolution to approve the proportional takeover bid.

The bidder and its associates are not allowed to vote on the resolution.

If the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution.

If no resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed.

If Resolution 5 is passed, the proportional takeover provisions do not apply to full takeover bids and will only apply until 17 November 2026, unless again renewed by Shareholders.

5.4 Knowledge of acquisition proposals

As at the Last Practicable Date, the Board is not aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

5.5 Reasons for renewal

As a proportional takeover bid involves an offer for only a proportion of each Shareholder's Shares, a bidder may acquire control of the Company:

- without Shareholders having the chance to sell all their Shares, leaving them as part of a minority interest in the Company; and
- without payment of an adequate control premium.

The Board considers that the proportional takeover provisions should be renewed as they lessen the risk of a bidder obtaining control without adequately compensating existing Shareholders as they allow Shareholders to decide collectively whether a proportional takeover bid is acceptable and appropriately priced.

5.6 Impact of existing proportional takeover provisions

While the existing proportional takeover provisions have been in effect, no takeover bids for the Company have been made, either proportional or otherwise.

Accordingly, no actual advantages or disadvantages of the existing proportional takeover provisions, for the Directors or the Shareholders, could be reviewed.

The Board is not aware of any potential takeover bid that was discouraged by the inclusion of proportional takeover provisions in the Company's Constitution.

5.7 Advantages and disadvantages for Shareholders

Advantages

Renewal of the proportional takeover provisions provide Shareholders:

- the right to decide whether a proportional takeover bid should proceed;
- increased protection from being locked in as a minority Shareholder;
- increased bargaining power; and
- the view of majority of Shareholders which may assist individual Shareholders to decide whether to accept or reject an offer under a proportional takeover bid.

Disadvantages

- Proportional takeover bids discouraged;
- Shareholders' opportunities to sell Shares at a premium reduced;

- Ability of individual Shareholders to deal with their Shares as they see fit restricted; and
- Likelihood of a proportional takeover bid succeeding reduced.

5.8 Advantages and disadvantages for Directors

The renewal of the proportional takeover approval provision will enable the Board to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, Directors are dependent upon their respective perception of the interests and views of Shareholders.

Other than this advantage, the Board considers that renewal of such a provision has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

5.9 Recommendation

The Board considers that the potential advantages for Shareholders of the proportional takeover approval provisions outweigh the potential disadvantages.

The Board unanimously recommends that Shareholders vote **in favour** of Resolution 5.

The Chair intends to vote all available proxies **in favour** of this Resolution.

ENQUIRIES

Shareholders are asked to contact the Company Secretaries, Mr Gavan Sproule and Mr Alex Doering, on +61 8 9321 2665 if they have any queries in respect of the matters set out in these documents.

Annexure A – Summary of the Carnarvon Energy Limited Performance Rights Plan

The material terms and conditions of Carnarvon Energy Limited's Performance Rights Plan are summarised in the table below.

<p>1. Eligibility</p>	<p>Participation in the Plan is available to an employee or consultant of the Company (or any of its subsidiaries) who is invited by the Board to participate (Eligible Person).</p>
<p>2. Invitations</p>	<p>The Board may at any time, in its absolute discretion, make an invitation to an Eligible Person to participate in the Plan (Invitation). The Invitation must specify, amongst other matters:</p> <ul style="list-style-type: none"> • the number of performance rights that may be applied for (Performance Rights); • any exercise price payable in connection with the Performance Rights; • any vesting conditions and exercise restrictions attaching to the Performance Rights; • any period within which the Performance Rights must be exercised; • the method of exercise and any disposal restrictions; • the expiration date and the invitation lapse date; and • any other specific terms and conditions that apply to the Performance Rights. <p>Each Performance Right comprises the right to be delivered, upon exercise, one fully paid ordinary share in the capital of the Company.</p>
<p>3. Rights attaching to Performance Rights</p>	<p>The Performance Rights do not confer any rights on the holder either as a member or creditor of the Company, will not be listed, are not transferable (except with the approval of the Board), and must not be sold, assigned or otherwise disposed of or encumbered.</p>
<p>4. Vesting</p>	<p>The Performance Rights will vest subject to any applicable vesting conditions being met.</p> <p>However, the Board will retain a discretion to permit vesting of all or some of the unvested Performance Rights at any time.</p> <p>Performance Rights that have not vested prior to end of the applicable vesting period will lapse.</p> <p>If any Performance Rights have vested but have not been exercised by the applicable expiration date, those Performance Rights will also lapse.</p>
<p>5. Cash settlement</p>	<p>Provided such discretion was stated in the Invitation, Performance Rights that have vested may be satisfied (at the absolute discretion of the Company) in cash (by the Company paying the "Cash Equivalent Value" of the Performance Rights to the Eligible Person) rather than through the delivery of Shares.</p> <p>The Cash Equivalent Value means, for each Performance Right, a cash amount equal to the market value of the Share that would</p>

	<p>otherwise have been delivered to the Eligible Person at the date of exercise, less any applicable exercise price. The Board retains the absolute discretion as to how the Cash Equivalent Value is determined for this purpose.</p>
6. Lapse or clawback	<p>Where, in the opinion of the Board, an Eligible Person has engaged in certain adverse behaviour (such as fraud or dishonest or gross misconduct), the Board can, subject to the terms of the Plan, decide to alter the rights of the Eligible Person to ensure that no unfair benefit is obtained by the Eligible Person.</p>
7. Termination of employment	<p>Where an Eligible Person terminates employment with the Company, the Performance Rights (and any Shares delivered to the Eligible Person following the exercise of any Performance Rights) will be treated in accordance with the terms of the Invitation.</p>
8. New issues and reorganisation of capital	<p>A Performance Right does not confer on an Eligible Person the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise, without the Eligible Person first exercising that Performance Right.</p> <p>Unless an Invitation specifies otherwise, a Performance Right will not confer the right to a change in its exercise price, or a change to the number of underlying Shares over which it can be exercised, except if there is a bonus issue, in which case the number of Shares over which the Performance Right is exercisable may be increased by the number of Shares which the Eligible Person would have received if the Performance Right had been exercised before the applicable record date.</p> <p>The ASX Listing Rules that apply to a reorganisation of capital at the time of the reorganisation of the share capital of the Company apply to Performance Rights. Accordingly, the Company can alter the rights of any Eligible Person to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of any reorganisation.</p> <p>Subject to the above, the number of Performance Rights to which an Eligible Person is entitled may be adjusted in the manner determined by the Board, with it being intended that the Board would exercise this discretion to ensure that Eligible Persons do not enjoy a windfall gain and do not suffer a material detriment as a result of any corporate action.</p>
9. Change of control event	<p>If a "Change of Control Event" occurs prior to the vesting of Performance Rights, the Board may, at its absolute discretion:</p> <ul style="list-style-type: none"> • determine that some or all of the Performance Rights will vest based on the extent to which any applicable vesting conditions have been satisfied; • buy back or cancel some or all of the Performance Rights for consideration; • provide for the issue of new rights in substitution for some or all of the existing Performance Rights; • arrange for some or all of the Performance Rights to be acquired by a new holding entity (where applicable) for consideration; or

	<ul style="list-style-type: none"> • take any combination of the above steps. <p>A Change of Control Event means, in respect of the Company:</p> <ul style="list-style-type: none"> • the merger or consolidation of the Company into another company; • the acquisition of a minimum 50% ownership in the Company by a party or parties who are associated; or • any similar event that the Board determines at its absolute discretion.
<p>10. Administration of the Plan</p>	<p>The Board is responsible for the operation of the Plan.</p> <p>All decisions of the Board as to the interpretation, effect or application of the Plan and Invitations and all calculations and determinations made by the Board under the Plan and Invitations are final, conclusive and binding in the absence of manifest error and any dispute raised will be resolved by the Board at its absolute discretion.</p> <p>The Board may, at any time, amend all or any of the provisions of the Plan. However, any amendment must not materially alter the rights of any Eligible Person under the Plan prior to the date of the amendment, unless the amendment is introduced primarily:</p> <ul style="list-style-type: none"> • to correct any manifest error or mistake; • in accordance with the Board's powers where it has determined that an Eligible Person has engaged in certain adverse behaviour; or • to enable the Plan or the Company to comply with applicable laws or rules of a regulatory body.

Annexure B – Constitution - Proportional Takeover Bid Provision

Rule 72 – Proportional Takeovers

(a) Definitions

Unless the context otherwise indicates or requires, expressions in this rule 72 have the meaning given to them by the Act.

(b) Prohibition on registration of transfers without approval

Where a proportional takeover bid in respect of shares included in a class of shares in the company has been made:

- (1) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed in accordance with this Constitution;
- (2) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to 1 vote for each such share;
- (3) neither the bidder nor an associate of the bidder may vote on an approving resolution;
- (4) an approving resolution must be voted on at a meeting, convened and conducted by the company, of the persons entitled to vote on the resolution under the Act; and
- (5) an approving resolution is taken to have been passed if the proportion which the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

Subject to the Act, the directors may determine that the provisions of this rule 72 apply to the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid that is made prior to the date that this Constitution is adopted or this rule 72 is renewed.

(c) Meetings

- (1) The provisions of this Constitution relating to a general meeting of the company apply, with such modifications as the circumstances require (including, without limitation, to the requisite notice period to ensure that the meeting is convened on or before the approving resolution deadline), in relation to a meeting that is convened for the purposes of this rule 72.
- (2) Where takeover offers have been made under a proportional takeover bid, then the directors must ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this rule 72 before the approving resolution deadline in relation to the proportional takeover bid.

(3) Where a resolution to approve a proportional takeover bid is voted on in accordance with this rule 72 before the approving resolution deadline in relation to the proportional takeover bid, the company must, on or before the approving resolution deadline:

- (A) give to the bidder; and
- (B) serve on the Exchange,

a written notice stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

(d) Approving resolution deemed to have been passed

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no resolution to approve the proportional takeover bid has been voted on in accordance with this rule 72, then a resolution to approve the proportional takeover bid is, for the purposes of this rule 72, deemed to have been passed in accordance with this rule 72.

(e) Proportional takeover bid rejected

Where an approving resolution is voted on and is rejected then:

- (1) despite section 652A of the Act, all offers under the proportional takeover bid that have not, as at the end of the approving resolution deadline, resulted in binding contracts are deemed to be withdrawn at the end of the approving resolution deadline;
- (2) the bidder must immediately, after the end of the approving resolution deadline, return to each member any documents that were sent by the member to the bidder with the acceptance of the offer;
- (3) the bidder may rescind and must, as soon as practicable after the end of the approving resolution deadline, rescind each contract resulting from the acceptance of an offer made under the proportional takeover bid; and
- (4) a member who has accepted an offer made under the proportional takeover bid is entitled to rescind the contract (if any) resulting from that acceptance.

(f) Effect of this rule 72

This rule 72 ceases to have effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

Glossary

AGM means the Company's 2023 annual general meeting convened by the Notice of Meeting.

ASX means ASX Limited, or as the context requires, the financial market operated by it.

ASX Listing Rules means the listing rules of ASX, as amended from time to time.

AWST means the time in Perth, Western Australia.

Board means the current board of Directors of the Company.

Chair means the person acting as chair of the AGM from time to time.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependent of the member or the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Carnarvon** means Carnarvon Energy Limited (ABN 60 002 688 851/ACN 002 688 851).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director of the Company.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the Explanatory Statement.

Performance Right means a performance right issued, or proposed to be issued, by the Company (as the context requires).

Plan means the Company's Performance Rights Plan (as amended from time to time).


Remuneration Report means the Remuneration Report contained in the Directors' Report for the year ended 30 June 2023.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the Company.


Shareholder means a holder of a Share.


LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
Carnarvon Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Carnarvon Energy Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AWST) on Friday, 17 November 2023 at Meeting Room 1 & 2 Perth Convention and Exhibition Centre 21 Mounts Bay Road Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 3 & 4: If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 2, 3 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).


The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Re-election of Ms Debra Bakker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Grant of Long-Term Performance Rights to Mr Adrian Cook, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Adoption of the Remuneration Report for the year ended 30 June 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Securities Under Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AWST) on Wednesday, 15 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Carnarvon Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**