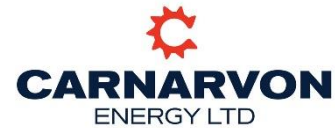


Renewable diesel project awarded Clean Energy Future Fund grant

11 April 2022



Highlights

- **Renewable diesel project (Carnarvon 50%) awarded \$2 million Clean Energy Future Fund grant**
- **Funds will be invested in project development, preliminary site works, engineering procurement, construction, and commissioning**
- **The project is currently in the engineering phase with Technip Energies, a leading energy transition engineering and construction company**

Carnarvon Energy Limited (“**Carnarvon**”) (ASX:CVN) is pleased to announce its renewable diesel business FutureEnergy Australia, a 50:50 joint venture arrangement with Frontier Impact Group, has been awarded a \$2 million Clean Energy Future Fund grant from the WA State Government.

The funding provided by the Clean Energy Future Fund grant will go towards project development, preliminary site works, and engineering, procurement, construction, and commissioning (EPCC) activities for the first renewable diesel project in Narrogin.

On 10 March 2022 Carnarvon announced that a 12-month exclusive option to purchase a 65Ha site in the Shire of Narrogin was secured for the first project (see ASX announcement). Technical due diligence on the site is progressing well, and relevant regulatory approvals for the project are in preparation. In parallel, FutureEnergy Australia has commenced stakeholder consultations within the Shire of Narrogin to build awareness of the project’s importance to the region.

The business model of FutureEnergy Australia is to convert sustainably sourced woody biomass such as ecological thinnings, oil mallees and plant-based agricultural residues into renewable diesel using high-temperature pyrolysis.

Renewable diesel can replace conventional diesel without requiring modifications to diesel engines. It burns cleaner and has a lower emissions profile compared to conventional diesel. The produced renewable diesel also has the potential to be further refined into sustainable aviation fuel (SAF).

The high-temperature pyrolysis process also produces high-quality biochar and wood vinegar. FutureEnergy Australia is investigating the opportunity to refine the high-quality biochar into graphene, which has a number of attractive applications, including in the next generation of high-capacity, long-life, fast-charging batteries.

FutureEnergy Australia aims to develop multiple biorefinery projects across Western Australia, each producing commercial volumes of renewable diesel through net-carbon zero technology, and establish a substantial Australian-owned and operated renewable fuels business.

Carnarvon Managing Director and CEO Adrian Cook said:

“The project receiving a Clean Energy Future Fund grant acknowledges the clear benefits renewable diesel can bring to reducing carbon emissions and creating a carbon-neutral alternative fuel in Western Australia.

Our project has the potential to transform the approach to fuel production. The additional products produced in the biorefining process, namely biochar and wood vinegar, are also expected to provide significant benefits across a number of industries.

On behalf of Carnarvon and our joint venture partner, Frontier Impact Group, I thank the WA State Government for its support with our first biorefinery project.

We strongly believe that we have an incredible opportunity before us to create value for our shareholders and future business partners, generate important regional employment opportunities and make a significant carbon emission reduction by providing a product that customers can readily use once we are in production."

Approved by:



Adrian Cook
Managing Director
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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.