

ASX ANNOUNCEMENT

Quarterly Activities Report

For the period ended 31 December 2025

23 January 2026

Carnarvon Energy Limited (ASX:CVN)(Carnarvon or the Company) provides an update on the Company's activities and financial position as at 31 December 2025.

Company Snapshot

Bedout Sub-basin (Dorado, Pavo and Exploration)

- Progressed procurement of long-lead items and continued environment approval process ahead of the H1 2027 exploration drilling program.
- The upcoming drilling program will target the northern play fairway, seeking to test a very large prospect with significant upside beyond the existing 450 million boe (equivalent of gross 2C resources) already discovered.
- The basin-wide seismic mega merge project has enhanced prospectivity interpretation with a single, high-resolution dataset covering over 80% of Carnarvon's exploration permits.

Corporate and Financial

- Maintained a strong balance sheet with \$98 million in cash, no debt, and a US\$90 million development carry for the Dorado project.
- Strategic investment in Strike Energy Limited (ASX:STX) (Strike) completed in the previous quarter, maintaining a 19.9% equity interest.
- Continued a lean corporate structure where administrative and corporate costs are offset by interest earned on cash holdings.

Carnarvon's CEO, Philip Huizenga, commented:

"Looking ahead to 2026 and 2027, we are energised by the immense latent value within our portfolio. With high-resolution seismic data now covering the majority of our permits and a clear plan to return to exploration drilling in the first half of 2027, we are well-positioned to unlock the next phase of value for our shareholders. We remain committed to maintaining a lean corporate structure and driving the Dorado development toward production to meet the robust demand for light, sweet crudes across Asia and in Australia."

"Carnarvon has also solidified its transition into a diversified energy company with a clear pathway for growth. By securing our position as the largest shareholder in Strike Energy in the previous quarter, we have not only gained exposure to near-term gas production and the WA electricity market but have done so while preserving the financial strength required to advance our world-class Bedout Sub-basin assets."

Carnarvon continues to work closely with Strike Energy to ensure the timely delivery of its development projects, specifically the South Erregulla gas-fired peaking plant and the West Erregulla gas development."

Bedout Exploration

WA-435,6,7&8-P (Carnarvon 10-20%, Santos is the operator)

The Bedout Sub basin, located offshore Western Australia, remains one of the most prospective and technically advanced exploration regions in the country.

During the quarter, the Bedout Joint Venture continued to progress regulatory and operational readiness activities, including advancement of the required multi well Environmental Plan and procurement of key long lead items. Tender processes for securing an offshore drilling rig were also well progressed.

The Joint Venture is working towards completing these activities during the year to commence drilling in the first half of 2027. The exploration campaign is preparing to target additional significant gas resources in the northern play fairway which would be capable of underpinning a future gas export development, complementing the liquids resources already discovered at Dorado and Pavo.

Exploration within the basin has been greatly enhanced by the recently completed Bedout Mega Merge seismic reprocessing project which has improved subsurface resolution across more than 15,000 square kilometres within the basin. Interpretation work undertaken during the quarter on this improved imaging has identified the potential for previously undetected structural and stratigraphic features. Ongoing work will concentrate on refining the definition of the basin's prospective resource base and associated risk profile.

The exploration potential within the Bedout area is substantial and Carnarvon looks forward to returning to exploration drilling in this highly prospective acreage. The Company will provide updates on the campaign scheduled for early next year as key activities are completed.

Project Development

Dorado WA-64-L (Carnarvon 10%, Santos 80%, operator)

The Dorado oil and gas field, located approximately 150 kilometres offshore Western Australia in around 90 metres of water, is one of the largest undeveloped oil discoveries in Australia. A preliminary development plan has been completed for the field, which considers a staged approach, beginning with liquids production (Phase 1) followed by a potential gas export phase (Phase 2).

The Phase 1 liquids development concept, refined in 2024, is based on a single wellhead platform supporting up to twelve wells tied back to a Floating Production Storage and Offloading (FPSO) facility. This configuration has been designed to deliver efficient liquids production while allowing for potential future tiebacks from nearby fields in the Bedout Sub-basin, such as Pavo.

In early 2025, the Operator advised that progress on the Dorado project would be deferred to allow further appraisal of the broader Bedout exploration potential prior to a Final Investment Decision. While the joint venture continues to recognise the quality and scale of the discovered

resources within the Dorado and surrounding fields, which Carnarvon estimates contain a total of 249 million barrels of light oil and condensate (gross, 2C) and 1.1 trillion standard cubic feet of gas (gross, 2C), the area also offers significant upside potential, with mean prospective resources of approximately 1.6 billion barrels of liquids and 9 trillion cubic feet of gas (Pmean, gross) (refer to ASX announcement 1 September 2023).

Drilling activity in the region is expected to resume in the first half of 2027, and the Operator has indicated that project development work will recommence in line with the evaluation of further Bedout basin resources.

The Company continues to work with the Operator (Santos) to progress the Dorado and Pavo projects. Efforts are centred on innovative solutions to accelerate the development timeline and move toward a Final Investment Decision (FID) in a capital-efficient manner.

Corporate

Strategic Investment into Strike Energy (Strike Investment)

Carnarvon entered into a subscription agreement in July 2025 with Strike Energy Limited (**Strike**) whereby it was issued A\$86 million of fully paid ordinary shares in Strike at an issue price of \$0.12 per Strike Share, for a shareholding in Strike of 19.9%.

Carnarvon has appointed its non-executive director, Mr William Barker, to the Strike Board ensuring Carnarvon's active involvement in overseeing the delivery of key Perth Basin gas and power projects, including the South Erregulla 85MW peaking plant, which is targeted for commissioning in 2026.

Strike Energy is a compelling investment opportunity given its strategic acreage in the Perth Basin, proximity to existing infrastructure, and portfolio of quality discovered and prospective gas resources. The investment provides Carnarvon with exposure to the Western Australian domestic gas and electricity markets and complements the Company's oil weighted portfolio.

Carnarvon's 19.9% equity interest in Strike provides financial exposure to near-term production and market upside while preserving the Company's capacity to progress its own priorities within the Bedout Sub-basin. This represents a prudent and strategically balanced deployment of capital consistent with Carnarvon's disciplined approach to financial management and long-term value creation

Cash and liquidity position

The Company ended the quarter with approximately A\$98million in cash, no debt, and a 19.9% stake in Strike Energy.

Carnarvon also maintains US\$90 million in future Dorado development cost carry.

During the quarter, the administrative, corporate and staff costs of the Company were funded by the interest earned on the Company's cash holdings.

Financial analysis of selected items within Appendix 5B

Appendix 5B reference	ASX description reference	Carnarvon commentary
1.2 (d)	Staff costs	Staff costs include employee salaries and on costs.
1.2 (e)	Administration and corporate costs	This item includes costs for and associated with operating the Company's office, ASX listing fees, insurances, software licences, investor relations and travel.
1.4	Interest received	Carnarvon holds a significant portion of its cash in term deposits, which generate interest income during the year. Interest is recorded in the Appendix 5B when received, namely when deposits mature. Accordingly, the amount varies each quarter based on the interest rate, the amount on term deposit and the timing of the maturity of the term deposits.
2.1 (d)	Exploration and evaluation costs capitalised	During the quarter, Carnarvon incurred a net outflow of A\$695k in exploration and evaluation activities, primarily related to exploration Environmental Plan preparation and ongoing G&A expenses to keep the permits in good standing.
2.1 (e)	Investments	During the September quarter, Carnarvon entered into a subscription agreement with Strike Energy Limited to acquire A\$86 million (excluding costs) of fully paid ordinary shares in Strike at an issue price of \$0.12 per Strike Share, for a shareholding in Strike of 19.9%. The acquisition was completed on 25 September 2025, with some associated costs being invoiced and paid in the December quarter.
4.5	Effect of movement in exchange rates on cash held	This reflects the impact of an appreciation of AUD compared to USD on the portion of the Company's funds held in USD.
6.1	Payments to related parties and their associates	These costs pertain to remuneration paid to Non-Executive Directors.
8.0	Future operating activities	For the upcoming quarter, Carnarvon has forecast A\$1 million - \$1.3 million expenditures in the Bedout Sub-basin and A\$500k - \$800k in corporate and other costs.

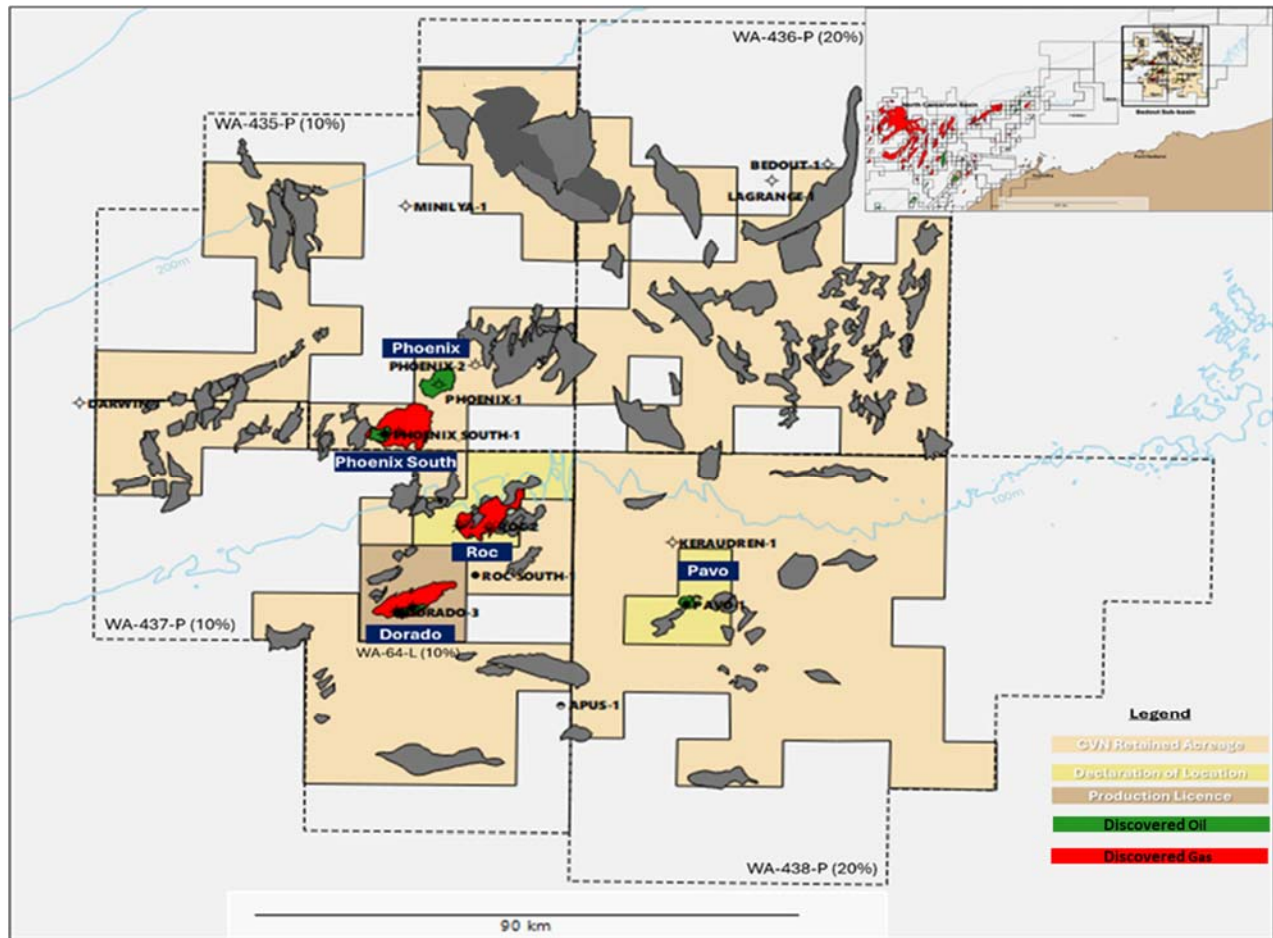


Figure 1: Project Map after Permit Renewal

Table 1: Carnarvon permits

Project	Permit(s)	Operator	Interest Held	Interest Change Q/Q
Bedout	WA-64-L	Santos	10%	-
Bedout	WA-435-P	Santos	10%	-
Bedout	WA-436-P	Santos	20%	-
Bedout	WA-437-P	Santos	10%	-
Bedout	WA-438-P	Santos	20%	-

Acronym	Definition
bopd	barrels of oil per day
bbls	Barrels of oil
CVN	Carnarvon Energy Limited
FEED	Front end engineering and design
FID	Final Investment Decision
JV	Joint Venture
km	Kilometres
km ²	Square kilometres
m	Millions
Qtr	Quarter
Q/Q	Quarter on quarter
Tcf	Trillion cubic feet (gas)
WHP	Wellhead platform
2D	Two-dimensional seismic data
3D	Three-dimensional seismic data
USD	United States of America dollar

Cautionary Statement*

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 are subjective processes of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Prospective resources are 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.

Resources

All prospective resources in this update are prepared as at 4 October 2022, 1 September 2023 and 30 June 2025 pursuant to the announcements released to the ASX on 4 October 2022, 1 September 2023 and 28 August 2025. The estimates of prospective resources included in this update have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Carnarvon is not aware of any new information or data that materially affects the information included in this update, and that all material assumptions and technical parameters underpinning the estimates in this update continue to apply and have not materially changed.

Prospective resources have been reported using the best estimate. Prospects are made up of multiple potential reservoir horizons and these are “rolled-up” statistically into a single prospective resource. These prospective resources are statistically aggregated up to the field level and arithmetically summed to the project level.

Conversion from gas to barrels of oil equivalent is based on Gross Heating Value. Carnarvon 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.

Competent Person Statement Information

The resource estimates outlined in this report were compiled by Carnarvon’s Chief Executive Officer, Mr Philip Huizenga, who is a full-time employee of the Company.

Mr Huizenga has over 25 years’ experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor’s Degree in Engineering, a Master’s Degree in Petroleum Engineering and is a member of the Society of Petroleum Engineers. Mr Huizenga is qualified in accordance with ASX Listing Rules and has consented to the form and context in which this statement appears.

Forward Looking Statements

This report contains certain “forward-looking statements”, which can generally be identified by the use of words such as “will”, “may”, “could”, “likely”, “ongoing”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “forecast”, “goal”, “objective”, “aim”, “seek” and other words and terms of similar meaning. Carnarvon cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on any forward-looking statement.

Approved for release by:



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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CARNARVON ENERGY LIMITED

ABN

60 002 688 851

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(385)	(813)
	(e) administration and corporate costs	(219)	(1,149)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1,006	2,265
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	38
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	403	342

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	(695)	(1,105)
	(e) investments	(343)	(86,882)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,041)	(87,990)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(52)	(103)
3.10	Net cash from / (used in) financing activities	(52)	(103)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	98,855	186,144
4.2	Net cash from / (used in) operating activities (item 1.9 above)	403	342
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,041)	(87,990)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(52)	(103)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	131	(97)
4.6	Cash and cash equivalents at end of period	98,296	98,296

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,649	13,168
5.2	Call deposits	89,647	85,687
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	98,296	98,855

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	403
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(695)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(293)
8.4	Cash and cash equivalents at quarter end (item 4.6)	98,296
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	98,296
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	336
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: n/a	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 January 2026

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.