

ASX ANNOUNCEMENT

Grant of performance rights to new directors

20 December 2023

Carnarvon Energy Limited (**Carnarvon**) attaches an Appendix 3G in respect of the grant of performance rights to new non-executive directors Russell Delroy and William Barker.

The performance rights form part of the agreed terms of Mr Delroy's and Mr Barker's appointments to the Carnarvon Board, and have been granted to Mr Delroy and Mr Barker in consideration of reduced director fees in accordance with Listing Rule 10.12, exception 12.

Consistent with the Board's refreshed strategic priorities, the grant of performance rights to the new non-executive directors is intended to better align the interests of the Board and shareholders, and drive higher returns.

The key terms of the performance rights are summarised below:

Total quantum	2,000,000 performance rights (1,000,000 to Mr Delroy and 1,000,000 to Mr Barker)
Entitlement	One Carnarvon share for every performance right
Payment on grant	Nil
Grant date	15 December 2023
Term	Five years
Vesting conditions	<p>The performance rights will vest and become exercisable on the earlier to occur of:</p> <ul style="list-style-type: none"> • the 20-day volume weighted average price (VWAP) of Carnarvon shares exceeding \$0.30 per share; or • a 'Change in Control' event, such as where: <ul style="list-style-type: none"> ○ Carnarvon announces that its shareholders, at a Court convened meeting of shareholders voted in favour of a scheme of arrangement and the Court, by order, approves the scheme of arrangement; ○ a takeover bid is announced, has become unconditional and the person making the takeover bid holds more than 50% of Carnarvon shares; ○ any person acquires a relevant interest in 50.1% or more Carnarvon shares by any other means; or

	<ul style="list-style-type: none">○ Carnarvon announces that a sale or transfer of the whole or substantially the whole of the undertaking and business of Carnarvon has been completed
Holder rights	Exclusions in respect of voting rights, dividends, participation in new share issues and cashing-out
Status	Not intended to be quoted on ASX
Resignation or retirement	No lapse where director resigns or retires
Transfer	Non-transferable

Approved for release by:



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