

For personal use only



## 2025 ANNUAL REPORT



# CORPORATE DIRECTORY

## Directors

R Black (Chair)  
R Delroy (Non-Executive Director)  
W Barker (Non-Executive Director)  
S Jones (Non-Executive Director) *(Appointed on 20 September 2024)*  
WA Foster (Non-Executive Director) *(Ceased on 30 September 2024)*

## Company Secretary

A Doering

## Auditors

Ernst & Young

## Bankers

Australia and New Zealand Banking Group Limited  
Commonwealth Bank of Australia  
National Australia Bank Limited  
Macquarie Bank Limited  
Deutsche Bank

## Registered Office

2nd Floor  
76 Kings Park Road  
West Perth WA 6005

Telephone:	+61 8 9321 2665
Facsimile:	+61 8 9321 8867
Email:	<a href="mailto:admin@cvn.com.au">admin@cvn.com.au</a>
Website:	<a href="http://carnarvon.com.au">carnarvon.com.au</a>
Corporate Governance statement:	<a href="http://carnarvon.com.au/about-us/corporate-governance/">carnarvon.com.au/about-us/corporate-governance/</a>

## Share Registry

MUFG Pension & Market Services  
Level 12, QV1 Building  
250 St Georges Terrace  
Perth, WA 6000 Australia

Investor Enquiries:	1300 554 474 (within Australia)
Investor Enquiries:	+61 1300 554 474 (outside Australia)
Facsimile:	+61 2 9287 0303

## Stock Exchange Listing

Carnarvon Energy Limited's shares are quoted on the Australian Securities Exchange.  
ASX Code: CVN - ordinary shares

# CONTENTS

CHAIR'S REVIEW	2
CEO REVIEW	4
OPERATING AND FINANCIAL REVIEW	6-27
ESG REPORT	28-45
DIRECTORS' REPORT	46-65
AUDITORS INDEPENDENCE DECLARATION	66
CORPORATE GOVERNANCE STATEMENT	67
CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME	68
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	69
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	70
CONSOLIDATED STATEMENT OF CASH FLOWS	71
NOTES TO THE FINANCIAL STATEMENTS	72-110
CONSOLIDATED ENTITY DISCLOSURE STATEMENT	111
DIRECTORS' DECLARATION	112
INDEPENDENT AUDIT REPORT	113-117
ADDITIONAL SHAREHOLDER INFORMATION	118-119

For personal use only

# Chair's Review



CARNARVON ENERGY LIMITED  
("CARNARVON" OR "COMPANY")

**It was disappointing to announce the Dorado Joint Venture Operator's decision to delay the Dorado development during the year.**

Dorado is a world class asset, the third largest oilfield in the greater north-west shelf, and is too valuable to have remained undeveloped for this extended period of time. I appreciate that we still need to provide our shareholders with a revised timeline for the development, and we are working with the Joint Venture to provide this and are considering several alternative options to progress the Company's assets.

Despite this, the Joint Venture still has great confidence in Dorado and the greater Bedout Sub-basin assets and is committed to extracting value from them. This includes the commencement of planning and contracting for our long-awaited return to exploration drilling in 2026. We look forward to providing updates to shareholders as we complete the planning and approvals processes in the coming months.

The Company also made considerable progress on its strategic review process, which was accelerated following the decision to delay the Dorado development. Through this process, the Carnarvon Board assessed numerous value accretive opportunities for shareholders.

As a result, following a period of significant due diligence, Carnarvon was pleased to announce a strategic investment in Strike Energy Limited (**Strike**), post financial year end.

The Strike investment represents an attractive opportunity for Carnarvon to help Strike unlock value in its high-quality portfolio of Perth Basin assets on attractive terms, whilst retaining full exposure to our own assets in the Bedout Sub-basin. We look forward to working collaboratively with Strike to deliver value for shareholders.





As part of our strategic review, Carnarvon had also considered a potential return of capital to shareholders, however the Strike investment was deemed to be a superior use of capital, and the Company has ceased this process.

Post this investment, Carnarvon retains significant balance sheet strength with at least \$96m in cash and US\$90m carry towards Dorado development.

Carnarvon still maintains the ability to conduct an On-market Buyback for up to 10% of shares. Whilst the Company did not buy back any shares during the period, due to ongoing corporate activities, this option remains available to the Company to actively manage its capital when it represents value to do so for shareholders.

During the year, the Board successfully completed its succession process. I commenced as Chair of the Board at the start of the period following Mr Bill Foster stepping down as Chair and then his subsequent retirement from the Board, following an orderly transition period. I wish to thank Bill for his excellent stewardship of Carnarvon through his 14 years as a director, including 4 years as Chair. I look forward to guiding Carnarvon, with my fellow directors, through its next period of growth.

I was also pleased to welcome Ms Susan Jones to the Board. Susan brings over 25 years of legal and commercial experience in the energy sector covering all aspects of project development and delivery. Susan has already been a valuable addition to the Board as Carnarvon progresses its core assets.

I would like to acknowledge my fellow directors and Carnarvon staff for their substantial efforts throughout the year. Carnarvon has a small and dedicated team who continue to work hard towards delivering value to our shareholders.

A handwritten signature in dark ink, appearing to read 'R. Black'.

**Robert Black**  
Chair

# CEO Review



**Carnarvon started the financial year with a lot of positive momentum. Our refreshed board, established in late 2023, are aligned on the strategic direction of the Company.**

That strategic direction consisted of a firm focus on maximising value from our core assets in Dorado and the Bedout Sub-basin and preserving the Company's balance sheet strength including reducing the corporate and administrative cost base.

To maximise the value from Dorado, Carnarvon was instrumental in driving optimisation opportunities for the Phase 1 liquids development that the Joint Venture recognised as being able to deliver project value uplifts. These optimisation initiatives resulted in a project reshaping that reduced the up-front capital costs, condensed the time between Final Investment Decision (FID) and first oil, reduced project execution risk and improved utilisation of the facilities while maintaining or even improving overall project economics.

We also reviewed our non-core assets outside of Dorado and the Bedout Sub-basin and after extensive deliberation on value drivers have exited all these ventures.

Reducing our focus to solely concentrate on our core assets in the Bedout Sub-basin also meant that we were able to confidently reduce corporate costs without impacting on our ability to deliver real value, both technically and commercially, to the Dorado development. Given mine and the Carnarvon team's long history in the bedout Sub-basin, going all the way back to our initial acquisition of permits back in 2009, the Joint Venture greatly values our input.

The reduction in corporate and administrative costs along with the preservation of our strong balance sheet has meant that the interest income earned over the past financial year has exceeded our costs, and we ended the year with \$186 million in cash compared to \$179 million at the beginning of the financial year.

Carnarvon started the financial year initially working towards Front-End Engineering Design (FEED) entry for the Dorado Phase 1 liquids development in 2025. Unfortunately, in January that momentum eased with the Operator's decision to defer FEED entry and FID.



This was a significant set-back for the project and the Company and was particularly disappointing given the work that had been undertaken in identifying and partially securing the core asset in the Floating Production, Storage and Offloading (FPSO) vessel.

This delay to the project was especially frustrating given the substantial value demonstrated through the optimisation, and that Carnarvon had strengthened its financial position to fund the development with both the significant cash reserves and the US\$90 million future capital cost carry achieved with the 2023 transaction with CPC Corporation, Taiwan (CPC).

Following the delay to Dorado, we accelerated our assessment of options to maximise shareholder value and having considered the available alternatives, including a capital return, in July 2025, the Company announced our intention for a strategic investment in Strike Energy Limited (Strike) for up to \$89 million at an attractive entry price of \$0.12 per Strike share, for a shareholding of up to 19.9%.

The investment takes advantage of Strike's work over the past few years to build an extensive and attractive portfolio of high-quality gas production, development and exploration assets. Carnarvon's investment will enable Strike to unlock significant value from this portfolio and in turn, grow our investment.

Carnarvon has also gained exposure to Western Australia's growing domestic gas and electricity markets as energy demand rises, while avoiding direct operational involvement and maintaining flexibility through the liquidity of Strike's publicly traded shares.

Most importantly, Carnarvon has retained full exposure to its existing and complementary Bedout Sub-basin portfolio, along with sufficient funds to progress development and exploration.

On exploration, Carnarvon and the Joint Venture are making great progress to return to drilling in the second half of 2026. An extensive Bedout Seismic Mega Merge Project was completed during the financial year, creating a seamless, high-resolution dataset, which enhances basin-wide prospective resources definition and will allow the Joint Venture to refine drilling target locations.

An exploration drilling Environmental Plan (EP), covering multiple well locations within the area of the Bedout Seismic Mega Merge Project, is moving forwards, with public consultation having commenced in July 2025.

In parallel to the technical and EP work, the Joint Venture continues engagement with drilling companies to determine rig suitability and availability.

The results from the Mega Merge Project have highlighted once more that the extensive exploration potential in the Bedout Sub-basin is unrivalled in Australia, and Carnarvon is very excited to continue this journey.

In closing, I would like to acknowledge the guidance from our Chair Rob Black and the rest of the Carnarvon board as we have progressed from the disappointing delays to our flagship Dorado development project to the excitement of the investment in Strike and advancement to exploration drilling within the next 12 months.

I would also like to thank our CFO, Alex Doering, and the rest of the Carnarvon team for their tireless efforts as we have negotiated the necessity to evolve our strategic direction through a changing external environment.

Finally, thank you to our shareholders for the support and appreciation of our efforts over the past 12 months.



**Philip Huizenga**  
Chief Executive Officer

# Operating and Financial Review

## OVERVIEW OF OPERATIONS

### HIGHLIGHTS FOR THE COMPANY DURING THE 2025 FINANCIAL YEAR WERE:

- > Completion of Dorado Development optimisation and concept select studies
- > Completion of Strategic Review resulting in a post year-end strategic investment into Strike Energy Limited
- > Completion of Bedout Mega Merge seismic processing project, creating a seamless, high-resolution dataset to support future exploration
- > Preparatory work progressed for exploration drilling in the Bedout exploration permits in 2026
- > Regulatory approval for a five-year renewal of the Bedout exploration permits
- > Surrender in good standing of all non-core assets in line with Bedout focus

For personal use only



Figure 1: Carnarvon Interests as at 30 June 2025.



# OPERATING AND FINANCIAL REVIEW

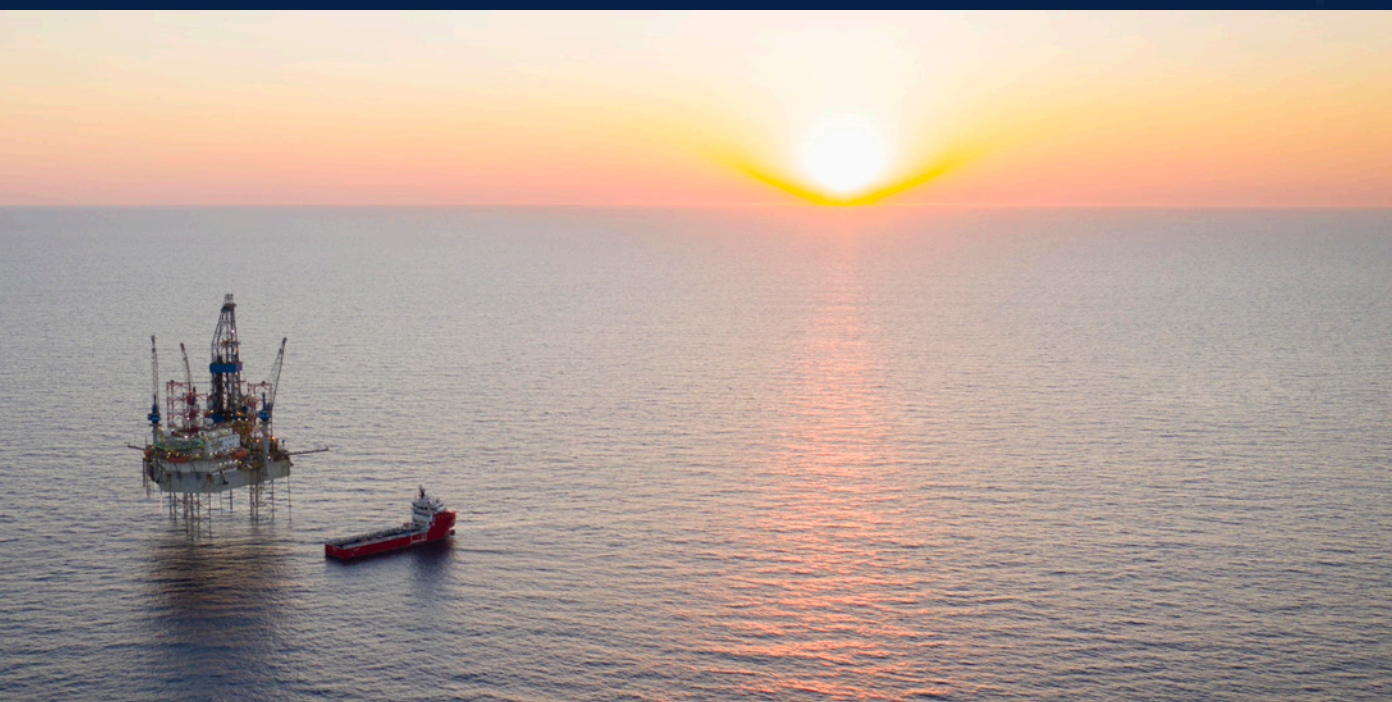


Figure 2: Image of Noble's Tom Prosser rig on site during the Dorado Appraisal campaign.

## Dorado Project Background

Carnarvon secured its interests in the Bedout Sub-Basin exploration permits (WA-435-P, WA-436-P, WA-437-P and WA-438-P) in 2009. The offshore permits initially covered an expansive area of 21,652km<sup>2</sup>, with the permits located approximately 110km from the coast, offshore of Port Hedland in Western Australia.

Prior to Carnarvon's involvement, the Bedout Sub-Basin remained largely underexplored compared to the prolific Carnarvon Basin to the south-west and the Bonaparte Basin to the north-east. Exploration activity was limited to a handful of wells drilled in the 1970's and early 1980's, including the Phoenix-1 and Phoenix-2 wells, which were identified as gas discoveries but were not pursued further. The unexplored potential across this vast area and the presence of hydrocarbons within the region, led to Carnarvon's initial interest in the basin.

Carnarvon's preliminary work on the permits involved extensive geological studies and the acquisition of modern 3D seismic data, which was a marked upgrade to the existing legacy 2D seismic. The 3D seismic acquisition confirmed two significant prospects in Phoenix South within WA-435-P, and Roc in WA-437-P. As a result, interest in the permits grew and the Bedout Joint Venture farmed out equity in the project to new partners who funded exploration drilling costs to test the Phoenix South and Roc targets.

The Phoenix South-1 well was drilled in 2014, discovering light oil within an effective reservoir. This was followed by the discovery and appraisal of a condensate rich gas in the Roc field. The Roc-2 appraisal well also included a historic flow test, confirming the ability of the hydrocarbons to flow from the quality Caley Member reservoir. These results proved to be the catalyst for this region and warranted further exploration.

In 2018, the Dorado-1 exploration well discovered a significant light oil column in the primary Caley Member, and condensate rich gas in four additional reservoirs. The subsequent appraisal of the Dorado discovery was successfully completed with the well test results exceeding pre-test expectations and confirming the high-quality nature of the reservoirs in Dorado. Dorado has been recognised as a world class discovery.

Further success in the basin was realised in 2022, when the Pavo-1 exploration well discovered a 60m gross, undersaturated light oil column in excellent Caley Member reservoir. Importantly, the discovery, which is located 46km east of Dorado, validated the effectiveness of the Caley Member play extent to the East and now provides a valuable back-fill option to the proposed Dorado facilities.



# OPERATING AND FINANCIAL REVIEW

## Dorado Development (WA-64-L)

(Carnarvon 10%, Santos is the Operator)

The Dorado Field is located approximately 150km north of Port Hedland in the Bedout Sub-basin with water depths of approximately 90m. It is located within the WA-64-L production license which was granted in 2022.

Discovered in 2018, Dorado is Australia's largest undeveloped liquids field containing an estimated 162 million barrels of liquid hydrocarbons (2C,gross – see page 14) across five separate light oil and rich gas condensate accumulations, with high quality hydrocarbon fluids intersected within excellent quality reservoirs.

The selected concept for the Dorado Phase 1 liquids development is based on production from a fixed wellhead platform (WHP) connected to a Floating Production, Storage and Offtake (FPSO) vessel, which handles oil and condensate stabilisation, storage and offloading, water treatment for disposal, gas dehydration, gas compression and reinjection (Figure 3). During the Phase 1 development, gas is injected back into the reservoir to enhance oil and condensate production, with the remaining gas stored for later extraction as part of a future Phase 2 gas export development.

Following the completion of a partial divestment of the Company's interest in the the Dorado production license and Bedout exploration permits in 2023 to CPC Corporation, Taiwan, Carnarvon retains a US\$90 million cost carry for CAPEX payments on Carnarvon's future expenditure on the Dorado development and Bedout permits, once FID has been sanctioned for the Dorado development.

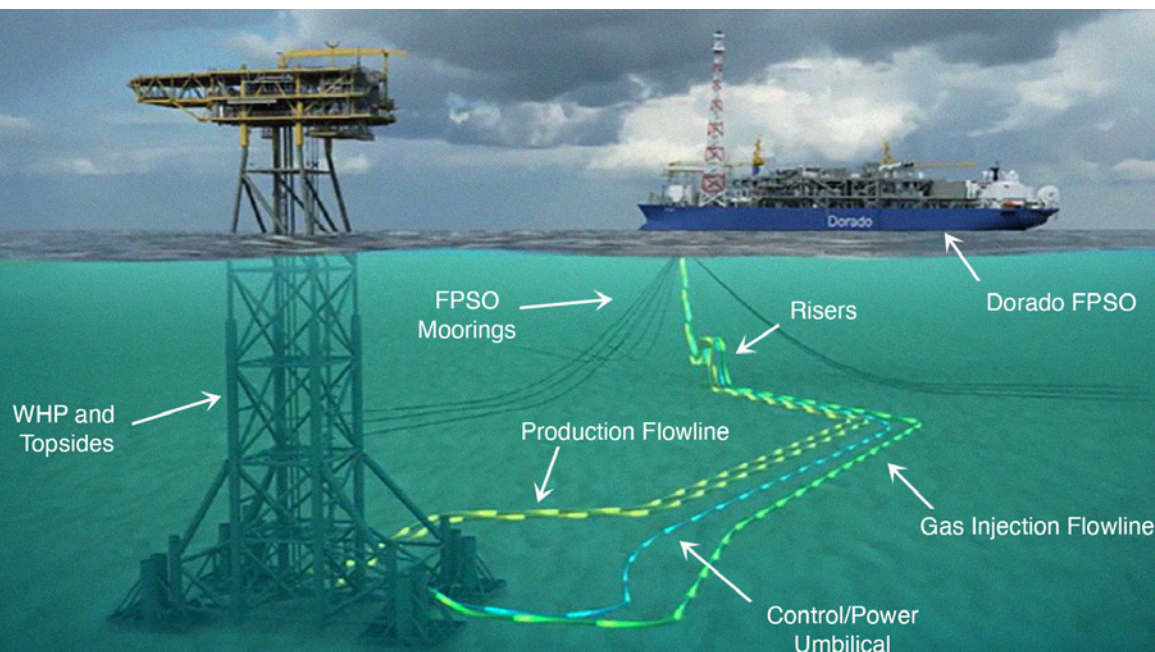
During the reporting period, the Joint Venture finalised pre-Front End Engineering & Design (FEED) for an optimised Dorado development concept. The optimisation revolved around right-sizing the oil production rate to 60,000 bopd, which provided the Joint Venture an opportunity to reduce upfront capital expenditure through using a redeployed FPSO, conventional piled WHP, and lower number of development wells upfront. The optimisation also resulted in a development period which could see first oil three years after FID.

The Joint Venture also completed an evaluation of existing FPSOs for redevelopment into Dorado, with one vessel progressed through due diligence and commercial negotiations for acquisition. The selected vessel had previously operated in Australia and was in excellent condition, which provided further potential cost savings for the project development.

However, in January 2025, the Joint Venture Operator decided not to proceed with the acquisition of the identified FPSO vessel and subsequently deferred the commencement of FEED that had been anticipated for 2025. The Joint Venture is currently reviewing the timeline for the project and Carnarvon will update the market in due course.

Despite the delays, Carnarvon and the Joint Venture recognise immense value in the discovered oil and gas resources, as well as the substantial exploration potential within this world-class basin.

Figure 3: Schematic of potential Dorado FPSO and WHP



# OPERATING AND FINANCIAL REVIEW

## Pavo Oil Discovery (WA-438-P)

(Carnarvon 20%, Santos is the Operator)

In 2022, the Joint Venture made another successful discovery with the Pavo-1 exploration well, which encountered a 60-meter gross oil column within the Caley Member. The oil column is wholly contained within the northern culmination of the Pavo structure (Pavo North) and is assessed to contain a 2C contingent resource of 43 million barrels of oil (gross) (see page 14). Pavo North is located 46 kilometres east of Dorado and could provide high-margin back-fill for the proposed Dorado facilities.

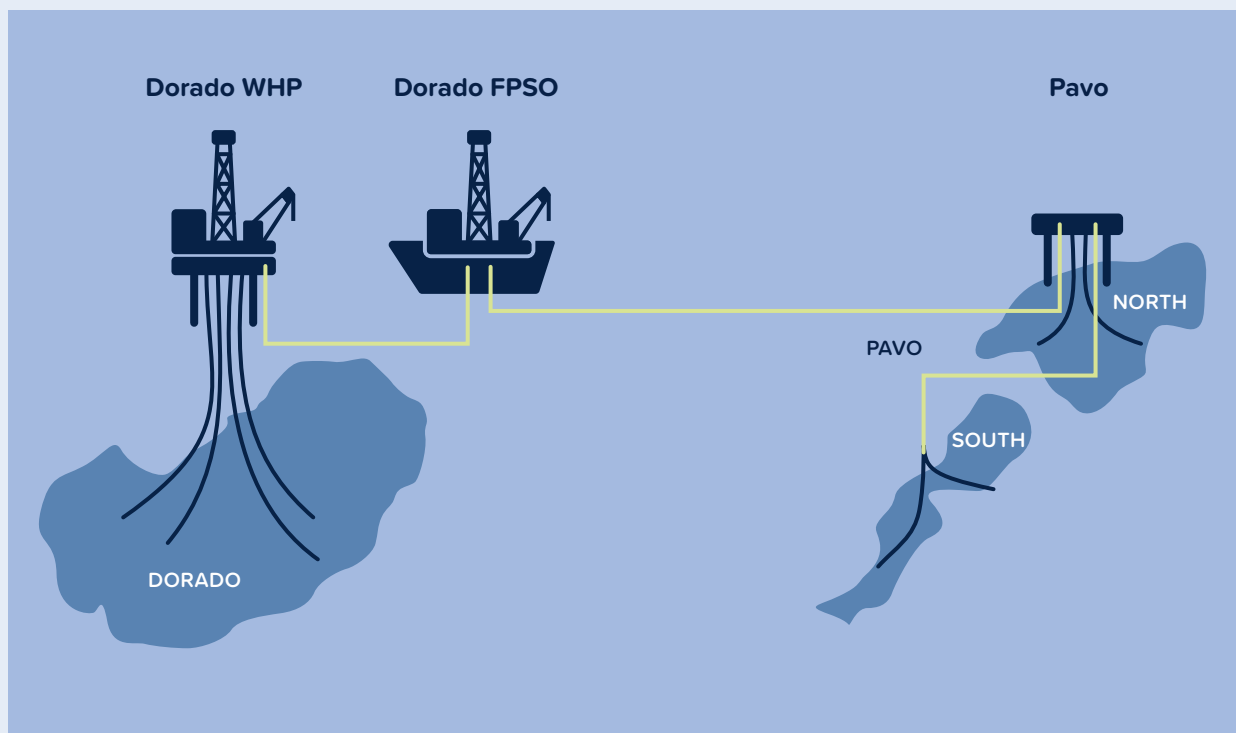
During the reporting period, the Joint Venture continued to progress the Pavo Project concurrently with the Dorado Project. However, based on the optimised Dorado development concept, production from Pavo is not expected to be required until 4 to 5 years after first oil from Dorado.

## Pepper Project (EP509 & TP29)

(Carnarvon 100% and operator)

During the period, the Company received approval from the regulator to surrender the EP509 and TP29 exploration permits, with the permits being surrendered in good standing. This finalised the surrender of the Company's non-core exploration permits, consistent with Carnarvon's refined strategy and continued focus on the highly prospective and proven Bedout Sub-basin.

Figure 4: Proposed Dorado Field Development Layout and potential tie-backs of Pavo North and Pavo South.



# OPERATING AND FINANCIAL REVIEW

## Exploration – Greater Bedout Area (WA-435-P, WA-436-P, WA-437-P and WA-438-P) (Carnarvon 10%-20%, Santos is the Operator)

The Bedout Sub-basin, offshore Western Australia, is one of Australia's most exciting exploration regions. The Joint Venture's exploration strategy has the potential to unlock substantial resources in addition to the already discovered hydrocarbons with unrisked prospective resource estimates of 9 Tcf of gas and 1.6 billion barrels of liquids (Pmean, gross) (see page 18).

During the reporting period, the regulatory authority approved the Bedout Joint Venture's renewal of the four Exploration Permits, WA-435-P, WA-436-P, WA-437-P and WA-438-P. Per regulations, the renewal required the relinquishment of 50% of the permits, excluding the WA-64-L Production License (Dorado) and defined Location Declarations (Roc and Pavo) (figure 5). The Joint Venture retains an area encompassing over 11,000 km<sup>2</sup> in which 95% of the identified prospectivity has been preserved, with over 80% of the exploration permits now covered by modern, high-quality 3D seismic data.

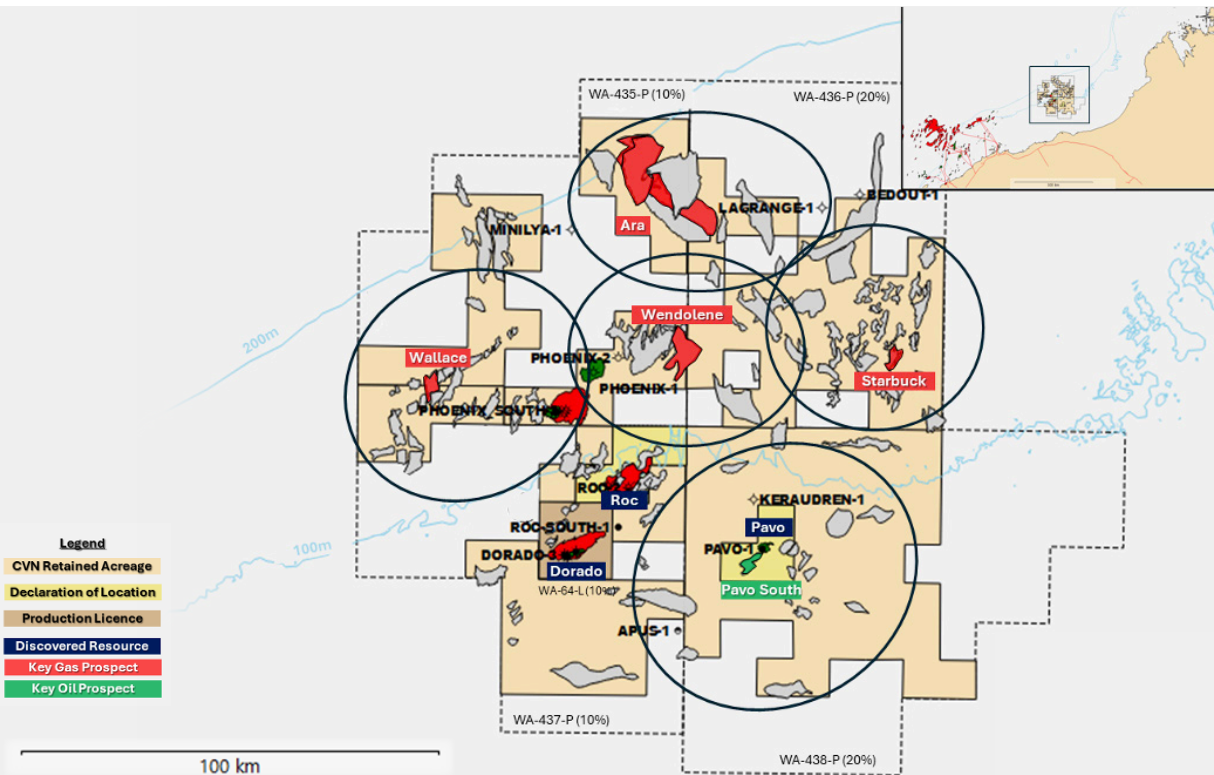
With the re-shaping of the Dorado facilities throughput, there are expected to be sufficient discovered liquids resources in Dorado and Pavo to fully utilise the Dorado

facilities for several years. As a result, the next phase of exploration in the Bedout is intended to concentrate on unlocking additional gas resources to support the expected Phase 2 gas export development.

Within the extensive exploration acreage, five prospects have been highlighted for both their resource potential and their ability to unlock surrounding acreage – the Ara, Wallace, Wendolene, Starbuck and Pavo South prospects. (Figures 5 & 6). These prospects have been strategically selected for their potential to build resource scale, de-risk significant prospectivity within nearby clusters and promote multiple development opportunities.

The five prospects contain a combined material resource of 623mmboe, comprised of 1.52Tcf gas and 352mmbl oil (Figure 5). Moreover, an additional 7.78Tcf and 1.25Bbbl (Pmean, gross) is estimated to be present in the exploration clusters delineated for tieback potential. This highlights the exceptional amount of identified exploration upside within Carnarvon's exploration acreage, with such scale making it one of the most prospective exploration portfolios in Australia.

Figure 5: Bedout Prospect and Lead Map with key prospects and related tie-back clusters highlighted



# OPERATING AND FINANCIAL REVIEW

Recent sub-surface studies have concentrated on the exploration prospectivity in the northern blocks, particularly around the Ara prospect. If significant quantities of gas is discovered at Ara it has the potential to enhance the value for the Dorado Phase 2 gas export development.

Success at a prospect such as Ara would also considerably de-risk the surrounding portfolio. Based on Carnarvon's seismic interpretation, the Ara prospect is expected to contain over 549 Bscf and 91 million barrels of condensate (Pmean, gross) (see page 16). The prospects in the immediate vicinity, which would be significantly de-risked on drilling success at Ara, contain an additional 1.5 Tcf and around 260 million barrels of condensate (Pmean, gross) (see page 16).

Carnarvon is looking forward to working with the Bedout Joint Venture to return to drilling. The Operator has stated a desire to further evaluate the Bedout Sub-basin resources through drilling, and the Bedout Joint Venture is targeting drilling in Q3 2026, subject to Environmental Plan (EP) approvals and rig availability.

Work is also well progressed in preparing the multi-well drilling EP submission required for upcoming and future exploration activities with the Relevant Persons consultation process for the EP having already commenced.

Well-related sub surface studies were also completed during the period, and the Bedout Joint Venture has started to procure drilling long-lead items.

Discussions are progressing with drilling companies to secure an appropriate rig for a planned 2026 drilling campaign,

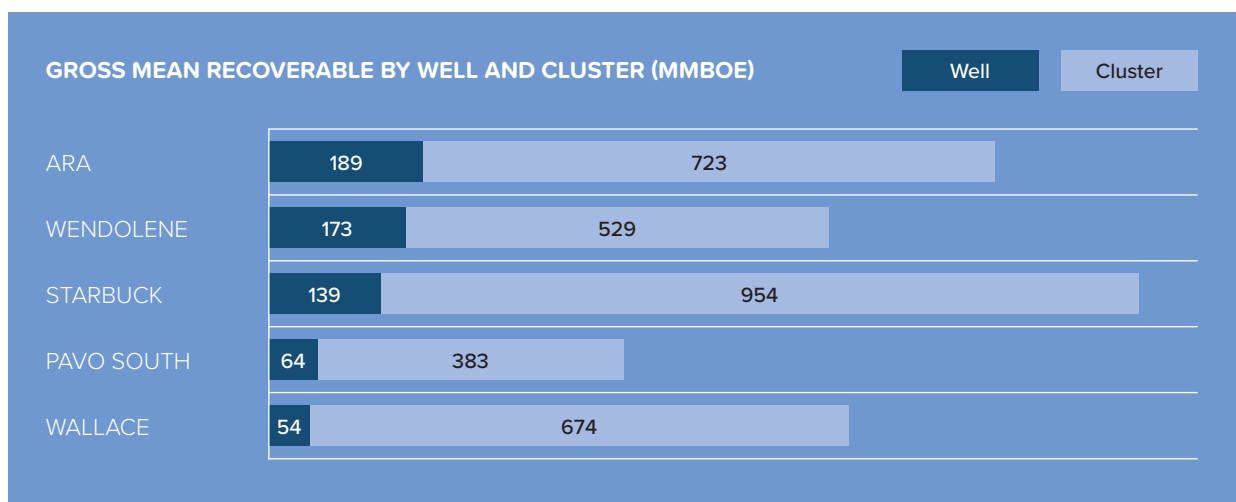
Following the end of the period, the Bedout Joint Venture successfully completed the Bedout Mega-Merge seismic reprocessing project - a major advancement in subsurface imaging and exploration prospectivity definition across the Bedout Sub-basin.

This milestone delivers one of the most advanced seismic datasets ever developed in the region. The project integrates 10 seismic surveys, covering 15,240km<sup>2</sup>, and provides more than 80% seamless coverage of the Bedout Joint Venture acreage.

The enhanced seismic dataset features significantly improved resolution, reduced noise and greater clarity, offering a more detailed and accurate picture of the subsurface than ever before. This advancement has enabled the identification of previously undetected structural features and stratigraphic trends, enriching the Bedout Joint Venture's understanding of the region's geological potential.

Insights gained from this contemporary dataset will directly inform selection of the 2026 exploration target and guide the future Bedout exploration strategy. The dataset also provides enhancement to the definition of the Bedout prospective resource base and associated geological risk profile.

Figure 6: Volumetrics of the five standout prospects and their respective cluster of nearby prospects.





# OPERATING AND FINANCIAL REVIEW

## RESERVE ASSESSMENT

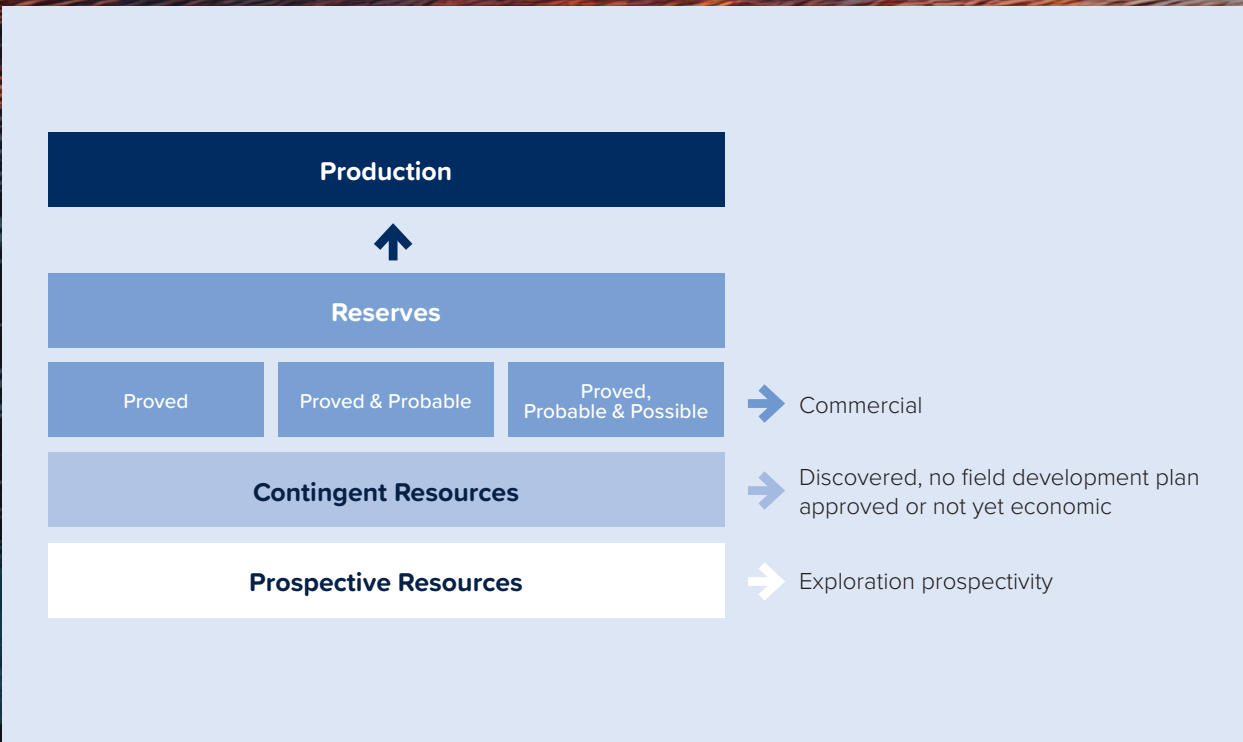
### Petroleum Resource Classification, Categorisation and Definitions

Carnarvon calculates reserves and resources according to the Society of Petroleum Engineers' Petroleum Resource Management System ("SPE-PRMS") definition of petroleum resources. Carnarvon reports reserves and resources in line with ASX Listing Rules.

### Reserves

Reserves represent that part of resources which are commercially recoverable and have been justified for development, while contingent and prospective resources are less certain because some commercial or technical hurdle must be overcome prior to there being confidence in the eventual production of the volumes.

Carnarvon does not yet have any reported reserves.





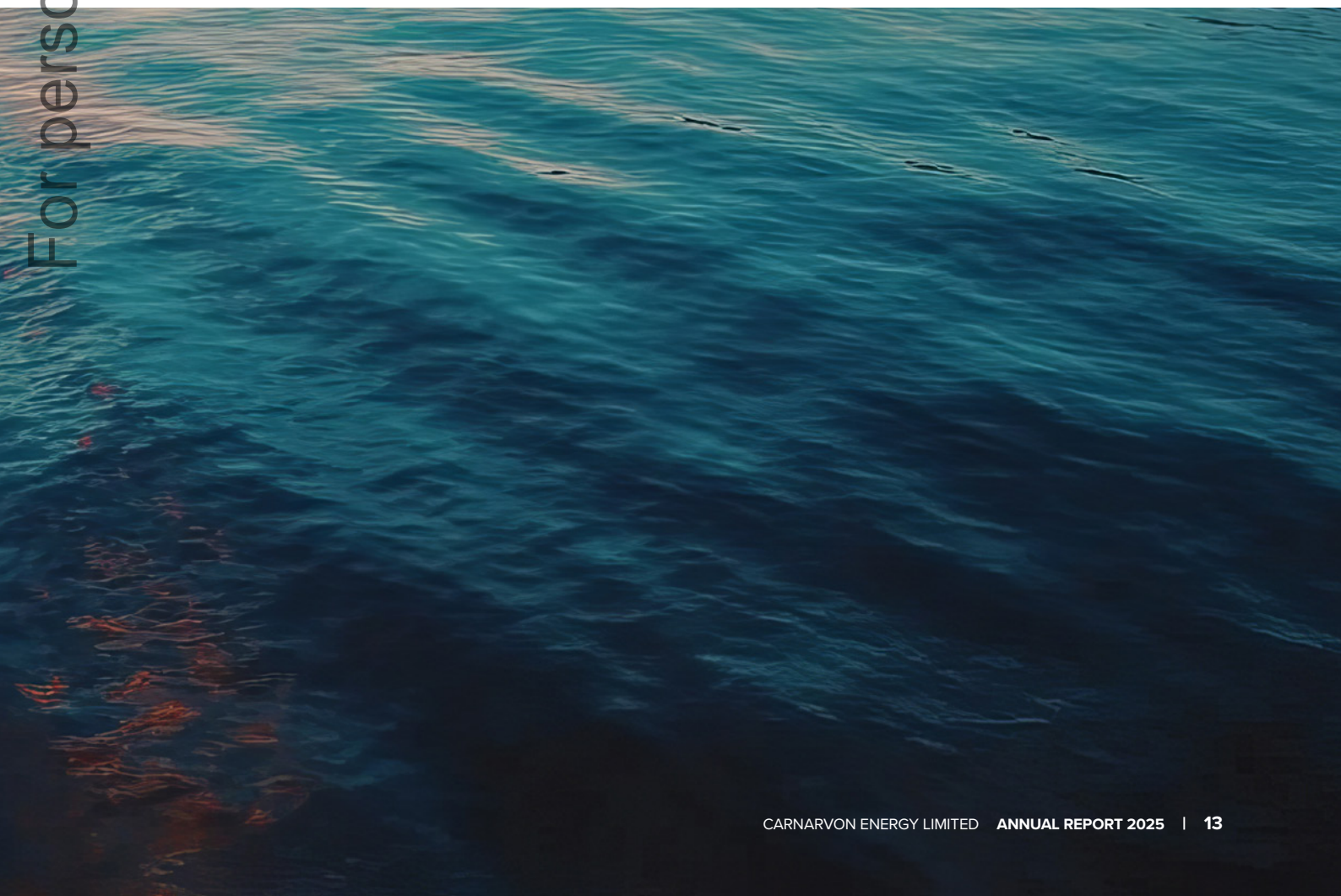
# OPERATING AND FINANCIAL REVIEW

## Contingent Resources

Contingent resources are less certain than reserves. These are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed. As an example, all required internal and external approvals should be in place or determined to be forthcoming, including environmental and governmental approvals. There also must be evidence of firm intention by a company's management to proceed with development within a reasonable time frame (typically 5 years, though it could be longer).

Based on the results of drilling and testing to date, the following Contingent Resource estimates are provided.

For personal use only



# OPERATING AND FINANCIAL REVIEW

## Gross Contingent Resources (100%)

### Gross at 30 June 2024

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	86	162	285	367	748	1,358	176	344	614
Pavo	WA-438-P	26	43	62	6	11	17	27	45	65
Roc	WA-437-P	12	20	35	204	332	580	48	78	137
Phoenix South	WA-435-P	7	17	30	-	-	-	7	17	30
Phoenix	WA-435-P	2	7	16	-	-	-	2	7	16
<b>Total</b>		<b>133</b>	<b>249</b>	<b>428</b>	<b>577</b>	<b>1,091</b>	<b>1,955</b>	<b>260</b>	<b>491</b>	<b>862</b>

### Technical Revision

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	-	-	-	-	-	-	-	-	-
Pavo	WA-438-P	-	-	-	-	-	-	-	-	-
Roc	WA-437-P	-	-	-	-	-	-	-	-	-
Phoenix South	WA-435-P	-	-	-	-	-	-	-	-	-
Phoenix	WA-435-P	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Gross at 30 June 2025

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	86	162	285	367	748	1,358	176	344	614
Pavo	WA-438-P	26	43	62	6	11	17	27	45	65
Roc	WA-437-P	12	20	35	204	332	580	48	78	137
Phoenix South	WA-435-P	7	17	30	-	-	-	7	17	30
Phoenix	WA-435-P	2	7	16	-	-	-	2	7	16
<b>Total</b>		<b>133</b>	<b>249</b>	<b>428</b>	<b>577</b>	<b>1,091</b>	<b>1,955</b>	<b>260</b>	<b>491</b>	<b>862</b>

For personal use only

# OPERATING AND FINANCIAL REVIEW

## Net Contingent Resources (Carnarvon's Share)

### Net at 30 June 2024

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	9	16	29	37	75	136	18	34	61
Pavo	WA-438-P	5	9	12	1	2	3	5	9	13
Roc	WA-437-P	1	2	4	20	33	58	5	8	14
Phoenix South	WA-435-P	1	2	3	-	-	-	1	2	3
Phoenix	WA-435-P	-	1	2	-	-	-	-	1	2
<b>Total</b>		<b>16</b>	<b>29</b>	<b>49</b>	<b>58</b>	<b>110</b>	<b>197</b>	<b>29</b>	<b>54</b>	<b>93</b>

### Technical Revision

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	-	-	-	-	-	-	-	-	-
Pavo	WA-438-P	-	-	-	-	-	-	-	-	-
Roc	WA-437-P	-	-	-	-	-	-	-	-	-
Phoenix South	WA-435-P	-	-	-	-	-	-	-	-	-
Phoenix	WA-435-P	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Net at 30 June 2025

Resource	Permit	Light Oil and Condensate			Free & Associated Gas			Barrels of Oil Equivalent		
		MMSTB 1C	MMSTB 2C	MMSTB 3C	BSCF 1C	BSCF 2C	BSCF 3C	MMBOE 1C	MMBOE 2C	MMBOE 3C
Dorado	WA-437-P	9	16	29	37	75	136	18	34	61
Pavo	WA-438-P	5	9	12	1	2	3	5	9	13
Roc	WA-437-P	1	2	4	20	33	58	5	8	14
Phoenix South	WA-435-P	1	2	3	-	-	-	1	2	3
Phoenix	WA-435-P	-	1	2	-	-	-	-	1	2
<b>Total</b>		<b>16</b>	<b>29</b>	<b>49</b>	<b>58</b>	<b>110</b>	<b>197</b>	<b>29</b>	<b>54</b>	<b>93</b>

## Prospective Resources

Prospective resources are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled. This class represents a higher risk than contingent resources since the risk of discovery is also added.

For prospective resources to become classified as contingent resources, hydrocarbons must be discovered, the accumulations must be further evaluated and an estimate of quantities that would be recoverable under appropriate development project(s) prepared.

# OPERATING AND FINANCIAL REVIEW

## Gross Prospective Resources (100%)

Ara Cluster Gross Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Riskd Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Bandy	WA-435-P	10%	31%	45.0	286.0	399.0	911.0	6.0	41.0	66.0	160.0	15.0	96.0	137.0	316.0	42.5
Revelstoke	WA-436-P	20%	13%	15.0	220.0	413.0	1,013.0	2.0	31.0	68.0	172.0	5.0	73.0	141.0	351.0	18.3
Yuma	WA-436-P	20%	13%	36.0	260.0	408.0	970.0	4.0	37.0	68.0	171.0	12.0	87.0	140.0	337.0	18.2
Wi-Waxy	WA-436-P	20%	30%	14.0	82.0	130.0	305.0	2.0	12.0	22.0	53.0	4.0	27.0	45.0	106.0	13.5
Bara	WA-435-P	10%	13%	12.0	99.0	207.0	533.0	2.0	14.0	34.0	88.0	4.0	34.0	71.0	182.0	9.2
<b>Sum</b>				<b>122.0</b>	<b>947.0</b>	<b>1,557.0</b>	<b>3,732.0</b>	<b>16.0</b>	<b>135.0</b>	<b>258.0</b>	<b>644.0</b>	<b>40.0</b>	<b>317.0</b>	<b>534.0</b>	<b>1,292.0</b>	<b>101.7</b>
Ara	WA-435-P	10%	37%	21.0	291.0	549.0	1,411.0	3.0	40.0	91.0	237.0	7.0	98.0	189.0	483.0	70.0
<b>Cluster Total</b>				<b>143.0</b>	<b>1,238.0</b>	<b>2,106.0</b>	<b>5,143.0</b>	<b>19.0</b>	<b>175.0</b>	<b>349.0</b>	<b>881.0</b>	<b>47.0</b>	<b>415.0</b>	<b>723.0</b>	<b>1,775.0</b>	<b>171.7</b>

Wendolene Cluster Gross Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Riskd Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Murray	WA-436-P	20%	21%	61.0	377.0	431.0	827.0	8.0	53.0	70.0	151.0	20.0	125.0	147.0	290.0	30.9
Avoca	WA-436-P	20%	16%	61.0	253.0	379.0	839.0	8.0	40.0	66.0	150.0	20.0	89.0	133.0	295.0	21.3
Mensa Barret	WA-435-P	10%	58%	3.0	21.0	44.0	105.0	2.0	12.0	25.0	55.0	3.0	16.0	30.0	73.0	17.4
Mensa Permian	WA-435-P	10%	35%	25.0	82.0	110.0	231.0	1.0	5.0	6.0	13.0	6.0	18.0	24.0	52.0	8.4
Mensa Caley	WA-435-P	10%	39%	20.0	75.0	91.0	182.0	1.0	5.0	6.0	13.0	5.0	18.0	22.0	45.0	8.6
<b>Sum</b>				<b>170.0</b>	<b>808.0</b>	<b>1,055.0</b>	<b>2,184.0</b>	<b>20.0</b>	<b>115.0</b>	<b>173.0</b>	<b>382.0</b>	<b>54.0</b>	<b>266.0</b>	<b>356.0</b>	<b>755.0</b>	<b>86.5</b>
Wendolene	WA-435-P	10%	20%	48.0	277.0	507.0	1,300.0	6.0	38.0	83.0	221.0	16.0	92.0	173.0	443.0	35.0
<b>Cluster Total</b>				<b>218.0</b>	<b>1,085.0</b>	<b>1,562.0</b>	<b>3,484.0</b>	<b>26.0</b>	<b>153.0</b>	<b>256.0</b>	<b>603.0</b>	<b>70.0</b>	<b>358.0</b>	<b>529.0</b>	<b>1,198.0</b>	<b>121.5</b>

# OPERATING AND FINANCIAL REVIEW

Starbuck Cluster Gross Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Fall Line	WA-436-P	20%	48%	7.0	55.0	136.0	363.0	4.0	33.0	80.0	214.0	6.0	44.0	104.0	280.0	49.9
Tacoma	WA-436-P	20%	54%	5.0	37.0	60.0	144.0	3.0	22.0	36.0	85.0	4.0	29.0	48.0	110.0	25.9
Coho	WA-436-P	20%	51%	10.0	39.0	52.0	110.0	7.0	24.0	31.0	63.0	8.0	31.0	41.0	82.0	20.9
Revel	WA-436-P	20%	11%	42.0	345.0	529.0	1,249.0	6.0	52.0	93.0	231.0	14.0	120.0	187.0	449.0	20.6
Whiskey Jack	WA-436-P	20%	13%	16.0	191.0	323.0	858.0	2.0	26.0	55.0	144.0	5.0	63.0	117.0	296.0	15.2
Goats Eye	WA-436-P	20%	13%	53.0	357.0	510.0	1,184.0	1.0	5.0	10.0	44.0	11.0	76.0	109.0	253.0	14.2
Manetoa	WA-436-P	20%	14%	39.5	229.0	293.0	629.0	5.0	31.0	48.0	113.0	13.0	76.0	100.0	218.0	14.0
Snowsnake	WA-436-P	20%	19%	7.0	40.0	56.0	127.0	4.0	24.0	33.0	74.0	6.0	32.0	43.0	95.0	8.2
Selkirk	WA-436-P	20%	15%	5.0	33.0	64.0	164.0	3.0	19.0	37.0	95.0	4.0	26.0	49.0	125.0	7.4
Stampedeers	WA-436-P	20%	42%	3.0	15.0	22.0	51.0	2.0	9.0	13.0	30.0	3.0	12.0	17.0	39.0	7.1
<b>Sum</b>				<b>187.5</b>	<b>1,341.0</b>	<b>2,045.0</b>	<b>4,879.0</b>	<b>37.0</b>	<b>245.0</b>	<b>436.0</b>	<b>1,093.0</b>	<b>74.0</b>	<b>509.0</b>	<b>815.0</b>	<b>1,947.0</b>	<b>183.4</b>
Starbuck	WA-436-P	20%	58%	15.0	138.0	215.0	511.0	3.0	55.0	101.0	260.0	10.0	83.0	139.0	347.0	80.6
<b>Cluster Total</b>				<b>202.5</b>	<b>1,479.0</b>	<b>2,260.0</b>	<b>5,390.0</b>	<b>40.0</b>	<b>300.0</b>	<b>537.0</b>	<b>1,353.0</b>	<b>84.0</b>	<b>592.0</b>	<b>954.0</b>	<b>2,294.0</b>	<b>264.0</b>

Pavo South Cluster Gross Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Torin	WA-438-P	20%	38%	2.0	10.0	15.0	35.0	6.0	39.0	58.0	136.0	7.0	41.0	61.0	142.0	23.2
Orona	WA-438-P	20%	10%	40.0	138.0	181.0	374.0	25.0	82.0	105.0	216.0	34.0	109.0	137.0	275.0	13.7
Taurus	WA-437-P	10%	38%	15.0	84.0	102.0	215.0	1.0	4.0	5.0	11.0	3.0	19.0	23.0	49.0	8.7
Diachi	WA-438-P	20%	54%	0.4	3.0	4.0	9.0	2.0	10.0	15.0	33.0	2.0	11.0	15.0	35.0	8.1
Gurbani	WA-437-P	10%	10%	3.0	33.0	73.0	185.0	2.0	19.0	42.0	107.0	2.0	26.0	55.0	140.0	5.5
Tucana	WA-438-P	20%	22%	2.0	18.0	30.0	73.0	1.0	11.0	18.0	43.0	2.0	15.0	24.0	56.0	5.3
<b>Sum</b>				<b>62.4</b>	<b>286.0</b>	<b>405.0</b>	<b>891.0</b>	<b>37.0</b>	<b>165.0</b>	<b>243.0</b>	<b>546.0</b>	<b>50.0</b>	<b>221.0</b>	<b>315.0</b>	<b>697.0</b>	<b>64.5</b>
Pavo South	WA-438-P	10%	20%	1.0	6.0	10.0	24.0	6.0	41.0	66.0	162.0	6.0	42.0	68.0	166.0	41.0
<b>Cluster Total</b>				<b>63.4</b>	<b>292.0</b>	<b>415.0</b>	<b>915.0</b>	<b>43.0</b>	<b>206.0</b>	<b>309.0</b>	<b>708.0</b>	<b>56.0</b>	<b>263.0</b>	<b>383.0</b>	<b>863.0</b>	<b>105.5</b>



# OPERATING AND FINANCIAL REVIEW

For personal use only

Wallace Cluster Gross Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Bottlebrush South	WA-437-P	10%	16%	83.0	242.0	286.0	546.0	3.0	11.0	14.0	28.0	19.0	54.0	64.0	123.0	10.2
Calendula North	WA-437-P	10%	16%	24.0	195.0	267.0	601.0	1.0	8.0	13.0	30.0	5.0	44.0	60.0	137.0	9.6
Sampati	WA-437-P	10%	36%	20.0	84.0	111.0	237.0	1.0	4.0	5.0	12.0	4.0	19.0	25.0	54.0	9.0
Horus	WA-437-P	10%	22%	17.0	96.0	145.0	344.0	1.0	4.0	7.0	17.0	4.0	21.0	32.0	77.0	7.0
Gromit	WA-435-P	10%	15%	3.0	123.0	205.0	524.0	0.4	5.0	10.0	26.0	1.0	28.0	46.0	118.0	6.9
Wallace East	WA-435-P	10%	10%	55.0	224.0	278.0	574.0	2.0	10.0	13.0	28.0	12.0	50.0	62.0	128.0	6.2
Dragons Back	WA-435-P	10%	16%	55.0	142.0	164.0	304.0	2.0	6.0	8.0	16.0	12.0	32.0	37.0	69.0	5.9
Indigo	WA-437-P	10%	16%	49.0	135.0	160.0	303.0	2.0	6.0	8.0	16.0	11.0	30.0	36.0	68.0	5.8
Cool Moon	WA-437-P	10%	16%	51.0	131.0	151.0	277.0	2.0	6.0	7.0	14.0	11.0	29.0	34.0	63.0	5.4
Jatayu North	WA-435-P	10%	38%	1.0	7.0	9.0	19.0	2.0	10.0	13.0	26.0	2.0	11.0	14.0	30.0	5.3
Badwater	WA-435-P	10%	16%	45.0	118.0	140.0	263.0	2.0	5.0	7.0	14.0	10.0	26.0	31.0	59.0	5.0
Bottlebrush North	WA-437-P	10%	16%	24.0	95.0	129.0	280.0	1.0	4.0	6.0	14.0	5.0	21.0	29.0	63.0	4.6
Calendula South	WA-437-P	10%	16%	39.0	105.0	123.0	232.0	1.0	5.0	6.0	12.0	9.0	23.0	28.0	52.0	4.5
Grindstone	WA-435-P	10%	16%	39.0	99.0	114.0	210.0	1.0	4.0	5.0	11.0	9.0	22.0	26.0	47.0	4.2
Nanny Goat	WA-437-P	10%	16%	41.0	102.0	118.0	217.0	1.0	4.0	6.0	11.0	9.0	23.0	26.0	48.0	4.2
Hellbender	WA-437-P	10%	16%	38.0	95.0	110.0	201.0	1.0	4.0	5.0	10.0	8.0	21.0	24.0	45.0	3.8
Double Buckle	WA-437-P	10%	15%	39.0	99.0	113.0	205.0	1.0	4.0	5.0	11.0	9.0	22.0	25.0	46.0	3.8
Arrowhead	WA-437-P	10%	14%	32.0	81.0	93.0	169.0	1.0	4.0	5.0	9.0	7.0	18.0	21.0	38.0	2.9
<b>Sum</b>				<b>655.0</b>	<b>2,173.0</b>	<b>2,716.0</b>	<b>5,506.0</b>	<b>25.4</b>	<b>104.0</b>	<b>143.0</b>	<b>305.0</b>	<b>147.0</b>	<b>494.0</b>	<b>620.0</b>	<b>1,265.0</b>	<b>104.4</b>
Wallace	WA-437-P	10%	43%	35.0	190.0	238.0	503.0	1.0	8.0	11.0	25.0	8.0	43.0	54.0	114.0	23.2
<b>Cluster Total</b>				<b>690.0</b>	<b>2,363.0</b>	<b>2,954.0</b>	<b>6,009.0</b>	<b>26.4</b>	<b>112.0</b>	<b>154.0</b>	<b>330.0</b>	<b>155.0</b>	<b>537.0</b>	<b>674.0</b>	<b>1,379.0</b>	<b>127.6</b>
<b>Total Gross Prospective Resources</b>				<b>1,316.9</b>	<b>6,457.0</b>	<b>9,297.0</b>	<b>20,941.0</b>	<b>154.4</b>	<b>946.0</b>	<b>1,605.0</b>	<b>3,875.0</b>	<b>412.0</b>	<b>2,165.0</b>	<b>3,263.0</b>	<b>7,544.0</b>	<b>790.3</b>

# OPERATING AND FINANCIAL REVIEW

## Net Prospective Resources (Carnarvon's Share)

Ara Cluster Net Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Riskd Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Bandy	WA-435-P	10%	31%	4.5	28.6	39.9	91.1	0.6	4.1	6.6	16.0	1.5	9.6	13.7	31.6	4.2
Revelstoke	WA-436-P	20%	13%	3.0	44.0	82.6	202.6	0.4	6.2	13.6	34.4	1.0	14.6	28.2	70.2	3.7
Yuma	WA-436-P	20%	13%	7.2	52.0	81.6	194.0	0.8	7.4	13.6	34.2	2.4	17.4	28.0	67.4	3.6
Wi-Waxy	WA-436-P	20%	30%	2.8	16.4	26.0	61.0	0.4	2.4	4.4	10.6	0.8	5.4	9.0	21.2	2.7
Bara	WA-435-P	10%	13%	1.2	9.9	20.7	53.3	0.2	1.4	3.4	8.8	0.4	3.4	7.1	18.2	0.9
<b>Sum</b>				<b>18.7</b>	<b>150.9</b>	<b>250.8</b>	<b>602.0</b>	<b>2.4</b>	<b>21.5</b>	<b>41.6</b>	<b>104.0</b>	<b>6.1</b>	<b>50.4</b>	<b>86.0</b>	<b>208.6</b>	<b>15.2</b>
Ara	WA-435-P	10%	37%	2.1	29.1	54.9	141.1	0.3	4.0	9.1	23.7	0.7	9.8	18.9	48.3	7.0
<b>Cluster Total</b>				<b>20.8</b>	<b>180.0</b>	<b>305.7</b>	<b>743.1</b>	<b>2.7</b>	<b>25.5</b>	<b>50.7</b>	<b>127.7</b>	<b>6.8</b>	<b>60.2</b>	<b>104.9</b>	<b>256.9</b>	<b>22.2</b>

Wendolene Cluster Net Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Riskd Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Murray	WA-436-P	20%	21%	12.2	75.4	86.2	165.4	1.6	10.6	14.0	30.2	4.0	25.0	29.4	58.0	6.2
Avoca	WA-436-P	20%	16%	12.2	50.6	75.8	167.8	1.6	8.0	13.2	30.0	4.0	17.8	26.6	59.0	4.3
Mensa Barret	WA-435-P	10%	58%	0.3	2.1	4.4	10.5	0.2	1.2	2.5	5.5	0.3	1.6	3.0	7.3	1.7
Mensa Permian	WA-435-P	10%	36%	2.5	8.2	11.0	23.1	0.1	0.5	0.6	1.3	0.6	1.8	2.4	5.2	0.8
Mensa Caley	WA-435-P	10%	39%	2.0	7.5	9.1	18.2	0.1	0.5	0.6	1.3	0.5	1.8	2.2	4.5	0.9
<b>Sum</b>				<b>29.2</b>	<b>143.8</b>	<b>186.5</b>	<b>385.0</b>	<b>3.6</b>	<b>20.8</b>	<b>30.9</b>	<b>68.3</b>	<b>9.4</b>	<b>48.0</b>	<b>63.6</b>	<b>134.0</b>	<b>13.9</b>
Wendolene	WA-435-P	10%	20%	4.8	27.7	50.7	130.0	0.6	3.8	8.3	22.1	1.6	9.2	17.3	44.3	3.5
<b>Cluster Total</b>				<b>34.0</b>	<b>171.5</b>	<b>237.2</b>	<b>515.0</b>	<b>4.2</b>	<b>24.6</b>	<b>39.2</b>	<b>90.4</b>	<b>11.0</b>	<b>57.2</b>	<b>80.9</b>	<b>178.3</b>	<b>17.4</b>

# OPERATING AND FINANCIAL REVIEW

For personal use only

Starbuck Cluster Net Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Fall Line	WA-436-P	20%	48%	1.4	11.0	27.2	72.6	0.8	6.6	16.0	42.8	1.2	8.8	20.8	56.0	10.0
Tacoma	WA-436-P	20%	54%	1.0	7.4	12.0	28.8	0.6	4.4	7.2	17.0	0.8	5.8	9.6	22.0	5.2
Coho	WA-436-P	20%	51%	2.0	7.8	10.4	22.0	1.4	4.8	6.2	12.6	1.6	6.2	8.2	16.4	4.2
Revel	WA-436-P	20%	11%	8.4	69.0	105.8	249.8	1.2	10.4	18.6	46.2	2.8	24.0	37.4	89.8	4.1
Whiskey Jack	WA-436-P	20%	13%	3.2	38.2	64.6	171.6	0.4	5.2	11.0	28.8	1.0	12.6	23.4	59.2	3.0
Goats Eye	WA-436-P	20%	13%	10.6	71.4	102.0	236.8	0.2	1.0	2.0	8.8	2.2	15.2	21.8	50.6	2.8
Manetoa	WA-436-P	20%	14%	7.9	45.8	58.6	125.8	1.0	6.2	9.6	22.6	2.6	15.2	20.0	43.6	2.8
Snowsnake	WA-436-P	20%	19%	1.4	8.0	11.2	25.4	0.8	4.8	6.6	14.8	1.2	6.4	8.6	19.0	1.6
Selkirk	WA-436-P	20%	15%	1.0	6.6	12.8	32.8	0.6	3.8	7.4	19.0	0.8	5.2	9.8	25.0	1.5
Stampedeers	WA-436-P	20%	42%	0.6	3.0	4.4	10.2	0.4	1.8	2.6	6.0	0.6	2.4	3.4	7.8	1.4
<b>Sum</b>				<b>37.5</b>	<b>268.2</b>	<b>409.0</b>	<b>975.8</b>	<b>7.4</b>	<b>49.0</b>	<b>87.2</b>	<b>218.6</b>	<b>14.8</b>	<b>101.8</b>	<b>163.0</b>	<b>389.4</b>	<b>36.7</b>
Starbuck	WA-436-P	20%	58%	3.0	27.6	43.0	102.2	0.6	11.0	20.2	52.0	2.0	16.6	27.8	69.4	16.1
<b>Cluster Total</b>				<b>40.5</b>	<b>295.8</b>	<b>452.0</b>	<b>1,078.0</b>	<b>8.0</b>	<b>60.0</b>	<b>107.4</b>	<b>270.6</b>	<b>16.8</b>	<b>118.4</b>	<b>190.8</b>	<b>458.8</b>	<b>52.8</b>

Pavo South Cluster Net Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Torin	WA-438-P	20%	38%	0.4	2.0	3.0	7.0	1.2	7.8	11.6	27.2	1.4	8.2	12.2	28.4	4.6
Orona	WA-438-P	20%	10%	8.0	27.6	36.2	74.8	5.0	16.4	21.0	43.2	6.8	21.8	27.4	55.0	2.7
Taurus	WA-437-P	10%	38%	1.5	8.4	10.2	21.5	0.1	0.4	0.5	1.1	0.3	1.9	2.3	4.9	0.9
Diachi	WA-438-P	20%	54%	0.1	0.6	0.8	1.8	0.4	2.0	3.0	6.6	0.4	2.2	3.0	7.0	1.6
Gurbani	WA-437-P	10%	10%	0.3	3.3	7.3	18.5	0.2	1.9	4.2	10.7	0.2	2.6	5.5	14.0	0.6
Tucana	WA-438-P	20%	22%	0.4	3.6	6.0	14.6	0.2	2.2	3.6	8.6	0.4	3.0	4.8	11.2	1.1
<b>Sum</b>				<b>10.7</b>	<b>45.5</b>	<b>63.5</b>	<b>138.2</b>	<b>7.1</b>	<b>30.7</b>	<b>43.9</b>	<b>97.4</b>	<b>9.5</b>	<b>39.7</b>	<b>55.2</b>	<b>120.5</b>	<b>11.5</b>
Pavo South	WA-438-P	10%	20%	0.2	1.2	2.0	4.8	1.2	8.2	13.2	32.4	1.2	8.4	13.6	33.2	8.2
<b>Cluster Total</b>				<b>10.9</b>	<b>46.7</b>	<b>65.5</b>	<b>143.0</b>	<b>8.3</b>	<b>38.9</b>	<b>57.1</b>	<b>129.8</b>	<b>10.7</b>	<b>48.1</b>	<b>68.8</b>	<b>153.7</b>	<b>19.7</b>

# OPERATING AND FINANCIAL REVIEW

For personal use only

Wallace Cluster Net Volumes																
Prospect	Permit	CVN Equity	Probability of Geological Success (Pg)	Gas (Bscf)				Liquids (MMbbls)				Barrels of Oil Equivalent (BOE)				Risked Mean (MMBOE)
				P90	P50	Pmean	P10	P90	P50	Pmean	P10	P90	P50	Pmean	P10	
Bottlebrush South	WA-437-P	10%	16%	8.3	24.2	28.6	54.6	0.3	1.1	1.4	2.8	1.9	5.4	6.4	12.3	1.0
Calendula North	WA-437-P	10%	16%	2.4	19.5	26.7	60.1	0.1	0.8	1.3	3.0	0.5	4.4	6.0	13.7	1.0
Sampati	WA-437-P	10%	36%	2.0	8.4	11.1	23.7	0.1	0.4	0.5	1.2	0.4	1.9	2.5	5.4	0.9
Horus	WA-437-P	10%	22%	1.7	9.6	14.5	34.4	0.1	0.4	0.7	1.7	0.4	2.1	3.2	7.7	0.7
Gromit	WA-435-P	10%	15%	0.3	12.3	20.5	52.4	0.0	0.5	1.0	2.6	0.1	2.8	4.6	11.8	0.7
Wallace East	WA-435-P	10%	10%	5.5	22.4	27.8	57.4	0.2	1.0	1.3	2.8	1.2	5.0	6.2	12.8	0.6
Dragons Back	WA-435-P	10%	16%	5.5	14.2	16.4	30.4	0.2	0.6	0.8	1.6	1.2	3.2	3.7	6.9	0.6
Indigo	WA-437-P	10%	16%	4.9	13.5	16.0	30.3	0.2	0.6	0.8	1.6	1.1	3.0	3.6	6.8	0.6
Cool Moon	WA-437-P	10%	16%	5.1	13.1	15.1	27.7	0.2	0.6	0.7	1.4	1.1	2.9	3.4	6.3	0.5
Jatayu North	WA-435-P	10%	38%	0.1	0.7	0.9	1.9	0.2	1.0	1.3	2.6	0.2	1.1	1.4	3.0	0.5
Badwater	WA-435-P	10%	16%	4.5	11.8	14.0	26.3	0.2	0.5	0.7	1.4	1.0	2.6	3.1	5.9	0.5
Bottlebrush North	WA-437-P	10%	16%	2.4	9.5	12.9	28.0	0.1	0.4	0.6	1.4	0.5	2.1	2.9	6.3	0.5
Calendula South	WA-437-P	10%	16%	3.9	10.5	12.3	23.2	0.1	0.5	0.6	1.2	0.9	2.3	2.8	5.2	0.4
Grindstone	WA-435-P	10%	16%	3.9	9.9	11.4	21.0	0.1	0.4	0.5	1.1	0.9	2.2	2.6	4.7	0.4
Nanny Goat	WA-437-P	10%	16%	4.1	10.2	11.8	21.7	0.1	0.4	0.6	1.1	0.9	2.3	2.6	4.8	0.4
Hellbender	WA-437-P	10%	16%	3.8	9.5	11.0	20.1	0.1	0.4	0.5	1.0	0.8	2.1	2.4	4.5	0.4
Double Buckle	WA-437-P	10%	15%	3.9	9.9	11.3	20.5	0.1	0.4	0.5	1.1	0.9	2.2	2.5	4.6	0.4
Arrowhead	WA-437-P	10%	14%	3.2	8.1	9.3	16.9	0.1	0.4	0.5	0.9	0.7	1.8	2.1	3.8	0.3
<b>Sum</b>				<b>65.5</b>	<b>217.3</b>	<b>271.6</b>	<b>550.6</b>	<b>2.5</b>	<b>10.4</b>	<b>14.3</b>	<b>30.5</b>	<b>14.7</b>	<b>49.4</b>	<b>62.0</b>	<b>126.5</b>	<b>10.4</b>
Wallace	WA-436-P	10%	43%	3.5	19.0	23.8	50.3	0.1	0.8	1.1	2.5	0.8	4.3	5.4	11.4	2.3
<b>Cluster Total</b>				<b>69.0</b>	<b>236.3</b>	<b>295.4</b>	<b>600.9</b>	<b>2.6</b>	<b>11.2</b>	<b>15.4</b>	<b>33.0</b>	<b>15.5</b>	<b>53.7</b>	<b>67.4</b>	<b>137.9</b>	<b>12.8</b>
<b>Total Net Prospective Resources</b>				<b>175.2</b>	<b>930.3</b>	<b>1,355.8</b>	<b>3,080.0</b>	<b>25.8</b>	<b>160.2</b>	<b>269.8</b>	<b>651.5</b>	<b>60.8</b>	<b>337.6</b>	<b>512.8</b>	<b>1,192.6</b>	<b>124.8</b>

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

# OPERATING AND FINANCIAL REVIEW

## Notes on Petroleum Resource Estimates and Competent Persons Statement

Unless otherwise stated, all petroleum resource estimates are quoted as at 30 June 2025 at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius).

Carnarvon is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.

Carnarvon uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company level are aggregated by arithmetic summation by category.

Conversion from gas to barrels of oil equivalent is based on Gross Heating Value. The conversion is based on composition of gas in each reservoir and is 4.07 Bscf/MMboe, 3.85 Bscf/MMboe, 4.16 Bscf/MMboe, 4.45 Bscf/MMboe, and 3.87 Bscf/MMboe for the Upper Caley, Caley associated gas, Crespín, Baxter and Milne reservoirs, respectively, that make up the Dorado Contingent Resource. For all other gas resources the Company uses a constant conversion factor of 5.7 Bscf/MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.

The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by the Company's Chief Executive Officer, Mr Philip Huizenga, who is a full-time employee of Carnarvon. Mr Huizenga has over 30 years' experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor's Degree in Engineering and a Master's Degree in Petroleum Engineering and is a member of the Society of Petroleum Engineers. Mr Huizenga is a Competent Person in accordance with ASX Listing Rules and has consented to the form and context in which this statement appears.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

For personal use only



# OPERATING AND FINANCIAL REVIEW

## FINANCIAL REVIEW

The Group reports an after-tax profit of \$3,649,000 for the financial year ending 30 June 2025 (2024: loss of \$656,000).

Carnarvon's balance sheet remains strong with cash and cash equivalents of \$186,144,000 at 30 June 2025 (2024: \$179,551,000), with no debt and minimal commitments going forward.

Considering the delays in the development of the Dorado project, the Company reviewed its capital management and commenced two initiatives during the period.

Firstly, the Company put in place an On-market Buyback for up to 10% of shares. Whilst the Company did not buy back any shares during the reporting period, the option remains available to the Company to actively manage its capital when there is value for shareholders.

The Company also commenced a process to enable a potential return of capital to shareholders up to \$0.07 per share (A\$125 million), provided the Company did not identify a superior alternative use of the capital. This process was initiated by firstly seeking a Class Ruling from the ATO to confirm that the Capital Return will not be treated as a dividend for Australian taxation purposes.

Following the end of the period, the Company entered a subscription agreement with Strike Energy Limited (ASX:STX) (**Strike**), whereby Carnarvon will be issued up to \$89 million of fully paid ordinary shares in Strike, at an issue price of \$0.12 per Strike share, for a shareholding in Strike of up to 19.9% (**Strike Investment**). The Strike Investment represents an attractive opportunity for the Company to help Strike unlock the value in its high-quality portfolio of Perth Basin assets on attractive terms, whilst retaining full exposure to its own assets in the Bedout Sub-basin.

Following the Strike investment, Carnarvon will retain its balance sheet strength, with at least \$96 million in cash plus the US\$90 million CPC Dorado carry. Accordingly, the Board determined that the Strike Investment is a superior use of capital and as a result, the Company ceased to progress the potential capital return.

The Group earned \$8,549,000 (2024: \$8,499,000) in interest income during the year by taking advantage of the higher interest rates received on call deposits and the Company's cash position. Importantly, the interest earned for the year was more than the ongoing corporate and administrative costs which further preserves the Company's balance sheet.

In comparison, the Group's administrative and head office costs during the year were \$1,462,000 (2024: \$1,934,000). Employee benefits expenditure was \$2,528,000 (2024: \$2,907,000), and new venture and advisory costs for the year were \$707,000 (2024: \$1,396,000). The reduction in expenditure for the year is a result of the Company's ongoing strategic efforts to maintain low administrative and corporate cash costs.

During the year, the Group invested \$2,853,000 on exploration and evaluation assets (2024: \$2,392,000). These costs primarily related to Dorado development optimisation works, Pre-FEED activities, and preparatory work for exploration environmental plan approval and drilling.

The Group also recognised a deferred tax liability and income tax expense of \$3,701,000 (2024: \$0) for the year. Refer to note 6 for further details regarding the deferred tax liability.

A foreign exchange gain of \$3,785,000 (2024: loss of \$1,256,000) was recognised due to the depreciation of the AUD against the Company's USD cash and financial assets during the year. The Company manages its cash balance through term deposits and by holding a balance of funds between AUD and USD to ensure the Company maintains a natural hedge for future expected expenditures in each currency. Following the Dorado project deferral, the Company reviewed its cash management strategy and determined that there is substantially less requirement to hold its funds in USD in the short-term and converted the majority of its USD funds to AUD to realise the foreign exchange gains. Refer to note 24 for further details on the Group's exposure to foreign currency risk at balance date.

# OPERATING AND FINANCIAL REVIEW

## RISK MANAGEMENT

Carnarvon recognises the importance of risk management in order to deliver the Company's strategies and to provide sustainable growth to shareholders. Carnarvon manages its risks in accordance with its risk management policy to ensure critical risks are identified, managed and monitored.

Carnarvon's risk management framework is overseen by the Risk, Governance and Sustainability Committee. Oversight of the effectiveness of the risk management process provides assurance to the Board and shareholders and supports the Company's commitment to continuous business improvement.

## MATERIAL BUSINESS RISKS

### Safety, Environment and Sustainability:

#### Health, Safety and Environment

Oil and gas exploration, development and production activities involve a variety of risks which may impact the health and safety of Carnarvon's people, communities, and the environment. These impacts could also damage Carnarvon's reputation or lead to fines and other penalties.

Carnarvon's projects are subject to various laws and regulations regarding the environment. Oil and gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental clean-up and rehabilitation.

Carnarvon maintains high standards for health, safety, and environmental ("HSE") management. HSE risks are embedded in Carnarvon's operations and risk management framework and actively managed. Appropriate insurance is also maintained, and regularly reviewed to ensure adequate coverage.

Where Carnarvon does not directly manage exploration and development activities, Carnarvon ensures its partner acting as operator maintains equally high standards in respect of HSE management.

#### Climate Change

Climate change and the management of carbon emissions may affect Carnarvon's operations, markets for oil and gas and the funding and insuring of projects. Potential risks arising from physical changes caused by climate change include increased severe weather events and rising sea levels which may impact Carnarvon's operations. There are also risks arising from policy changes by government which may result in increased regulation and costs which could have a material adverse impact on Carnarvon's operations.

Carnarvon recognises climate-related risks and the need for these to be managed effectively. As a result, the Company actively monitors current and potential areas of climate change risk.

Further information about Carnarvon's emissions management, and the potential impact of climate change on Carnarvon's business, can be found in the ESG Report section of this report.

In terms of future developments, like Dorado, Carnarvon is committed to working with its Joint Venture partners to reduce emissions from the project facilities. Carnarvon has also developed its 'carbon bank' via the acquisition of ACCUs on-market (Note 15). These ACCUs are intended to offset future emissions from the Dorado production facilities in accordance with the relevant regulatory requirements under the Safeguard Mechanism.

For personal use only



# OPERATING AND FINANCIAL REVIEW

## Economic and Financial Risks:

Additional information on financial risks is contained in Note 24 to the Financial Statements.

### Oil Price

The financial performance, future value and growth of Carnarvon is dependent upon the prevailing oil price. The price of oil is subject to fluctuations and is affected by numerous factors beyond the control of Carnarvon.

A sustained period of low or declining oil prices could adversely affect the carrying value of Carnarvon's assets and the commercial viability of future developments.

Carnarvon monitors and analyses oil markets and seeks to reduce the price risk where reasonable and practical. Carnarvon will develop a hedging strategy upon sanction of future projects.

Due to the early stage of Carnarvon's projects, Carnarvon does not currently have any active hedges against the price of oil. Once Carnarvon's projects develop further, the Company may enter hedging contracts to mitigate against fluctuations in the price of oil.

### Foreign Currency Exchange

Carnarvon's financial report is presented in Australian dollars; however, Carnarvon holds funds in both AUD and USD. The retention of US dollars influences Carnarvon's reported cash holdings due to AUD / USD exchange rates at the end of each relevant reporting period, which may result in foreign exchange gains or losses in a period. Carnarvon also incurs some costs in foreign currencies, typically US dollars, which means Carnarvon is subject to fluctuations in the rates of currency exchanges.

To mitigate against these foreign currency exchange fluctuations, Carnarvon holds a balance of funds between AUD and USD to ensure the Company maintains a natural hedge for future expected expenditures in each currency. Following the Dorado project deferral, the Company reviewed its cash management strategy and determined that there is substantially less requirement to hold its funds in USD in the short-term and converted the majority of its USD funds to AUD to realise the foreign exchange gains.

### Funding Risk

The nature of Carnarvon's business involves significant capital expenditure on exploration, appraisal, and potential development activities. Carnarvon's business and the development of projects which Carnarvon pursues relies on access to debt and equity funding.

Limitations on Carnarvon's ability to access funding could result in the postponement or reduction of capital expenditures, the relinquishment of rights in relation to assets, adversely affect Carnarvon's ability to take advantage of new opportunities and restrict the expansion of the business. These could result in a material adverse effect on Carnarvon's business, financial condition, and operations.

Carnarvon establishes funding plans for its material projects to ensure that the optimal funding is obtained to maximise shareholder value. This includes an economic and commercial analysis of projects and funding and ensuring that potential funding complies with Carnarvon's risk management framework. Carnarvon also prepares short and long-term budgets and financial models which are monitored monthly in order to identify and manage any potential risks.

# OPERATING AND FINANCIAL REVIEW

## Operational Risks:

### Exploration

Exploration is a speculative activity with an associated risk of discovery to find oil and gas in commercial quantities. The future profitability of Carnarvon directly relates to the results of exploration, development, and production activities. If Carnarvon is unsuccessful in locating and developing new resources that are commercially viable, this may have a material adverse effect on Carnarvon's future business, operations, and financial conditions.

Carnarvon utilises well-established prospect evaluation and experienced personnel to identify and evaluate prospects in order to manage exploration risks. Carnarvon also has a process to ensure major decisions are subject to assurance reviews which include external experts and contractors where appropriate.

### Joint Venture Operations

Carnarvon participates in a number of joint ventures. This is a common commercial arrangement in the oil and gas industry to share the benefits, costs and risks associated with projects between participants. Subject to any sole risk rights which may exist in joint venture agreements, Carnarvon may require the agreement of other joint venturers to proceed with its activities, including a development project. Failure to agree on these matters may have a material adverse effect on Carnarvon's business.

To the extent that Carnarvon is not the operator of a joint venture, it is reliant on the efficient and effective management of its partner acting as operator. The objectives and strategies of the operator may not always be consistent with the objectives and strategies of Carnarvon. However, operators must act in accordance with the directions of the operating committee, whose decisions are subject to the voting principles in the joint operating agreement ("JOA").

Carnarvon must also pay its percentage interest share of all costs and liabilities incurred by the joint venture as required under the relevant JOA. If Carnarvon fails to meet these obligations it may experience a dilution or loss (via a buy-out) of its interest in the joint venture or may not gain the benefit of joint venture activities, except at a significant cost penalty later in time.

Carnarvon manages joint venture risks through careful joint venture partner selection, stakeholder engagement and relationship management. Commercial and legal agreements, including industry standard JOAs, are in place across all joint ventures to define the responsibilities and obligations of the joint venture.

### Resource Estimates

Oil and gas resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which are valid when originally calculated may alter significantly or become uncertain when new information becomes available. Material changes to resource estimates may result in Carnarvon altering its plans which could have a positive or negative effect on its operations.

Carnarvon prepares its reserves and contingent resources estimates in accordance with the definitions and guidelines in the Society of Petroleum Engineers 2018 Petroleum Resources Management System. Carnarvon engages personnel with an appropriate level of skill and experience to prepare and review its resource estimates. The assessment of Reserves and Contingent Resources may also undergo independent audit and review.

### Development

The development of Carnarvon's projects is subject to a range of risks and uncertainties. Oil and gas developments are exposed to the risk of low side reserve outcomes, cost overruns, timing delays, technical issues and potential production decreases. A poor development outcome could result in material adverse impacts to reserve and production forecasts, future revenues, and operating costs.

Carnarvon mitigates these risks through the careful selection of joint venture partners, ensuring the utilisation of high quality and experienced contractors throughout the development process, conducting assurance and other reviews during development, as well as comprehensively assessing all developments prior to making any commitment to participate.

### Regulatory

Carnarvon operates in highly regulated industries and jurisdictions. Changes in regulations or enforcement actions could have material adverse impacts on Carnarvon. Changes in government, monetary, taxation, operational and other laws in the country(s) in which Carnarvon operates may also impact Carnarvon's operations.

Carnarvon holds interests in permits which are governed by the granting of contracts, licences, permits, or leases by the appropriate government authorities. Carnarvon may lose title to or its interest in a permit if licence conditions are not met, or insufficient funds are available to meet expenditure commitments.

Carnarvon monitors changes in relevant regulations and engages with regulators and industry bodies to ensure the impact of policy changes are understood, and the Company continues to comply with all regulatory requirements.

# OPERATING AND FINANCIAL REVIEW

## Key Personnel

Skilled employees and consultants are essential to the successful delivery of Carnarvon's business strategy. Carnarvon relies on the services of certain key personnel, including Executive Management, other key employees, and consultants. The loss of any of these key personnel could have a material adverse effect on Carnarvon's business.

Carnarvon ensures it maintains competitive remuneration practices relative to its industry, including short and long incentive schemes, to ensure it maintains the services of key personnel and has the ability to attract additional staff, as required.

Carnarvon maintains clear and regular updates on strategy and business planning to provide clarity on the company's future plans. Guidance and opportunities are provided for staff to further their careers, and staff training and development seeks to ensure individual development goals align with Carnarvon's strategy.

## Cyber Security Risks

The integrity, availability and reliability of data within the Group's information technology systems may be subject to intentional or unintentional disruption. Given the increasing level of sophistication and scope for potential cyberattacks, these attacks may lead to significant breaches of security that could jeopardise the sensitive information and financial transactions of the Group (from a cyber perspective) and property and environmental damage (from a physical perspective).

Carnarvon has cyber security controls in place in addition to ensuring the Company's data is backed up. Carnarvon also tests these controls through penetration testing and phishing simulations. The Company reviews its cyber risks regularly to reflect the evolving nature of these risks.

## Permit Interests

Permit	Basin	Equity	Joint Venture Partner(s)	Partner Interest		Indicative Forward Program
				Santos	OPIC	
<b>Australia</b>						
EP509	Carnarvon	100%	-	-	-	Surrendered
TP29	Carnarvon	100%	-	-	-	Surrendered
WA-435-P	Roebuck	10%	Santos Limited <sup>i</sup> , and OPIC Australia	80%	10%	G & G studies and exploration drilling
WA-436-P	Roebuck	20%	Santos Limited <sup>i</sup> , and OPIC Australia	70%	10%	G & G studies
WA-437-P	Roebuck	10%	Santos Limited <sup>i</sup> , and OPIC Australia	80%	10%	G & G studies
WA-438-P	Roebuck	20%	Santos Limited <sup>i</sup> , and OPIC Australia	70%	10%	G & G studies, appraisal
WA-64-L	Roebuck	10%	Santos Limited <sup>i</sup> , and OPIC Australia	80%	10%	Development and production

Notes: (i) Denotes operator where Carnarvon is non-operator partner.



CARNARVON’S APPROACH TO ESG REPORTING AND MATERIALITY

Carnarvon is committed to transparency in its Environmental, Sustainability & Governance (ESG) disclosures across material areas of impact. This section outlines Carnarvon’s performance in their material ESG topics for the year from 1 July 2024 to 30 June 2025. It marks their sixth year of annual ESG reporting and their first year of integrated reporting within the Annual Report.

This section was prepared by MCC Sustainable Futures in collaboration with Carnarvon and has been reviewed and approved by Carnarvon’s Board.

Frameworks and Standards

The ESG performance reporting presented in this section has been prepared with reference to the Global Reporting Initiative (GRI), specifically the **GRI 11: Oil and Gas Sector Standard (GRI 11)** published in 2021, along with the updated **GRI Universal Standards (2021)**.

Reporting Scope and Boundaries

The data reported in this section relates directly to business activities and operations where Carnarvon holds ‘operational control’. See Carnarvon’s portfolio table on page 27 for further information on asset ownership boundaries.

Where Carnarvon is a Joint Venture Partner in assets and operations where it does not hold operational control, the Company will refer to the operating entity’s ESG performance reporting. In future, Carnarvon will aim to include ‘equity share’ reporting where possible, as its portfolio continues to evolve.

The scope of this report considers all activities undertaken by Carnarvon for the duration of the reporting period, rather than as at the end of the reporting period, except where noted. The exception to this is people-related data, which refers to all direct employees at the end of the reporting period.

During the reporting period, two contractors were engaged under consulting agreements that were short term and intermittent, as needed for specific scopes. Contracted staff data is excluded from people-related data as these staff are engaged under consultancy arrangements and are not employees of Carnarvon.

A summary of the available data and disclosures made against each material topic is provided in the GRI Content Index.

Where data is not available for the reporting period, it is noted.

Memberships

During the reporting period, Carnarvon was a member of the following associations:

- South East Asia Petroleum Exploration Society (SEAPEX)
- Energy Club of Western Australia
- Society of Petroleum Engineers
- Petroleum Exploration Society of Australia

Materiality

Carnarvon continued to develop its approach to identifying topics where it has a material impact. Carnarvon assessed impacts and risks (both positive and negative) from business activities that occurred in the reporting period. The identified material topics are areas where Carnarvon had a material impact (positive or negative) during the reporting period. In addition to this Carnarvon validated the relevance of these topics by considering their importance both to the business and to external stakeholders. The topics considered reflect industry specific topics in GRI 11 and build on previously reported topics.

Material Topics

The materiality assessment resulted in four material topics which form the basis of this report. The topic metrics have been informed by the guidance provided in the GRI 11: Oil and Gas Sector Standard 2021. Carnarvon’s FY25 material topics remain largely consistent with those identified in FY24. Environmental Regulatory Management and Asset Integrity and Critical Incident Management were not assessed as material topics because there was no impacts or risks from the business related to these topics during the reporting period.

ENVIRONMENT

Greenhouse Gas (GHG) Emissions



Climate Adaptation, Resilience & Transition



SOCIAL

Non-Discrimination & Equal Opportunity



GOVERNANCE

Economic Impacts



# ESG REPORT

## FY25 ESG HIGHLIGHTS

All Scope 2  
**emissions  
offset**



**All staff  
retained**



**85%**

of procurement  
budget spent locally



**0**

Zero anti-bribery &  
corruption violations

**Carbon bank**







ready to support  
Dorado project





## FY25 GOAL PERFORMANCE OVERVIEW

The table below provides a summary of Carnarvon's performance against its goals set for the material topics identified during the FY24 reporting period for progression in FY25. The following sections of the report provide further detail of the context of Carnarvon's business during the reporting period and of its performance and disclosures on each topic.

	FY24 Material Topic	FY25 Goal	FY25 Performance Summary	Status	Further Information
ENVIRONMENT	GHG Emissions	Incorporation of emissions reduction measures as part of the design of the Dorado production facilities.	Dorado field development was deferred during FY25.	 ON HOLD	GHG Emissions section.
	Climate Adaptation, Resilience and Transition	Ensure the business is positioned for the introduction of mandatory disclosure of climate-related financial risks and opportunities.	Monitored regulatory changes to mandatory reporting requirements. Attended online information sessions on mandatory climate reporting.	 PARTIALLY ACHIEVED	Climate Adaptation, Resilience and Transition section.
	Environmental Regulatory Management	Commence Environment Plan (EP) process for the Dorado development and future Bedout exploration activities.	Bedout exploration EP preparations underway. Dorado development EPs deferred.	 PARTIALLY ACHIEVED	<i>Not a material topic in FY25.</i>
SOCIAL	Non-Discrimination and Equal Opportunity	Attract, develop and retain a diverse, inclusive and appropriately skilled workforce.	All staff were retained during the reporting period and supported with 565 hours of training and postgraduate study support.	 ACHIEVED	Non-Discrimination and Equal Opportunity.
GOVERNANCE	Asset Integrity and Critical Incident Management	Ensure the Dorado production facilities will be constructed in accordance with required standards and specifications.	On hold due to deferral of Dorado development.	 ON HOLD	<i>Not a material topic in FY25.</i>
	Economic Impacts	Maximise shareholder value and share price performance year on year.	Share price has fallen by 46%, from FY24.	 NOT ACHIEVED	Economic Impacts section.

## MATERIAL TOPICS

### ENVIRONMENT

#### Greenhouse Gas (GHG) Emissions



- ✓ All Scope 2 emissions offset
- ✓ Carbon bank ready to support Dorado approvals

### CARNARVON'S CARBON BANK

In 2024, Carnarvon Energy purchased 20,000 ACCUs. These ACCUs are from avoided deforestation projects in NSW that protect land already approved for clearing for 100 years and avoided clearing of native regrowth in Queensland that protects land from clearing for 25 years. These ACCUS were listed by Terra Carbon Pty Ltd and purchased directly from Origin Energy.

Carnarvon acknowledges that GHG emissions are produced in its business through operating facilities, office locations, in the supply chains from which they source goods and services, and the developments in which they are a non-operating Joint Venture Partner.

These GHG emissions contribute to the global accumulation of GHGs in the atmosphere, resulting in global warming of the atmosphere, leading to potential negative impacts on the environment and human health locally, regionally and globally as well as the financial consequences associated with these impacts. Carnarvon also recognise the importance of reducing and offsetting emissions from oil and gas operations.

Carnarvon's current GHG emissions profile is comprised of Scope 2 emissions generated from electricity consumption at its Perth office. As the Company had no assets in operation or exploration activities during the reporting period, it did not have any Scope 1 emissions and no obligations to report under the National Greenhouse and Energy Reporting Scheme (NGERS) Act. Carnarvon includes reporting of Scope 2 emissions in this report (see below) on a voluntary basis.

Carnarvon intends to develop a Scope 3 emissions profile when their operational activities recommence. The operations phase is expected to generate their most significant Scope 3 emissions profile.

### Joint Venture Partnerships

Where Carnarvon does not have operational control in its portfolio, the Company works proactively with the asset operator and key contractors to ensure emissions reduction opportunities are identified and evaluated for implementation, where possible.

Carnarvon is a 10% Joint Venture Partner in the Dorado development, with Santos Limited (Santos) designated as operator. The GHG emissions will be reported under the NGERS Act by Santos and Carnarvon will report GHG emissions on an equity share basis within this report once operations commence.

Carnarvon recognises that the GHG forecast for the Dorado development is significant and annual reductions will be required under the National Safeguard Mechanism. These reductions will primarily be achieved using offsets. To demonstrate its ability to meet this requirement, Carnarvon purchased bulk offsets in 2024 (referred to as Carnarvon's Carbon Bank). This bank is expected to meet the reduction requirements for the first five years of the development. Making this upfront purchase of offsets has supported Carnarvon to manage the risk of price increases, as the GHG emissions obligations of other Australian commercial entities continues to grow.

Continuing to manage the Carbon Bank and working to identify and assess carbon abatement and reduction opportunities when the development recommences, aims to ensure that Carnarvon can continue to meet its regulatory requirements.

FY25 Performance

SCOPE 2 EMISSIONS

Carnarvon's Scope 2 emissions are calculated using the location-based method. During the reporting period, electricity consumption from its corporate office was 88.9 GJ and Scope 2 emissions were 12.6 tCO<sub>2</sub>e. See Figure 7 for Scope 2 tCO<sub>2</sub>e emissions trend since the Company's first sustainability reporting year in FY20. The reduction in emissions over recent years is due to the reduction in Carnarvon's office facilities. These emissions were offset entirely by the retirement of an equivalent number of ACCUs purchased by Carnarvon.

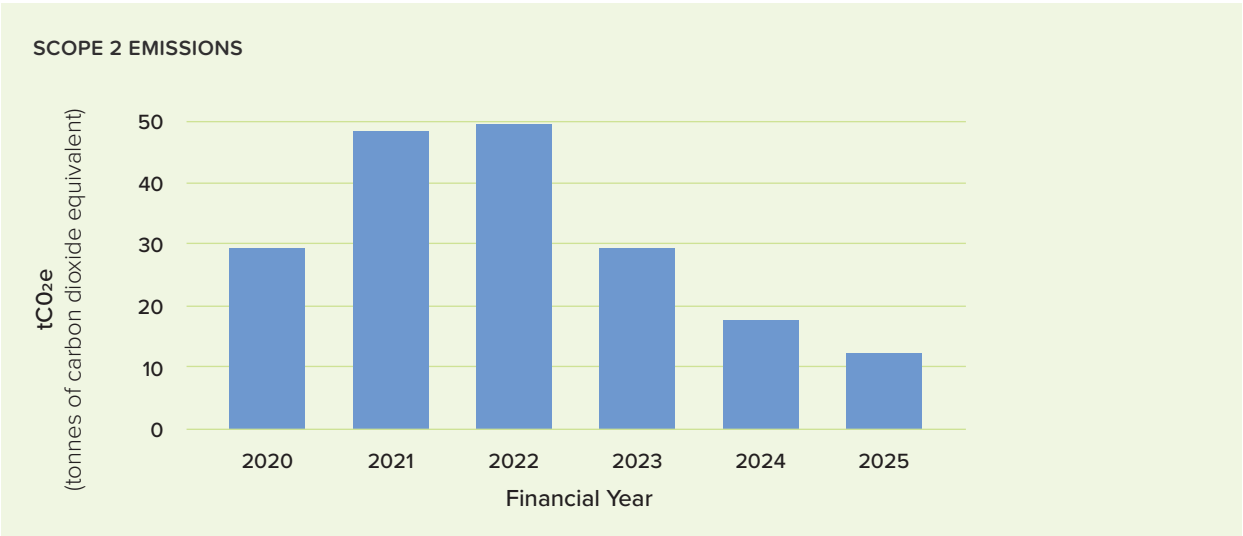


Figure 7: Scope 2 Emissions

FY25 GOAL

Incorporation of emissions reduction measures as part of the design of the Dorado production facilities and assess opportunities to repurpose an FPSO.

During the reporting period, a decision was made to defer the Dorado development. Consequently, all works on the design of the asset and production facilities ceased. Carnarvon continue to acknowledge the significant forecasted GHG emissions profile of the development and remain committed to continuing to work with the joint venture to investigate and evaluate emissions abatement and reduction opportunities, when works on the development recommence.

FY26 GOALS

Continue to work within the Dorado joint venture to ensure that emissions reduction and abatement opportunities are identified and assessed as the development progresses.

Continue Scope 2 GHG reporting and offsetting.



Climate Adaptation,  
Resilience & Transition



The energy transition has the potential to reduce impacts to the environment through the provision of cleaner forms of reliable energy. Whilst the Dorado project will be a large emitter of GHG emissions and covered under the requirements of the National Safeguard Mechanism, it is considered a low carbon field, at approximately 2% CO<sub>2</sub>.

Governance and Risk Management

Carnarvon have published a Climate Policy which affirms their recognition of climate change as an important global challenge, one that requires action to transition to a lower carbon economy. During the reporting period, their climate and broader ESG performance continued to be overseen by the Board's Risk, Governance and Sustainability (RGS) Committee. The RGS Committee meets twice a year and has ultimate oversight to ensure that climate considerations are integrated into Carnarvon's business planning and processes.

These risks are considered from a strategic, operational, financial and reputation perspective, together with potential likelihood for impacts to occur. Risks, opportunities, and mitigations are assessed and updated by management on a regular basis, including during the formal annual review.

FY25 Performance

Climate change is considered in Carnarvon's corporate risk and opportunity assessment process and is recorded in the corporate risk register. Carnarvon's key risks include:

TRANSITION RISKS

Strategic

Stranded assets that cannot be developed or only developed with costly abatement and other emissions reduction requirements.

Operational

Operating assets shut-in early due to regulatory action, with decommissioning costs brought forward. Third party service companies may leave the industry and pivot businesses towards renewables, resulting in limited contractors with the necessary operating spares and capabilities.

Financial

- Loss of revenue (e.g. stranded assets) or significantly less revenue (e.g. long-term depressed oil and gas prices).
- Potential high environmental compliance costs (e.g. emissions abatement or new CAPEX to reduce operational emissions) and insurance costs.
- Overall value destruction via low share price.
- Inability to raise further equity on-market, or via debt.

Reputational

- Likely to be unattractive from partnering perspective.
- Increased regulatory focus from ASIC and ASX.
- Lack of interest from institutional investors and retail investors with expectation of climate / energy transition plans.
- Possible activists pressure from environmental non-governmental organisations (eNGOs).

PHYSICAL RISKS

Increased severe weather events and rising sea levels may impact Carnarvon's future operations.

personal use only



Current mitigation measures include the above-mentioned Carbon Bank of quality offsets for the Dorado development, the anticipation of offset requirements under the National Safeguard Mechanism, oversight by the Board RGS committee, and inclusion of carbon pricing as part of project economics and screening (see below).

Carnarvon did not participate in or were associated with any associations or committees in relation to climate-related public policy development or lobbying in the reporting period.

## FY25 GOAL

**Ensure the business is positioned for the introduction of mandatory disclosure of climate related financial risks and opportunities.**

As Carnarvon’s business portfolio continues to evolve, and as any new operational activities emerge, Carnarvon will continue to review and refine its climate change risk assessment. During the reporting period, the Australian mandatory climate-related financial disclosure reporting commenced, with initial reporting required for companies that met the allocated thresholds. During the reporting period, Carnarvon did not trigger any reporting requirements, due to its size and not operating any assets. As Carnarvon’s portfolio of assets and business activities evolves, it will continue to assess and respond to any reporting obligations associated with the new mandatory disclosure legislation.

Carnarvon’s approach to climate-related risks and opportunities is fully aligned with their corporate approach. Further detail on Carnarvon’s whole-of-business approach to risk management and material business risks is provided in the Risk Management section on pages 24 to 27.

## INTERNAL CARBON PRICING

Carnarvon has set a ‘low end’ price for ACCUs of A\$35/tCO<sub>2</sub>e, and a ‘high-end’ price of A\$100/tCO<sub>2</sub>e, escalated at CPI plus 2% per year in accordance with the ‘cost containment’ measure for ACCUs in the Safeguard Mechanism. Whilst this pricing methodology has relative certainty until 2030, beyond this date the price of ACCUs can’t be accurately forecast. Carnarvon has assumed continued escalation at CPI plus 2% until the end of production from the Dorado field. As described above, Carnarvon’s intent is to ensure it has ‘banked’ a sufficient volume of offsets prior to 2030 for the development, with a contingency for possible future backfill (e.g. Pavo field).

Carnarvon has modelled the impact of the Safeguard Mechanism on the Dorado development using low, mid and high end ACCU pricing, consistent with the parameters noted. This has confirmed that the development remains economically robust under all conditions. Whilst the impact of the Safeguard Mechanism reforms is more pronounced in the later years of production (as greater reductions are required), the impacts to the net present value are not material under all carbon price scenarios used. This is assuming there is no backfill and a lower rate of production applies.

## FY26 GOALS

**Continue to monitor developments related to reporting under the Australian mandatory climate-related financial disclosure legislation**

**Review the internal carbon pricing assumptions, with updated market insights.**



# ESG REPORT

## MATERIAL TOPICS

### SOCIETY

#### Non-Discrimination & Equal Opportunity



✓ All staff retained

Carnarvon recognises that freedom from discrimination is a human right and a fundamental right at work. A workplace free from discrimination with practices that support diversity, inclusion and equal opportunities can have a positive impact on employees and Carnarvon's reputation.

Carnarvon's position on non-discrimination and equal opportunity is stated in its Diversity Policy. This policy addresses the meaning and benefits of diversity, as well as its achievement, measurement, reporting, and communication. It delegates governance and responsibility for this to the Remuneration & Nomination Committee.

The Company's Whistleblower Policy also assists Carnarvon in maintaining a working environment in which employees can raise concerns regarding instances of improper conduct without fear of intimidation, disadvantage, or reprisal.

### FY25 Performance

#### CARNARVON'S WORKFORCE

During the reporting period Carnarvon's employee numbers stabilised, with the headcount for the corporate headquarters in Perth remaining at a total of seven staff. Disclosure of employees by location, employment type and gender below refers to the total headcount at the end of the reporting period (i.e. 30 June 2025).

No consultant or contractor staff data has been included in these numbers, as outlined in the Reporting Scope and Boundaries section. All employees are employed on permanent contracts.

As reported in previous Sustainability Reports, the percentage of senior management at significant locations of operation that are hired from the local community was 100% for Western Australia. Carnarvon's senior management are defined as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), and local is defined as the state of Western Australia.

#### CARNARVON'S WORKFORCE

Location	Unit	Employees	Permanent	Full Time	Part Time
Perth Office	Number	7	7	6	1
Female	Number	2	2	1	1
Male	Number	5	5	5	0

Reporting method: Total head count as at end of reporting period, 30 June 2025

Table 1: Carnarvon's Workforce

PARENTAL LEAVE

Supporting Carnarvon’s staff through their challenging and rewarding parenthood journey is essential for retaining their valuable contributions to the organisation. In service of this Carnarvon provide parental leave entitlements, as covered in the Carnarvon Parental Leave Policy. During the reporting period, one male employee took parental leave and returned to work. One female employee that had previously taken parental leave in FY24 remained employed with Carnarvon 12 months after their return.

DIVERSITY AT CARNARVON

FY25 GOAL

Attract, develop and retain diverse, inclusive and appropriately skilled workforce.

Carnarvon is committed to attracting and retaining a diverse range of talented people to work in all levels of its business. During the reporting period one female Non-Executive Director joined the Board, in support of the Board succession process and the Company’s commitment to diversity in all areas of Carnarvon’s business.

Carnarvon continues to report on gender diversity in accordance with relevant ASX governance requirements. See page 67 of this FY25 Annual Report and the published Corporate Governance Statement. The following graphs show the diversity of their governance bodies and employees, both by age and gender.

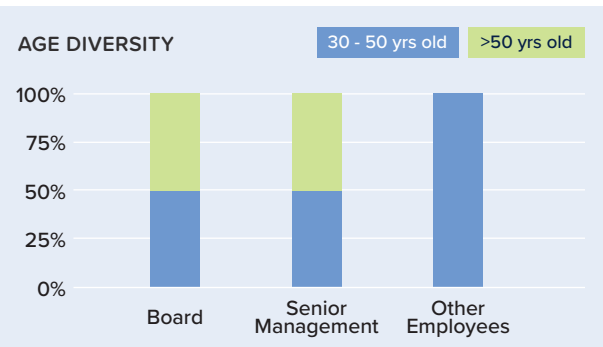


Figure 8: Age Diversity

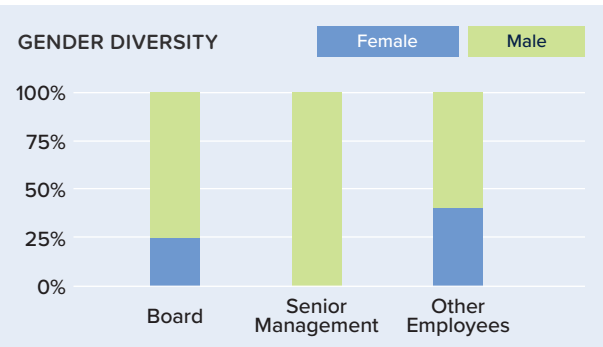


Figure 9: Gender Diversity

DISCRIMINATION

During the reporting period, there were zero incidents of discrimination reported.

TRAINING AND DEVELOPMENT

Carnarvon is committed to investing in the personal development of staff, rewarding individual accomplishments, and growing future leaders. By valuing employees’ contributions and empowering them to drive their own careers, Carnarvon aims to provide opportunities for employees to grow within the company.

FY25 GOAL

Continue to support staff development through training.

The graph below shows the hours of training that Carnarvon supported during the reporting period, by employee group. In comparison to FY24, the average hours of training increased across all groups.

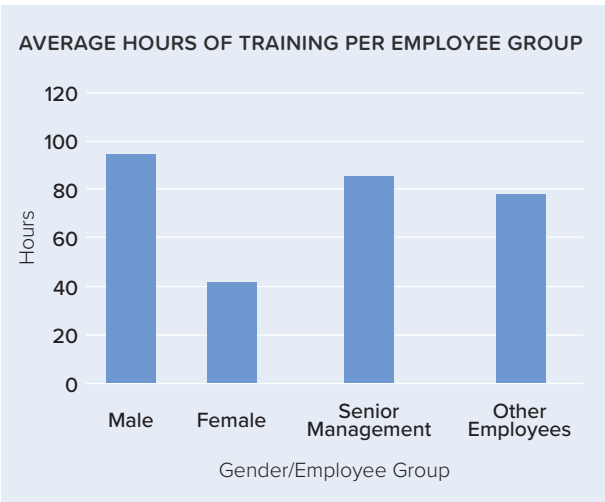


Figure 10: Average Training Hours

As well as core internal team training and development, Carnarvon also funds post graduate study for some employees.

FY26 GOAL

Continue to develop staff by maintaining training levels.

## MATERIAL TOPICS

### GOVERNANCE

#### Economic Impacts



✓ **85% of procurement budget spent locally**

Oil and gas facilities have a positive impact on the economy through the distribution of money through supply chain purchases, provision of wages and payments to finance institutions and tax contributions to governments. Despite Carnarvon having no operating facilities during the reporting period, Carnarvon continued to have a positive impact on the Australian economy through wages and supply chain.

#### FY25 GOAL

**Maximise shareholder value and share price performance year on year.**

During the reporting period, the share price fell by 46%. The decrease in share price was driven by the deferment of the Dorado development.

Increasing shareholder value and markedly improving the share price will continue to be a priority for Carnarvon in the next reporting period.

#### FY25 Performance

The Operating and Financial Review section of this Annual Report, supported by information and data in other sections, contains a detailed Financial Review for the reporting period (see page 23).

#### LOCAL SPEND

In FY2025, Carnarvon maintained a strong focus on local engagement through its procurement practices. As outlined in the Non-Discrimination and Equal Opportunity section, 'local' is defined as Western Australia, where the company's corporate headquarters are located. With no operational activity undertaken during the reporting period, the Perth office was Carnarvon's only significant location of operation.

During the year, 85.2% of total supplier expenditure was directed to Western Australian suppliers, demonstrating Carnarvon's continued commitment to supporting the local economy, 14.4% was spent with other Australian suppliers, and 0.4% with international suppliers (Figure 11). This procurement profile reflects Carnarvon's focus on fostering regional economic development and maintaining strong partnerships with local businesses.

#### SUPPLIER SPEND BY REGION

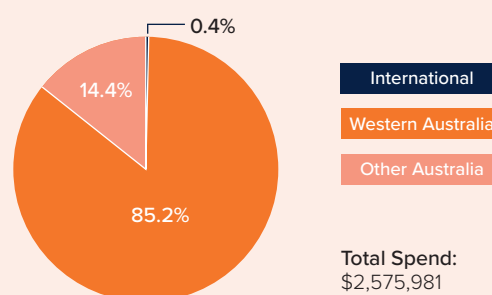


Figure 11: Local Spend by Region

#### FY26 GOALS

**Continue to have a positive economic impact through wages and supply chain.**

**Maintain a high proportion of local (WA) supply chain.**



## Stakeholder Engagement

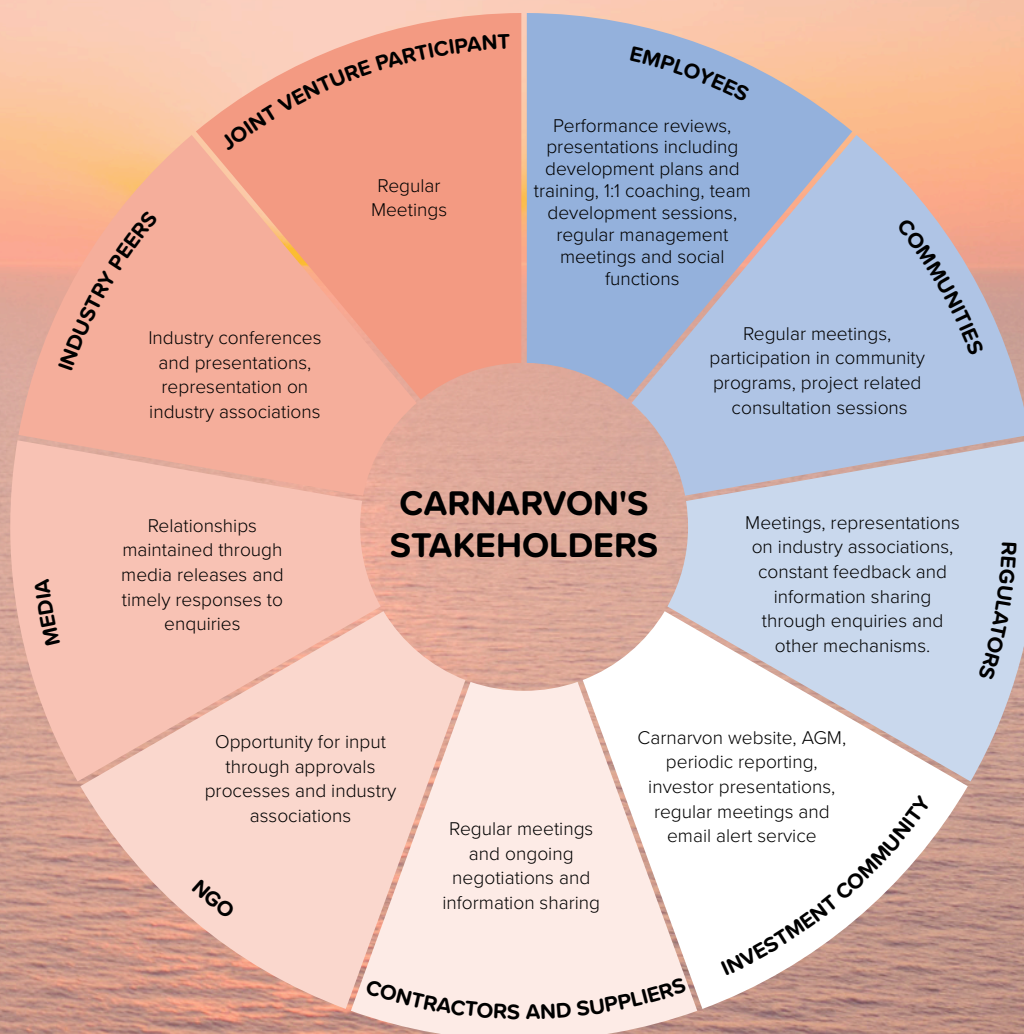
Carnarvon's relationships with its employees, the communities in which it operates, the contractors and suppliers that it engages with, and the government stakeholders that it interacts with ultimately underpins their success as a company.

Carnarvon values these relationships and continues to strengthen them as the Company's portfolio of business activities continues to evolve. During the reporting period, Carnarvon worked closely with a range of stakeholders, including its joint venture partners, industry peers, regulatory bodies, financiers and shareholders. Carnarvon understands the importance of engagement with local communities to hear concerns and better understand local impacts (positive and negative).

Where the Company does not have operational control in its portfolio, Carnarvon works proactively with the asset operator to ensure that engagement is undertaken to support and strengthen key relationships.

Carnarvon believes high standards of governance are critical to delivering its strategy, creating long-term shareholder value, and maintaining the Company's social licence to operate.

A number of sections within this Annual Report provide further detail about the governance that was maintained during the reporting period, as well as information and data about performance. Targeted references and additional comments that relate to their ESG disclosures are provided provided in the next section.



## ESG Governance

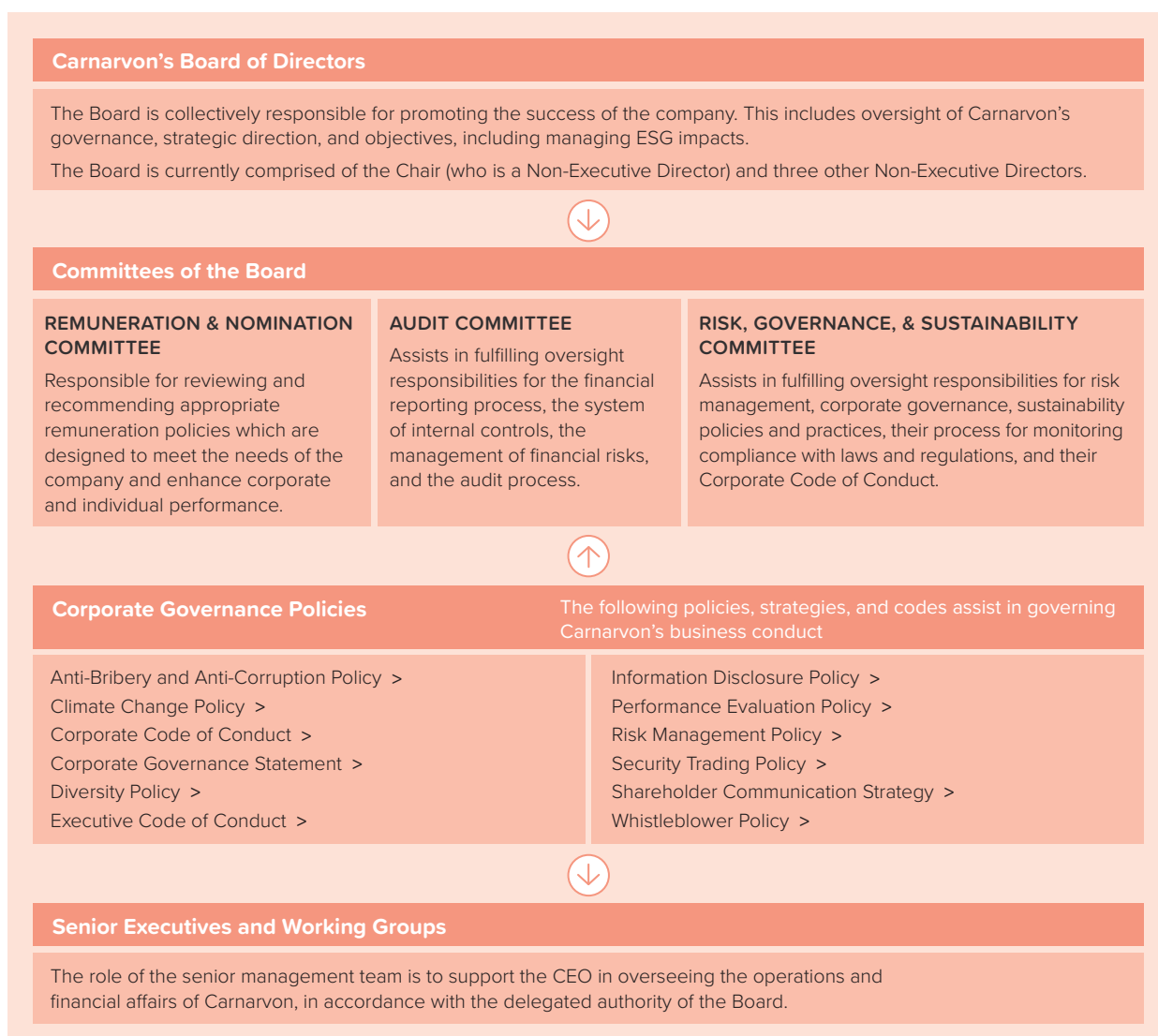
### Governance Structure

Oversight of Carnarvon's impacts on the economy, environment, and people sits with the Board. The Board delegates responsibility for management of Carnarvon's business activities to the CEO, who remains accountable to the Board. This responsibility is then carried out through a group of committees and corporate governance policies and procedures, which are reviewed annually against ASX corporate governance guidance, as can be seen in the latest Corporate Governance Statement.

The Directors Report section of this annual report describes the governance structure that was in place during the reporting period – in the context of the critical role that it plays to provide stability, transparency and

accountability to the way that Carnarvon does business. The section also introduces the Board of directors and the broad, diverse experience that each member contributes to the organisation. The Board Chairperson is not a Senior Executive at Carnarvon.

The below diagram summarises Carnarvon's governance structure and provides links to the key governance documents that are maintained and implemented. This diagram complements the details provided in the Directors Report section of the governance structure. It also serves to provide an overview of how responsibilities are assigned for managing the Company's ESG impacts.





## Risk, Governance and Sustainability Committee

ESG and risk management at Carnarvon is governed by the RGS Committee, in accordance with the RGS Committee Charter and guided by the corporate risk management framework and register.

A key remit of the RGS Committee is to provide strategic guidance, direction and performance monitoring of Carnarvon's key ESG aspects. The Committee reviews and approves Carnarvon's materiality assessment, ESG goals and annual ESG reporting. In accordance with the Charter, the Committee monitors the Company's policies and performance in relation to health, safety, environment, community, climate change and other ESG impacts.

The Committee also provides the highest level of risk review for the business, in addition to fulfilling its overall responsibilities for corporate governance and sustainability. Specifically, the RGS Committee assists the Board in fulfilling its risk management responsibilities.

The RGS Committee ensures that Carnarvon has an appropriate risk management framework in place that considers business, financial, regulatory and operational risks. Specifically, the Committee monitors the effectiveness of how Carnarvon is managing health, safety, environmental, community, reputational, legal, and financial risks.

The highest-level risks are identified as 'material'. The associated measures and approaches required to manage these risks are endorsed by the Board. Material risks are managed across Carnarvon's business activities, functions and processes. Day-to-day oversight is provided by senior management, who are supported by dedicated and qualified personnel who have expertise in each of these areas.

## Remuneration

A strong remuneration framework supports Carnarvon to attract and retain top talent. Transparency in the Company's approach to remuneration is important to Carnarvon and its external shareholders and stakeholders. Detailed remuneration reporting is included within the Directors Report section of this annual report. It includes an overview of Carnarvon's remuneration framework, remuneration performance following the reductions made to CEO and Director remuneration in the last reporting period, and details of the externally audited Remuneration Report for the reporting period. Further details can be found from pages 51 to 63.

Carnarvon's shareholders can also provide feedback and vote on the Company's Remuneration Report contained within this Annual Report, at each Annual General Meeting. At the Company's FY24 Annual General Meeting, less than 25% of the votes cast were against the adoption of the Remuneration Report (5.62%) published in the Carnarvon FY24 Annual Report. The only change to remuneration during the period was a 4% CPI increase for executives and other staff and a reduction in director fees for the Chair.

In this reporting period, the ratio of the CEO's total compensation to the median annual total compensation for all employees (excluding the CEO) was 2.13:1, a reduction from a ratio of 3.37:1 in the previous reporting period. The reduction was driven by a reduction in the CEO remuneration in the prior period.

## Responsible Business Conduct

Carnarvon's published Corporate Code of Conduct is a critical policy at the highest level of its governance framework. It sets out the minimum standards to which the Board, management and employees of Carnarvon are required to comply with when dealing with each other, shareholders and the broader community. It includes the requirement to comply with all legal requirements that are relevant to their business activities. The purpose of this policy is to provide a framework for decisions and actions in relation to ethical conduct in employment.

The policy underpins Carnarvon's unwavering commitment to integrity and fair dealing in its business affairs, as well as their duty of care to all employees, clients and stakeholders. Carnarvon's Statement of Values is an accompanying document to the Corporate Code of Conduct.

Related, overarching governance policies that Carnarvon have published include the Executive Corporate Code of Conduct and the Anti-Bribery and Anti-Corruption Policy. Each of these policies is approved by the Board.

All of these policies apply across Carnarvon's business activities and have a senior level of responsibility assigned (Board, Chair or CEO). This is appropriate given the size of the company. During the reporting period, the Company provided continuous disclosure training.

No instances of legal non-compliance were recorded during the reporting period.

## CONFLICTS OF INTEREST

Conflicts of interest are important to be monitored for, disclosed and responded to, to ensure that Carnarvon maintains legal compliance and, integrity in its business activities.

Carnarvon's Code of Conduct requires the Board, management and employees to not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a potential conflict of interest does arise, the Code of Conduct outlines the action that should be taken, depending on the level of the organisation to which the matter relates.

The Carnarvon Board takes responsibility for identifying and responding to any conflicts of interest. This is a priority that is addressed in each Board meeting, with each Director being required to consider and disclose any potential or actual conflicts.

## ANTI-BRIBERY, CORRUPTION & CRITICAL CONCERNS

In the reporting period, Carnarvon's business activities were undertaken and completed with zero anti-bribery and corruption violations. Carnarvon's Whistle-blower Policy is available on the Company's website, which explains how critical concerns should be received and communicated to the Board. It is relevant to stakeholder groups including employees, shareholders, clients, customers and consumers. The policy and associated reporting and handling process is guided by the Corporate Code of Conduct and has been developed internally by Carnarvon personnel.

No critical concerns were received and communicated to the Board during the reporting period.

## GRI CONTENT INDEX

<b>Statement of Use</b>	Carnarvon has reported with reference to the GRI Standards for the period 1 July 2024 to 30 June 2025
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	GRI 11: Oil and Gas Sector 2021

Disclosure		Location / Reason for Omission
<b>GRI 2: General Disclosures (2021)</b>		
2-1	Organisational details	<ul style="list-style-type: none"> <li>• Carnarvon Energy Ltd website: Home - Carnarvon Energy.</li> <li>• Corporate Directory section of this report, page 1.</li> </ul>
2-2	Entities included in the organisation's sustainability reporting	Overview of Operations section of this report, pages 6 to 27.
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>• Corporate Directory section of this report, page 1.</li> <li>• Carnarvon's Approach to ESG Reporting and Materiality section of this report, page 28.</li> </ul>
2-4	Restatements of information	None.
2-5	External assurance	No dedicated assurance has been undertaken for this FY25 ESG Report.
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>• Overview of Operations section of this report, pages 6 to 27.</li> <li>• Permit Interests are also listed on page 27 of this report.</li> </ul>
2-7	Employees	Non-discrimination and Equal Opportunity section of this report, page 35.
2-8	Workers who are not employees	<ul style="list-style-type: none"> <li>• <i>Not applicable.</i></li> <li>• Carnarvon's Approach to ESG Reporting and Materiality section of this report, page 28.</li> </ul>
2-9	Governance structure and composition	Governance Structure section of this report, page 39.
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>• Director's Report section of this report, from pages 46 to 65.</li> <li>• Corporate Governance Statement.</li> </ul>
2-11	Chair of the highest governance body	Director's Report section of this report, from pages 46 to 65
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>• Risk, Governance and Sustainability Committee section of this report, page 40.</li> <li>• Director's Report section of this report, from pages 46 to 65.</li> <li>• Climate Adaptation, Resilience and Transition section of this report, page 33.</li> </ul>
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>• Risk, Governance and Sustainability Committee section of this report, page 40.</li> <li>• Operating and Financial Review, Risk Management section of this report, pages 6 to 27.</li> <li>• Director's Report section of this report, from pages 46 to 65</li> </ul>
2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> <li>• Carnarvon's Approach to ESG Reporting and Materiality section of this report, page 28.</li> <li>• Risk, Governance and Sustainability Committee section of this report, page 40.</li> </ul>
2-15	Conflicts of interest	Conflicts of interest section of this report, page 41.
2-16	Communication of critical concerns	Anti-bribery, Corruption & Critical Concerns section of this report, page 41.
2-17	Collective knowledge of the highest governance body	<i>No updates occurred in the reporting period.</i>

Disclosure		Location / Reason for Omission
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> <li>Performance Evaluation Policy: <a href="https://carnarvon.com.au">https://carnarvon.com.au</a></li> <li>Director's Report section of this report, from pages 46 to 65.</li> </ul>
2-19	Remuneration policies	<ul style="list-style-type: none"> <li>Remuneration and Nomination Committee Charter: <a href="https://carnarvon.com.au">https://carnarvon.com.au</a></li> <li>Director's Report section of this report, from pages 46 to 65.</li> </ul>
2-20	Process to determine remuneration	<ul style="list-style-type: none"> <li>Remuneration and Nomination Committee Charter: <a href="https://carnarvon.com.au">https://carnarvon.com.au</a></li> <li>Remuneration section of this report, page 40.</li> <li>Director's Report section of this report, from pages 46 to 65.</li> </ul>
2-21	Annual total compensation ratio	Remuneration section of this report, page 40.
2-22	Statement on sustainable development strategy	This disclosure is under review.
2-23	Policy commitments	<ul style="list-style-type: none"> <li>ESG Governance section of this report, page 39.</li> <li>Carnarvon's suite of Corporate Governance policies.</li> </ul>
2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>ESG Governance section of this report, page 39.</li> <li>Carnarvon's suite of Corporate Governance policies.</li> </ul>
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>ESG Governance section of this report, page 39.</li> <li>Risk, Governance and Sustainability Committee Charter.</li> </ul>
2-26	Mechanisms for seeking advice and raising concerns	Whistle-blower Policy.
2-27	Compliance with laws and regulations	Responsible Business Conduct section of this report, page 41.
2-28	Membership associations	Membership section of this report, page 28.
2-29	Approach to stakeholder engagement	Stakeholder Engagement section of this report, page 38.
2-30	Collective bargaining agreements	<i>Not applicable.</i> All Carnarvon employees are employed under individual permanent contracts, therefore no collective bargaining agreements are in place.
<b>GRI 3: Material Topics (2021)</b>		
3-1	Process to determine material topics	Carnarvon's Approach to ESG Reporting and Materiality section of this report, page 28.
3-2	List of material topics	Material Topics section of this report, page 28.
<b>GRI 11: GHG Emissions (2021)</b>		
3-3	Management of material topic	Greenhouse Gas (GHG) Emissions section of this report, page 31.
302-1	Energy consumption within the organisation	Greenhouse Gas (GHG) Emissions section of this report, page 31.
302-2	Energy consumption outside of the organisation	<i>Not reported – information unavailable.</i> Carnarvon intends to work on this disclosure in future.
302-3	Energy intensity	<i>Not reported – information unavailable.</i> Carnarvon intends to work on this disclosure in future.
305-1	Direct (Scope 1) GHG emissions	<i>Not applicable.</i> The Greenhouse Gas (GHG) Emissions section of this report outlines that Carnarvon did not have any operating assets during the reporting period and generated no Scope 1 emissions.



Disclosure		Location / Reason for Omission
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (GHG) Emissions section of this report, page 31.
305-3	Other indirect (Scope 3) GHG emissions	<i>Not reported – information unavailable.</i> Carnarvon intends to work on this disclosure in future.
305-4	GHG emissions intensity	<i>Not applicable.</i> Carnarvon had no operating assets during the reporting period.
<b>GRI 11.2: Climate Adaptation, Resilience, and Transition (2021)</b>		
3-3	Management of material topic	Climate Adaptation, Resilience and Transition section of this report, page 33.
201-2	Financial implications and other risks and opportunities due to climate change	<i>Not reported - information unavailable.</i> Carnarvon intends to work on this disclosure in future.
305-5	Reduction of GHG emissions	<i>Not applicable.</i> Carnarvon had no operating assets during the reporting period.
11.2.4	Additional Sector Disclosure: Approach to public policy development and lobbying on climate change	Climate Adaptation, Resilience and Transition section of this report, page 33.
<b>GRI 11.11: Non-discrimination and Equal Opportunity (2021)</b>		
3-3	Management of material topic	Non-discrimination and Equal Opportunity section of this report, page 35.
401-3	Parental leave	Non-discrimination and Equal Opportunity, Parental Leave section of this report, page 35.
405-1	Diversity of governance bodies and employees	Non-discrimination and Equal Opportunity, Diversity at Carnarvon section of this report, page 35.
405-2	Ratio of basic salary and remuneration	<i>Not reported – related to confidentiality.</i> Information not included for the reporting period due to the small quantity of associated data and confidentiality considerations.
406-1	Incidents of discrimination and corrective actions taken	Non-discrimination and Equal Opportunity section of this report, page 35.
404-1	Average hours of training per year per employee	Non-discrimination and Equal Opportunity, Training and Development section of this report, page 35.
<b>GRI 11.14: Economic Impacts (2021)</b>		
3-3	Management of material topic	Economic Impacts section of this report, page 37.
201-1	Direct economic value generated and distributed	Economic Impacts section of this report, page 37.
202-2	Proportion of senior management hired from the local community	Non-discrimination and Equal Opportunity section of this report, page 35.
203-1	Infrastructure investments and services supported	<i>Not applicable.</i> No contribution during the reporting period.
203-2	Significant indirect economic impacts	Economic Impacts section of this report, page 37.
204-1	Proportion of spending on local suppliers	Economic Impacts section of this report, page 37.

## Topics in the applicable GRI Sector Standard determined as not material for the reporting period.

Topic		Explanation
<b>GRI 11: Oil and Gas Sector (2021)</b>		
11.3	Air Emissions	
11.4	Biodiversity	
11.5	Waste	
11.6	Water and Effluents	Due to Carnarvon not operating any assets and were not the operator of planned ventures during the reporting period, these topics were assessed as not material
11.7	Closure and Rehabilitation	
11.8	Asset Integrity and Critical Incident Management	
11.9	Occupational Health & Safety	No significant incidents health and safety incidents were raised during the reporting period. As business activities were undertaken from the Carnarvon Perth offices, assessed as not material.
11.10	Employment Practices	This topic was assessed as not material, during the reporting period Carnarvon's employee headcount related to their corporate headquarters in Perth and remained low at a total of seven staff. The number of contractors engaged to complete dedicated scopes of work is considered low, due to no assets being operated.
11.12	Forced Labour and Modern Slavery	This topic was assessed as not material due to the current nature of Carnarvon's business activities focussing on administration from the Perth corporate head office, and the relatively low spend on procuring goods and services. Personnel employed at the head office and the consultant/contractors working on ad-hoc scopes of work are employed under the requirements of the Australian Fair Work legislation.
11.13	Freedom of Association and Collective Bargaining	This topic was assessed as not material because all Carnarvon employees are employed under individual permanent contracts. No collective bargaining agreements are in place.
11.15	Local Communities	
11.16	Land and Resource Rights	Due to Carnarvon not operating any assets and were not the operator of planned ventures during the reporting period, these topics were assessed as not material.
11.18	Conflict and Security	
11.17	Rights of Indigenous Peoples	
11.19	Anti-competitive Behaviour	Assessed as not material due to no incidents during the reporting period, the detailed corporate governance framework and processes that Carnarvon has in place, the limited nature of business activities undertaken during the reporting period and the Australian legislative requirements to be complied with.
11.20	Anti-corruption	
11.21	Payments to Governments	
11.22	Public Policy	A comment is included in the Climate Adaptation, Resilience and Transition section above that Carnarvon did not participate in or were associated with climate-related public policy development and/or lobbying in the reporting period.

# DIRECTOR'S REPORT

## STATUTORY INFORMATION

The directors present their report together with the financial report of the Group, being the Company, its controlled entities, and the Group's interest in jointly controlled assets, for the financial year ended 30 June 2025, and the auditor's report thereon.

Carnarvon Energy Limited is a listed public company incorporated and domiciled in Australia.

### Directors

The names and details of the Company's directors in office at any time during or since the end of the financial year are as follows. Directors were in office for this entire period unless otherwise stated.



**Robert (Rob) Black**

*Chair*

*BBus, GAICD*

Appointed as a Non-Executive Director on 2 April 2024, appointed as Chair on 1 July 2024.

Mr Black has three decades experience in stockbroking and ECM, primarily with Euroz Hartleys (Euroz), which he joined in 2002.

In 2014 Mr Black was appointed Managing Director of Euroz, having previously run the Institutional Sales Desk where he was responsible for servicing domestic and international institutions. In 2017 Mr Black was appointed to the Board of the listed parent company, Euroz Limited. In 2022, Mr Black relinquished his role as Managing Director of Euroz following his appointment as Head of ECM syndication. He subsequently retired from Euroz in May 2023 after 21 years.

During Mr Black's tenure as Managing Director of Euroz, he oversaw significant growth of the business, with the acquisition of Blackswan Equities in 2014, Entrust Private Wealth Management in 2015, and the merger with Hartleys Limited in 2020. Mr Black was instrumental in supporting and driving the growth strategy of Euroz and advised on, and led, numerous transactions raising significant capital for Euroz's clients.

Rob holds a Bachelor of Business (majors in Finance and Accounting) and is a Graduate of the Australian Institute of Company Directors.

During the past three years Mr Black has served as a non-executive director for Argenic Therapeutics (commenced 2024 and ceased 2025).

Mr Black is Chair of the Carnarvon Energy Board. He is also a member of the Remuneration & Nominations Committee, the Audit Committee and the Risk, Governance & Sustainability Committee.



**Russell Delroy**

*Non-Executive Director*

*Bcom*

Appointed as director on 15 December 2023

Mr Delroy is Founder and Portfolio Manager of Nero Resource Fund (**Nero**). He has 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. He held previous roles with Morgan Stanley UK, Patersons Securities and Marford Group.

Mr Delroy is a nominee director of Nero, a substantial holder of Carnarvon. Due to his association with Nero, he is not considered independent.

During the past three years Mr Delroy has not served as a director of any other listed company.

Mr Delroy is Chair of the Audit Committee.



**William (Will) Barker**

*Non-Executive Director*

*BSc (Geology)*

Appointed as director on 15 December 2023

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 Equis Gas Project in Western Australia.

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

During the past three years Mr Barker has not served as a director of any other listed company. However, Mr Barker was appointed to the Strike Energy Limited board on 5 August 2025 as Carnarvon's Nominee Director.

Mr Barker is Chair of the Remuneration & Nominations Committee and a member of the Risk, Governance & Sustainability Committee.



**Susan Jones**

*Non-Executive Director*

*B Law (Hons), GAICD*

Appointed as a director on 20 September 2024

Ms Jones is an experienced executive with over 25 years' experience in the energy sector gained in Australia, USA, UK and northern Africa in legal and non-legal roles.

She is a lawyer by training but has undertaken a wide variety of roles including legal, commercial, asset management, sustainability, risk and governance.

Her most recent role was Executive Vice President Legal & ESG and Joint Company Secretary at Beach Energy. Reporting to the CEO/MD, she was responsible for risk, sustainability, legal, corporate & government affairs, internal audit and ESG.

Previous employers include Total, Woodside, BHP and Ophir. In addition to her in-house experience, Ms Jones has worked at Sidleys (New York) and King Wood Mallesons (Australia).

Ms Jones holds a first-class honours LLB and is admitted to practice law in Australia and in New York.

During the past three years Ms Jones has not served as a director of any other listed company.

Susan is Chair of the Risk, Governance and Sustainability Committee and a member of the Audit Committee and the Remuneration and Nominations Committee.



# DIRECTOR'S REPORT



**William (Bill) A Foster**

*Non-Executive Director  
BE (Chemical), MAICD*

Appointed as a Non-Executive Director on 17 August 2010, appointed as Chair on 11 November 2020, stepped down from Chair role on 1 July 2024, and stepped down from Non-Executive Director role on 30 September 2024.

Mr Foster is an internationally experienced energy executive who has worked with Chevron, a Middle Eastern National Oil Corporation as well as US and ASX listed independents. He spent 30 years with Marubeni Corporation as Energy Advisor until his retirement, assisting in the development of their Oil, Gas and LNG business. During this time, a global business was established with Tokyo, London, Houston, Singapore and Perth offices. Mr Foster was a director of Marubeni's various exploration and production subsidiaries and a former director of Tap Oil Ltd.

Mr Foster's activities have covered a broad range of areas relevant to the oil and gas industry and he has extensive, commercial, financial and mergers and acquisitions experience, as well as that from his engineering background.

During the past three years Mr Foster has not served as a director of any other listed company.

Mr Foster was a member of the Audit Committee, Remuneration & Nominations Committee and the Risk, Governance & Sustainability Committee up to the date he ceased his position on the Board.



**Company Secretary**

Mr Alex Doering was appointed as company secretary in August 2019. Mr Doering is a qualified Chartered Accountant, an Associate of the Governance Institute of Australia and the Chief Financial Officer at Carnarvon Energy.

For personal use only

# DIRECTOR'S REPORT

## Directors' meetings

The number of directors' meetings held and attended by each of the directors during the reporting period was as follows:

	(a)	(b)
R Black	14	14
W Barker	14	14
R Delroy	14	14
S Jones	12	12
W Foster	2	2

<sup>(a)</sup> Number of meetings held and eligible to attend during period of office

<sup>(b)</sup> Number of meetings attended

## Audit Committee

### Names and qualifications of Audit and Risk Committee members

The Committee is to include at least 3 members. Current members of the committee are Mr Delroy (Chair of the Committee), Mr Black, and Ms Jones. Mr Foster was also a member of the committee during the year and up to the date he ceased his position on the Board. Qualifications of Audit and Risk Committee members are provided in the Directors section of this directors' report.

## Audit Committee meetings

The number of Audit and Risk Committee meetings held and attended by the members during the reporting period was as follows:

	(a)	(b)
R Delroy	2	2
R Black	2	2
S Jones	1	1
W Foster	1	1

<sup>(a)</sup> Number of meetings held during period of office

<sup>(b)</sup> Number of meetings attended

## Risk, Governance and Sustainability Committee

### Names and qualifications of Risk, Governance and Sustainability ("RGS") Committee members

The RGS Committee is to include at least 3 members. Current members of the committee are Mr Barker (Chair of the Committee), Mr Black, and Ms Jones. Mr Foster was also a member of the committee during the year and up to the date he ceased his position on the Board. Qualifications of RGS Committee members are provided in the Directors section of this directors' report.

# DIRECTOR'S REPORT

## RGS Committee meetings

The number of RGS Committee meetings held and attended by the members during the reporting period was as follows:

	(a)	(b)
W Barker	2	2
R Black	2	2
S Jones	2	2

<sup>(a)</sup> Number of meetings held during period of office

<sup>(b)</sup> Number of meetings attended

## 2025 REMUNERATION IN BRIEF FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 ("FY25")

### FY25 remuneration outcomes at a glance

KMP Fixed Remuneration	Benchmark increases for senior executives	Minor Increase of total fixed remuneration (TFR) from previous year in line with inflation.
Non-executive directors	Fees reduced during the year.	Current Non-Executive Director fees, and Committee Chair fees remained unchanged from FY24 levels. Mr Foster's fees remained at \$200,000 per annum for July 2024 and August 2024 while he transitioned from Chair to Non-Executive Director and were reduced to \$120,000 per annum thereafter. Board Chair fees for Rob Black were reduced to \$120,000 (2024: \$200,000) per annum from 1 July 2024.
Short Term Incentive (STI)	No STI plan in place during the year.	The Company did not have an STI plan in place during the period and is currently reviewing KMP's STI remuneration structure
2024 Performance Rights	Performance Rights granted during the year.	An additional 1,000,000 performance rights were granted to a Ms Susan Jones, who was appointed as a non-executive director during the year. The award was related to the reduction in director fees to better align executive remuneration with shareholder interests and incentivise KMP to drive higher returns.
Long Term Incentive (LTI)	No LTI granted during the year. Previously granted LTI's vested, lapsed, and exercised during the year.	There has not been an award under the LTI plan since 2023. The Board is currently reviewing the KMP's LTI remuneration structure. There were 295,273 LTI performance rights that vested and were exercised in July 2024 relating to the rights granted to KMP in 2022 and were issued as part of the 2021 LTI award. There were 1,575,648 LTI performance rights that lapsed on 1 July 2025 due to the required conditions not being met. These rights were granted to KMP in 2023 and were issued as part of the 2022 LTI award. The rights were also cancelled on 1 July 2025.

# DIRECTOR'S REPORT

## REMUNERATION REPORT (AUDITED) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

This report has been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (Corporations Act) for the consolidated entity for the financial year ended 30 June 2025. It has been audited as required by section 308(3C) of the Corporations Act and forms part of the Directors' Report.

### KEY MANAGEMENT PERSONNEL ("KMP")

The Company's KMP are listed in Table 2. They are the Company's non-executive directors (NED) and executive KMP who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Table 2: Key management personnel during FY25

Name	Position	Period as KMP during the year
<b>Executive KMP</b>		
P Huizenga	Chief Operating Officer & Chief Executive Officer	All of FY25
A Doering	Chief Financial Officer	All of FY25
<b>Non-executive Directors</b>		
R Black	Independent Chair	All of FY25
R Delroy	Non-executive Director	All of FY25
W Barker	Non-executive Director	All of FY25
S Jones	Non-executive Director	Appointed on 20 September 2024
WA Foster	Non-executive Director	Ceased on 30 September 2024

For personal use only



# DIRECTOR'S REPORT

## Summary of Carnarvon's remuneration policy framework

Carnarvon's vision is to become a major Australian energy provider with expertise and capability that enables the generation of material returns for shareholders over any given medium-term time horizon.

Carnarvon's remuneration framework seeks to focus executives on delivering that purpose:

- Fixed remuneration aligns to market practice and prevailing economic conditions. It seeks to attract, motivate and retain executives focused on delivering Carnarvon's purpose.
- 'At risk' performance-based incentives link to longer-term Company goals. The goals contribute to the achievement of Carnarvon's purpose.
- Long term 'at risk' 2024 Performance Rights incentives are designed to align executive remuneration with shareholder interests and incentivise management to drive higher returns. These incentives target the 20-day volume weighted average price (VWAP) of Carnarvon shares exceeding \$0.30 per share.
- Previously awarded 'at risk' LTIs were also designed to directly align with shareholder objectives and interests. Half of longer-term incentives are based on the Company's share price performance against peers considered to be alternative investments to Carnarvon. The other half is based on the Company's absolute share price appreciation. Both measures are assessed over a three-year period and are entirely share based rewards to executives.

## How Carnarvon makes decisions about remuneration

The Board determines Carnarvon's KMP remuneration based on recommendations made to the Board by its Remuneration and Nominations Committee. The Committee is to include at least 3 members who are all non-executive directors.

Members of the Committee during the 30 June 2025 financial year were Mr Black (Chair of the Committee), Mr Barker and Mr Foster (appointed 17 November 2023). Mr Foster was also a member of the committee during the year and up to the date he ceased his position on the Board. Qualifications of Remuneration & Nomination Committee members are provided in the Directors section of this directors' report.

The Remuneration and Nomination Committee Charter is available at Carnarvon's website: [www.carnarvon.com.au/corporate-governance/](http://www.carnarvon.com.au/corporate-governance/). Carnarvon's CEO and CFO may attend Committee meetings by invitation in an advisory capacity. The Committee excludes executives from any discussion about their own remuneration.

For personal use only

# DIRECTOR'S REPORT

## Remuneration & Nomination Committee meetings

The number of Remuneration & Nominations Committee meetings and the number attended by each of the members during the reporting period were as follows:

	(a)	(b)
R Black	2	2
W Barker	2	2
S Jones	2	2

<sup>(a)</sup> Number of meetings held during period of office.

<sup>(b)</sup> Number of meetings attended.

## External advisers and remuneration advice

Where an adviser is engaged by the company in relation to remuneration matters, the adviser is engaged by and reports to the Board or chair of the Remuneration and Nominations Committee. This protocol ensures any recommendations are free from undue influence by management. The Board or Committee Chair deals with the adviser on all material matters. Management involvement is only to the extent necessary to coordinate the work. No external advisors were engaged during FY25.

The Board and Committee seek recommendations from the CEO about executive remuneration. The CEO does not make any recommendation about their own remuneration.

The Board and Committee have regard to industry benchmarking information.

## How Carnarvon links performance to incentives

Carnarvon's remuneration policy includes long-term incentive plans. These plans seek to align management performance with shareholder interests.

The LTI and 2024 Performance Rights are linked to an increase in total shareholder return over 3 and 5 year periods respectively and are share-based incentives.

## SENIOR EXECUTIVE REMUNERATION STRUCTURE

This section details the remuneration structure for senior executives (Key Management Personnel, or KMP).

### Service contracts

The contract duration, period of notice and termination conditions for key management personnel are as follows:

- (i) Philip Huizenga, Chief Executive Officer, is engaged as a full time employee. Termination by the Company is with 9 months notice or payment in lieu thereof. Termination by Mr Huizenga is with 9 months' notice.
- (ii) Alex Doering, Chief Financial Officer, is engaged as a full time employee. Termination by the Company is with 3 months notice or payment in lieu thereof and an additional payment of 3 months' remuneration. Termination by Mr Doering is with 3 months' notice.

# DIRECTOR'S REPORT

## Remuneration mix

Remuneration for KMP is a mix of a fixed cash salary component and an 'at risk' component. The 'at risk' component means that specific targets or conditions must be met before there is any entitlement to receive that component.

## What is the balance between fixed and 'at risk' remuneration?

There was no 'at risk' remuneration granted to senior executives during the period. Whilst there are remaining unvested 'at risk' incentives under the LTI and 2024 Performance Rights, 100% of senior executive remuneration was fixed during the period. The Board is currently reviewing senior executive remuneration structure.

Table 3: Shareholder wealth indicators FY21 – FY25:

	FY21	FY22	FY23	FY24	FY25
Share price at year-end	\$0.25	\$0.195	\$0.13	\$0.195	\$0.105
Basic earnings/(loss) per share	\$1.09	\$(3.31)	\$(0.23)	\$(0.04)	\$0.20

## Fixed remuneration

What is fixed remuneration?	Senior executives are entitled to a fixed cash remuneration amount inclusive of the guaranteed superannuation contribution. The amount is not based upon performance. Senior executives may decide to salary sacrifice part of their fixed remuneration for additional superannuation contributions and other benefits.
How is fixed remuneration reviewed?	Fixed remuneration is determined by the Board based on external review and advice that takes account of the role and responsibility of each senior executive. It is reviewed annually against industry benchmarking information.

## Fixed remuneration for the year

Total fixed remuneration (TFR) of KMP is provided in the table on Pages 58 to 59 which reports on the remuneration for KMP as required under the Corporations Act.

## Short Term Incentive (STI)

During the reporting period, the Company did not have an STI plan in place and is currently reviewing KMP's STI remuneration structure.

## 2024 Performance Rights

What are the 2024 Performance Rights?	The 2024 Performance Rights are an additional equity based 'at risk' incentive that aims to align Key Management Personnel remuneration with shareholder interests and incentivise them to drive higher returns. These were awarded in FY24 and FY25 in relation to a reduction of KMP fixed remuneration.
How do the 2024 Performance Rights link to Carnarvon's key purpose?	The 2024 Performance Rights link to Carnarvon's objective of aligning the longer term 'at risk' incentive rewards with outcomes that match shareholder objectives and interests by giving share based rather than cash-based rewards. This links their own rewards to shareholder expectations of company performance and share price growth.
How are the number of rights issued calculated?	The award of performance rights is at the absolute discretion of the Board. The Market Value is the market value of a fully paid ordinary share in the Company, calculated using the Company's closing share price on the grant date.
What equity based grants are given and are there plan limits?	Carnarvon grant the performance rights at the absolute discretion of the Board. If the performance conditions are met, Key Management Personnel have the opportunity to acquire one Carnarvon share for every vested performance right. There are no plan limits.

# DIRECTOR'S REPORT

What are the performance conditions?

The performance rights will vest and become exercisable on the earlier to occur of:

- 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:
  - 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

Performance rights granted to executive Key Management Personnel are subject to progressive cancellation of all, or some, of any unvested portion of the performance rights where they resign from their respective role in the first year following grant of the performance rights, as follows:

- resignation within first three months of the date of grant of the performance rights (Grant Date) – all unvested performance rights forfeited and cancelled;
- resignation in period three – six months after Grant Date – 75% of unvested performance rights forfeited and cancelled;
- resignation in period six – nine months after Grant Date – 50% of unvested performance rights forfeited and cancelled;
- resignation in period nine months – twelve months after Grant Date – 25% of unvested performance rights forfeited and cancelled; and
- resignation in period following one year anniversary of Grant Date – nil unvested performance rights forfeited and cancelled.

None of the performance rights held by executive Key Management Personnel:

- which have vested prior to resigning from their respective role will be forfeited and cancelled; and
- will be forfeited and cancelled (whether vested or unvested) if they are made redundant from their respective role at any time prior to the one year anniversary of the Grant Date.

All vested and unvested performance rights will be forfeited and cancelled where Key Management Personnel employment is terminated for cause in accordance with the relevant provision of their respective employment contract.

The performance rights held by non-executive directors will not be forfeited and cancelled if they resign from their position with the Company.

Why choose these Performance conditions?

The performance conditions better align the interest of the Key Management Personnel with shareholder interests, and incentivise them to drive higher returns.

## 2024 Performance Right equity awards issued or in operation during the year.

There were no 2024 Performance Rights awarded to Executive KMP during the year.

Ms Jones was granted 1,000,000 2024 Performance Rights following her appointment to the Board during the period.

For personal use only



# DIRECTOR'S REPORT

## LONG TERM INCENTIVE (LTI)

What is the LTI?	<p>The LTI was a previously used equity based 'at risk' incentive plan which operates through a performance rights scheme approved by Carnarvon shareholders. The LTI aimed to reward results that promote long term growth in shareholder value or total shareholder return (TSR).</p> <p>Carnarvon offered LTIs to senior executives at the discretion of the Board and offers to KMP as outlined in table 4.</p> <p>No awards have been made under the LTI since FY2023, however there are some remaining performance rights which are still subject to the below vesting conditions.</p> <p>The Board is currently reviewing KMP's LTI remuneration structure.</p>																
How does the LTI link to Carnarvon's key purpose?	<p>The LTI links to Carnarvon's key purpose by aligning the longer term 'at risk' incentive rewards with outcomes that match shareholder objectives and interests by:</p> <ul style="list-style-type: none"> <li>• benchmarking shareholder returns against a group of companies considered alternative investments to Carnarvon and against absolute target returns</li> <li>• giving share based rather than cash-based rewards to executives. This links their own rewards to shareholder expectations of company performance, especially share price growth.</li> </ul>																
How are the number of rights issued to senior executives calculated?	<p>The award of performance rights is at the absolute discretion of the Board. However, the Board is currently reviewing KMP's LTI remuneration structure.</p>																
What equity based grants are given and are there plan limits?	<p>If the performance conditions are met, senior executives have the opportunity to acquire one Carnarvon share for every vested performance right. There are no plan limits as a whole for the LTI due to the style of the plan.</p>																
What are the performance conditions?	<p>The two performance conditions used by Carnarvon are based on Total Shareholder Return (TSR) (1) in absolute terms and (2) relative to the returns of a group of companies considered alternative investments to Carnarvon, calculated using the closing share prices at a testing date of 30 June.</p> <p>The participants must also be employed by the Company over the vesting period and as at the vesting date.</p> <p>The vesting schedule of 50% of the performance rights is subject to relative TSR testing is as follows:</p> <table> <tr> <th>Relative TSR Performance</th><th>Level of vesting</th></tr> <tr> <td>Less than 50th percentile</td><td>Zero</td></tr> <tr> <td>Between 50th and 75th percentile</td><td>Pro rata between 50% and 100%</td></tr> <tr> <td>75th percentile or better</td><td>100%</td></tr> </table> <p>Peer Group: 88 Energy, Buru Energy, Central Petroleum, Amplitude Energy (formerly known as Cooper Energy), Elixir Energy, Empire Energy, Galilee Energy, Helios Energy, Horizon Oil, Karoon Energy, Strike Energy, Tamboran Resources.</p> <p>The vesting schedule of 50% of the performance rights is subject to absolute TSR testing is as follows:</p> <table> <tr> <th>Absolute TSR Performance</th><th>% of performance rights that will vest</th></tr> <tr> <td>10% per annum return</td><td>33%</td></tr> <tr> <td>Between 10% and 20% per annum</td><td>Pro rata between 33% and 100%</td></tr> <tr> <td>Above 20% per annum</td><td>100%</td></tr> </table>	Relative TSR Performance	Level of vesting	Less than 50th percentile	Zero	Between 50th and 75th percentile	Pro rata between 50% and 100%	75th percentile or better	100%	Absolute TSR Performance	% of performance rights that will vest	10% per annum return	33%	Between 10% and 20% per annum	Pro rata between 33% and 100%	Above 20% per annum	100%
Relative TSR Performance	Level of vesting																
Less than 50th percentile	Zero																
Between 50th and 75th percentile	Pro rata between 50% and 100%																
75th percentile or better	100%																
Absolute TSR Performance	% of performance rights that will vest																
10% per annum return	33%																
Between 10% and 20% per annum	Pro rata between 33% and 100%																
Above 20% per annum	100%																

# DIRECTOR'S REPORT

Why choose these Performance conditions?	<p>Relative TSR is an appropriate performance hurdle because it ensures a proportion of each participants remuneration is linked to the return received by shareholders from holding shares in a company in the peer group for the same period.</p> <p>Absolute TSR is an appropriate performance hurdle because it ensures KMP performance is rewarded when a year-on-year improvement in shareholder value is achieved.</p>
What happens to LTI performance rights on a change of control?	The Board reserves the discretion for early vesting in the event of a change of control of the Company. Adjustments to a participant's entitlements may also occur in the event of a company reconstruction and certain share issues.

## LTI equity awards issued or in operation during the year.

There was no LTI awarded to KMP during the year in relation to FY25.

There were 295,273 performance rights that vested on 30 June 2024 relating to the rights granted to KMP in FY2022. The vested rights were exercised in July 2024.

There were 1,575,648 LTI performance rights that lapsed on 1 July 2025 due to the required conditions not being met. These rights were granted to KMP in 2023 and were issued as part of the 2022 LTI award. The rights were also cancelled on 1 July 2025.

## REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS:

The fees paid to non-executive directors are determined using the following principles. Fees are:

- determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of Board Committees;
- are benchmarked against industry peers on an annual basis; and
- driven by a need to attract and retain a diverse and well-balanced group of individuals with relevant experience and knowledge
- 2024 Performance Rights were issued to align non-executive directors with shareholder interests

The Board made changes to its fee structure in the current year. The base fees payable to the Chair of the Board were reduced from \$200,000 to \$120,000. Base fees for current non-executive directors remained unchanged from FY24 levels. Mr Foster's fees remained at \$200,000 per annum for July 2024 and August 2024 while he transitioned from Chair to non-executive director and were reduced to \$120,000 per annum thereafter.

No additional fees are payable to any director for serving as a committee chair or member of a Board Committee.

The Director's fees are inclusive of superannuation contributions, which are paid by the Company.

Non-executive directors are entitled to be reimbursed at cost for their reasonable expenses incurred in the performance of their directors' duties.

The aggregate remuneration of Carnarvon non-executive directors remains below the annual limit of \$600,000 approved by shareholders at the 2018 Annual General Meeting.

Details of the fees payable to non-executive directors for Board and committee membership for FY25 are set out in Table 5.

Table 5: FY25 non-executive directors' fees and Board Committee fees per annum:

Board		Board Committees					
Chair	Member	Chair	Member	Chair	Member	Chair	Member
\$	\$	Audit	Audit	Remuneration and Nomination	Remuneration and Nomination	RGS	RGS
		\$	\$	\$	\$	\$	\$
120,000-200,000	60,000-120,000	-	-	-	-	-	-

# DIRECTOR'S REPORT

Name	Short term benefits			Post-employment	Share-based payments	Long term benefits	Other benefits	Total (\$)	Total at risk %	Total issued in equity %
	Salary and fees (\$)	Short term cash bonus (\$)	Annual leave (\$) <sup>3</sup>	Superannuation contributions (\$)	Performance Rights (\$) <sup>4,5</sup>	Long service leave (\$) <sup>3</sup>	Termination payments (\$)			
Directors										
Non-Executive										
Mr R Black (Chairman)										
2025	107,623	-	-	12,377	-	-	-	120,000	0.0%	-
2024	13,514	-	-	1,487	180,000	-	-	195,001	92.3%	-
Mr R Delroy	-	-	-	-	-	-	-			
2025	53,812	-	-	6,188	-	-	-	60,000	0.0%	-
2024	29,497	-	-	3,245	120,000	-	-	152,742	78.6%	-
Mr W Barker	-	-	-	-	-	-	-			
2025	53,812	-	-	6,188	-	-	-	60,000	0.0%	-
2024	29,497	-	-	3,245	120,000	-	-	152,742	78.6%	-
Ms S Jones <sup>1</sup>	-	-	-	-	-	-	-			
2025	41,853	-	-	4,813	80,000	-	-	126,665	63.2%	-
2024	-	-	-	-	-	-	-	-	-	-
Mr WA Foster <sup>2</sup>	-	-	-	-	-	-	-			
2025	35,399	-	-	9,338	-	-	-	44,737	-	-
2024	180,180	-	-	19,820	-	-	-	200,000	-	-
Dr P Moore	-	-	-	-	-	-	-			
2025	-	-	-	-	-	-	-	-	-	-
2024	37,713	-	-	4,148	-	-	-	41,861	-	-
Mr SG Ryan	-	-	-	-	-	-	-			
2025	-	-	-	-	-	-	-	-	-	-
2024	82,500	-	-	-	-	-	-	82,500	-	-

Name	Short term benefits			Post-employment	Share-based payments	Long term benefits	Other benefits	Total (\$)	Total at risk %	Total issued in equity %
	Salary and fees (\$)	Short term cash bonus (\$)	Annual leave (\$) <sup>3</sup>	Superannuation contributions (\$)	Performance Rights (\$) <sup>4,5</sup>	Long service leave (\$) <sup>3</sup>	Termination payments (\$)			
Ms D Bakker										
2025	-	-	-	-	-	-	-	-	-	-
2024	45,287	-	-	4,962	-	-	-	50,249	-	-
<i>Executive</i>										
Mr AC Cook (Chief Executive Officer)										
2025	-	-	-	-	-	-	-	-	-	-
2024	284,560	83,804	20,830	23,785	(440,370)	2,650	814,078	789,337	-55.8%	-
<b>Other Executives</b>										
Mr PP Huizenga (Chief Executive Officer)										
2025	510,043	-	38,074	30,174	493,675	13,638	-	1,085,604	45.5%	-
2024	537,254	73,313	58,541	35,348	400,574	(3,628)	-	1,101,402	36.4%	-
Mr A Doering (Chief Financial Officer)										
2025	311,095	-	30,058	30,095	235,121	5,520	-	611,889	38.4%	-
2024	306,845	42,847	26,012	34,963	168,804	5,014	-	584,485	28.9%	-
Total compensation: key management personnel (Company and consolidated)										
2025	1,113,636	-	68,132	99,173	808,796	19,158	-	2,108,895	38.4%	-
2024	1,546,847	199,964	105,383	131,003	549,008	4,036	814,078	3,350,319	16.4%	-

Directors' fees are paid or payable to the director or a director-related entity.

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

<sup>2</sup> Mr Foster retired from the Board on 30 September 2024.

<sup>3</sup> These amounts represent the leave entitlement accruals for the year.

<sup>4</sup> Ms Jones was granted 1,000,000 of the 2024 Performance Rights during the year for which an expense of \$80,000 was recognised in the consolidated income statement at 30 June 2025. A combined expense of \$728,796 was also recognised in the consolidated income statement at 30 June 2025 in relation to previously granted LTIs and 2024 performance rights.

<sup>5</sup> The share-based payment expense for the 2024 financial year has been revised due to an accounting treatment error being identified in the current financial year. The 2024 Performance Rights were expensed over a five-year term, rather than within 12 months in line with the service conditions. The impact was an understatement of \$687,026 in KMP performance rights expense for the 2024 financial year.



# DIRECTOR'S REPORT

## Ordinary shares held by key management personnel

The movement during the reporting period in the number of ordinary shares in Carnarvon Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2025	Balance at 1 July 2024 / on appointment	Net acquired/ (sold) on market	Award under Employee Share Plan	Held at date of cessation	Balance at 30 June 2025
<b>Directors</b>					
R Black	1,000,000	1,500,000	-	-	2,500,000
R Delroy <sup>2</sup>	91,128,968	1,555,682	-	-	92,684,650
W Barker	-	-	-	-	-
S Jones <sup>1</sup>	-	-	-	-	-
WA Foster	1,425,938	-	-	1,425,938	-

### Other Executives

PP Huizenga	12,326,196	-	250,273	-	12,576,469
A Doering	1,437,001	55,000	45,000	-	1,537,001

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

<sup>2</sup> Mr Delroy is the founder and investment manager of Nero Resource Fund which holds 91,128,968 of the shares.

2024	Balance at 1 July 2023 / on appointment	Net acquired/ (sold) on market	Award under Employee Share Plan	Held at date of cessation	Balance at 30 June 2024
<b>Directors</b>					
WA Foster	1,425,938	-	-	-	1,425,938
AC Cook <sup>1</sup>	15,938,797	-	-	(15,938,797)	-
P Moore <sup>2</sup>	964,232	-	-	(964,232)	-
SG Ryan <sup>3</sup>	305,221	-	-	(305,221)	-
D Bakker <sup>4</sup>	574,774	-	-	(574,774)	-
W Barker <sup>5</sup>	-	-	-	-	-
R Black <sup>6</sup>	-	1,000,000	-	-	1,000,000
R Delroy <sup>7</sup>	91,128,968	-	-	-	91,128,968

### Other Executives

PP Huizenga	12,326,196	-	-	-	12,326,196
A Doering	1,237,001	200,000	-	-	1,437,001

<sup>1</sup> Mr Cook ceased as Managing Director and Chief Executive Officer on 15 December 2023.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023. Mr Delroy is also the founder and investment manager of Nero Resource Fund which holds the 91,128,968 shares.

# DIRECTOR'S REPORT

## Performance rights - held by key management personnel

2025	Held at 1 July 2024	Granted	Exercised	Lapsed	Held at 30 June 2025	Vested and exercisable at 30 June 2025	Vested and un-exercisable at 30 June 2025 <sup>2</sup>
<b>Directors</b>							
R Black	1,500,000	-	-	-	1,500,000	-	-
R Delroy	1,000,000	-	-	-	1,000,000	-	-
W Barker	1,000,000	-	-	-	1,000,000	-	-
S Jones <sup>1</sup>	-	1,000,000	-	-	1,000,000	-	-
WA Foster	-	-	-	-	-	-	-
<b>Other Executives</b>							
PP Huizenga	9,322,900	-	(250,273)	(750,819)	8,321,808	-	1,328,724
A Doering	4,080,770	-	(45,000)	(135,000)	3,900,770	-	246,924
Total	16,903,670	1,000,000	(295,273)	(885,819)	16,722,578	-	1,575,648

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

<sup>2</sup> On 1 July 2025, 1,575,648 performance rights issued to Mr Huizenga and Mr Doering on 1 July 2022 lapsed and became un-exercisable upon the required vesting conditions not being met. The un-exercisable performance rights were cancelled subsequent to year end.

2024	Held at 1 July 2023	Granted	Exercised	Lapsed	Held at 30 June 2024	Vested and exercisable at 30 June 2024 <sup>8</sup>	Vested and un-exercisable at 30 June 2024 <sup>8</sup>
<b>Directors</b>							
WA Foster	-	-	-	-	-	-	-
AC Cook <sup>1</sup>	5,072,816	4,556,620	-	(9,629,436)	-	-	-
P Moore <sup>2</sup>	-	-	-	-	-	-	-
SG Ryan <sup>3</sup>	-	-	-	-	-	-	-
D Bakker <sup>4</sup>	-	-	-	-	-	-	-
W Barker <sup>5</sup>	-	1,000,000	-	-	1,000,000	-	-
R Black <sup>6</sup>	-	1,500,000	-	-	1,500,000	-	-
R Delroy <sup>7</sup>	-	1,000,000	-	-	1,000,000	-	-
<b>Other Executives</b>							
PP Huizenga	2,329,816	6,993,084	-	-	9,322,900	250,273	750,819
A Doering	426,924	3,653,846	-	-	4,080,770	45,000	135,000
Total	7,829,556	18,703,550	-	(9,629,436)	16,903,670	295,273	885,819

<sup>1</sup> Mr Cook ceased employment as Managing Director and Chief Executive Officer on 15 December 2023. His performance rights lapsed on this date.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023.

<sup>8</sup> On 1 July 2024, 295,273 of the 1,181,092 performance rights issued to Mr Huizenga and Mr Doering on 1 July 2021 vested and became exercisable upon meeting the required vesting conditions. Both executives elected to exercise the vested performance rights subsequent to year end. The un-exercisable performance rights were cancelled subsequent to year end.

For personal use only

# DIRECTOR'S REPORT

## Performance rights - STIP held by key management personnel

The Company did not have a STIP in place during the year and is currently reviewing the STI remuneration structure for key management personnel. There were no rights held by key management personnel under the previous STI plan at 30 June 2025 (2024; nil).

Details of performance rights granted to KMP during the year ended 30 June 2025 are:

KMP	Instrument	Grant date	Expiry date	Vesting date	Fair value per right \$	Exercise price	Number of performance rights granted	Number of performance rights lapsed <sup>1</sup>	Number of performance rights vested	Maximum value to be recognised in future periods \$
<b>Non-Executive Directors</b>										
S Jones <sup>1</sup>	2024 PR's	20-Sep-24	20-Sep-29	When conditions are met	0.08	-	1,000,000	-	-	-

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

Details of performance rights granted to KMP in previous years that are still vesting are:

KMP	Instrument	Grant date	Expiry date	Vesting date <sup>2</sup>	Fair value per right \$	Exercise price	Number of performance rights granted	Number of performance rights lapsed <sup>1</sup>	Number of performance rights vested	Maximum value to be recognised in future periods \$
<b>Executive KMP</b>										
P Huizenga	PR's - LTIP	01-Jul-22	01-Jul-32	30-Jun-25	0.12	-	1,328,724	(1,328,724)	-	-
P Huizenga	PR's - LTIP	01-Jul-23	01-Jul-33	30-Jun-26	0.10	-	1,993,084	-	-	63,114
P Huizenga	2024 PR's	26-Apr-24	26-Apr-29	When conditions are met	0.12	-	5,000,000	-	-	-
A Doering	PR's - LTIP	01-Jul-22	01-Jul-32	30-Jun-25	0.12	-	246,924	(246,924)	-	-
A Doering	PR's - LTIP	01-Jul-23	01-Jul-33	30-Jun-26	0.10	-	1,153,846	-	-	36,538
A Doering	2024 PR's	26-Apr-24	26-Apr-29	When conditions are met	0.12	-	2,500,000	-	-	-
<b>Non-Executive Directors</b>										
R Black	2024 PR's	02-Apr-24	02-Apr-29	When conditions are met	0.12	-	1,500,000	-	-	-
W Barker	2024 PR's	15-Dec-23	15-Dec-28	When conditions are met	0.12	-	1,000,000	-	-	-
R Delroy	2024 PR's	15-Dec-23	15-Dec-28	When conditions are met	0.12	-	1,000,000	-	-	-
<b>Total</b>							15,722,578	(1,575,648)	-	99,652

<sup>1</sup> On 1 July 2025, 1,575,648 performance rights issued to Mr Huizenga and Mr Doering on 1 July 2022 lapsed and became un-exercisable upon the required vesting conditions not being met. The un-exercisable performance rights were cancelled subsequent to year end.

<sup>2</sup> The vesting dates provided above are legal dates of the performance rights legally vesting. For accounting purposes, the vesting period may differ to the above as it will be based on the service period required.

# DIRECTOR'S REPORT

## Plan shares held by key management personnel

Included in the above table are plan shares held by key management personnel held under the previous ESP loan scheme which are accounted for as in substance options (refer to page 86 for further terms). The balance and movement during the reporting period in the number of plan shares directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2025	Held at 1 July 2024	Granted as compensation	Employee Share Plan cancellations	Exercised	Held at date of cessation	Held at 30 June 2025
<b>Directors</b>						
R Black	-	-	-	-	-	-
R Delroy	-	-	-	-	-	-
W Barker	-	-	-	-	-	-
S Jones <sup>1</sup>	-	-	-	-	-	-
WA Foster	-	-	-	-	-	-
<b>Other Executives</b>						
PP Huizenga	11,976,196	-	-	-	-	11,976,196
A Doering	1,237,001	-	-	-	-	1,237,001

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

2024	Held at 1 July 2023	Granted as compensation	Employee Share Plan cancellations	Exercised	Held at date of cessation	Held at 30 June 2024
<b>Directors</b>						
WA Foster	-	-	-	-	-	-
AC Cook <sup>1</sup>	12,945,592	-	-	-	(12,945,592)	-
P Moore <sup>2</sup>	-	-	-	-	-	-
SG Ryan <sup>3</sup>	-	-	-	-	-	-
D Bakker <sup>4</sup>	-	-	-	-	-	-
W Barker <sup>5</sup>	-	-	-	-	-	-
R Black <sup>6</sup>	-	-	-	-	-	-
R Delroy <sup>7</sup>	-	-	-	-	-	-
<b>Other Executives</b>						
PP Huizenga	11,976,196	-	-	-	-	11,976,196
A Doering	1,237,001	-	-	-	-	1,237,001

<sup>1</sup> Mr Cook ceased as Managing Director and Chief Executive Officer on 15 December 2023.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023.

## End of Remuneration Report

# DIRECTOR'S REPORT

## Non-audit services

The auditors have not performed any non-audit services over and above their statutory duties during the current reporting period.

## Directors' interests

At the date of this report, the relevant interests of the directors in securities of the Company are as follows:

Name	Ordinary Shares	Performance Rights
R Black	5,000,000	1,500,000
R Delroy	92,684,650	1,000,000
W Barker	-	1,000,000
S Jones	-	1,000,000

## Diversity

The Board has set the following measurable diversity objectives for the 2025 financial year:

2025 Measurable objectives	Progress
Aim to have not less than 25% of the directors of each gender (male/female)	Female Board representation in 2025 increased to 25% (2024:nil)
Dedicated mentoring program for the female employees of the Company	The Company provided ongoing training, mentoring and professional support in the development of all employees' careers.
Maintain flexible work practices	The Company continued to maintain its flexible work practices which includes a parental leave policy and provides employees the ability to maintain flexible hours and to work from home where required.

## Likely developments

The likely developments for the 2025 financial year are contained in the operating and financial review as set out on pages 6 to 27.

## Environmental regulation and performance

The Group's oil and gas exploration and development activities are concentrated in offshore Western Australia. Environmental obligations are regulated under both State and Commonwealth law in Western Australia, depending on whether a permit sits in State or Commonwealth waters. The Group is not aware of any significant environmental breaches during the year ended 30 June 2025.

## Dividends

No dividends were paid during the year and the directors do not recommend payment of a dividend in respect of the current financial year (2024: Nil).

## Auditor's independence declaration

The auditor's Independence Declaration under Section 307C of the Corporations Act is set out on page 66 and forms part of the directors' report for the financial year ended 30 June 2025.

## Principal activities

During the course of the 2025 financial year the Group's principal activities continued to be directed towards oil and gas exploration, development and production.

## Identification of independent directors

The independent directors are identified in the Company's Corporate Governance Statement. The Corporate Governance Statement is available on Carnarvon Energy's website at: [carnarvon.com.au/about-us/corporate-governance/](https://carnarvon.com.au/about-us/corporate-governance/).



# DIRECTOR'S REPORT

## Significant changes in state of affairs

In the opinion of the directors no significant changes in the state of affairs of the Group occurred during the current financial year other than as outlined in the operating and financial review as set out on pages 6 to 27.

## Indemnification and insurance of directors and officers

During the period the Company paid a premium to insure the directors and officers of the Company and its controlled entities. The policy prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid. Deeds of Access and Indemnity have been executed by the Company with each of the directors and Company Secretary. The deeds require the Company to indemnify each director and Company Secretary against any legal proceedings, to the extent permitted by law, made against, suffered, paid or incurred by the directors or Company Secretary pursuant to, or arising from or in any way connected with the director or Company Secretary being an officer of the Company.

## Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of the proceedings. The Company was not a party to any such proceedings during the year.

## Operating and financial review

An operating and financial review of the Group for the financial year ended 30 June 2025 is set out on pages 6 to 27 and forms part of this report.

## Indemnity of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## Events subsequent to reporting date

On 1 July 2025, 2,139,358 LTI performance rights from 2022 lapsed and became un-exercisable due to the required conditions not being met (1,575,648 related to key management personnel). The lapsed rights were also cancelled one 1 July 2025.

On 22 July 2025, the Company entered into a subscription agreement with Strike Energy Limited (**ASX: STX**) (**Strike**), whereby Carnarvon will be issued up to \$89 million of fully paid ordinary shares in Strike, at an issue price of \$0.12 per Strike share, for a shareholding in Strike of up to 19.9%.

Other than above, there is no other matters or circumstance has arisen since 30 June 2025 that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- (i) The Group's operations; or
- (ii) The results of those operations; or
- (iii) The Group's state of affairs

## Rounding off

The Company is an entity of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. As a result, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.



**Robert Black**

Chair

Perth, 28 August 2025

# AUDITOR'S INDEPENDENCE DECLARATION



**Shape the future  
with confidence**

Ernst & Young  
9 The Esplanade  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Auditor's independence declaration to the directors of Carnarvon Energy Limited

As lead auditor for the audit of the financial report of Carnarvon Energy Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carnarvon Energy Limited and the entities it controlled during the financial year.

A stylized, handwritten signature of 'Ernst + Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'T S Hammond' in black ink.

T S Hammond  
Partner  
28 August 2025

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Carnarvon Energy Limited and its Controlled Entities ('the Group') have adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council in February 2019 and became effective for financial years commencing on or after 1 January 2020.

The Group's Corporate Governance Statement for the financial year ending 30 June 2025 is dated as at 30 June 2025 and was approved by the Board on 28 August 2025. The Corporate Governance Statement is available on Carnarvon Energy's website at [carnarvon.com.au/about-us/corporate-governance/](https://carnarvon.com.au/about-us/corporate-governance/).

For personal use only

# CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	Consolidated	
		2025 \$000	2024 \$000
Other income	2	8,588	8,744
Gain on remeasurement of fair value assets		-	12
Foreign exchange gain / (loss)		3,785	(1,256)
Administrative expenses		(1,462)	(1,934)
Directors' fees		(326)	(455)
Employee benefits expense	19(a)	(2,528)	(2,907)
New venture and advisory costs		(707)	(1,396)
Exploration expenditure written off		-	(222)
Loss on disposal of financial assets		-	(61)
Share of gain of Joint venture		-	124
Impairment of investment in joint venture		-	(1,305)
<b>Profit / (Loss) for the year</b>		<b>7,350</b>	<b>(656)</b>
Taxes			
Current income tax expense	6(a)	(3,701)	-
<b>Profit / (Loss) for the year</b>		<b>3,649</b>	<b>(656)</b>
<b>Other comprehensive income / (expense)</b>			
Items may be reclassified to income or loss in subsequent periods (net of tax):			
Exchange differences arising on translation of foreign operations		(130)	-
<b>Total comprehensive income / (loss) for the year</b>		<b>3,519</b>	<b>(656)</b>
<b>Total comprehensive income / (loss) for the year attributable to members of the entity</b>		<b>3,519</b>	<b>(656)</b>
<b>Earnings / (Loss) per share:</b>			
Basic earnings / (loss) per share (cents per share)	5	0.20	(0.04)
Diluted earnings / (loss) per share (cents per share)	5	0.20	(0.04)

The above consolidated income statement and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	Consolidated	
		2025 \$000	2024 \$000
<b>Current assets</b>			
Cash and cash equivalents	16(b)	186,144	179,551
Other receivables	7	657	974
Other assets	9	113	290
<b>Total current assets</b>		186,914	180,815
<b>Non-current assets</b>			
Property, plant and equipment	8	12	9
Exploration and evaluation expenditure	11	88,405	85,552
Right-of-use assets	10	375	599
Intangible Assets	15	616	616
<b>Total non-current assets</b>		89,408	86,776
<b>Total assets</b>		276,322	267,591
<b>Current liabilities</b>			
Trade and other payables	13	262	287
Employee benefits	19(b)	373	305
Deferred tax liability	6	3,701	-
Lease liabilities	10	195	190
<b>Total current liabilities</b>		4,531	782
<b>Non-current liabilities</b>			
Employee benefits	19(b)	68	64
Lease liabilities	10	193	411
<b>Total non-current liabilities</b>		261	475
<b>Total liabilities</b>		4,792	1,257
<b>Net assets</b>		271,530	266,334
<b>Equity</b>			
Contributed equity	14	311,135	311,135
Reserves	14	6,627	5,080
(Accumulated losses)/retained profit		(46,232)	(49,881)
<b>Total equity</b>		271,530	266,334

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Issued capital \$000	Reserve shares \$000	(Accumulated losses) / retained profit \$000	Translation reserve \$000	Share based payments reserve \$000	Total \$000
<b>Balance at 1 July 2023</b>	314,176	(6,778)	(49,225)	130	8,052	266,355
<b>Comprehensive Income</b>						
Loss for the year	-	-	(656)	-	-	(656)
<b>Total comprehensive loss for the year</b>	-	-	(656)	-	-	(656)
<b>Transactions with owners and other transfers</b>						
Share based payments	-	-	-	-	(73)	(73)
Minimum holding buy-back	(384)	-	-	-	-	(384)
Cancellation of ESP shares	(3,429)	3,429	-	-	-	-
Exercise of ESP shares	772	320	-	-	-	1,092
<b>Total transactions with owners and other transfers</b>	(3,041)	3,749	-	-	(73)	635
<b>Balance at 30 June 2024</b>	311,135	(3,029)	(49,881)	130	7,979	266,334
<b>Balance at 1 July 2024</b>	311,135	(3,029)	(49,881)	130	7,979	266,334
<b>Comprehensive Income</b>						
Profit for the year	-	-	3,649	(130)	-	3,519
<b>Total comprehensive profit for the year</b>	-	-	3,649	(130)	-	3,519
<b>Transactions with owners and other transfers</b>						
Share based payments	-	-	-	-	1,677	1,677
<b>Total transactions with owners and other transfers</b>	-	-	-	-	1,677	1,677
<b>Balance at 30 June 2025</b>	311,135	(3,029)	(46,232)	-	9,656	271,530

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Notes	Consolidated	
		2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,877)	(7,205)
Interest received		8,851	8,219
R&D refund		39	245
<b>Net cash provided by operating activities</b>	16(a)	6,013	1,259
<b>Cash flows from investing activities</b>			
Exploration and development expenditure		(2,861)	(2,593)
Payments on other financial assets		-	(45)
Proceeds from sale of other financial assets		-	916
Acquisition of property, plant and equipment		(11)	-
Acquisition of intangible assets		-	(616)
Proceeds from sale of joint venture		-	106
Proceeds sale of exploration and evaluation assets		-	86,000
<b>Net cash (used in) / provided by investing activities</b>		(2,872)	83,768
<b>Cash flows from financing activities</b>			
Proceeds from repayment of Employee Share Plan loans		-	1,092
Minimum holding share buy-back		-	(384)
Payment of principal portion of lease	10	(202)	(241)
<b>Net cash (used in) / provided by financing activities</b>		(202)	467
<b>Net increase in cash and cash equivalents held</b>		2,939	85,494
Cash and cash equivalents at the beginning of the financial year		179,551	95,301
Effect of exchange rate fluctuations on cash and cash equivalents		3,654	(1,244)
<b>Cash and cash equivalents at the end of the financial year</b>	16(b)	186,144	179,551

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

The consolidated financial report of Carnarvon Energy Limited ('Company') for the financial year ended 30 June 2025 comprises the Company and its controlled entities (the "Group").

Carnarvon Energy Limited is a for profit oil, gas and energy exploration and production company limited by shares incorporated in Australia at the registered office of Level 2, 76 Kings Park Road, West Perth, Western Australia, whose shares are publicly traded on the Australian Stock Exchange.

The financial report was authorised for issue by the directors on 28 August 2025.

The basis for the preparation of the following notes can be found in note 27 and the material accounting policies used in the preparation can be found in note 28.

## 2. OTHER INCOME

	Consolidated	
	2025 \$000	2024 \$000
Interest revenue <sup>1</sup>	8,549	8,499
R&D refund	39	245
	8,588	8,744

<sup>1</sup> Interest revenue is calculated using the effective interest rate method.

## 3. OTHER EXPENSES

	Consolidated	
	2025 \$000	2024 \$000
The following expenses are included in administrative and employee benefit expenses in the consolidated income statement:		
Depreciation – property, plant and equipment	(8)	(28)
Depreciation – right-of-use assets	(199)	(203)
Defined contribution – superannuation expense	(157)	(272)

# NOTES TO THE FINANCIAL STATEMENTS

## 4. AUDITORS' REMUNERATION

As a result of work in relation to and required for the 30 June 2025 period, the auditor of the Group, Ernst & Young, has charged the following fees:

	2025 \$	2024 \$
<i>Fees to Ernst &amp; Young Australia:</i>		
Fees for auditing statutory financial report of the parent covering the group and auditing the statutory financial report of any controlled entities	(78,500)	(79,998)

## 5. (LOSS)/ EARNINGS PER SHARE

The calculation of basic and diluted earnings per share was based on a weighted average number of shares calculated as follows:

	2025	2024
	Number of shares	
Issued ordinary shares at 1 July	1,788,746,609	1,800,186,904
Effect of shares issued/cancelled	340,273	(4,842,684)
Weighted average number of ordinary shares 30 June (basic)	1,789,086,882	1,795,344,220
Effect of performance rights on issue <sup>1</sup>	-	-
Effect of share options on issue <sup>1</sup>	2,391,250	-
Weighted average number of ordinary shares 30 June (diluted)	1,791,478,132	1,795,344,220
	2025 \$	2024 \$
Profit/(Loss) used in calculating basic and diluted loss per share	3,519,000	(656,000)

<sup>1</sup> As the Group incurred a loss for the year ended 30 June 2024, the effect of 17,536,28 performance rights on issue and 21,900,777 reserve shares on issue under the employee share plan (refer Note 14) is considered to be antidilutive and therefore not factored in determining the diluted earnings per share for that year. For the year ended 30 June 2025, the performance rights are considered antidilutive. As at 30 June 2025, there are 2,391,250 reserve shares under the employee share plan that are considered to be dilutive and have therefore been factored in determining the diluted earnings per share for the year.

# NOTES TO THE FINANCIAL STATEMENTS

## 6. TAXES

### (a) Income tax expense

#### Current Income tax expense

Current Income tax (benefit) / expense  
Adjustment for prior period

#### Deferred tax (income)

Origination and Reversal of temporary differences – current  
Adjustment for prior period

Total income tax (benefit) / expense

#### Numerical reconciliation between pre-tax profit and income tax expense:

Profit/(Loss) for the period

Income tax using the statutory rate of 30% (2024: 30%)

Share based payment expense

Tax gain on divestment

Accounting (gain) / loss on Joint Venture agreement

Impairment – Investment in Joint Venture

Revaluation/impairment of financial assets

Impairment of assets

Other permanent adjustment

Benefit of Tax losses (brought to account) / not brought to account

Under(over) provision in prior years

Income tax (benefit) / expense

### (b) Current tax liability

The current tax liability of nil (2024: nil) represents the amount of income tax payable in respect of current and prior financial periods.

Consolidated	
2025 \$000	2024 \$000
-	-
-	(1,514)
-	(1,514)
2,782	-
919	1,514
3,701	1,514
3,701	-
7,350	(656)
2,205	(197)
503	(22)
-	16,680
-	(37)
-	391
549	-
-	67
124	(54)
(599)	(16,828)
2,782	-
919	-
3,701	-



# NOTES TO THE FINANCIAL STATEMENTS

## 6. TAXES (CONTINUED)

### Tax Consolidation

Effective 1 July 2003, for the purposes of Australian income taxation, Carnarvon and its 100%-owned Australian controlled entities formed a tax consolidated group. The head entity of the tax consolidated group is Carnarvon.

The impact of consolidating for tax purposes is that Carnarvon's Australian controlled entities are treated as divisions of Carnarvon rather than as separate entities for tax purposes. At the date of this report, the members of the group have not entered into a tax sharing arrangement.

### (c) Deferred tax assets and liabilities

	Consolidated	
	2025 \$000	2024 \$000
<i>Deferred tax liabilities</i>		
Capitalised exploration deducted immediately	25,496	24,738
Prepayments	-	77
Unrealised foreign exchange gains	1,585	-
Gross deferred tax liabilities	27,081	24,815
	2025 \$000	2024 \$000
<i>Deferred tax assets</i>		
Carry forward revenue tax losses	22,884	23,401
Unrealised foreign exchange loss	-	697
Property, plant and equipment	77	81
Business capital expenditure	266	485
Share issue costs	-	609
Provisions	132	111
Accruals	17	29
Lease liability and right-of-use-assets	4	1
Gross deferred tax assets	23,380	25,414
Set-off of deferred tax liabilities pursuant to set-off provisions	(23,380)	(24,815)
Unrecognised deferred tax asset	-	(599)
Net deferred tax assets /(Liability)	(3,701)	-

### (d) Partially unrecognised tax losses and PRRT credits (not tax effected)

	2025 \$000	2024 \$000
Total Australian tax losses	76,279	76,785
Unaugmented PRRT losses	126,177	123,381

# NOTES TO THE FINANCIAL STATEMENTS

## 7. OTHER RECEIVABLES

### *Current*

Other receivables

Cash held as security

Consolidated	
2025	2024
\$000	\$000
465	756
192	218
657	974

The Group's exposure to credit and currency risks is disclosed in Note 24.

## 8. PROPERTY, PLANT AND EQUIPMENT

### *Fixtures and fittings*

Gross carrying amount at cost:

Balance at beginning of financial year

Additions

Balance at end of financial year

Depreciation and impairment losses:

Balance at beginning of financial year

Depreciation charge for year

Balance at end of financial year

Carrying amount opening

Carrying amount closing

Consolidated	
2025	2024
\$000	\$000
757	757
11	-
768	757
748	720
8	28
756	748
9	37
12	9

# NOTES TO THE FINANCIAL STATEMENTS

## 9. OTHER ASSETS

### *Current*

Prepayments

Consolidated	
2025 \$000	2024 \$000
113	290

## 10. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leases which predominantly relate to office premise and office car bays. Amounts recognised in the statement of financial position and the carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the period are as follows:

### *Rights-of-use asset*

Balance at beginning of financial year

Additions

Reduction in lease commitments

Depreciation expense

Balance at end of financial year

Consolidated	
2025 \$000	2024 \$000
599	186
-	616
(25)	-
(199)	(203)
375	599

### *Lease liabilities*

Balance at beginning of financial year

Additions

Reduction in lease commitments

Interest expense

Lease payments

Balance at end of financial year

Consolidated	
2025 \$000	2024 \$000
601	220
-	616
(26)	-
15	6
(202)	(241)
388	601

Current lease

Non-current lease

Balance at end of financial year

195	190
193	411
388	601

The following are the amounts recognised in profit or loss:

Depreciation – right-of-use assets

Interest expense – lease liabilities

Consolidated	
2025 \$000	2024 \$000
(199)	(203)
(15)	(6)

# NOTES TO THE FINANCIAL STATEMENTS

## 11. EXPLORATION AND EVALUATION EXPENDITURE

### Cost:

	Consolidated	
	2025 \$000	2024 \$000
Balance at beginning of financial year	85,552	169,382
Additions	2,853	2,392
Exploration expenditure written off	-	(222)
Divestment	-	(86,000)
Balance at end of financial year	88,405	85,552

### Recoverability

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company performed an assessment on the carry value of the exploration and evaluation expenditure at 30 June 2025 and did not identify any impairment indicators.

## 12. JOINT OPERATIONS

The Group has the following interests in joint operations:

Joint operation	Principal activities	Ownership interest %	
		2025	2024
<i>Western Australia</i>			
WA-435-P, WA-437-P, Roebuck Basin	Exploration for hydrocarbons	10%	10%
WA-436-P, WA-438-P, Roebuck Basin	Exploration for hydrocarbons	20%	20%
WA-64-L, Roebuck Basin	Exploration for hydrocarbons	10%	10%

Carnarvon has accounted for its interest in the above Concessions as Joint Operations as the company has joint control. Joint control is derived from the voting rights assigned by the Joint Operating Agreements for each permit.

For personal use only

### 13. TRADE AND OTHER PAYABLES

	Consolidated	
	2025	2024
	\$000	\$000
<i>Current</i>		
Trade payables	196	180
Director fees payable	8	9
Non-trade payables and accrued expenses	58	98
	262	287

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 24.

## 14. CAPITAL AND RESERVES

	Consolidated	
	2025	2024
	Number of shares	
Contributed equity		
Balance at beginning of financial year	1,788,746,609	1,800,186,904
Minimum holding buy-back	-	(2,477,524)
Employee share plan shares cancelled	-	(10,185,079)
Performance rights vested and exercised	340,273	1,222,308
Balance at end of financial year	1,789,086,882	1,788,746,609

	Consolidated	
	2025	2024
	\$000	\$000
<i>Issued capital</i>		
Balance at beginning of financial year	311,135	314,176
Exercise of employee shares	-	772
Minimum holding buy-back	-	(384)
Employee share plan shares cancelled	-	(3,429)
Balance at end of financial year	311,135	311,135



# NOTES TO THE FINANCIAL STATEMENTS

## 14. CAPITAL AND RESERVES (CONTINUED)

Ordinary shares have the right to one vote per share at meetings of Carnarvon, to receive dividends as declared and, in the event of a winding-up of Carnarvon, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held.

	2025	2024
	Number of shares	
<i>Reserve shares (plan shares)</i>		
Balance at beginning of financial year	21,900,777	40,790,892
Employee share plan shares cancelled	-	(10,185,079)
Employee share plan repaid	-	(8,705,036)
Balance at end of financial year	21,900,777	21,900,777

	Consolidated	
	2025	2024
	\$000	\$000
<i>Reserve shares (plan shares)</i>		
Balance at beginning of financial year	(3,029)	(6,778)
Employee share plan shares cancelled	-	3,429
Repayment of Employee Share Plan Loans	-	320
Balance at end of financial year	(3,029)	(3,029)

### Translation reserve

Movements in the translation reserve are set out in the Statement of Changes in Equity on page 70.

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

### Share based payments reserve

Movements in the share-based payments reserve are set out in the Statements of Changes in Equity on page 70. This reserve represents the fair value of shares and rights issued under the previous Employee Share Plan the current Employee Share Incentive Plan and the additional 2024 Performance Rights issued in financial years ended 30 June 2024 and 30 June 2025.

## 15. INTANGIBLE ASSETS

During the period, the Company continued to hold 20,240 Australian Carbon Credit Units (ACCUs), which will be utilised to offset the company's head office and future Dorado facilities emissions.

The ACCUs have been accounted for as an intangible asset under AASB 138: *Intangible Assets*. Refer to note 28(q) for the groups accounting policy on Intangible Assets.

	Consolidated	
	2025	2024
	\$000	\$000
Intangible Assets	616	616

# NOTES TO THE FINANCIAL STATEMENTS

## 16. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated	
	2025 \$000	2024 \$000
<b>(a) Cash flows from operating activities</b>		
Loss for the year	7,350	(656)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	8	28
Depreciation on right-of-use assets	199	203
Reduction to right-of-use asset and liability	15	-
Share based payment	1,677	(73)
Fair value movement of financial asset	-	(12)
Loss on sale of other financial assets	-	61
Foreign exchange movement	(3,655)	1,257
Exploration expenditure write-off	-	222
Interest accrued	(439)	(741)
Employee benefit accrual adjustments	39	-
Share of (profit)/loss on Joint Venture	-	(124)
Impairment of Investment in joint ventures	-	1,305
Operating profit/(loss) before changes in working capital and provisions:	5,194	1,470
Changes in assets and liabilities:		
Decrease in other receivables	933	923
(Decrease) in trade and other payables	(17)	(693)
Increase/(Decrease) in provisions and employee benefits	33	(441)
Decrease in reserves	(130)	-
Net cash provided by operating activities	6,013	1,259
<b>(b) Reconciliation of cash and cash equivalents</b>		
Cash at bank and at call	17,234	11,201
Cash on deposit	168,910	168,350
	186,144	179,551

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

Restricted cash of \$192,000 relating to security deposits for corporate credit cards and rental of the Company's head office is included under other receivables (2024: \$218,000 consolidated), see Note 7.

# NOTES TO THE FINANCIAL STATEMENTS

## 17. CAPITAL AND OTHER COMMITMENTS

### (a) Exploration expenditure commitments

Due to the nature of the Group's operations in exploring and evaluating areas of interest it is necessary to incur expenditure in order to retain the Group's present permit interests. Expenditure commitments on exploration permits can be reduced by selective relinquishment of exploration tenure, by the renegotiation of expenditure commitments, or by farming out portions of the Group's equity. Failure to meet Joint Operation cash requirements may result in a reduction in equity in that particular Joint Operation.

Exploration expenditure commitments forecast but not provided for in the financial statements are as follows:

	Consolidated	
	2025 \$000	2024 \$000
Less than one year	262	-
Between one and five years	394	-
	656	-

### (b) Capital expenditure commitments

Data licence commitments	-	52
--------------------------	---	----

### (c) Leases

Lease information for the current reporting period is outlined in Note 10.

## 18. CONTINGENCIES

In accordance with normal petroleum industry practice, the Group has entered into joint operations and farm-in agreements with other parties for the purpose of exploring and developing its petroleum permit interests. If a party to a joint operation defaults and does not contribute its share of joint operation obligations, then the other joint operators are liable to meet those obligations. In this event, the interest in the permit held by the defaulting party may be redistributed to the remaining joint operators. As at 30 June 2025, there are no liabilities owing by the Group as a result of a joint operating party defaulting on their contributions to the joint operation.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. EMPLOYEE BENEFITS

### (a) Employee benefits charged to P&L

	Consolidated	
	2025 \$000	2024 \$000
Salary and wages (including super)	1,907	4,096
Staff costs allocated to projects	(1,056)	(1,431)
Short term cash bonus	-	315
Share based payment expense <sup>1</sup>	1,677	529
Share based payment expense reversal <sup>2</sup>	-	(602)
Total Employee benefits	2,528	2,907

<sup>1</sup> During the current year, an error in the accounting treatment of the 2024 Performance Rights was identified. The 2024 Performance Rights were being expensed over a five-year term, rather than within 12 months in line with the service conditions. The impact of this error was an understatement of \$687,026 in KMP performance rights expense for the 2024 financial year, which has been accounted for in the 2025 financial year.

<sup>2</sup> The Company's share-based payment expense is in credit for the year ending 30 June 2024 due to employee terminations. The terminated employee's performance rights and employee share plan shares were forfeited on termination and subsequently cancelled, with the company recognising an adjustment in the Consolidated Income Statement in line with AASB 2: Share-based payment.

### (b) Employee benefits liabilities

#### Current:

Liability for annual leave and long service leave	373	305
---	-----	-----

#### Non-Current:

Provision for long service leave	68	64
----------------------------------	----	----

Total Employee benefits	441	369
-------------------------	-----	-----

# NOTES TO THE FINANCIAL STATEMENTS

## 19. EMPLOYEE BENEFITS (CONTINUED)

### Employee Performance Rights

The following table illustrates the balance and valuation of performance rights using Monte Carlo Simulation model as at 30 June 2025:

Instrument	Held at 1 July 2024	Share price at grant date	Date granted	Vesting period (years)	Exercise price	Share price volatility	Risk free rate	Dividend yield	Rights granted	Weighted Fair value at grant date	Held at 30 June 2025 (unvested)
PR-LTIP	2,086,252	0.19	01/07/2022	3	-	64%	0.85%	-	-	0.12	2,086,252
PR-LTIP	53,106	0.16	05/10/2022	3	-	64%	2.6%	-	-	0.10	53,106
PR-LTIP	4,396,930	0.13	01/07/2023	3	-	63%	4.1%	-	-	0.10	4,396,930
2024 PR's	7,500,000	0.19	26/04/2024	5	-	54%	4.35%	-	-	0.12	7,500,000
2024 PR's	-	0.19	01/07/2024	5	-	51%	4.35%	-	1,000,000	0.12	1,000,000
Total	14,036,288								1,000,000		15,036,288

### 2024 Performance Rights

The 2024 Performance Rights were granted for a 5-year period and will vest and become exercisable on the earlier to occur of:

- 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:
  - 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

2024 Performance Rights granted to executive Key Management Personnel are subject to progressive cancellation of all, or some, of any unvested portion of the performance rights where they resign from their respective role in the first year following grant of the performance rights, as follows:

- resignation within first three months of the date of grant of the performance rights (Grant Date) – all unvested performance rights forfeited and cancelled;
- resignation in period three – six months after Grant Date – 75% of unvested performance rights forfeited and cancelled;
- resignation in period six – nine months after Grant Date – 50% of unvested performance rights forfeited and cancelled;
- resignation in period nine months – twelve months after Grant Date – 25% of unvested performance rights forfeited and cancelled; and
- resignation in period following one year anniversary of Grant Date – nil unvested performance rights forfeited and cancelled.

None of the performance rights held by executive Key Management Personnel:

- which have vested prior to resigning from their respective role will be forfeited and cancelled; and
- will be forfeited and cancelled (whether vested or unvested) if they are made redundant from their respective role at any time prior to the one-year anniversary of the Grant Date.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. EMPLOYEE BENEFITS (CONTINUED)

All vested and unvested performance rights will be forfeited and cancelled where Key Management Personnel employment is terminated for cause in accordance with the relevant provision of their respective employment contract.

The performance rights held by non-executive directors will not be forfeited and cancelled if they resign from their position with the Company.

### *Long Term Incentive Plan*

Under the terms of the Employee Share Incentive Plan (Plan) which was last approved by shareholders of the Company on 11 November 2020, performance rights can be granted to eligible employees for no consideration. Entitlements under these awards vest as soon as the associated vesting conditions have been met. Awards can be settled in cash at the absolute discretion of the Company. Awards under the Plan carry dividends and voting rights.

Performance rights awarded under the STIP are granted for a 12-month period. The vesting condition requires the employee to remain employed by the Company over the vesting period and as at the vesting date.

Performance rights awarded under the LTIP are granted for a 3-year period. The vesting conditions are based on Carnarvon's Total Shareholder Return (TSR) (1) in absolute terms and (2) relative to the returns of a group of companies considered alternative investments to Carnarvon.

The participants must also be employed by the Company over the vesting period and as at the vesting date.

The vesting schedule of 50% of the LTIP performance rights will be subject to relative TSR testing is as follows:

Relative TSR Performance	Level of vesting
Less than 50th percentile	Zero
Between 50th and 75th percentile	Pro rata between 50% and 100%
75th percentile or better	100%

Peer Group: 88 Energy, Buru Energy, Central Petroleum, Amplitude Energy Limited (previously Cooper Energy), Elixir Energy, Empire Energy, Galilee Energy, Helios Energy, Horizon Oil, Karoon Energy, Strike Energy, Tamboran Resources.

The vesting schedule of 50% of the LTIP performance rights will be subject to absolute TSR testing is as follows:

Absolute TSR Performance	% of performance rights that will vest
10% per annum return	33%
Between 10% and 20% per annum	Pro rata between 33% and 100%
Above 20% per annum	100%

There is an expiration date of 10 years and an exercise period of 90 days from the vesting dates for both STIP and LTIP performance rights.



# NOTES TO THE FINANCIAL STATEMENTS

## 19. EMPLOYEE BENEFITS (CONTINUED)

### Employee Share Plan

Under the terms of the Carnarvon's previous Employee Share Plan ("ESP"), as approved by shareholders, Carnarvon may, in its absolute discretion, make an offer of ordinary fully paid shares in Carnarvon to any Eligible Person, to be funded by a limited recourse interest free loan granted by the Company.

The issue price is determined by the directors and is not to be less than the weighted average market price of the Carnarvon's shares on the five trading days prior to the date of offer. Eligible Persons use the above-mentioned loan to acquire plan shares.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in plan shares during the year:

	Number 2025	WAEP 2025	Number 2024	WAEP 2024
Outstanding at beginning of year	21,900,777	0.28	40,790,892	0.31
Forfeited during the year	-	-	(10,185,079)	0.52
Exercised during the year	-	-	(8,705,036)	0.13
Outstanding at end of year	21,900,777	0.28	21,900,777	0.28
Exercisable at end of year	21,900,777	0.28	21,900,777	0.28

Shares previously granted under the ESP are accounted for as "in-substance" options due to the limited recourse nature of the loan between the employees and Carnarvon to finance the purchase of ordinary shares. There were no ESP shares issued during the period.

## 20. RELATED PARTY DISCLOSURES

### Related party balances and transactions

At 30 June 2025, an amount of \$ 8,000 (2024: \$9,000) is included in the Group's trade and other payables balance for outstanding director fees and expenses (Note 13).

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Key management personnel compensation

Key management personnel compensation included in employee benefits expense, directors' emoluments, share based payments and administration expenses are as follows:

	Consolidated	
	2025 \$000	2024 \$000
Short term benefits	1,182	1,852
Post employment benefits	99	131
Share based payments	809	(138)
Long term benefits	19	4
Other benefits	-	814
	2,109	2,663

Information regarding individual directors and executives' compensation and some equity instruments disclosures, as permitted by Corporations Regulation 2M.3.03, are provided in the Remuneration Report section of the directors' report as set out on pages 50 to 63.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

### (b) Other key management personnel transactions

Amounts payable to key management personnel or their related parties at reporting date in respect of outstanding director fees and expenses are as follows:

	Consolidated	
	2025 \$000	2024 \$000
<i>Current</i>		
Director's fee payable	8	9

# NOTES TO THE FINANCIAL STATEMENTS

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (c) Ordinary shares held by key management personnel

The movement during the reporting period in the number of ordinary shares in Carnarvon Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 July 2024 / on appointment	Net acquired/ (sold) on market	Award under Employee Share Plan	Held at date of cessation	Balance at 30 June 2025
<b>2025</b>					
<i>Directors</i>					
R Black	1,000,000	1,500,000	-	-	2,500,000
R Delroy <sup>2</sup>	91,128,968	1,555,682	-	-	92,684,650
W Barker	-	-	-	-	-
S Jones <sup>1</sup>	-	-	-	-	-
WA Foster	1,425,938	-	-	1,425,938	-

#### *Other Executives*

PP Huizenga	12,326,196	-	250,273	-	12,576,469
A Doering	1,437,001	55,000	45,000	-	1,537,001

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

<sup>2</sup> Mr Delroy is the founder and investment manager of Nero Resource Fund which holds 91,128,968 of the shares.

	Balance at 1 July 2023 / on appointment	Net acquired/ (sold) on market	Award under Employee Share Plan	Held at date of cessation	Balance at 30 June 2024
<b>2024</b>					
<i>Directors</i>					
WA Foster	1,425,938	-	-	-	1,425,938
AC Cook <sup>1</sup>	15,938,797	-	-	(15,938,797)	-
P Moore <sup>2</sup>	964,232	-	-	(964,232)	-
SG Ryan <sup>3</sup>	305,221	-	-	(305,221)	-
D Bakker <sup>4</sup>	574,774	-	-	(574,774)	-
W Barker <sup>5</sup>	-	-	-	-	-
R Black <sup>6</sup>	-	1,000,000	-	-	1,000,000
R Delroy <sup>7</sup>	91,128,968	-	-	-	91,128,968

#### *Other Executives*

PP Huizenga	12,326,196	-	-	-	12,326,196
A Doering	1,237,001	200,000	-	-	1,437,001

<sup>1</sup> Mr Cook ceased as Managing Director and Chief Executive Officer on 15 December 2023.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023. Mr Delroy is also the founder and investment manager of Nero Resource Fund which holds the 91,128,968 shares.

# NOTES TO THE FINANCIAL STATEMENTS

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (d) Performance rights - held by key management personnel

2025	Held at 1 July 2024	Granted	Exercised	Lapsed	Held at 30 June 2025	Vested and exercisable at 30 June 2025	Vested and un-exercisable at 30 June 2025 <sup>2</sup>
<i>Directors</i>							
R Black	1,500,000	-	-	-	1,500,000	-	-
R Delroy	1,000,000	-	-	-	1,000,000	-	-
W Barker	1,000,000	-	-	-	1,000,000	-	-
S Jones <sup>1</sup>	-	1,000,000	-	-	1,000,000	-	-
WA Foster	-	-	-	-	-	-	-
<i>Other Executives</i>							
PP Huizenga	9,322,900	-	(250,273)	(750,819)	8,321,808	-	1,328,724
A Doering	4,080,770	-	(45,000)	(135,000)	3,900,770	-	246,924
Total	16,903,670	1,000,000	(295,273)	(885,819)	16,722,578	-	1,575,648

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

<sup>2</sup> On 1 July 2025, 1,575,648 performance rights issued to Mr Huizenga and Mr Doering on 1 July 2022 lapsed and became un-exercisable upon the required vesting conditions not being met. The un-exercisable performance rights were cancelled subsequent to year end.

# NOTES TO THE FINANCIAL STATEMENTS

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

2024	Held at 1 July 2023	Granted	Exercised	Lapsed	Held at 30 June 2024	Vested and exercisable at 30 June 2024 <sup>8</sup>	Vested and un-exercisable at 30 June 2024 <sup>8</sup>
<i>Directors</i>							
WA Foster	-	-	-	-	-	-	-
AC Cook <sup>1</sup>	5,072,816	4,556,620	-	(9,629,436)	-	-	-
P Moore <sup>2</sup>	-	-	-	-	-	-	-
SG Ryan <sup>3</sup>	-	-	-	-	-	-	-
D Bakker <sup>4</sup>	-	-	-	-	-	-	-
W Barker <sup>5</sup>	-	1,000,000	-	-	1,000,000	-	-
R Black <sup>6</sup>	-	1,500,000	-	-	1,500,000	-	-
R Delroy <sup>7</sup>	-	1,000,000	-	-	1,000,000	-	-
<i>Other Executives</i>							
PP Huizenga	2,329,816	6,993,084	-	-	9,322,900	250,273	750,819
A Doering	426,924	3,653,846	-	-	4,080,770	45,000	135,000
Total	7,829,556	18,703,550	-	(9,629,436)	16,903,670	295,273	885,819

<sup>1</sup> Mr Cook ceased employment as Managing Director and Chief Executive Officer on 15 December 2023. His performance rights lapsed on this date.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023.

<sup>8</sup> On 1 July 2024, 295,273 of the 1,181,092 performance rights issued to Mr Huizenga and Mr Doering on 1 July 2021 vested and became exercisable upon meeting the required vesting conditions. Both executives elected to exercise the vested performance rights subsequent to year-end. The un-exercisable performance rights were cancelled subsequent to year end.

### (e) Performance rights- STIP held by key management personnel

The Company did not have a STIP in place during the year and is currently reviewing the STI remuneration structure for key management personnel. There were no rights held by key management personnel under the previous STI plan at 30 June 2025 (2024; nil).

# NOTES TO THE FINANCIAL STATEMENTS

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (f) Plan shares held by key management personnel

Included in the above table are plan shares held by key management personnel held under the previous ESP loan scheme which are accounted for as in substance options (refer to page 86 for further terms). The balance and movement during the reporting period in the number of plan shares directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2025	Held at 1 July 2024	Granted as compensation	Employee Share Plan cancellations	Exercised	Held at date of cessation	Held at 30 June 2025
<i>Directors</i>						
R Black	-	-	-	-	-	-
R Delroy	-	-	-	-	-	-
W Barker	-	-	-	-	-	-
S Jones <sup>1</sup>	-	-	-	-	-	-
WA Foster	-	-	-	-	-	-
<i>Other Executives</i>						
PP Huizenga	11,976,196	-	-	-	-	11,976,196
A Doering	1,237,001	-	-	-	-	1,237,001

<sup>1</sup> Ms Jones was appointed to the Board on 20 September 2024.

2024	Held at 1 July 2023	Granted as compensation	Employee Share Plan cancellations	Exercised	Held at date of cessation	Held at 30 June 2024
<i>Directors</i>						
WA Foster	-	-	-	-	-	-
AC Cook <sup>1</sup>	12,945,592	-	-	-	(12,945,592)	-
P Moore <sup>2</sup>	-	-	-	-	-	-
SG Ryan <sup>3</sup>	-	-	-	-	-	-
D Bakker <sup>4</sup>	-	-	-	-	-	-
W Barker <sup>5</sup>	-	-	-	-	-	-
R Black <sup>6</sup>	-	-	-	-	-	-
R Delroy <sup>7</sup>	-	-	-	-	-	-
<i>Other Executives</i>						
PP Huizenga	11,976,196	-	-	-	-	11,976,196
A Doering	1,237,001	-	-	-	-	1,237,001

<sup>1</sup> Mr Cook ceased as Managing Director and Chief Executive Officer on 15 December 2023.

<sup>2</sup> Dr Moore retired from the Board at the Company's Annual General Meeting held on 17 November 2023.

<sup>3</sup> Mr Ryan retired from the Board on 2 April 2024.

<sup>4</sup> Mrs Bakker retired from the Board on 15 December 2023.

<sup>5</sup> Mr Barker was appointed to the Board on 15 December 2023.

<sup>6</sup> Mr Black was appointed to the Board on 2 April 2024.

<sup>7</sup> Mr Delroy was appointed to the Board on 15 December 2023.

### (g) Options over equity instruments held by key management personnel

There were no options on issue that were still to vest at the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS

## 22. CONSOLIDATED ENTITIES

Name	Country of Incorporation	Ownership interest	
		2025	2024
Company			
Carnarvon Energy Ltd	Australia		
Controlled entities			
Carnarvon Thailand Ltd <sup>1</sup>	British Virgin Islands	-	100%
Timor-Leste Petroleum Pty Ltd <sup>1</sup>	Australia	-	100%
Dorado Petroleum Pty Ltd	Australia	100%	100%
Carnarvon Bedout 1 Pty Ltd	Australia	100%	100%
Carnarvon Petroleum Timor Unip LDA <sup>1</sup>	Timor-Leste	-	100%
Carnarvon Future Energy Pty Ltd <sup>1</sup>	Australia	-	100%

<sup>1</sup> Entity was deregistered during the reporting period.

## 23. SUBSEQUENT EVENTS

On 1 July 2025, 2,139,358 LTI performance rights from 2022 lapsed and became un-exercisable due to the required conditions not being met (1,575,648 related to key management personnel). The lapsed rights were also cancelled on 1 July 2025.

On 22 July 2025, the Company entered into a subscription agreement with Strike Energy Limited (**ASX: STX**) (**Strike**), whereby Carnarvon will be issued up to \$89 million of fully paid ordinary shares in Strike, at an issue price of \$0.12 per Strike share, for a shareholding in Strike of up to 19.9%.

Other than above, there is no other matters or circumstance has arisen since 30 June 2025 that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- (i) The Group's operations; or
- (ii) The results of those operations; or
- (iii) The Group's state of affairs

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. This note presents qualitative and quantitative information about the Group's exposure to each of the above risks, their objectives, policies and procedures for managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial performance of the Group. The Group does not currently use derivative financial instruments to hedge financial risk exposures and therefore it is exposed to daily movements in the international oil prices, exchange rates, and interest rates.

The Group uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, and commodity price risk and ageing analysis for credit risk.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. Given the stage of the Group's development there are no formal targets set for return on capital. There were no changes to the Group's approach to capital management during the year. Neither the Company nor any of its controlled entities are subject to externally imposed capital requirements.

### (a) Interest rate risk

The significance and management of the risks to the Group is dependent on a number of factors including:

- Interest rates (current and forward) and the currencies that are held;
- Level of cash and liquid investments and their term;
- Maturity dates of investments;
- Proportion of investments that are fixed rate or floating rate.

The Group manages the risk by maintaining an appropriate mix between fixed and floating rate investments.

At the reporting date, the effective interest rates of variable rate interest bearing financial instruments of the Group were as follows.

	Consolidated	
	2025	2024
<i>Carrying amount (A\$'000)</i>		
Financial assets – cash and cash equivalents	186,144	179,551
<i>Weighted average interest rate (%)</i>		
Financial assets – cash and cash equivalents	4.09%	4.75%
All other financial assets and liabilities are non-interest bearing.		

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Sensitivity analysis

An increase in 100 basis points from the weighted average year-end interest rates at 30 June 2025 would have increased equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on 100 basis points for 2024:

	Consolidated	
	Equity \$000	Profit and loss \$000
30 June 2025	1,863	1,863
30 June 2024	1,798	1,798

A decrease in 100 basis points from the weighted average year-end interest rates at 30 June 2025 would have decreased equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on 100 basis points for 2024:

	Consolidated	
	Equity \$000	Profit and loss \$000
30 June 2025	(1,863)	(1,863)
30 June 2024	(1,798)	(1,798)

### (b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group and arises principally from the Group's receivables from customers and cash deposits.

The Group's receivables are deposits. There were no receivables at 30 June 2025 or 30 June 2024 that were past due.

Cash transactions are limited to financial institutions considered to have a suitable credit rating.

Exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2025 \$000	2024 \$000
<i>Carrying amount:</i>		
Cash and cash equivalents	186,144	179,551
Other receivables	657	974
	186,801	180,525

All cash held by the Group is deposited with investment grade banks and any expected credit loss is immaterial.

The aging of the Group's other receivables at reporting date was:

	Gross 2025 \$000	Impairment 2025 \$000	Gross 2024 \$000	Impairment 2024 \$000
Not past due	657	-	974	-
	657	-	974	-

The Group trades only with recognised creditworthy third parties and the exposure to credit risk as at balance date is not significant. The Group believes that no impairment allowance is necessary in respect of other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Currency risk

Currency risk arises from assets and liabilities that are denominated in a currency other than the functional currencies of the entities within the Group, being the A\$ and US\$.

The Group does not currently use derivative financial instruments to hedge foreign currency risk and therefore is exposed to daily movements in exchange rates. However, the Group intends to maintain sufficient USD cash balances to meet its USD obligations.

The Group's exposure to foreign currency risk at balance date was as follows, based on carrying amounts.

	USD A\$000
<i>30 June 2025</i>	
Cash and cash equivalents	10,107
Trade payables and accruals	-
Gross balance sheet exposure	10,107
<i>30 June 2024</i>	
Cash and cash equivalents	55,869
Trade payables and accruals	-
Gross balance sheet exposure	55,869

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
AUD to:	2025	2024	2025	2024
1 USD	1.543	1.525	1.527	1.499

### Sensitivity analysis

A 5% strengthening of the AUD against the USD for the 12 months to 30 June 2025 and 30 June 2024 would have decreased equity and pre-tax profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Consolidated	
	Equity \$000	Profit and loss \$000
<i>30 June 2025</i>		
USD	(735)	(735)
<i>30 June 2024</i>		
USD	(3,989)	(3,989)

A 5% weakening of the AUD against the USD for the 12 months to 30 June 2025 and 30 June 2024 would have increased equity and pre-tax profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Consolidated	
	Equity \$000	Profit and loss \$000
<i>30 June 2025</i>		
USD	812	812
<i>30 June 2024</i>		
USD	4,409	4,409

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under a range of financial conditions. The Group's significant balance of cash and cash equivalents are considered to be adequately address this risk.

The Group currently does not have any available lines of credit.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of any netting agreements:

	Carrying amount \$000	Contractual cash flows \$000	6 months or less \$000	6 to 12 months \$000
<i>30 June 2025</i>				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	196	196	196	-
<i>30 June 2024</i>				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	180	180	180	-

# NOTES TO THE FINANCIAL STATEMENTS

## 25. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the Australian accounting standards:

	2025 \$000	2024 \$000
<b>Statement of financial position</b>		
Current Assets	186,915	180,815
Non-current assets	89,407	86,776
Total assets	276,322	267,591
Current liabilities	4,531	1,192
Non-current liabilities	261	65
Total liabilities	4,792	1,257
Equity		
Issued Capital	311,135	311,135
Accumulated loss	(46,232)	(49,750)
Reserves	6,627	4,949
Total equity	271,530	266,334
<b>Statement of comprehensive income</b>		
Total loss	1,851	(656)
Total comprehensive loss	1,851	(656)

### Parent Contingencies

In accordance with normal petroleum industry practice, Carnarvon has entered into joint arrangements and farmin agreements with other parties for the purpose of exploring and developing its petroleum permit interests. If a party to a joint operation defaults and does not contribute its share of joint operation's obligations, then the other joint operators may be liable to meet those obligations. In this event, the interest in the permit held by the defaulting party may be redistributed to the remaining joint operators.

### (a) Exploration expenditure commitments

Due to the nature of Carnarvon's operations in exploring and evaluating areas of interest it is necessary to incur expenditure in order to retain Carnarvon's present permit interests. Expenditure commitments on exploration permits can be reduced by selective relinquishment of exploration tenure, by the renegotiation of expenditure commitments, or by farming out portions of Carnarvon's equity. Failure to meet Joint Operation cash requirements may result in a reduction in equity in that particular Joint Operation.

Exploration expenditure commitments forecast but not provided for in the financial statements are as follows:

	2025 \$000	2024 \$000
Less than one year	262	-
Between one and five years	394	-
	656	-
<b>(b) Capital expenditure commitments</b>		
Data licence commitments	-	52



# NOTES TO THE FINANCIAL STATEMENTS

## 26. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 30 June 2025 (2024: nil).

## 27. BASIS OF PREPARATION OF THE FINANCIAL REPORT

### (a) Statement of compliance

The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards ("AASBs"), including Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRSs"). Material accounting policies adopted in the preparation of this financial report are presented below.

### (b) Adoption of new and amended Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year.

The consolidated entity has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (c) Basis of measurement

The financial report is prepared on a historical cost basis, except for financial assets which are measured at fair value.

### (d) Functional currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates (the "functional" currency). The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

# NOTES TO THE FINANCIAL STATEMENTS

## 27. BASIS OF PREPARATION OF THE FINANCIAL REPORT (CONTINUED)

### (e) Use of estimates and judgements

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

### Key judgement – functional currency

The determination of the functional currency of the Company's controlled entities requires consideration of a number of factors. These factors include the currencies that primarily influence their costs and the economic environment in which the entities operate.

### Key judgement – joint control

The determination of whether the Company has joint control, in relation to a joint arrangement, requires consideration of contractual arrangements. The Company must determine if there is a contractually agreed sharing of control, which only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

### (f) Rounding Off

The Company is an entity of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. As a result, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report. The accounting policies have been applied consistently by all entities in the Group.

### (a) Basis of consolidation

#### Controlled entities

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

#### Joint Operations

The Group's share of the assets including its share of any assets held jointly, liabilities including its share of any liabilities incurred jointly, revenue from the sale of its share of the output arising from the joint operation and share of revenue from the sale of output by the joint operation and expenses, including its share of any expenses incurred jointly, have been included in the appropriate line items of the consolidated financial statements. Details of the Group's interests are provided in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of Joint Ventures

At each reporting date, the Group assesses whether there is any indication that an investment in joint venture may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an investment in joint venture exceeds its recoverable amount the investment is considered impaired and is written down to its recoverable amount.

### (b) Income tax

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Income Statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

### Tax consolidation

Carnarvon Energy Limited and its wholly-owned Australian-resident controlled entities formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. Carnarvon Energy Limited is the head entity of the tax-consolidated group.

### (c) Property, plant and equipment

#### Recognition and measurement

All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of an item also includes the initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located. Such amounts are determined based on current costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Impairment

The carrying amount of property, plant and equipment is reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may not be recoverable in whole or in part.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

#### Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis over expected useful life to the economic entity commencing from the time the asset is held ready for use. The major depreciation rates used for all classes of depreciable assets are:

Property, plant and equipment: 10% to 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Exploration and evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to the area are current and that the costs are expected to be recouped through the successful development of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Each area of interest is assessed for impairment to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Impairment testing is carried out in accordance with Note 28(e).

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation costs attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to oil and gas assets.

The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

### Divestments

Where an ownership interest in an exploration and evaluation asset is disposed of, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets.

Deferred consideration is accounted for if it is probable that future economic benefits will flow to the entity.

### (e) Recoverable amount of non-financial assets and impairment testing

Assets that are subject to depreciation are reviewed annually to determine whether there is any indication of impairment. Where such an indicator exists, a formal assessment of recoverable amount is then made. Where this is less than carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects the current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the income statement.

For the purposes of impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

### (f) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i) Financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement.

### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### *Impairment of financial assets*

Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss will be recognised through an allowance. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **ii) Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

### **iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Segment reporting

The Group reports one segment, oil and gas exploration, development and production, to the chief operating decision maker, being the Board of Carnarvon Energy Limited, in assessing performance and determining the allocation of resources. The segment operations and results are the same as those reported in the Group financial statements.

Unless otherwise stated, all amounts reported to the chief operating decision maker are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

From management purposes, the Group has identified only one reportable segment, being offshore exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial resources, from the Group's permits in this geographic location.

### (i) Foreign currency

#### Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates (the "functional" currency). The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate at balance date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

#### Foreign operations

The financial performance and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at balance date
- income and expenses are translated at average exchange rates for the period

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity. These differences are recognised in the income statement upon disposal of the foreign operation.

### (j) Share capital

Incremental costs directly attributable to an equity transaction are shown as a deduction from equity, net of any recognised income tax benefit.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are determined using the projected unit credit method.

#### Share based payments

Share based compensation has been provided to eligible persons via the Carnarvon current Employee Share Plan ("ESIP"), by the award of performance rights. Share based compensation has also been provided under the former Employee Share Plan ("ESP"), financed by means of interest-free limited recourse loans. Under AASB 2 "*Share-based Payments*", the both ESIP and ESP shares are deemed to be equity settled, share-based remuneration.

The fair values of the performance rights granted under the ESIP are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employee becomes unconditionally entitled to the performance rights.

Under the ESP, for limited recourse loans and share options issued to eligible persons, the Group is required to recognise within the income statement a remuneration expense measured at the fair value of the shares inherent in the issue to the eligible person, with a corresponding increase to a share-based payments reserve in equity. The fair value is measured at grant date and recognised when the eligible person become unconditionally entitled to the shares, effectively on grant. A loan receivable is not recognised in respect of plan shares issued. Upon cancellation or forfeiture of the shares issued under ESPs, transfer is made from issued capital to reserve shares.

The fair value at grant date under the Former and Current ESP is determined using pricing models that factors in the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk free rate for the assumed term of the plan. With respect to plan shares under the Former ESP, upon repayment of the ESP loans, the balance of the share-based payments reserve relating to the loan repaid is transferred to issued capital.

### (l) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares.

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares, which comprise share options issued.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks. The deposits held at call are generally held for a period of 1-3 months and classified as cash and cash equivalents at period end. Where deposits are held for more than 3 months they are classified as other receivables.

### (n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (o) Finance income and expenses

Interest revenue on funds invested is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings and the unwinding of the discount on provisions.

### (p) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

### (q) Intangible assets – ACCU's

The Group only recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and if the cost can be reliably measured.

Intangible assets of the Group are initially measured at cost and subsequently measured at cost less any accumulated impairment losses, in line with AASB 138 "Intangible Assets".

The intangible assets are not amortised but will be assessed at least annually for impairment and more frequently if events or changes in circumstances indicate that it might be impaired.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory and have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

Reference	Title	Summary	Impact on the Company	Application date of standard	Application date for Group
AASB 18 Amendments to Australian Accounting Standards	<i>Presentation and Disclosure in Financial Statements</i>	<p>AASB 18 has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:</p> <ul style="list-style-type: none"> <li>• The presentation of newly defined subtotals in the statement of profit or loss</li> <li>• The disclosure of management-defined performance measures (MPM)</li> <li>• Enhanced requirements for grouping information (i.e. aggregation and disaggregation)</li> </ul> <p>AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 <i>Statement of Cash Flows</i>.</p> <p>AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.</p> <p>For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity.</p> <p>AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard.</p> <p>AASB 18 will replace AASB 101 <i>Presentation of Financial Statements</i>.</p>	The Company is still assessing the impact.	1 January 2027	1 January 2027



# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Entity Type	Body corporate country of incorporation	Body corporate % share of capital held	Country of tax residence
Carnarvon Energy Ltd	Body corporate	Australia		Australia
Dorado Petroleum Pty Ltd	Body corporate	Australia	100%	Australia
Carnarvon Bedout 1 Pty Ltd	Body corporate	Australia	100%	Australia

For personal use only

# DIRECTORS' DECLARATION

- (1) In the opinion of the directors of Carnarvon Energy Limited:
- (a) the financial statements and notes of the Group set out on pages 68 to 110 are in accordance with the Corporations Act 2001, including:
    - (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
    - (ii) Complying with Accounting Standards and the Corporations Regulations 2001; and
  - (b) The financial statements and notes comply with International Financial Reporting Standards as set out in Note 28;
  - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
  - (d) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.
- (2) This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the directors.



**Robert Black**

Chair

Perth, 28 August 2025

For personal use only

# INDEPENDENT AUDIT REPORT



Ernst & Young  
9 The Esplanade  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Independent auditor's report to the members of Carnarvon Energy Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Carnarvon Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated income statement and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# INDEPENDENT AUDIT REPORT



Page 2

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

## 1. Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
<p>The Group held exploration and evaluation assets ("E&amp;E assets") of \$88,405,000 as at 30 June 2025.</p> <p>The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed their recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment involves a number of judgements, including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group did not identify any impairment indicators as at 30 June 2025.</p> <p>Refer to Note 11 of the financial report for the capitalised exploration and evaluation asset balances and related disclosures.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>▪ We considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements.</li><li>▪ We considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's future cash flow forecasts and enquiries of management and the Board of Directors as to the intentions and strategy of the Group.</li><li>▪ We assessed whether data existed to indicate that the carrying value of capitalised E&amp;E assets was unlikely to be recovered through development or sale.</li><li>▪ We engaged EY Valuation specialists to obtain transaction multiples for resources and computed an indicative value of E&amp;E assets based on transaction multiples.</li><li>▪ We considered management's assessment of the carrying value of exploration and evaluation assets.</li><li>▪ We assessed the adequacy of the disclosures contained in Note 11 of the financial report.</li></ul>

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# INDEPENDENT AUDIT REPORT



Page 3

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# INDEPENDENT AUDIT REPORT



Page 4

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# INDEPENDENT AUDIT REPORT



Page 5

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 50 to 63 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Carnarvon Energy Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature in black ink, appearing to read 'Ernst &amp; Young'.

Ernst & Young

A stylized, handwritten signature in black ink, appearing to read 'T S Hammond'.

T S Hammond  
Partner  
Perth  
28 August 2025

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation



# ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the ASX Limited ("ASX") Listing Rules and not disclosed elsewhere in this report is set out below.

## a) Shareholdings as at 26 August 2025

### Substantial shareholders

Name of Shareholder	Number of Shares	Date of last Notice
Collins St Asset Management ATF Collins St Value Fund	188,143,638	30 August 2024
J P Morgan Nominees Australia Pty Limited	133,419,718	N/A
Nero Resources Fund Pty Ltd	91,128,968	18 December 2023

### Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.105 per unit	4,762	932	2,732,807

### Voting Rights

The voting rights attaching to Ordinary Shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. No options have any voting rights.

### Twenty Largest Shareholders

Name of Shareholder	Number of Shares	% held
Sandhurst Trustees Ltd	188,143,638	10.52
J P Morgan Nominees Australia Pty Limited	133,419,718	7.46
Treasury Services Group Pty Ltd	91,128,968	5.09
Citicorp Nominees Pty Limited	64,315,267	3.59
HSBC Custody Nominees (Australia) Limited	51,757,128	2.89
BNB Paribas Nominees Pty Ltd	39,553,836	2.21
Perpetual Corporate Trust Ltd	20,000,000	1.12
NGE Capital Limited	19,660,182	1.10
Havannah Investments Pty Ltd	16,710,037	0.93
Brixia Investments Ltd	14,909,750	0.83
Pullington Investments Pty Ltd	13,735,620	0.77
Prettejohn Projects Pty Ltd	13,500,000	0.75
Dr Oscar Savio D'Souza	13,201,887	0.74
Kinabalu Australia Pty Ltd	12,969,842	0.72
Mr Philip Paul Huizenga	12,126,469	0.68
Charles & Cornelia Goode Foundation Pty Ltd	10,000,000	0.56
Rookharp Capital Pty Limited	10,000,000	0.56
Ravenscourt Proprietary Limited	10,000,000	0.56
NGE Capital Limited	10,000,000	0.56
Est Edward Patrick Jacobson	9,522,482	0.53
Lonergan Foundation Pty Ltd	9,000,000	0.50
Jacobson Geophysical Services Pty Ltd	8,754,068	0.49
P J Enterprises Pty Limited	8,000,000	0.45
	<b>780,408,892</b>	<b>43.61</b>

# ADDITIONAL SHAREHOLDER INFORMATION

## Distribution of equity security holders

Size of Holding			Number of shareholders	Number of fully paid shares
1	To	1,000	145	35,650
1,001	To	5,000	1,133	4,421,579
5,001	To	10,000	1,598	13,154,851
10,001	To	100,000	4,330	174,067,073
100,001	and over		1,689	1,597,407,729
			8,895	1,789,086,882

### b) Option holdings as at 26 August 2025

There are no current option holdings.

### c) On-market buyback

An on-market buyback was announced on 30 January 2025 however no shares were bought during the period.

### d) Schedule of permits

Permit	Basin	Equity	Joint Venture Partner(s)	Partner Interest		Indicative Forward Program
				Santos	OPIC	
Australia						
WA-435-P	Roebuck	10%	Santos Limited, and OPIC Australia	80%	10%	G & G studies and exploration drilling
WA-436-P	Roebuck	20%	Santos Limited, and OPIC Australia	70%	10%	G & G studies
WA-437-P	Roebuck	10%	Santos Limited, and OPIC Australia	80%	10%	G & G studies
WA-438-P	Roebuck	20%	Santos Limited, and OPIC Australia	70%	10%	G & G studies, appraisal
WA-64-L	Roebuck	10%	Santos Limited, and OPIC Australia	80%	10%	Development and production

For personal use only



[www.carnarvon.com.au](http://www.carnarvon.com.au)