

Roc-1 Condensate Rich Gas Discovery

4 January 2016



Highlights

- Condensate rich gas recovered to surface
- Condensate to gas ratio estimated at 20 to 40 barrels per million cubic feet of gas
- Reservoir quality permeability present from 4,380 metres to 4,420 metres
- Wireline log analysis confirms net 10 metres of hydrocarbon pay in the previously announced reservoir interval

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) provides the following update on drilling operations as advised by the operator of the Roc-1 well, Quadrant Energy.

Condensate rich gas has been recovered from the well using wireline logging tools.

Wireline logging over the interval from 4,380 metres to 4,420 metres has confirmed reservoir quality sands with net hydrocarbon interval of 10 metres from the gross 40 metre sand column.

Pressure testing has confirmed at least three discrete hydrocarbon columns in the section from 4,380 metres to 4,420 metres.

Formation fluid sampling has confirmed a liquids rich gas with a condensate ratio of 20 to 40 barrels per million cubic feet being evaluated at the rig site using downhole instruments. The fluid type will be confirmed in laboratory testing once the sample bottles are dispatched from the rig.

Mobility observations during pressure testing indicate good quality reservoir with inferred permeability in the range from 10 to 100 millidarcy.

Managing Director's comments

Carnarvon's Managing Director, Mr Adrian Cook in commenting on the discovery said *"the information obtained while drilling the Roc-1 well confirms a live hydrocarbon system in the area, with indications at this early stage of evaluation that the condensate rich gas resides in reservoir capable of being recovered in a conventional manner."*

While the composition of the recovered hydrocarbons will need to be confirmed by laboratory tests, it appears the condensate rich gas is different to the Phoenix South-1 oil that had a high gas content.

The Roc-1 discovery, together with the information from the Phoenix South-1 discovery last year and the Phoenix-1 discovery in 1980, bodes well for this region and the broader prospectivity within the acreage held by Carnarvon and its partners.

Overall the Roc-1 result is exciting and encouraging both in terms of the results for the Roc target and the broader potential for the region given there is potential for both oil and condensate rich gas. The result also

demonstrates that we are in an exploratory phase in this region and more work is required before we fully understand its potential.”

Progress

Since the last report the wireline logging program has progressed.

Current Operations

As at 06:00 hours on 4 January 2016 the rig was completing the wireline program with the side wall core sampling.

Forward Plan

It is estimated to take around 24 to 48 hours to complete the sidewall borehole core sampling.

Following the completion of the sampling program, operations for this well will be complete and the well will be left in a safe condition with the joint venture deciding not to deepen the well or retain the well for future re-entry.

The hydrocarbons discovered in the Roc-1 well are interpreted to be in a down dip location on the structure close to the calculated gas water contact. The joint venture partners decided that testing at the potential crest of the structure with a later well designed for this sand would lead to higher confidence of achieving better results from a test program.

Location

The Roc-1 well is located in WA-437-P, approximately 20km south-east of the 2014 Phoenix South-1 oil discovery, and around 150km north of Port Hedland.

The equity interest holders in WA-437-P are:

Carnarvon Petroleum	20%
Quadrant Energy (<i>Operator</i>)	40%
JX Nippon	20%
Finder Exploration	20%

Yours faithfully



Adrian Cook
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