

ASX ANNOUNCEMENT

Quarterly Activities Report

For the period ended 30 September 2025

30 October 2025

Carnarvon Energy Limited (**ASX:CVN**)**(Carnarvon or the Company)** provides an update on the Company's activities and financial position as at 30 September 2025.

Company Snapshot

- **Strategic Growth through Strike Energy Investment:** Completed a landmark A\$86 million strategic investment in Strike Energy Limited (ASX: STX), securing a 19.9% shareholding and becoming Strike's largest investor. This partnership provides Carnarvon exposure to Western Australia's fast-growing gas and electricity markets and complements our core Bedout Basin interests.
- **Strong and Flexible Capital Position:** Maintained a robust balance sheet with approximately A\$99 million in cash, no debt, and a US\$90 million Dorado development free carry.
- **Substantial Discovered Resource Base:** Carnarvon's Bedout Sub basin acreage holds a net 2C Contingent Resource of 54 million barrels of oil equivalent, underpinning significant future value and production potential.
- **Outstanding Exploration Portfolio:** Over 130 high quality prospects and leads identified across the Bedout area, supported by industry leading seismic data — positioning Carnarvon with one of the most attractive exploration pipelines in Australia.
- **Bedout Exploration Planning Advancing:** Environmental approval planning continues to progress, however due to suitable rig availability, drilling is now planned for early 2027.

Carnarvon's CEO, Philip Huizenga, commented:

*"This quarter marked a pivotal period for Carnarvon Energy as we completed a A\$86 million strategic investment in Strike Energy Limited (ASX: STX) (**Strike**). This transaction, which secured a 19.9% equity interest in Strike, represents a value-accretive opportunity that strengthens our portfolio's exposure to Western Australia's fast-growing gas and electricity markets. The partnership positions Carnarvon as Strike's largest shareholder and provides the required funding for Strike to unlock its high-quality Perth Basin assets, including South Erregulla and West Erregulla.*

Importantly, we maintained a robust capital position with approximately A\$99 million in cash, no debt, and a US\$90 million development free carry relating to the Dorado project. This strong balance sheet provides us with the ability to fund the advancement of our Bedout Basin portfolio.

Carnarvon retains one of Australia's most compelling acreage portfolios with our stake in the Bedout Sub-basin, with a net 2C Contingent Resource of 54 million barrels of oil equivalent and more than 130 identified prospects and leads supported by high-quality 3D seismic data. This combination of quality discovered resources and our rich exploration inventory underscore the significant upside potential embedded across our acreage position.

Preparations for future exploration programs in the Bedout area are continuing, with the environmental plan approval process well advanced. However, the broader scarcity of suitable offshore drilling rigs is expected to delay the recommencement of drilling activity until early 2027. While this timing adjustment reflects industry-wide capacity constraints, it does not alter our confidence in the underlying resource potential or our long-term development strategy.

*Carnarvon looks forward to engaging directly with shareholders at the upcoming Annual General Meeting, to be held on **Friday, 7 November 2025 at 10:00am AWST at The Celtic Club, 48 Ord Street, West Perth**. The AGM provides an important opportunity to discuss the Company's progress, strategic direction, and outlook in greater detail, as well as to hear directly from the board and management.*

Carnarvon enters the next quarter from a position of strength being financially resilient. Our team continues to drive progress across both our investment in Strike and our Bedout assets, advancing opportunities that contribute to Western Australia's domestic energy security and deliver enduring value for shareholders."

Corporate

Strategic Investment into Strike Energy (**Strike Investment**)

Carnarvon entered into a subscription agreement with Strike Energy Limited whereby it has been 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%.

The second tranche of the investment, following on from overwhelming support from Strike shareholders at the company's EGM of 11th September, was completed on 25 September 2025.

Carnarvon Energy undertook a disciplined review of capital allocation options following the deferral of the Dorado development. The Company had previously secured sufficient financial capacity to progress the Dorado project to a Final Investment Decision. With project timing adjusted, the Board assessed opportunities to optimise shareholder value, including potential redeployment of available capital. A capital return was among the options considered, and preliminary engagement with the Australian Tax Office commenced to ensure any such return, if pursued, would be structured in a tax-effective manner.

During this review, Carnarvon identified an emerging shortfall in Western Australia's domestic gas supply, which is expected to place upward pressure on regional gas prices in coming years. While Carnarvon has discovered substantial gas resources within the Bedout Sub-basin, export or monetisation of these assets remains some years away. Accordingly, the Company sought an opportunity to secure nearer-term exposure to the Western Australian energy market.

Strike Energy presented 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.

The capital injection places Strike in a strong position to advance its development program, including the South Erregulla gas-fired peaking plant, targeted for commissioning in 2026, and the West Erregulla gas development. Strike also maintains an active exploration portfolio with further growth potential over the medium term.

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.

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 preparations for its next phase of exploration drilling. Progress was made on 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; however, as current market conditions indicate limited rig availability in the originally targeted mid-2026 window, the expected drilling timeframe has been adjusted to early 2027.

The recently completed Bedout Mega-Merge seismic reprocessing project has enhanced subsurface resolution across more than 15,000 square kilometres of joint venture acreage. Preliminary interpretation of the 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, with the upcoming campaign targeting opportunities that have the capacity to unlock additional significant gas resources which would be capable of underpinning a future gas export development, complementing the liquids resources already discovered at Dorado and Pavo.

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, remains one of the largest undeveloped oil discoveries in the

country. The field is planned to be developed through 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).

With drilling activity in the region expected to resume in early 2027, the Operator has indicated that project development work will recommence in line with drilling.

In the interim, Carnarvon is evaluating alternative options to accelerate the timeline for commercialisation and to optimise the value of the Dorado, Pavo, and Roc discoveries within the broader Bedout Sub-basin.

Capital Management

The Carnarvon Board determined that the Strike Investment is a superior use of capital and as a result, the Company will cease to progress the potential Capital Return previously announced on 17 March 2025.

The Company still maintains the ability to conduct an on-market buyback for up to 10% of ordinary shares on issue. However, to date no shares have been bought back under this strategy.

Cash and liquidity position

The Company ended the quarter with approximately A\$99million in cash, no debt, and a 19.9% stake in Strike Energy.

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

The administrative, corporate and staff costs of the Company are primarily being 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\$410k 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 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.
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\$300k - \$600k expenditures in the Bedout Sub-basin and A\$800k - \$1 million in corporate and other costs.

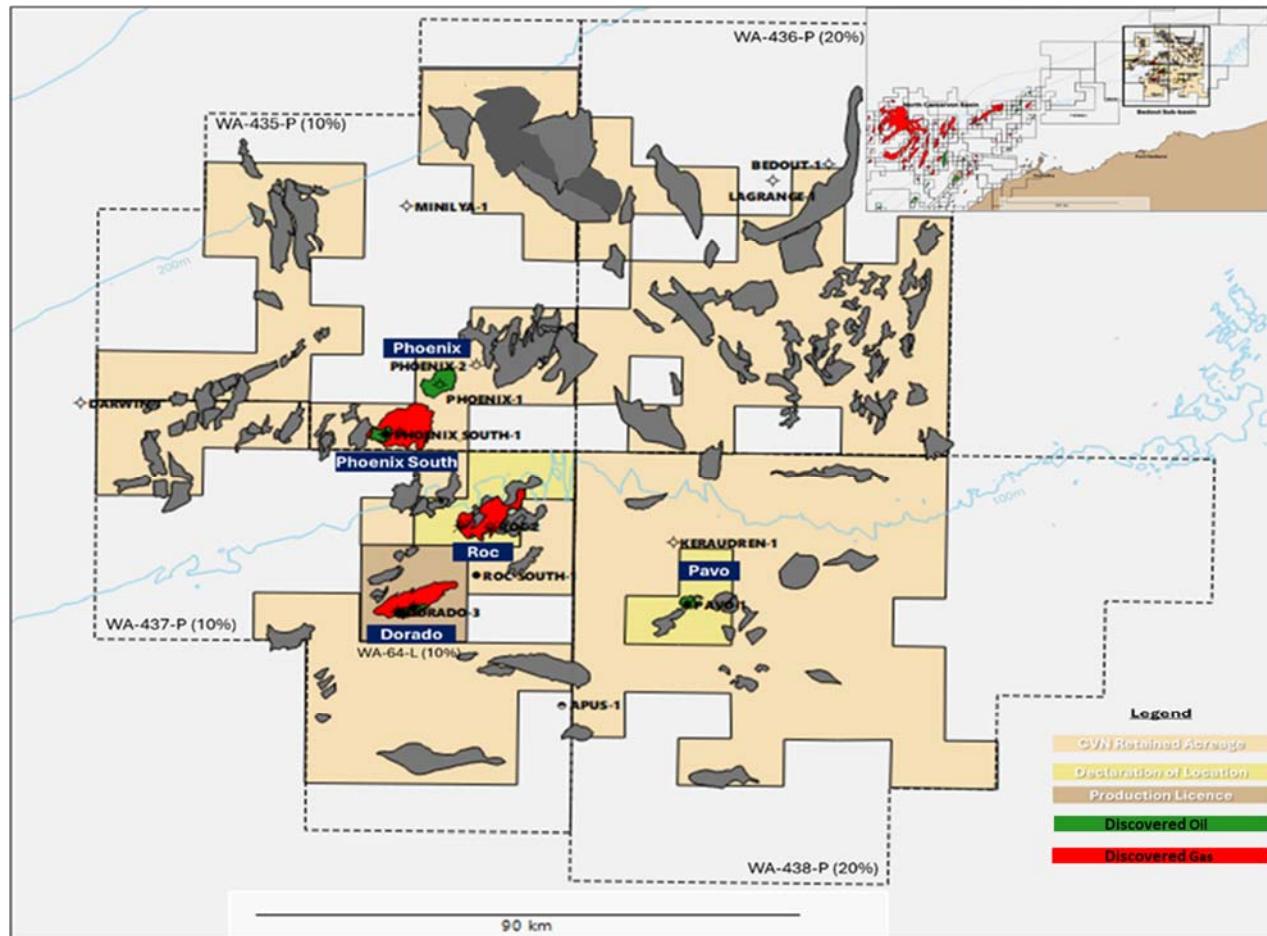


Figure 1: Project Map after Permit Renewal

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")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(428)	(428)
(e) administration and corporate costs	(930)	(930)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,259	1,259
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	38	38
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(61)	(61)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(410)	(410)
(e) investments	(86,539)	(86,539)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(86,949)	(86,949)
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)	(51)	(51)
3.10	Net cash from / (used in) financing activities	(51)	(51)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	186,144	186,144
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(61)	(61)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(86,949)	(86,949)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	(51)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(228)	(228)
4.6	Cash and cash equivalents at end of period	98,855	98,855

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	13,168	17,235
5.2	Call deposits	85,687	168,909
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)	98,855	186,144

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	-

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.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
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)	(61)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(410)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(471)
8.4	Cash and cash equivalents at quarter end (item 4.6)	98,855
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	98,855
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	210
<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: 30 October 2025

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.