

## ASX ANNOUNCEMENT

# Capital Management Update

17 March 2025

Carnarvon Energy Limited (**Carnarvon** or the **Company**) is pleased to announce the commencement of a process to enable the Company to return capital to shareholders (**Capital Return**).

Considering the announced delays in the development of the Dorado liquids project (**Dorado**), and in the absence of alternative value-accretive opportunities being identified to date, the Board has determined that the business may hold cash that is surplus to its to current requirements and is accordingly proposing to potentially return up to \$0.07 per share (A\$125 million) to shareholders.

The Capital Return is subject to:

- Carnarvon shareholder approval;
- Confirmation of the Australian income tax treatment of the distribution by an Australian Taxation Office (**ATO**) class ruling process;
- The receipt of any ASX waivers sought; and
- No better alternative use of the capital being identified by the Board.

Following the Capital Return, the Company intends to retain at least A\$62 million cash, which is expected to be sufficient to fund the drilling of up to three wells in the Bedout Sub-basin, planned to occur over the next 4 years, as well as take the Dorado Project to a Final Investment Decision. Any future Dorado development costs may be funded by a combination of the existing US\$90m capital cost carry<sup>1</sup> and new debt.

The Company will be seeking a Class Ruling from the ATO to confirm that the Capital Return will not be treated as a dividend for Australian taxation purposes. A Class Ruling is expected within six months.

A more detailed explanation of the Capital Return proposal and confirmation of the timetable will be included in a Notice of Meeting to be released at a later date.

**Carnarvon Chair, Rob Black, commented:**

*"As part of the ongoing Strategic Review, the Company continues to review all opportunities within its portfolio, as well as external and corporate opportunities.*

*A Capital Return is one of the options available for the board to maximise shareholder value, and the work has now commenced to ensure that any distribution is completed in a tax effective manner.*

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<sup>1</sup> Refer to Partial Bedout Divestment ASX announcement on 22 February 2023.

*Notwithstanding the significant Capital Return that may be proposed to shareholders, subject to the conditions already stated, the Company is expected to remain well funded to advance our core assets in Dorado and the wider Bedout Sub-basin."*

Approved for release by:



Rob Black  
Chair  
Carnarvon Energy Limited

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