

## ASX ANNOUNCEMENT

# Minimum holding buy-back

11 September 2023

Carnarvon Energy Limited (**Carnarvon**) is pleased to advise that it intends to undertake a minimum holding buy-back of unmarketable parcels of shares in the company (being a shareholding with a value of less than \$500) (**Buy-Back**).

The Buy-Back will allow shareholders who hold an unmarketable parcel of shares (**Eligible Shareholders**) to sell their shares back to the company at the price of \$0.155 per share, being the 5-day volume weighted average price (VWAP) of Carnarvon shares at the close of trade on 6 September 2023.

The Buy-Back will allow Eligible Shareholders to sell their shares without incurring brokerage and other expenses (excluding any tax consequences associated with the share sale). It will also assist Carnarvon in reducing the administrative costs associated with maintaining several thousand very small shareholdings. All shares purchased under the Buy-Back will be cancelled.

Eligible Shareholders can choose to retain their shareholding by following the process in the **attached** letter, which has been sent to each Eligible Shareholder and provides full details about the Buy-Back.

Approved for release by:



Alex Doering  
**Chief Financial Officer and Joint Company Secretary**  
Carnarvon Energy Limited

## Investors

Alex Doering  
**Chief Financial Officer**

**P:** +61 (0)8 9321 2665  
**E:** [investor.relations@cvn.com.au](mailto:investor.relations@cvn.com.au)

## Media

Josh Nyman  
**General Manager, Spoke Corporate**

**P:** +61 (0)413 243 440  
**E:** [josh@hellospoke.com.au](mailto:josh@hellospoke.com.au)

11 September 2023

Dear Shareholder

Carnarvon Energy Limited (ACN 002 688 851) (ASX: CVN) (**Carnarvon**) is writing to advise that it intends to undertake a minimum holding buy-back of Carnarvon shares (**Buy-Back**) for shareholders of unmarketable parcels of shares (being a shareholding with a value of less than \$500) (**Eligible Shareholders**) as at 5.00pm (AWST) on Wednesday, 6 September 2023 (**Record Date**).

Our records indicate that you are an Eligible Shareholder, and therefore your shareholding has been included in the Buy-Back.

Carnarvon is undertaking the Buy-Back to reduce the administrative and registry costs associated with maintaining several thousand very small shareholdings, as well as to allow Eligible Shareholders to dispose of their shares without incurring brokerage fees and other expenses. The Buy-Back will be undertaken under the terms set out in this letter (and the accompanying schedule) and in accordance with Carnarvon's constitution (**Constitution**), the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**) and the procedure in Division 2 of Part 2J.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Buy-Back will allow Eligible Shareholders to sell their shares back to Carnarvon at the price of \$0.155 per share (**Buy-Back Price**), being the 5-day volume weighted average price (**VWAP**) of Carnarvon shares at the close of trade on the Record Date (**5-day VWAP**).

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares (**Unmarketable Parcel**). Based on Carnarvon's share register as of the Record Date, and the closing price of Carnarvon's shares on that day (being \$0.155):

- (i) an Unmarketable Parcel of shares is any shareholding of 3,225 shares or less;
- (ii) 2,047 shareholders hold an Unmarketable Parcel, comprising 17.26% of Carnarvon's total shareholder base of 11,879 shareholders; and
- (iii) the aggregate value of Carnarvon shares held by Eligible Shareholders is \$504,363.

All shares purchased by Carnarvon under the Buy-Back will be cancelled in accordance with the Corporations Act.

Carnarvon will pay all costs relating to the Buy-Back (excluding any tax consequences from the Buy-Back which remain the responsibility of Eligible Shareholders).

#### **What do I need to do?**

As a holder of an Unmarketable Parcel as at the Record Date, your options are described below:

1. *Have your Unmarketable Parcel bought-back by Carnarvon* – if you want Carnarvon to buy back your Unmarketable Parcel at the Buy-Back Price, you should **take no action**. By refraining from

taking any action, you will be deemed to have irrevocably appointed Carnarvon to buy back all of your shares at the Buy-Back Price and to provide you with the relevant proceeds as set out in this letter.

2. *Retain your Unmarketable Parcel* - if you wish to retain your shares, **you must**:

- (i) complete the enclosed Share Retention Form and return it to the company's share registry, Link Market Services (**Share Registry**), by no later than 5.00pm (AWST) on 24 October 2023 (**Closing Date**). If your completed Share Retention Form is not received by the Share Registry by the Closing Date, your shares will be bought back by Carnarvon in accordance with the terms of the Buy-Back;
- (ii) acquire additional shares in Carnarvon on-market so the value of your shareholding is noted on Carnarvon's share register as being more than \$500 (that is, a marketable parcel) as at the Closing Date; or
- (iii) if you hold shares in multiple shareholdings that, when aggregated, constitute a shareholding with a value more than \$500 (that is, a marketable parcel), arrange to have those holdings merged into one shareholding so that the value of your shareholding is noted on Carnarvon's share register as being more than \$500 (that is, a marketable parcel) as at the Closing Date.

If you choose to complete and return a Share Retention Form as outlined in step 2(i) above, you are advised to allow reasonable time for it to be received by the Share Registry by the Closing Date. If you choose to acquire additional shares or merge multiple shareholdings as outlined in step 2(ii) or step 2(iii) above, you are advised to allow reasonable time for these actions to be effected on Carnarvon's share register by the Closing Date.

If you do not take any of these steps by the Closing Date and your shareholding constitutes an Unmarketable Parcel at the Closing Date (i.e. the market value of your shares remains less than \$500), then your shares will be bought back by Carnarvon, and you will be sent payment for your shares.

You should be aware that the fact that your shareholding is described in this letter as an "unmarketable parcel" does not mean that you cannot sell your shares at any time. The use of the term "unmarketable parcel" in this letter is to identify the value of shares which are eligible for sale through the Buy-Back.

**Key dates**

5.00pm (AWST) on 6 September 2023	Record Date
11 September 2023	Announcement of Buy-Back and dispatch of letter and Share Retention Form to Eligible Shareholders
3.00pm (AWST) on 24 October 2023	Closing Date for receipt of Share Retention Forms / period to opt-out of Buy-Back
27 October 2023	Announcement of the outcome of the Buy-Back / cancellation of shares
3 November 2023	Remittance of proceeds to Eligible Shareholders whose shares are bought back under the Buy-Back

Subject to the ASX Listing Rules, the Corporations Act and its Constitution, Carnarvon may modify these dates or vary, suspend or terminate the Buy-Back. Any modification, variation, suspension or termination will be notified by written notice to the ASX.

### **Further important information**

This letter provides information about the Buy-Back and the choices that are available to you.

Carnarvon will not buy-back your shares if you wish to retain your shareholding. In this case, please follow one of the steps outlined above in respect of retaining an Unmarketable Parcel.

While Carnarvon will pay for brokerage and handling costs associated with the buyback of shares through the Buy-Back, any taxation consequences from the buyback will be the shareholder's responsibility. If you have questions about taxation consequences, please seek the independent advice of a legal, financial or taxation adviser.

Carnarvon makes no recommendation as to whether you should participate in this Buy-Back, whether or how you should sell your shares or the value of your shares. If you have questions about whether to retain or sell your shares, you should consult a legal, financial or taxation adviser.

This letter (including the accompanying schedule) does not constitute advice, nor does it contain a recommendation to sell, buy or hold shares in Carnarvon.

For further important information about the Buy-Back, please read the **attached** schedule to this letter containing frequently asked questions.

If, after reading this letter in its entirety (including the accompanying schedule), you still have questions or need further information about the Buy-Back, please contact the Share Registry on 1300 554 474 or the Company Secretaries, Mr Alex Doering or Mr Gavan Sproule, on +61 8 9321 2665.

Yours faithfully



Bill Foster  
**Chair**  
**Carnarvon Energy Limited**

## Schedule - Frequently Asked Questions

1. *Who is eligible to participate in the Buy-Back?*

Shareholders are eligible to participate in the Buy-Back if they held one or more shareholding(s) in Carnarvon valued at less than \$500 (**Unmarketable Parcel**) as at the Record Date.

Based on the closing price of \$0.155 per share on the Record Date, an Unmarketable Parcel of shares in Carnarvon is any shareholding of 3,225 shares or less. Carnarvon shareholders who hold 3,226 shares or more on the Record Date **will not** be eligible to participate in the Buy-Back.

2. *If my shares are bought back through the Buy-Back, how much will I receive per share?*

If your Unmarketable Parcel is bought back through the Buy-Back you will receive the Buy-Back Price of \$0.155 per share, determined using the 5-day VWAP.

It is important to note that the market price of Carnarvon's shares may change from time-to-time. The Buy-Back Price may be more, or less, than the actual market price at the time of the Buy-Back and may not be the best price obtainable on the day on which your shares are bought back. Information on the price of Carnarvon's shares can be obtained via the financial press, or through the ASX ([www.asx.com.au](http://www.asx.com.au)) using the company's ASX code "CVN".

3. *What do I need to do to sell my shares?*

Nothing. Your Unmarketable Parcel will be bought back through the Buy-Back unless:

- (i) by the Closing Date, you return the Share Retention Form, or increase the value of your shareholding to more than \$500 (that is, a marketable parcel) by acquiring additional Carnarvon shares on-market or merging multiple holdings; or
- (ii) the market value of your Carnarvon shares increases before the Closing Date so that your shares that were previously identified by Carnarvon as constituting an Unmarketable Parcel become a 'marketable parcel' (i.e. their value becomes greater than \$500) as at the Closing Date.

4. *If my shares are bought back through the Buy-Back, how much will I receive?*

The total amount that you will receive for an Unmarketable Parcel through the Buy-Back will be the number of shares in that Unmarketable Parcel multiplied by Buy Back Price.

5. *Do I need to pay anything if I participate in the Buy-Back?*

Carnarvon will pay all costs and expenses arising in connection with the Buy-Back. Any tax consequences from the Buy-Back will be your responsibility.

6. *If my shares are bought back through the Buy-Back, when and how will I receive the proceeds from the Buy-Back?*

If your Unmarketable Parcel is bought back through the Buy-Back, it is anticipated the proceeds will be remitted to you on 3 November 2023 by payment to your nominated bank

account or by cheque to your registered postal address for your shareholding. The payment advice will display the number of shares bought back, and the proceeds.

If you have previously nominated to receive communications electronically and your bank account details have been provided to the Share Registry, payment will be made to you by direct credit to the bank account details provided.

You can update your bank account details prior to the Closing Date by visiting <https://investorcentre.linkgroup.com/Login/Login>. This also applies if you are an issuer sponsored shareholder and need to update your address. If you have a CHESSE sponsored holding and need to update your address, you will need to contact your controlling participant.

7. *What are the tax consequences of having my shares sold through the Buy-Back?*

The tax outcomes of participating in the Buy-Back will vary depending on your particular circumstances. The comments below relate only to shareholders who are individuals and hold their shares on capital account, all other shareholders will need to consider the tax consequences of the Buy-Back independently.

It is Carnarvon's view the proceeds received from the Buy-Back will be entirely treated as a return of capital (where no component of the proceeds constitutes a dividend), resulting in a Capital Gains Tax (CGT) event.

If you are an Australian tax resident shareholder, you will need to calculate a capital gain or capital loss. Details of the CGT event is required to be disclosed in your income tax return, regardless of whether you are required to pay tax on the event.

If you are not an Australian tax resident, you may be entitled to disregard the capital gain or loss for the purposes of calculating your Australian taxable income. You may still have a tax liability in your country of residence.

It is strongly recommended that you consult with a financial or taxation adviser on the tax consequences arising from the Buy-Back.

8. *Can I sell some, but not all, of my shares through the Buy-Back?*

No, you may not sell only a part of an Unmarketable Parcel through the Buy-Back. If you choose to participate in the Buy-Back, your entire Unmarketable Parcel will be bought back by Carnarvon.

9. *If I buy more shares, will my shareholding be bought back?*

Your Unmarketable Parcel will not be bought back if you acquire additional Carnarvon shares on-market so the value of your shareholding is noted on Carnarvon's share register as being more than \$500 (that is, a marketable parcel) as at the Closing Date.

Any additional shares acquired must be registered by the Closing Date, under the same name and address and with the same holder number as set out in the accompanying Share Retention Form.

10. *What do I do if I have multiple Unmarketable Parcels?*

If there is more than one Unmarketable Parcel registered under your name, you will receive

this letter and a Share Retention Form for each Unmarketable Parcel held by you.

If you would like to keep one or more of your Unmarketable Parcels, you may take one of the following actions:

- (i) complete the enclosed Share Retention Form for each Unmarketable Parcel that you would like to keep and return it to the Share Registry by the Closing Date;
- (ii) acquire additional shares in Carnarvon on-market so that each of the Unmarketable Parcels that you would like to keep has a value of more than \$500 (that is, a marketable parcel) as at the Closing Date; or
- (iii) if the Unmarketable Parcels that you hold together constitute a parcel of shares with a value of more than \$500 (that is, a marketable parcel), arrange to have those holdings consolidated into one shareholding so that the value of your shareholding is more than \$500 as at the Closing Date.

11. *Do I have to participate in the Buy-Back?*

No – Carnarvon will not buy-back your shares if you wish to retain your shareholding. However, if you do not want to participate in the Buy-Back, **you must**:

- (i) complete the Share Retention Form and return it to the Share Registry by no later than the Closing Date; or
- (ii) increase the value of your shareholding to more than \$500 (that is, a marketable parcel) by either acquiring additional Carnarvon shares on-market or merging multiple holdings so that the value of your shareholding is noted on Carnarvon's share register as being more than \$500 as at the Closing Date.

Alternatively, you may sell your shares on-market prior to the Closing Date if you no longer wish to retain your shareholding and do not want to participate in the Buy-Back (and receive the Buy-Back Price for your shares).

12. *Who do I contact if I have further questions?*

If you have any further questions about the Buy-Back, you may contact the Share Registry on 1300 554 474 or the Company Secretaries, Mr Alex Doering or Mr Gavan Sproule, on +61 8 9321 2665.



ABN 60 002 688 851

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 554 474  
From outside Australia: +61 1300 554 474  
Facsimile: +61 2 9287 0303  
ASX Code: CVN  
Website: www.linkmarketservices.com.au

**IID:**  
**SRN/HIN:**  
**Number of shares held as at  
the Record Date, 5:00pm (AWST)  
on 06 September 2023:**

**IMPORTANT NOTICE**

Please return this slip if you do not wish your shares in Carnarvon Energy Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

**SHARE RETENTION FORM**

If you wish to retain your shareholding in Carnarvon Energy Limited, you must detach this slip and return it to Carnarvon Energy Limited's Registry, so that it is received no later than 3:00pm (AWST), on 24 October 2023. Slips may be mailed to the addresses below.

**Mailing Address**

Carnarvon Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED  
BY NO LATER THAN 3:00PM (AWST) ON 24 OCTOBER 2023**

If you require further information regarding this form, please contact the Link Market Services on 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia) between 8:30am and 5:30pm (Sydney Time) Monday to Friday.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

*Please detach*



**IID:**  
**SRN/HIN:**



**RETENTION SLIP**

I/We the shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our shareholding in Carnarvon Energy Limited.

**DO NOT SELL MY SHARES**

**CONTACT DETAILS – Telephone number**

( )

**Telephone number – after hours**

( )

**Contact name**