

ASX ANNOUNCEMENT

Management aligned to refreshed strategy / change to Joint Company Secretary

26 April 2024

New employment agreement with CEO

Carnarvon Energy Limited (**Carnarvon**) advises that the Board has approved a new employment contract for Carnarvon's Chief Executive Officer (**CEO**), Philip Huizenga.

Consistent with the Board's refined strategic priorities and focus on significantly reducing the company's corporate and administrative cost base, the fixed remuneration payable to Mr Huizenga under his employment contract is 20% lower than the amount paid to Carnarvon's previous CEO.

The material terms of Mr Huizenga's employment contract are detailed in **Annexure A**.

Grant of New Performance Rights to management

As part of the terms of Mr Huizenga's employment contract, the Board has agreed to grant him new performance rights on substantively the same terms as the performance rights granted to new directors following the changes to Carnarvon's Board announced on 18 December 2023 and 28 March 2024, with the addition of further vesting conditions associated with tenure (**New Performance Rights**).

New Performance Rights will also be granted to Carnarvon's Chief Financial Officer, Alex Doering, as part of agreed changes to his terms of employment.

The grant of New Performance Rights to Carnarvon's Key Management Personnel is intended to better align executive remuneration with shareholder interests, and incentivise management to drive higher returns.

The key terms of the New Performance Rights are summarised in **Annexure B**. An accompanying Appendix 3G has also been lodged with this announcement.

Further corporate and administrative cost reductions

Carnarvon has continued to reduce its corporate and administrative cost base to maintain the strength of its balance sheet as the company pursues the right value outcomes from its existing asset base. This includes further staff optimisation.

Importantly, the significant interest income generated by Carnarvon's cash holdings more than offset the company's ongoing corporate and administrative costs.

Change of Joint Company Secretary

Carnarvon advises that Gavan Sproule has resigned as Joint Company Secretary, effective 26 April 2024.

Mr Doering will continue as Company Secretary, and remains the person nominated under Listing Rule 12.6 for communication with the ASX in relation to listing rule matters.

Approved for release by:



William Foster
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ANNEXURE A**Material terms of new CEO employment contract**

Name	Philip Huizenga
Position	CEO
Commencement date	26 April 2024
Term	Indefinite, until terminated by either party in accordance with the terms of the contract.
Fixed remuneration	\$475,000 per annum, excluding superannuation.
At risk remuneration - short-term and long-term incentives	No automatic entitlement to short-term or long-term incentives. Any cash bonus and / or further performance rights paid, or granted, at the sole discretion of the Board.
Other incentive arrangements	Grant of 5,000,000 New Performance Rights (refer to terms in Annexure B).
Termination and notice period	Nine (9) months' notice by the executive (or such shorter period as may be agreed by the Board). Nine (9) months' notice by the company, or payment in lieu. The Board may terminate Mr Huizenga's employment without notice in certain circumstances such as serious misconduct.

ANNEXURE B
Key terms of New Performance Rights

Total quantum	7,500,000 performance rights (5,000,000 to Mr Huizenga and 2,500,000 to Mr Doering).
Entitlement	One Carnarvon share for every performance right
Payment on grant	Nil
Grant date	26 April 2024
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 ◦ 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, redundancy or summary dismissal	<p>Progressive cancellation of all, or some, of any unvested portion of the performance rights where Mr Huizenga or Mr Doering resign from their respective role in the first year following grant of the performance rights, as follows:</p> <ul style="list-style-type: none"> • resignation within first three months of the date of grant of the performance rights (Grant Date) – all unvested performance rights cancelled;

	<ul style="list-style-type: none"> • resignation in period three – six months after Grant Date – 75% of unvested performance rights cancelled; • resignation in period six – nine months after Grant Date – 50% of unvested performance rights cancelled; • resignation in period nine months – twelve months after Grant Date – 25% of unvested performance rights cancelled; and • resignation in period following one year anniversary of Grant Date – nil unvested performance rights cancelled. <p>None of the performance rights held by Mr Huizenga or Mr Doering:</p> <ul style="list-style-type: none"> • which have vested prior to resigning from their respective role will be cancelled; and • will be cancelled (whether vested or unvested) if Mr Huizenga or Mr Doering (as applicable) are made redundant from their respective role at any time prior to the one year anniversary of the Grant Date. <p>All vested and unvested performance rights will be cancelled where Mr Huizenga's or Mr Doering's employment is terminated for cause in accordance with the relevant provision of their respective employment contract.</p> <p>The grant of the performance rights is restricted to the extent it results in a benefit which is limited by Part 2D.2, Division 2 of the <i>Corporations Act 2001</i> (Cth) unless sanctioned by shareholders under that Part.</p>
Transfer	Non-transferable