

ASX ANNOUNCEMENT

Bedout divestment update

24 May 2023

Highlights

- ▶ Finalisation of the divestment of a 10% interest in Carnarvon's Bedout assets is progressing well
- ▶ Majority of the conditions for completion have been satisfied, with the parties working towards completion mid-year
- ▶ Following completion, Carnarvon to hold cash of ~A\$178 million, and an entitlement to a further ~A\$129 million contribution towards Carnarvon's share of the Dorado development costs

As previously announced on 22 February 2023, Carnarvon Energy Limited (**Carnarvon**) entered into a binding agreement to divest a 10% interest in its Bedout assets to OPIC Australia Pty Limited, a wholly owned subsidiary of CPC Corporation, Taiwan (**CPC**), Taiwan's national oil and gas company.

Under the agreement, Carnarvon will receive total cash consideration of US\$146MM. This comprises of an upfront payment of US\$56MM (equivalent to ~A\$80 million) on completion of the transaction, and a further carry of US\$90MM (equivalent to ~A\$129 million) towards Carnarvon's share of the Dorado development costs once a Final Investment Decision (**FID**) is taken.

The transaction is subject to a number of customary conditions in respect of Joint Venture approval, approval by the Foreign Investment Review Board (FIRB) and approval and registration by the National Offshore Petroleum Titles Administrator (NOPTA).

Carnarvon is pleased to advise that the majority of these conditions have now been satisfied, with the parties working diligently to achieve satisfaction of the final condition in a timely fashion. The parties are continuing to target completion of the transaction mid-year, subject to achievement of the final condition.

Carnarvon Managing Director and CEO, Adrian Cook, commented:

"I am extremely pleased with how the CPC transaction is progressing.

Completion of this transaction is an important step in funding our share of the Dorado development. Following completion, Carnarvon will hold substantial cash and financial liquidity, enabling it to de-risk project funding in conjunction with prospective debt financing, which has received a strong level of market interest so far.

Our team has been working closely with CPC since the start of this transaction and, along with the Operator, we are all aligned on progressing the Dorado development to FID as soon as possible.

With the Offshore Project Proposal having also recently been accepted, the Joint Venture has all the primary regulatory approvals required to support development of Dorado, unlocking the significant value of this asset and the Bedout Sub-basin more broadly.”

Azure Capital acted as Carnarvon's adviser on the transaction, as well as advising on its ongoing debt financing process for the Dorado development.

Approved for release by:



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