

ASX ANNOUNCEMENT

Strategic objectives on track

6 May 2024

- ▶ Carnarvon Energy well placed and expects to be fully funded to deliver Dorado to FID and first oil
- ▶ Commitment to preserve the Company's strong balance sheet to progress Dorado and other high value Bedout Sub-basin assets
- ▶ Ongoing corporate costs reduced by over 40% to optimise capital allocation
- ▶ J.P. Morgan assisting the Company to explore options to maximise shareholder value

Carnarvon Energy Limited ("**Carnarvon**" and/or "**the Company**") is pleased to provide an update on the Board's refined strategic objectives, as outlined in its ASX announcement dated 15 December 2023.

These strategic priorities and activities are focused on restoring and growing shareholder value.

Maximising value from Carnarvon's asset base

As announced on 29 April 2024, the optimised Dorado development plan is focussed on improved project value, a reduction in overall CAPEX and provides high confidence towards being FID-ready in 2024.

With the Company's A\$181m cash balance, US\$90m development funding cost carry and a prospective debt facility, Carnarvon expects to be fully funded for its share of development costs to first oil.

As such, Carnarvon is firmly focused on supporting the development of Dorado in line with being FID-ready in 2024 in order to maximise shareholder value.

The Company also remains open to exploring alternative transactions to accelerate value realisation and is working with J.P. Morgan to consider its strategic options.

Reduced corporate cost base

Carnarvon has continued to review and reduce corporate and administrative costs of the business. Ongoing corporate costs have now been reduced by over 40% compared to the 2023 cost base.

Preserve existing balance sheet strength

Along with a commitment to making no new material acquisitions, Carnarvon is retaining its strong balance sheet for the Dorado development.

At current interest rates, the reduced corporate costs are materially below the interest income being generated from the Company's cash deposits, meaning Carnarvon is well positioned to deliver the right value outcome for shareholders.

Carnarvon CEO, Philip Huizenga, commented:

"I am extremely pleased with the progress on the Dorado development.

"Carnarvon is well positioned to deliver the Dorado project through to a Final Investment Decision this year, and onto first oil.

"Our strengthened focus on Dorado and preserving our significant cash balance for this project gives us confidence to achieve these outcomes.

"Carnarvon is also actively exploring alternative transactions to realise accelerated value for our shareholders. The Company is working with J.P. Morgan as its financial advisor to explore these opportunities.

"I look forward to updating shareholders on continued Dorado development progress along with any other corporate activities as these initiatives progress."

Approved for release by:



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