

ASX ANNOUNCEMENT

Board and management changes

15 December 2023

Carnarvon Energy Limited (**Carnarvon** or **Company**) advises that following discussions with Carnarvon's two largest shareholders, Nero Resource Fund Pty Ltd (**Nero**) and Collins St Asset Management Pty Ltd (**Collins St**), Russell Delroy and William Barker have been appointed as non-executive directors of Carnarvon with immediate effect. Further information about Mr Delroy and Mr Barker is contained in the **Annexure**.

In connection with the appointments of Mr Delroy and Mr Barker to the Carnarvon Board, existing Managing Director and Chief Executive Officer Adrian Cook, and Carnarvon non-executive director Debra Bakker, have agreed to retire from the Board.

Carnarvon's Chair, William (Bill) Foster, and non-executive director Gavin Ryan will remain on the Board, with Mr Foster and Mr Ryan both intending to retire prior to, or at, the Company's 2024 Annual General Meeting. The reconstituted Board will continue the search process to identify and appoint new, high calibre, individuals to replace Mr Foster and Mr Ryan, in accordance with the previously announced Board succession process. It is the current intention of the Board that the identification of potential replacements will be completed by the end of Q1, 2024.

Mr Foster has also confirmed that he will not exercise his casting vote as Chair at any meeting of the directors of the Company whilst he remains in the Chair role.

CEO succession

As part of the Board changes, Mr Cook will step-down immediately from the role of Carnarvon's Chief Executive Officer (**CEO**).

The positions of CEO and Chief Operating Officer (**COO**) will be merged, with Carnarvon's current COO Mr Philip Huizenga being appointed into the new CEO role. This change has been planned for some time, and reflects Carnarvon's progression from explorer to producer.

Strategic objectives

Following the appointment of Mr Delroy and Mr Barker, the reconstituted Board intends to:

- **Preserve existing balance sheet strength:** Commitment to no new material acquisitions. This will protect Carnarvon's ability to fund Dorado and the primary underwriting of the Company's valuation. A strong balance sheet also provides optionality and patience in realising the right value outcomes from the existing asset base;
- **Significantly reduce the corporate and administrative cost base:** Materially reduce the administration and corporate cash costs of the business following a comprehensive review; and

- **Maximise value from the existing asset base:** Continue to support project development at Dorado in a fiscally conservative manner. Explore opportunities to realise value through a corporate sale or asset divestment via a coordinated process. The Company will work with its joint venture partners to seek to accelerate drilling of the highest priority targets in the Bedout Sub-basin. Carnarvon will also seek to execute upon opportunities to monetise non-core assets.

These strategic priorities are focused on restoring and growing shareholder value. Shareholders will be advised of all material developments in relation to this strategy.

Carnarvon Chair, Bill Foster, commented:

"I thank Adrian for his dedicated service to Carnarvon over the last twelve years, and Debra for her contribution to the Carnarvon Board over the last three years, in particular with regard to her close involvement with the Dorado financing arrangements.

Adrian has been instrumental in Carnarvon's journey from an onshore explorer and producer in Thailand, to a founding partner in the Dorado field, the largest offshore oil discovery in Australia in the last thirty years. With the further discovery of the Pavo field in 2022, Carnarvon is in the enviable position of holding an interest in the largest undeveloped oil and condensate resource offshore Australia, as well as the country's most prospective exploration acreage in the form of the Bedout Sub-basin.

We continue to work hard with our joint venture partners, Santos and CPC Corporation, Taiwan, to ensure the Dorado Phase 1 liquids development is FID ready in 2024, and our focus remains firmly on unlocking the significant value that development of Dorado and Pavo will realise for shareholders."

Approved for release by:



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ANNEXURE

About Russell Delroy

Mr Delroy is founder and Managing Director of Nero. His Nero Resource Fund has delivered sector leading returns of ~25% p.a. (+981% absolute return) since its inception in 2013.

With over 20 years' experience in funds management, corporate finance and executive management Mr Delroy has a proven track record in unlocking shareholder value through active company engagement. Examples include Capricorn Metals (2019 Board renewal), Warrego Energy (acquired 2023) and Talon Energy (acquired 2023).

About William Barker

Mr Barker is a geologist with more than 20 years' experience in exploration and development of large-scale resource projects in Australia and internationally. He is founder and Executive Director of Western Gas, the developer of the proposed Equus Gas Project in Western Australia.

Mr Barker is formerly General Manager LNG at Arrow Energy before Shell and PetroChina completed a takeover of Arrow for A\$3.5 billion.

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