

# OUR GOVERNANCE



## 2023 Highlights:



Operations completed with zero anti-bribery or corruption violations

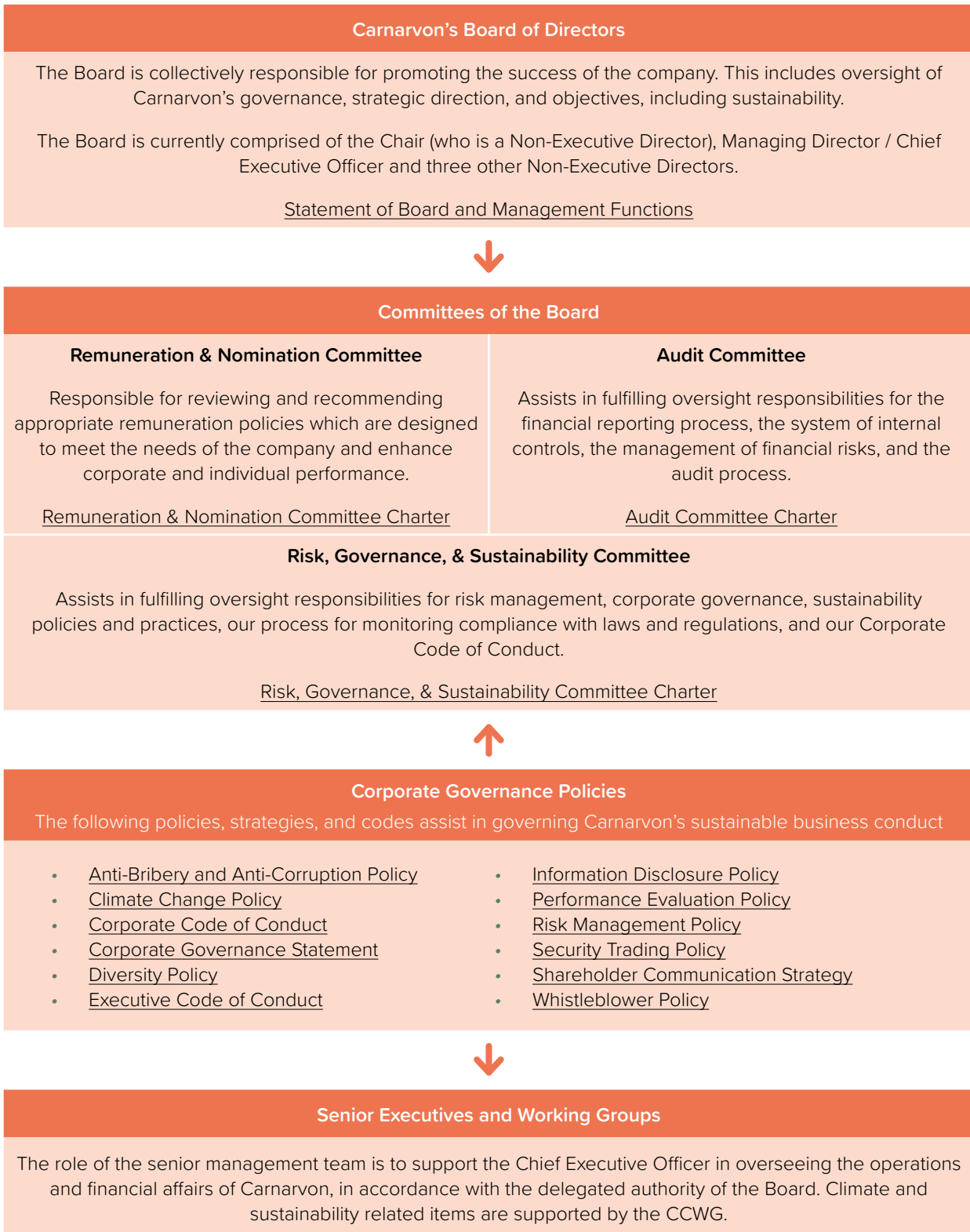
Carnarvon believes high standards of governance are critical to delivering our strategy, creating long-term shareholder value, and maintaining our social licence to operate.

Oversight of Carnarvon's impacts on the economy, environment, and people sits with its highest governance body, the Board of Directors. The Board delegates responsibility for management of Carnarvon's business activities to the Chief Executive Officer, who is 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 our latest [Corporate Governance Statement](#).

In the reporting period, Carnarvon's business activities were undertaken and completed with zero anti-bribery and corruption violations.

# OUR GOVERNANCE


## GOVERNANCE STRUCTURE





# OUR GOVERNANCE

## ECONOMIC IMPACT

### 2023 Highlights:

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Completion of partial divestment of Bedout assets to CPC Corporation, Taiwan
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FEED for Dorado development substantively complete
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Pavo integration studies finalised

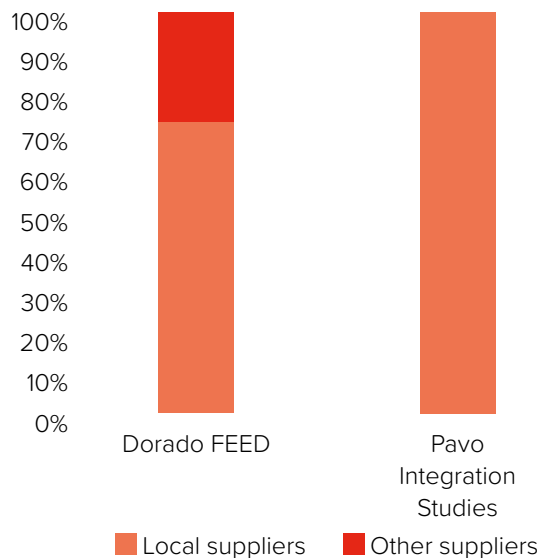
Carnarvon contributes to the national and regional economies in which we operate. Carnarvon’s annual report provides an overview of our economic performance in FY23, and can be found on our [website](#).

During the year, Carnarvon executed a binding agreement with CPC to divest a 10% interest in Carnarvon’s Bedout assets, including the Dorado field, for a total cash consideration of US\$148 million. The CPC transaction is transformative for Carnarvon, providing the bulk of funding for the Dorado development, as well as allowing the company to unlock the substantial exploration potential across its Bedout assets.

FEED for the Dorado development was substantively complete during the reporting period, with studies for the integration of the Pavo field with the Dorado Phase 1 liquids development also undertaken. The Pavo integration studies confirmed Pavo can be tied-back to the Dorado facilities, allowing the Pavo resource to backfill production from the Dorado field at a low unit cost once production rates begin to naturally decline after 2 – 3 years. Interpretation of new 3D seismic by the joint venture identified more than 100 prospects across Carnarvon’s Bedout assets, with a significant prospective resource reported to the market following the end of the reporting period.

The majority of expenditure associated with the completion of Dorado FEED, and the Pavo integration studies, was spent on local suppliers, as indicated by the below graph. As stated in our Non-Discrimination and Equal Opportunity chapter (page 29), ‘local’ is defined as residing in Western Australia as this is where Carnarvon’s operations reside.

**Procurement budget spent on local suppliers**



### Looking ahead to 2024

In the coming period, Carnarvon intends to work closely with the Dorado operator, and joint venture, to progress the Dorado development to FID.

We will also seek to drive share price growth through the realisation of Dorado FID, firming up the next drilling targets in the Bedout Exploration Permits and new business opportunities driven by value generation and returns on investment.

#### Our 2024 Goal

- Share price performance year on year.

# OUR GOVERNANCE

## ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

### 2023 Highlights:



Annual review of risks completed



ISO 55001 accreditation

At Carnarvon we recognise that risk is inherent in our business, and that managing risk is essential to our continuing success. To us, success means maintaining the health and safety of our staff and the integrity of the natural environments in which we operate. Carnarvon is committed to identifying, evaluating, and treating all risks in a proactive and effective manner.

### Our approach in 2023

Carnarvon did not undertake any drilling operations during the reporting period. Nevertheless, our Incident Management Team (IMT) and Crisis Management Team (CMT) both remained active, with a focus on updating relevant procedures, and maintaining emergency preparedness.

Close to the end of the reporting period, Carnarvon achieved ISO 55001:2014 accreditation, providing the necessary external certification of our Asset Management System. ISO 55001 accreditation means Carnarvon is positioned for future operations, and provides a strong endorsement of the operational capability of our small, but experienced, team.

We continue to align sustainability and risk management through our RGS Committee and corporate risk register. Risks are assessed with consideration given to potential health, safety, environmental, community, reputational, legal, and financial impacts. Materials risks are managed across our business activities, functions, and processes via our risk management software, CGR, with day-to-day management by our Business Process Manager and General Counsel, and oversight by Management. The RGS Committee provides the final level of risk review, in addition to its overall responsibilities for corporate governance and sustainability, with ultimate endorsement of the company's 'top risks' by the Board.

More details on the RGS Committee, including its charter, are available on the Carnarvon [website](#).

### Looking ahead to 2024

For the coming period, Carnarvon will continue to aim for the highest standards of health, safety, and environmental stewardship through the management of risk and asset integrity. This includes following all required standards and on-going training and development of our staff.

### Our 2024 Goal

- Ensure the Dorado production facilities will be constructed in accordance with required standards and specifications