

A LETTER FROM THE CHAIR



This year marks Carnarvon's fifth Sustainability Report, and my first as Chair of the Risk, Governance and Sustainability ("RGS") Committee.

The focus on sustainability from both a regulatory and stakeholder perspective has undoubtedly intensified over the past five years, with more changes coming in the form of mandatory disclosure of climate related financial risks, and the fifth edition of the ASX Corporate Governance Principles and Recommendations.

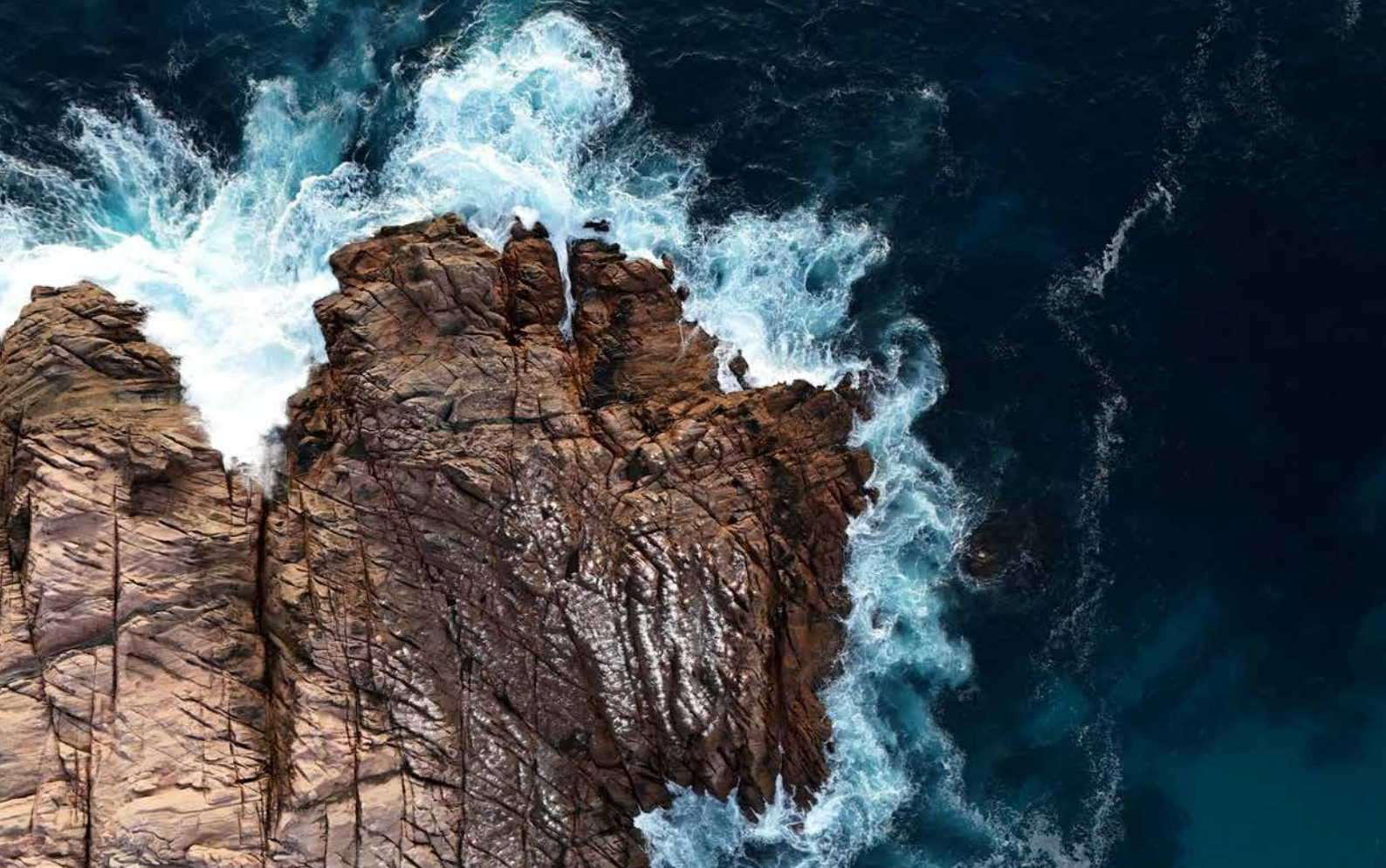
Whilst climate change remains a key consideration for industry, governments and community, the requirement for affordable and reliable energy in our daily lives continued unabated. Oil demand in 2024 increased by around 1.1 million barrels a day, underscoring the enduring role of oil and gas in meeting global energy needs, and the challenge of achieving both

energy security, and environmental stewardship while advancing the energy transition.

In December last year there were some significant changes at Carnarvon, with a refreshed Board and refined strategic priorities for the company. Carnarvon's core strategic focus is centred on maximising shareholder value from the Dorado development and Bedout Sub-basin assets. As a result, Carnarvon determined that its biorefining investment was non-core, and has exited this business.

There has been steady progress on the Dorado development during the year. Project engineering works continued, with a major focus on the integration of the Pavo field and





optimisation of the proposed Dorado facilities. As part of the optimisation study, the Dorado joint venture is reviewing various opportunities to reduce the upfront development costs and time to first oil and cashflows, including the opportunity to re-purpose an existing FPSO. These optimisations can also provide impact reductions by reducing the carbon intensity of Dorado with a smaller scale development and re-purposing existing infrastructure, such as the FPSO. Based on this work, the joint venture is working towards re-entering FEED later this year towards a Final Investment Decision (FID) in 2025.

Carnarvon is continuing to develop its approach to sustainable development by working with its joint ventures, particularly with regards to environmental, health and safety practices. This ensures the business is more resilient through the energy transition.

In-line with Carnarvon's approved Carbon Offset Strategy, we developed a 'carbon bank' over the year via the acquisition of ACCUs on-market. These ACCUs are intended to offset future emissions from the Dorado production facilities in accordance with the relevant regulatory requirements under the Safeguard Mechanism. Based on Carnarvon's calculation, the Company has acquired ACCUs to cover the first 3-5 years of production under the Safeguard Mechanism. Carnarvon also offset all its Scope 2 emissions from its corporate office consistent with previous years.

The RGS Committee remains integral in overseeing ESG matters for the company, and providing the necessary leadership to ensure Carnarvon meets all its obligations in this area as we advance towards development and future production.

I look forward to continuing to work with my fellow RGS Committee members, the Board and Carnarvon staff to maintain Carnarvon's strong culture focused on protecting the health and safety of our workforce, safeguarding the environment, and working positively with our partners and the communities in which we operate.

A handwritten signature in black ink, appearing to read 'Will Barker', with a long horizontal stroke extending to the right.

Will Barker

Chair – Risk, Governance, and Sustainability Committee

HIGHLIGHTS



17.8 TONNES OF CO₂e OFFSET



ASSESSMENT OF CARBON
ABATEMENT INVESTMENT
OPPORTUNITIES



CONTINUED GENDER
DIVERSITY REPORTING



ZERO INCIDENTS OF
DISCRIMINATION



AVERAGE OF 41 HOURS OF
TRAINING PER EMPLOYEE



ZERO ANTI-BRIBERY OR
CORRUPTION VIOLATIONS



CONTINUED ACQUISITION OF
EMISSIONS OFFSETS FOR FUTURE
DORADO PRODUCTION

ABOUT US

Carnarvon Energy Ltd (ASX: CVN) (“Carnarvon”) is an ASX listed energy company engaging in the exploration and production of oil and gas.

Carnarvon is part of a consolidated group with controlled entities and interests in jointly controlled assets. The relevant entities, and joint venture interests, covered in this sustainability reporting period are listed in the Carnarvon portfolio table on page 8 and are the same as those included in our statutory financial reporting.

Carnarvon’s core assets are the Dorado, Roc and Pavo fields, located in the Bedout Sub-basin off the north-west coast of Australia. The Dorado and Pavo fields are one of the largest undeveloped liquids resources offshore Australia. The joint venture is continuing to progress the Dorado Phase 1 liquids development, with FEED re-entry expected in 2024 towards FID in 2025.

During the past year, Carnarvon refined its strategic objectives, with a focus on maximising the value of Dorado, Pavo and its Bedout Sub-basin assets, preserving its balance sheet strength to fund its share of the Dorado development, and streamlining corporate costs. This resulted in Carnarvon determining that its biorefining investment was non-core and divesting its interest in this business immediately prior to the end of the reporting period.

Further information about Carnarvon’s assets can be found on our [website](#).

ABOUT US

Our Values

Carnarvon is proud of its employees and the contribution they make to the communities in which we operate.

Environmental, social and governance (“ESG”) considerations remain at the forefront of the way we do business, and our values drive our corporate culture.

KEY VALUE	DESCRIPTION
Prepared to be different	We encourage our people to think differently about all aspects of improving our business and importantly to then act differently to bring about changes that make a difference.
Our people are important	We value the contribution of every member of our workforce. We want to invest in their personal development, reward their accomplishments and grow our own future leaders. We seek to encourage a diverse range of inputs, and we truly value the broad meaning of diversity, including through gender, age, religion, and culture. Importantly we treat each other with respect.
We want high performance	We want our people to be challenged at work and have the opportunity to achieve outcomes that they can be proud of. We encourage innovation, accountability and collaboration and we hold each other accountable for our overall performance. We are constantly seeking to improve and want to learn from our challenges and our successes.
Create sustainable value	We are committed to creating value for the owners of our business based on sustainable financial performance and long-term growth. That means managing risk, and carefully considering each strategic, tactical and investment decision.
Be a trusted partner	We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and working positively with our partners and the communities in which we work. We want our partners to be proud to be associated with our company.
Our integrity is who we are	We maintain the highest standards of ethical business conduct. Our business is built on long-lasting relationships, and founded on trust. We want to be able to hold our heads high and know we have always acted with integrity.
Be humble	We take nothing for granted. There are always challenges ahead and nothing is a certainty. We carry ourselves with a quiet confidence and treat others the same way that we wish to be treated.

Further details of Carnarvon’s key values can be found on our [website](#).

ABOUT US

Our Reach

Our development and exploration focus lies in the North West Shelf (NWS) offshore Western Australia, with our corporate headquarters in Perth, Western Australia.

During the year, we continued to consolidate our exploration acreage offshore Western Australia, with our exploration activities now primarily focused within the company's Dorado development and highly potential Bedout Exploration Permits.

Our interest in our biorefining joint venture, FutureEnergy Australia Pty Ltd, was divested consistent with Carnarvon's refined strategic priorities.

ABOUT US

Carnarvon's Portfolio

ASSET	PERMIT(S)	OWNERSHIP	STATUS
Australia Perth	N/A	100% Carnarvon	Office – Headquarters
Australia Bedout (Dorado)	WA-64-L	10% Carnarvon 10% OPIC Australia 80% Santos	Operated by Others (“ OBO ”) – Santos FID planned in 2025
Australia Bedout (Pavo, Roc, exploration)	WA-435-P WA-436-P WA-437-P WA-438-P	10% - 20% Carnarvon 10% OPIC Australia 70% - 80% Santos	OBO – Santos Studies for integration of Pavo as part of Dorado development completed, prospect identification for exploration drilling in 2025 progressing
Australia FutureEnergy Australia	N/A	50% Carnarvon 50% Frontier Impact Group	Divested
Australia Condor	AC/P62	100% Carnarvon	Surrendered
Australia Eagle	AC/P63	100% Carnarvon	Surrendered
Australia Outtrim	WA-155-P	100% Carnarvon	Surrendered
Australia Pepper	EP 509, TP/29	100% Carnarvon	Request for surrender submitted to regulator



ABOUT US

