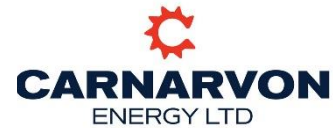


Renewable diesel MoU signed with Horizon Power

12 July 2022



Highlights

- Memorandum of Understanding executed with Horizon Power to collaborate on the development and production of renewable diesel in regional Western Australia
- Collaboration with Carnarvon's renewable diesel business, FutureEnergy Australia, provides the opportunity for Horizon Power to accelerate the decarbonisation of regional power generation through the use of renewable diesel
- Alignment with Horizon Power is consistent with Carnarvon's ambition to build a significant renewable fuels business in Western Australia

Carnarvon Energy Limited ("Carnarvon") (ASX:CVN) is pleased to announce its renewable diesel business FutureEnergy Australia ("FEA") (50% owned by CVN), has signed a non-binding Memorandum of Understanding ("MoU") with the regional Western Australian power provider Horizon Power.

The MoU provides a framework for the organisations to pursue a strategic partnership on renewable diesel project development and production.

The strategic partnership with Horizon Power is intended to canvas a wide range of opportunities, including direct investment into renewable diesel projects, offtake, power purchase agreements and new site locations.

Horizon Power's service area includes 34 microgrids and connected systems in the Kimberley, Pilbara, Gascoyne/Mid-West, and Esperance/Goldfields regions of Western Australia. These regional areas are proximal to new potential renewable diesel project locations identified by FEA.

Horizon Power and FEA acknowledge they have complementary business objectives in building and scaling up renewable diesel production capacity in regional Western Australia.

Horizon Power Chief Financial Officer Mike Houlahan said:

"Horizon Power has set objectives to decarbonise its power generation operations in remote regional communities by 2030. The lack of infrastructure in these regional communities means that substituting mineral diesel with renewable diesel is a critical decarbonisation enabler."

Carnarvon Managing Director and CEO Adrian Cook said:

"Carnarvon aims to build a significant renewable fuels business in Western Australia, with 500 million litres per annum production by 2030. Support from Horizon Power is a recognition of the tangibility of the renewable fuels business and highlights the significant demand for domestically produced renewable diesel."

"We are excited to work with Horizon Power as a strategic partner to develop and produce renewable diesel. Horizon Power and FEA share many core values in delivering better economic and carbon outcomes for regional Western Australians."

Approved by:



Adrian Cook

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Forward looking information

This announcement 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.