Buffalo-10 drilling update14 January 2022



Carnarvon Energy Limited ("Carnarvon") (ASX:CVN) is pleased to provide an update on the Buffalo-10 well.

Progress

The 13 $^3/_8$ " casing has been successfully cemented in place and the well head installed. The 12 4 " hole was drilled down to a depth of approximately 2,707 metres Measured Depth ("MD"), and the rig is preparing operations in order to set and cement the 9 $^5/_8$ " liner.

Forward Plan

Set and cement the 9 $^5/_8$ " liner and drill ahead in 8 $\frac{1}{2}$ " hole to planned well total depth of approximately 3,500 metres MD.

The Elang reservoir is anticipated to be encountered in the 8 ½" hole section.

Wireline logs will be run over the Elang reservoir before determining if the well will be completed and suspended for potential future production.

Comments

For operational efficiency, the 9 $^{5}/_{8}$ " casing will be set at around 2,700 metres MD, with the geological markers in the 12 $\frac{1}{4}$ " hole section having been intersected within the pre-drill range.

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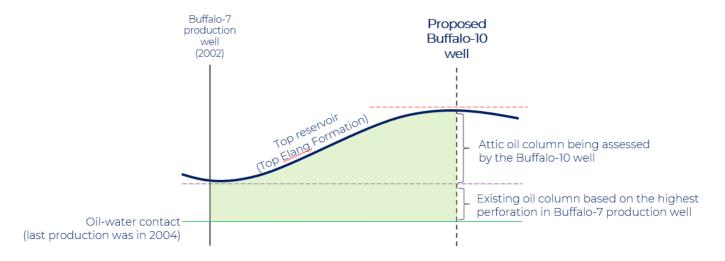


About Buffalo

The Buffalo project objective involves the redevelopment of the Buffalo oil field in the Timor Sea. The field resides in only 30 metres of water with a reservoir depth between 3,200 and 3,300 meters below the seabed.

The previous field proved the existence of very high deliverability reservoir containing high quality light oil that is expected to sell at a premium to Brent in today's market.

The Buffalo-10 well will penetrate the existing oil column (because the field was still producing when it was shut-in in 2004) to assess the extent of the revised mapped attic oil column as illustrated in the schematic diagram below:



Carnarvon's mid case recoverable volume estimate is 31 million barrels (gross, 2C contingent resource). With the minimum economic field size estimated to be significantly lower than the mid case estimate, there is a strong likelihood the Buffalo-10 well will confirm an economic project. Accordingly, Carnarvon's drilling plans provide for the Buffalo-10 well to be retained as the first production well in the redevelopment program.

For the above reasons, Carnarvon is working with its project partner, Advance Energy Plc, on plans to compress the timeline to first production once the Buffalo-10 well confirms a commercial oil resource. These plans include engaging with local industry for the supply and installation of suitable equipment to produce the oil.



Resource Information

The estimates of contingent resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Please refer to Carnarvon's ASX announcement on 28 August 2017 for more information

A combination of deterministic and probabilistic methods were used to prepare the estimates of these contingent resources.

The resource estimates outlined in this announcement were compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the company. Mr Huizenga has over 25 years' experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor Degree in Engineering, and a Masters Degree in Petroleum Engineering. Mr Huizenga is qualified in accordance with the ASX Listing Rules and has consented to the form and context of this announcement.

Carnarvon is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

Cautionary Statement

This announcement may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this announcement includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of reserves and potentially recoverable resources, and information on future production and project start-up. By their very nature, the forward-looking statements contained in this announcement require Carnarvon and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this announcement is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of Carnarvon. Although Carnarvon believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.

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