



CARNARVON
PETROLEUM LTD

AGM presentation by CEO

25 November 2016





The Resource estimates outlined in this report have been prepared 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 ASX Listing Rules and has consented to the form and context in which this statement appears.

All contingent and prospective resources presented in this report are prepared as at 14 November 2016 per the Company's announcement released to the ASX on 14 November 2016. The estimates of contingent and prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Carnarvon is not aware of any new information or data that materially affects the information included in this presentation and that all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed.

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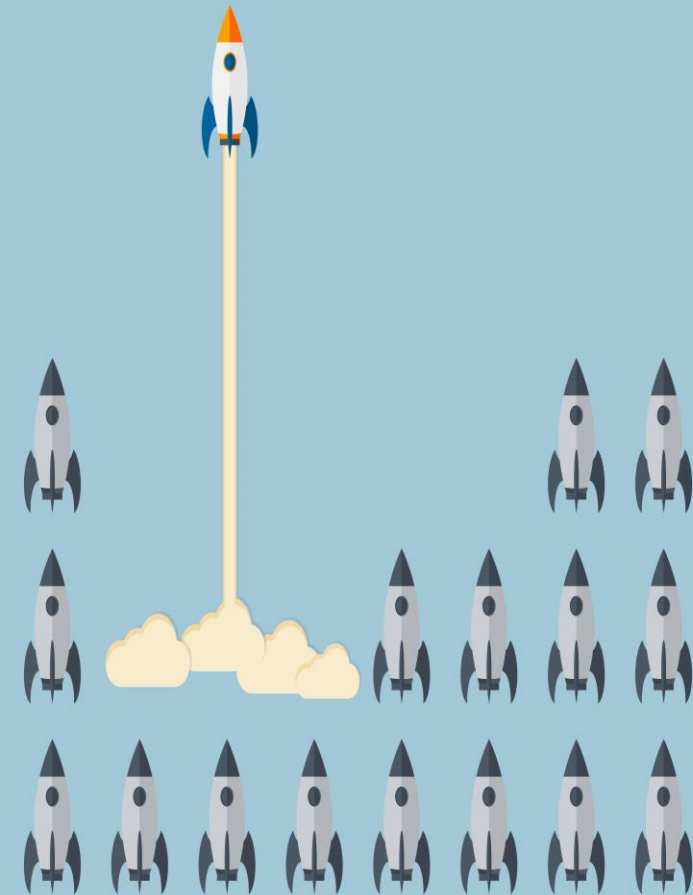
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Carnarvon business in 2016

NWS capability

THINK DIFFERENTLY

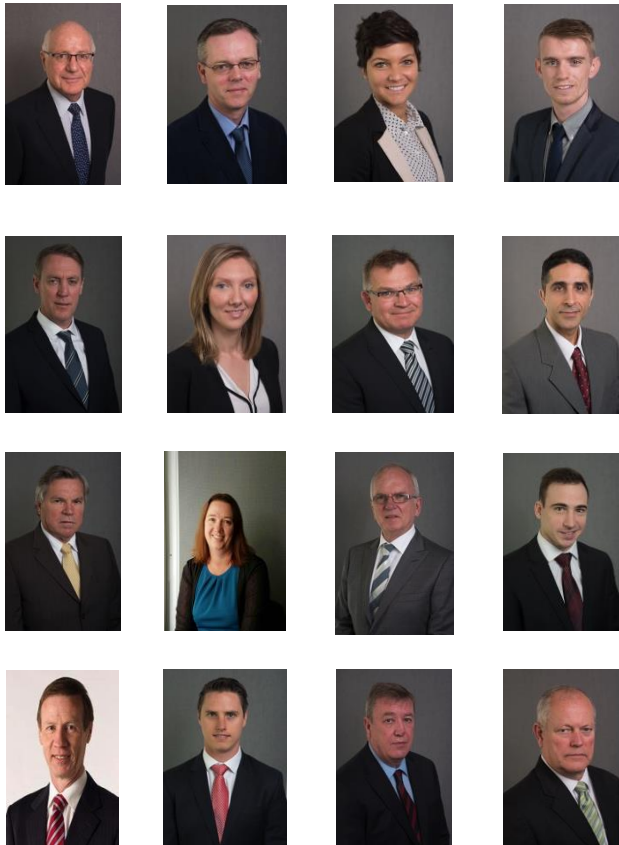


What we do.....NWS oil & gas exploration

- Identify **exploration opportunities** based on detailed regional geological work;
- Acquire **new data** and or apply new technology to add value;
- Work with **like minded partners** with operating skills and financial capability;
- Look for **value realization**, considering resource volumes, markets, risks, costs and funding.

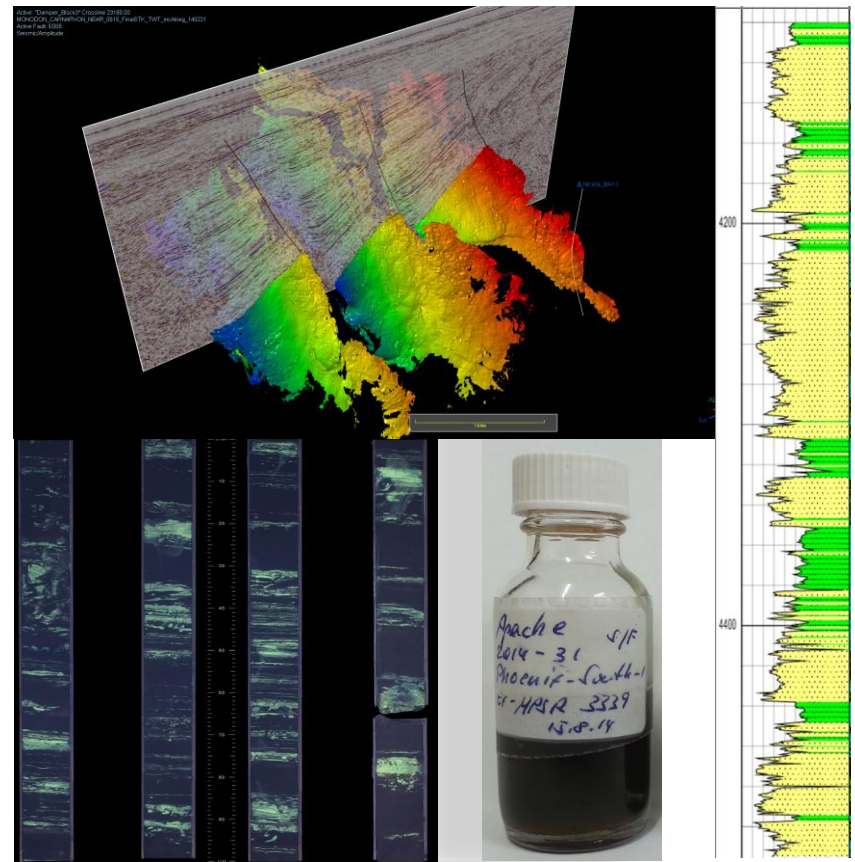
People

Using the collective skills and experience to find oil and gas.



Data

Using proprietary information to improve project selection.





Market value of CVN	\$115 million
- Cash (30 Sept. 2016)	\$65 million
= Enterprise value (“EV”)	\$50 million
EV/2C value (FAR look through)	\$3.40/bbl
= 2C of	15 mmboe

CVN boe.....mid case

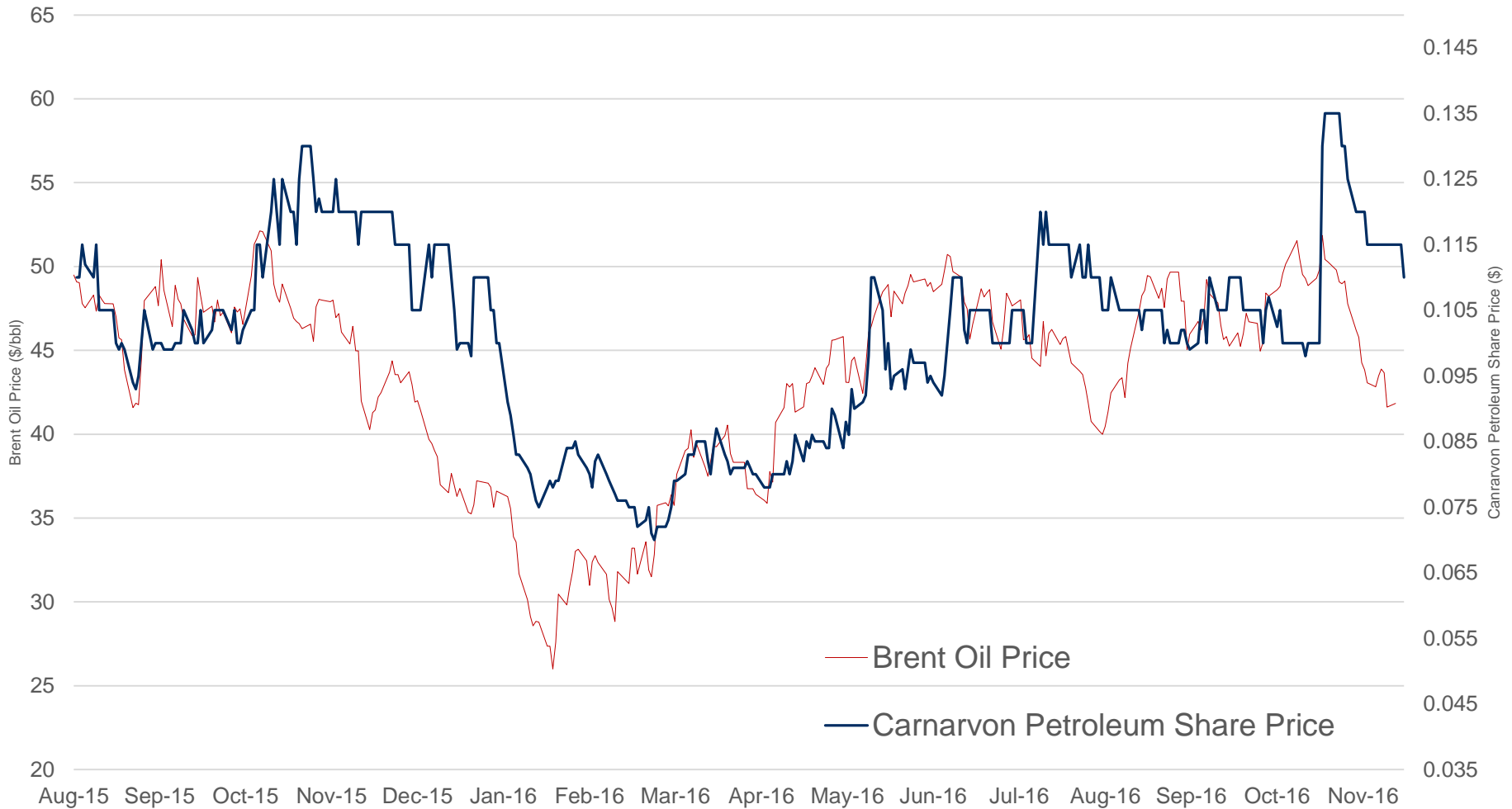
Already discovered 2C	22 mmboe
+ Drilling now	21 mmboe
+ Prospects to tie-back	183 mmboe

15 times.....value in both gas and liquids

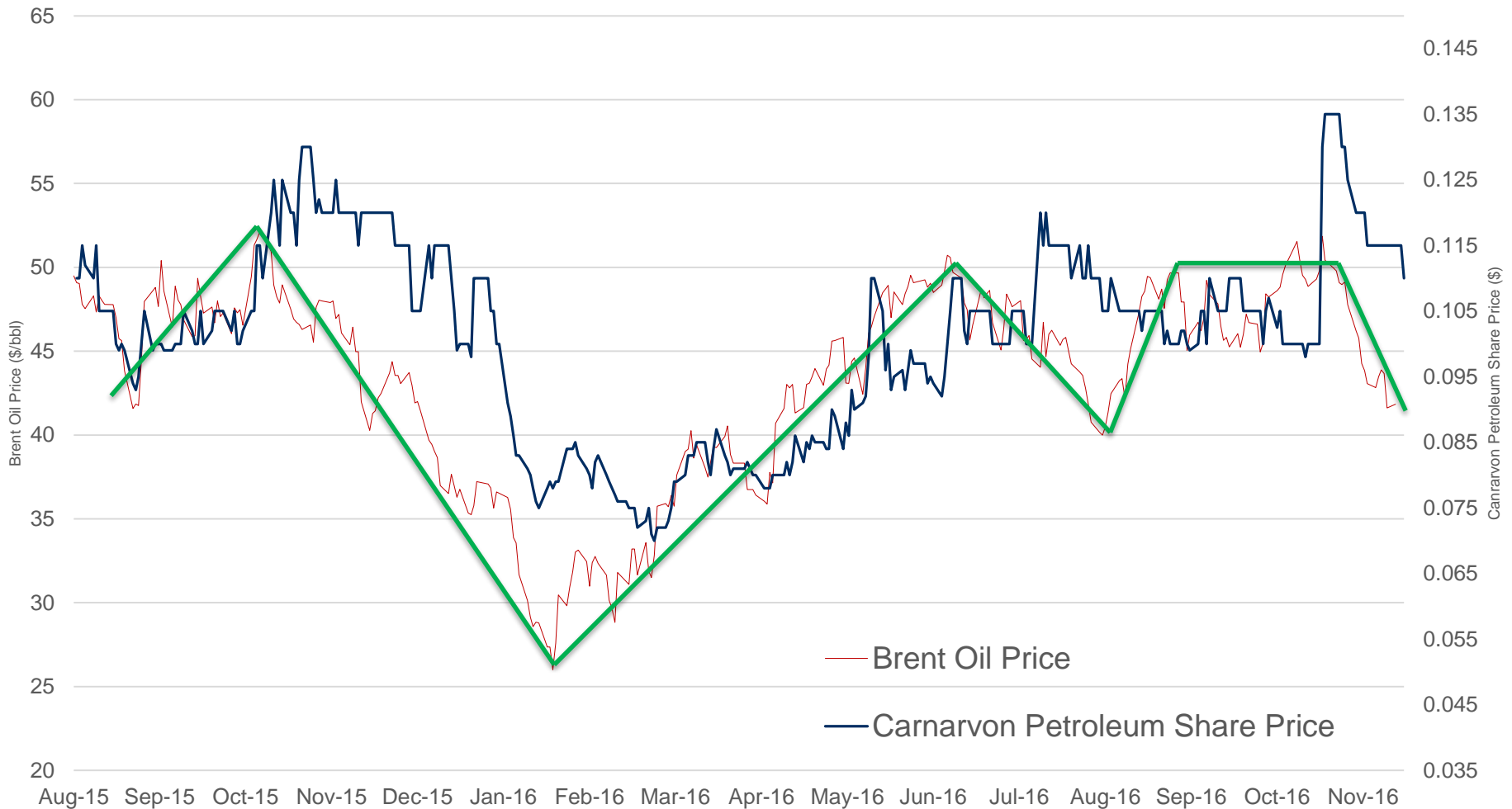


CVN's Roc-2 well flow test

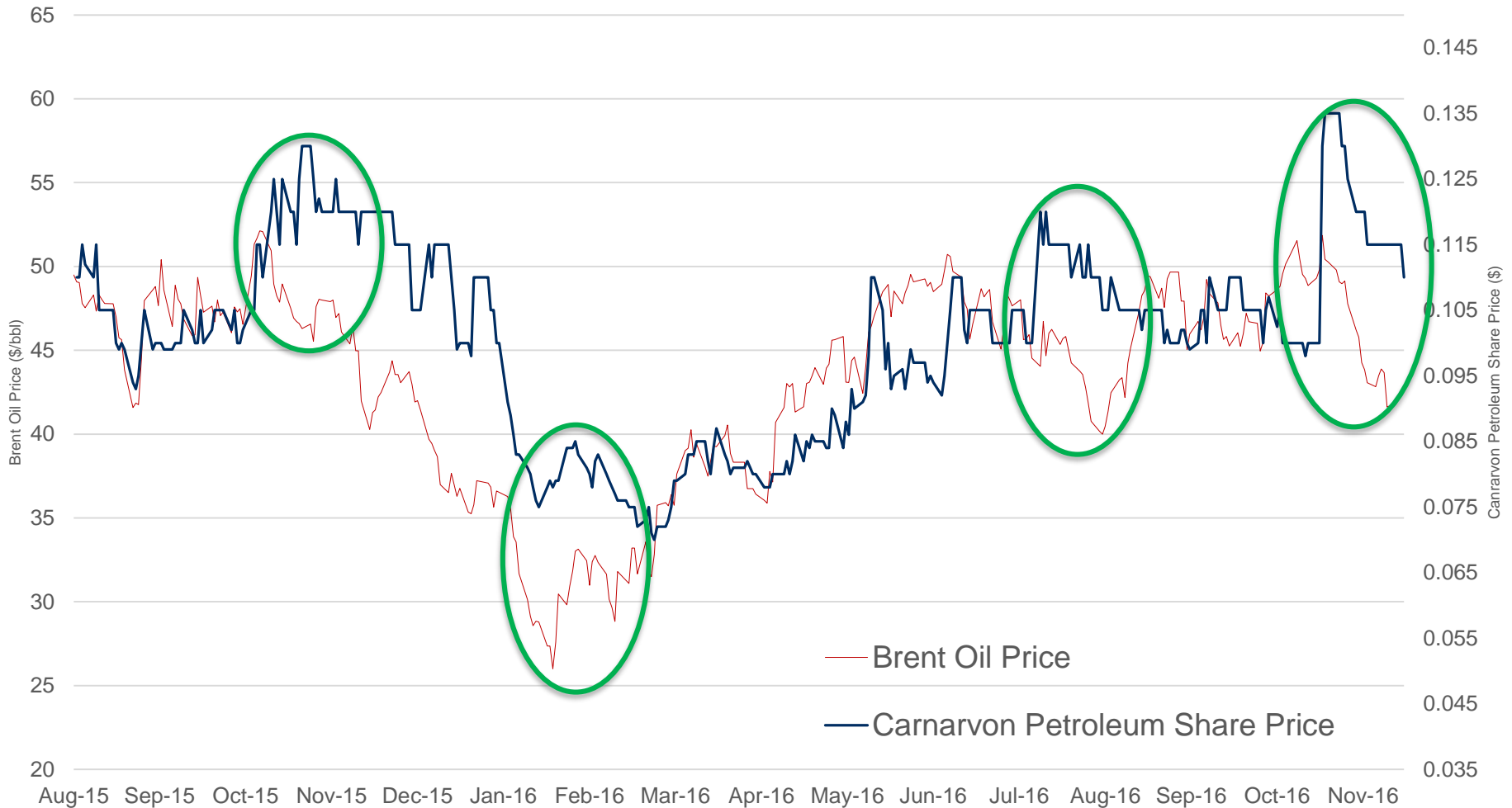
CVN share price vs Brent



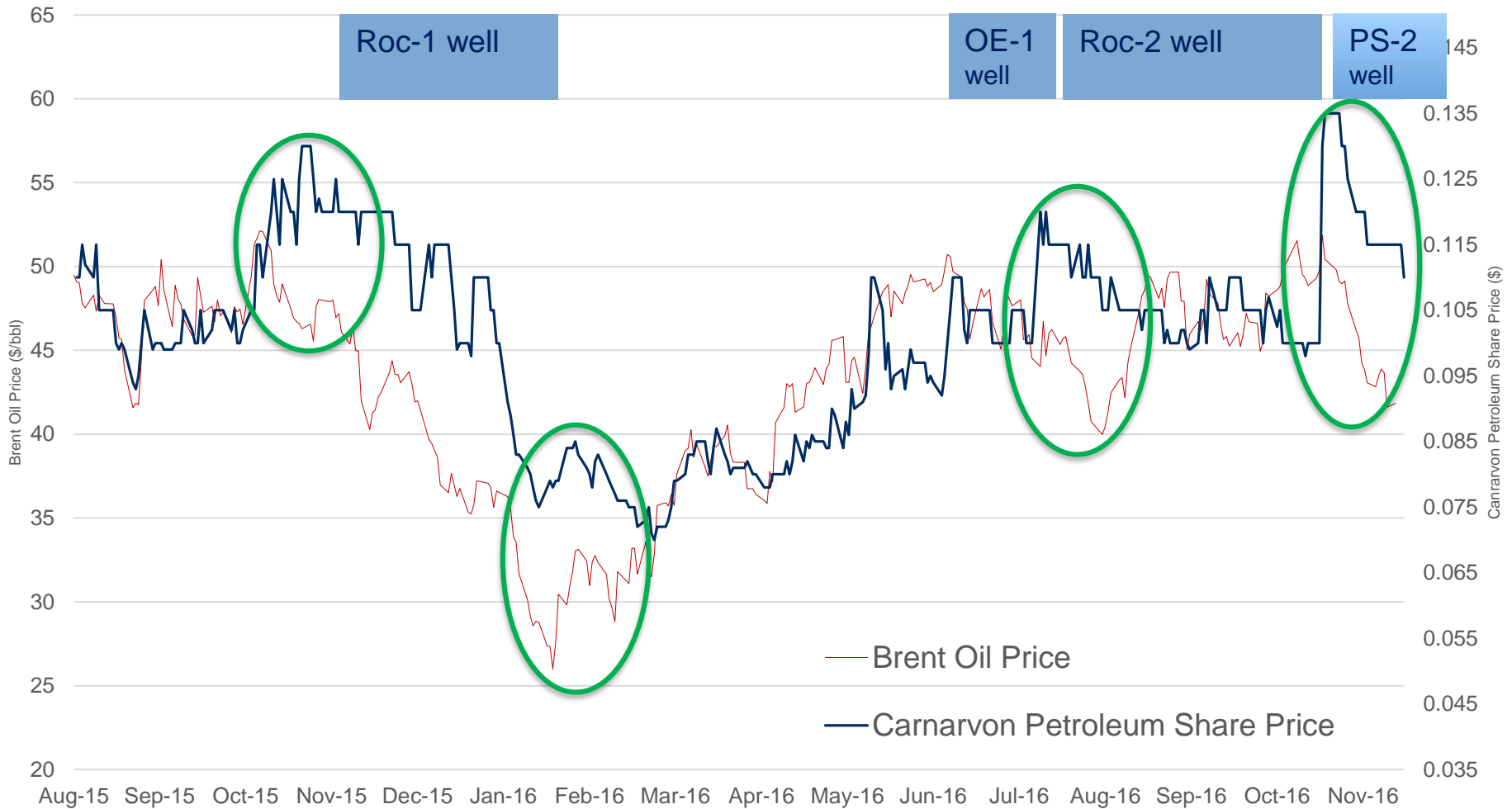
Oil price further challenged in 2016



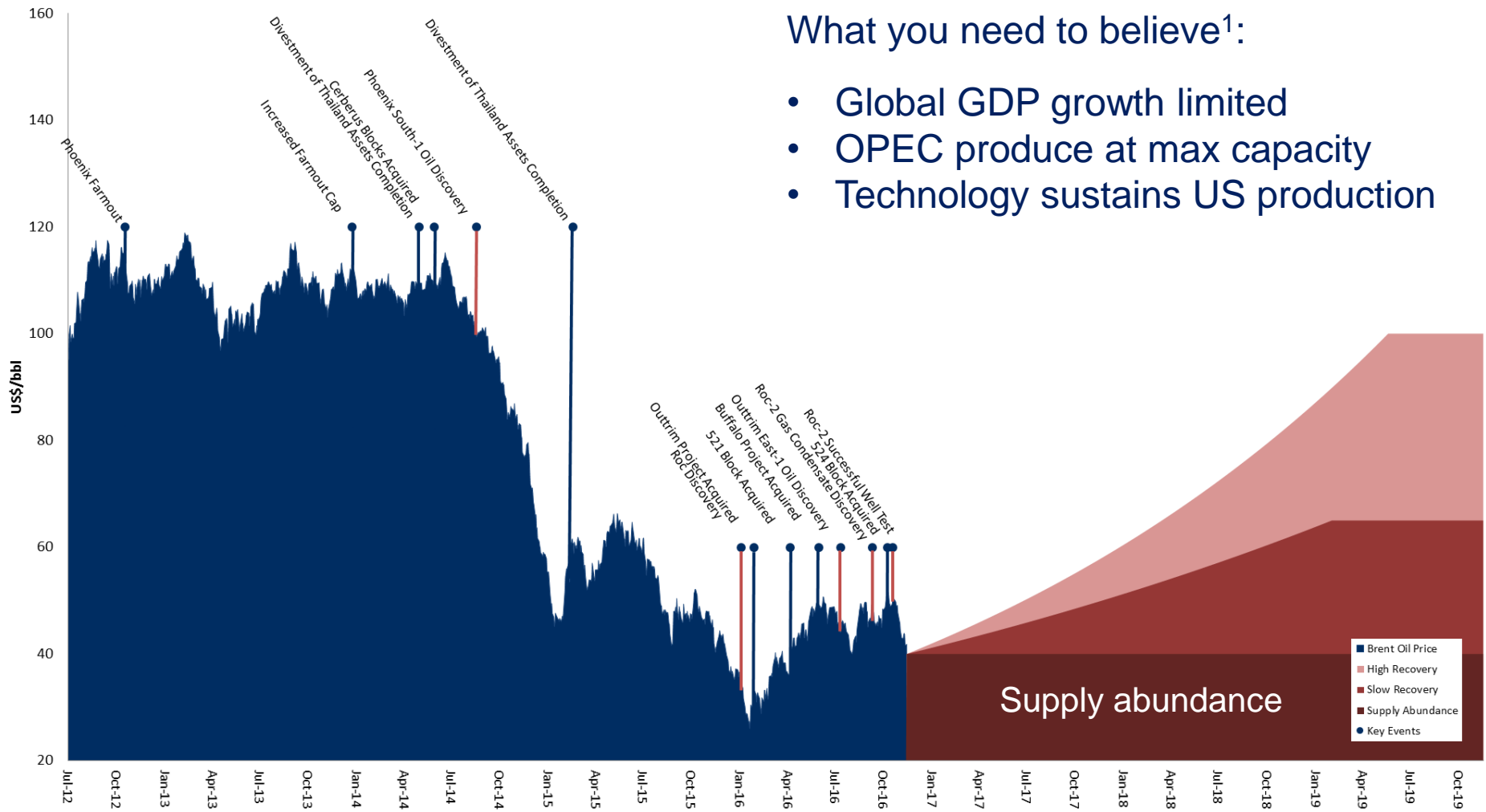
CVN share price break outs



Positive well results tie to break outs



Oil price – supply abundance case

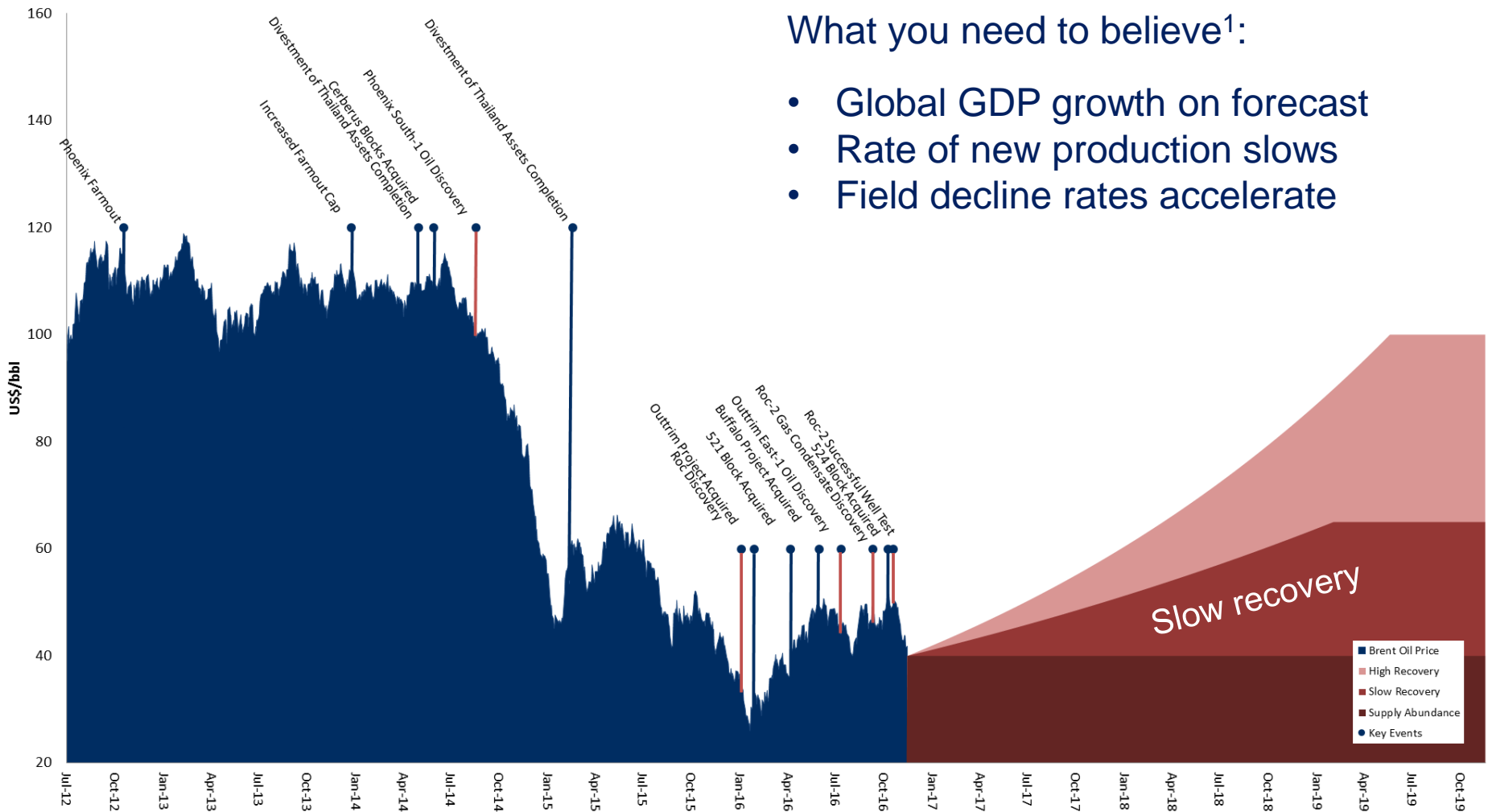


What you need to believe¹:

- Global GDP growth limited
- OPEC produce at max capacity
- Technology sustains US production

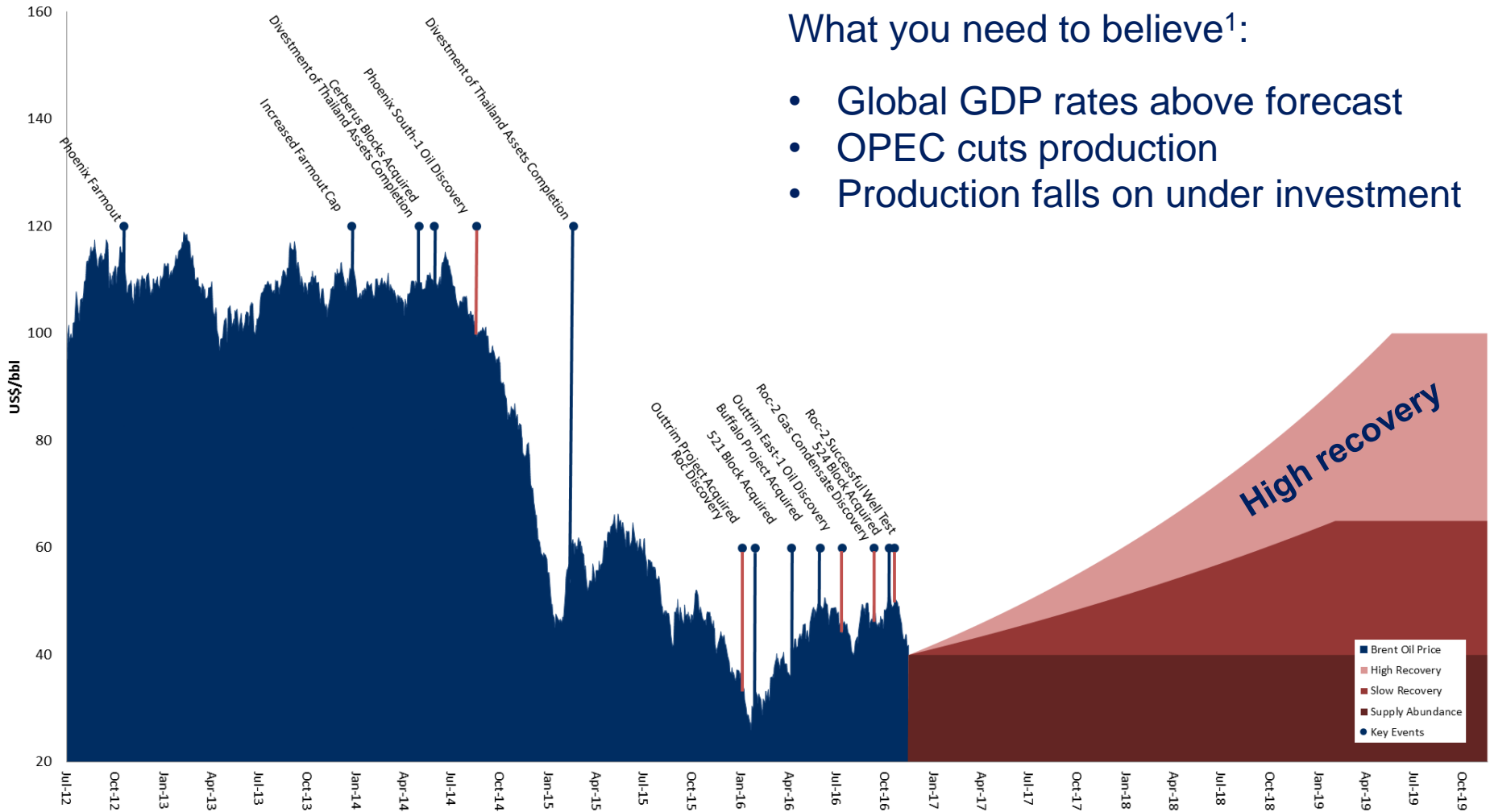
¹ Concepts from McKinsey & Company, Energy Insights

Oil price – slow recovery case



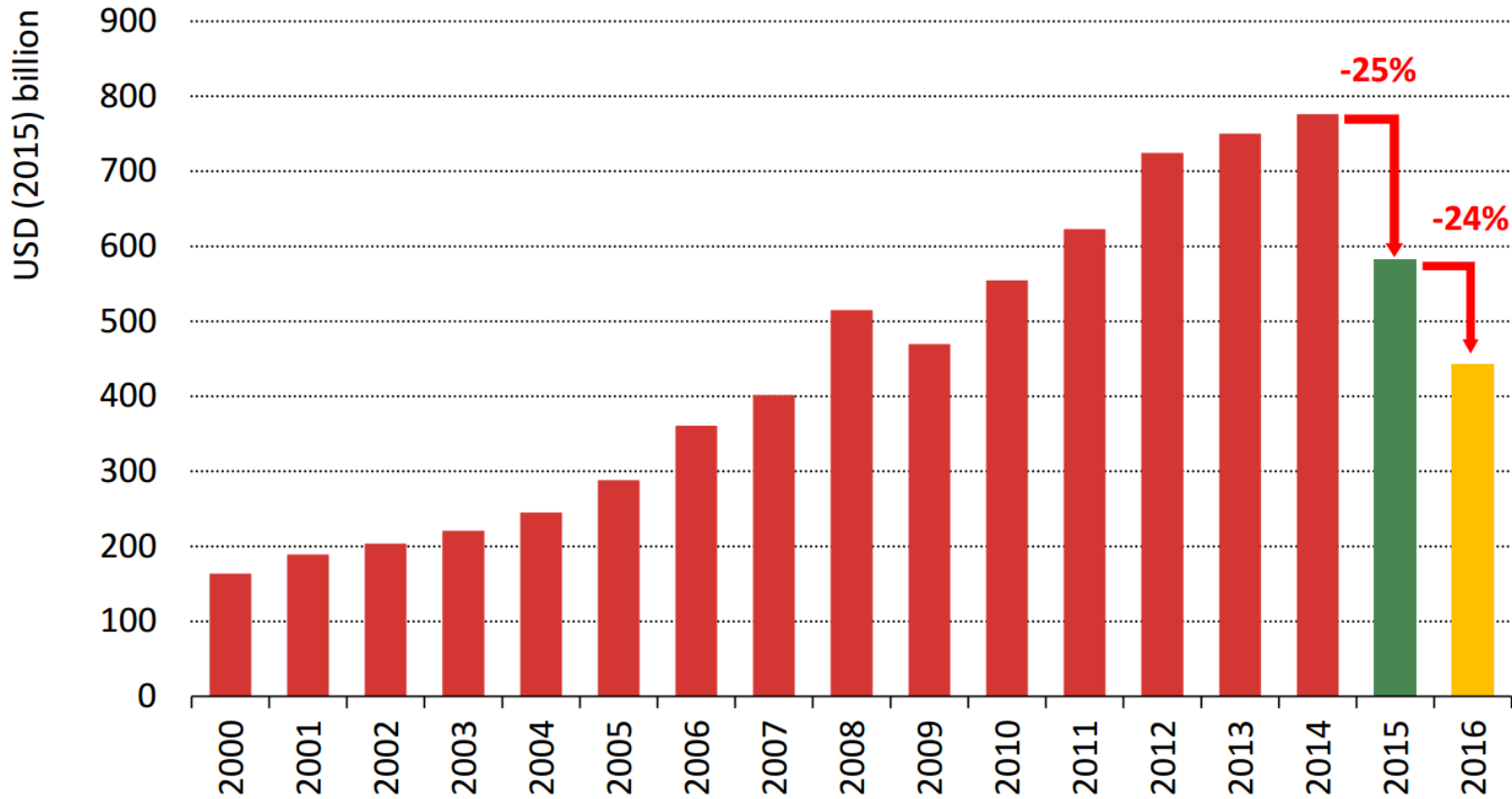
¹ Concepts from McKinsey & Company, Energy Insights

Oil price – high recovery case



¹ Concepts from McKinsey & Company, Energy Insights

Figure 3.3 • World upstream oil and gas investment



Note: 2016 is estimated based on announced company spending plans and guidance as of September 2016.



Phoenix and Roc project

Gas and (condensate + oil)

Phoenix / Roc project ~22,000km² on the NWS



INDIAN OCEAN

TIMOR SEA

BROWSE BASIN

BONAPARTE BASIN

Darwin

Katherine

OFFSHORE CANNING BASIN

WESTERN AUSTRALIA

NORTHERN TERRITORY

ROEBUCK SUB-BASIN

Derby

Broome

CARNARVON BASIN

DAMPIER SUB-BASIN

BEDOUT SUB-BASIN

BARROW SUB-BASIN

Dampier
Karratha

Port Hedland

Exmouth

Roc / Phoenix project
CVN 20 – 30%

LEGEND

- Non Operated Permit
- Operated Permit

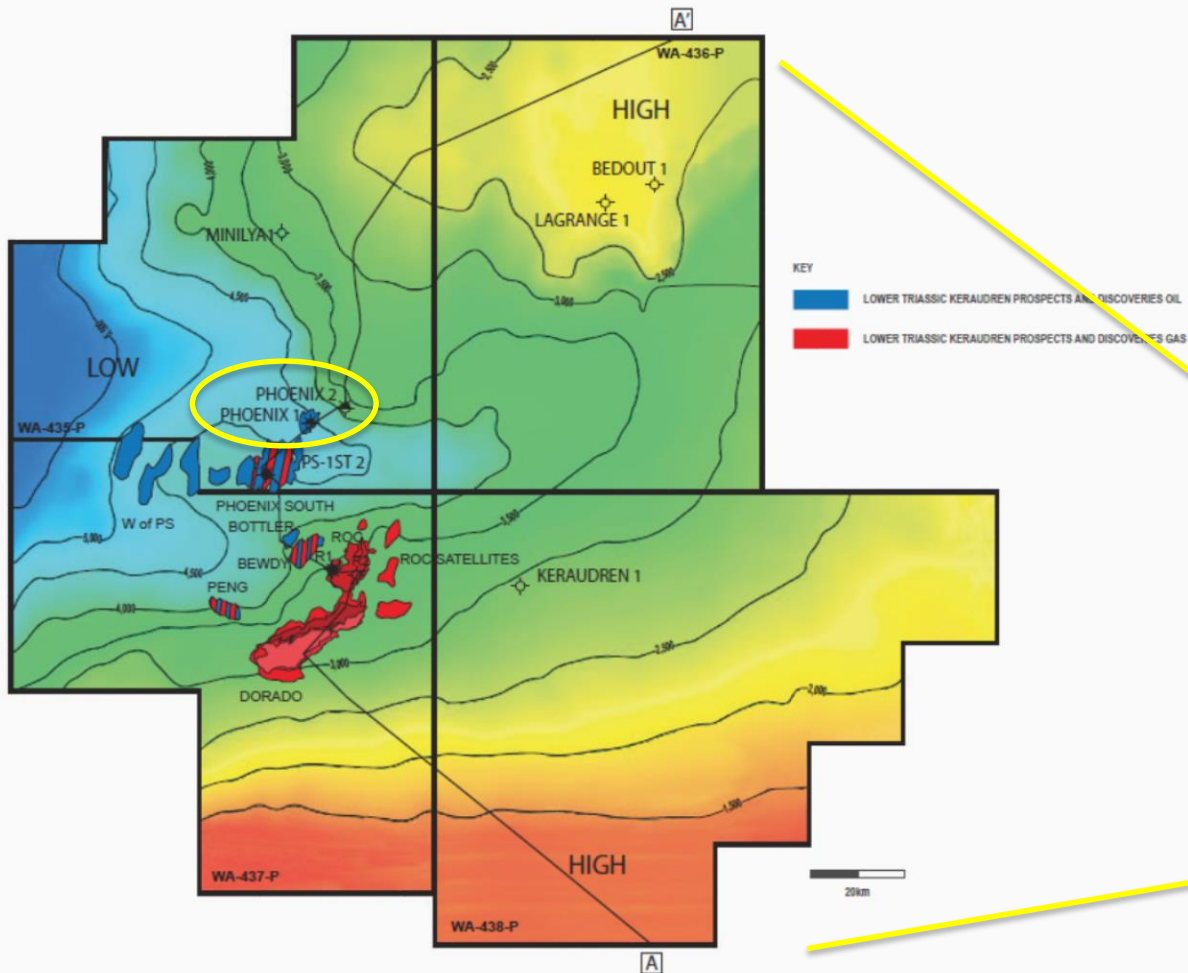


250 kilometres

Roc / Phoenix project – in the beginning



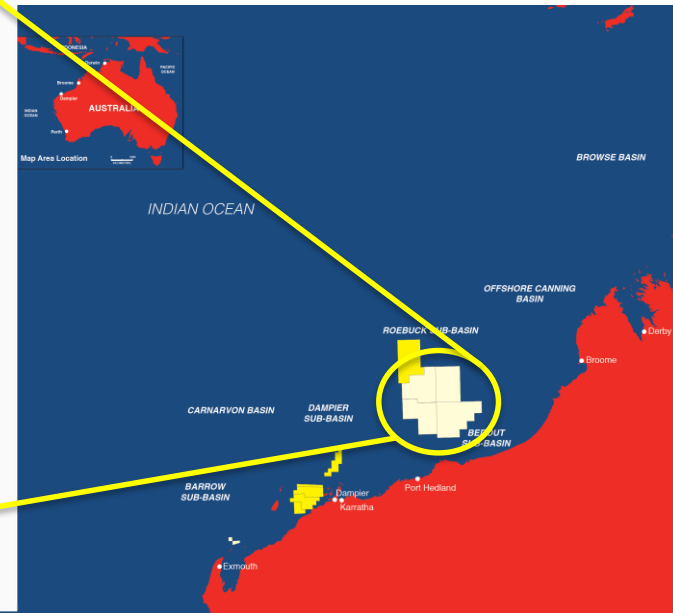
BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



1980 Phoenix-1 well (BP)
1982 Phoenix-2 well (BP)

2009 Acquired
2012 Farm out

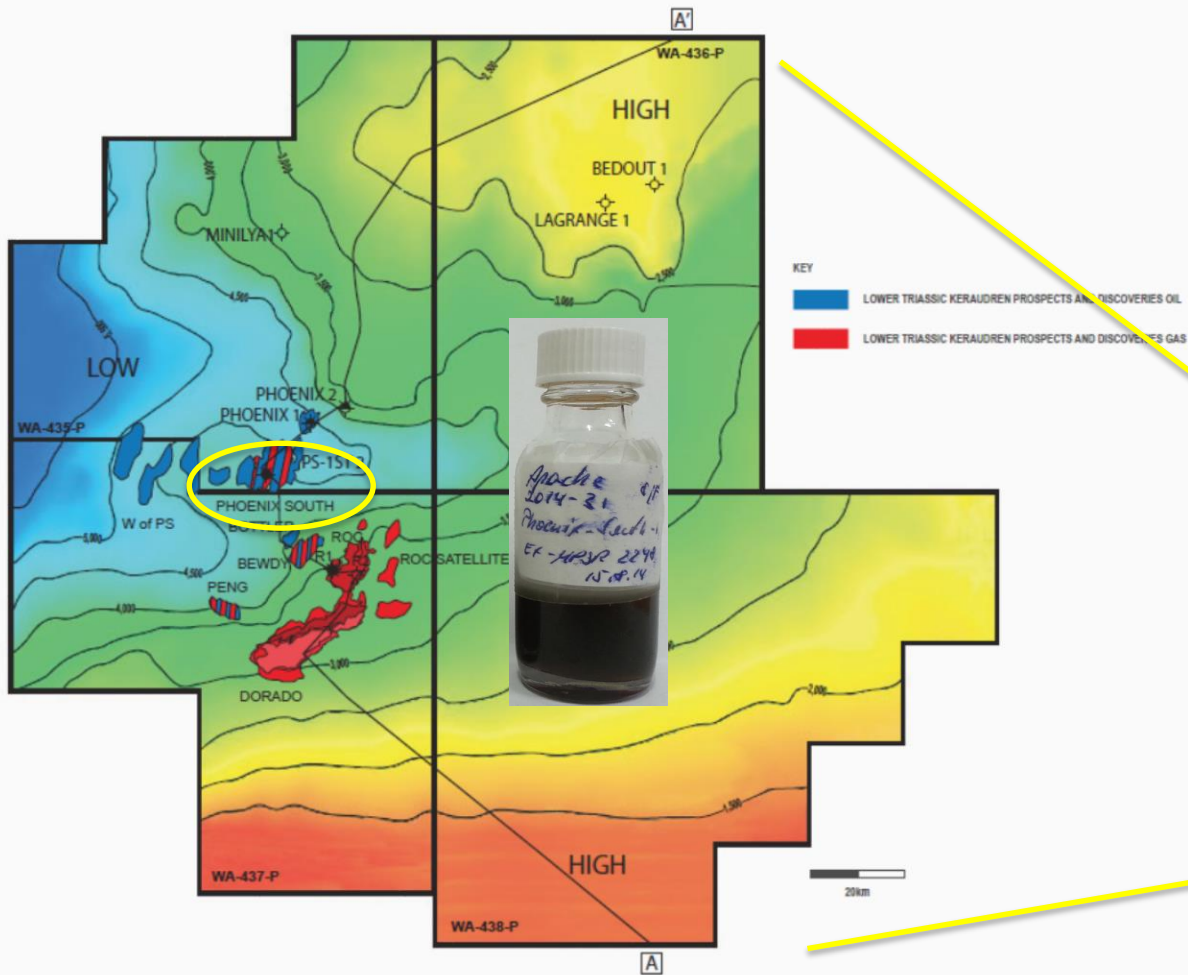
- transferred equity
- operational funding



Phoenix South-1 oil discovery

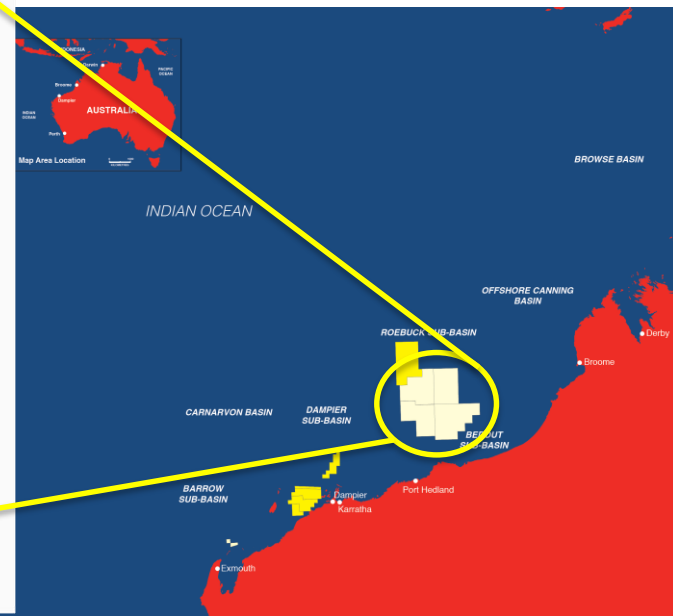


BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



1980 Phoenix-1 well (BP)
1982 Phoenix-2 well (BP)

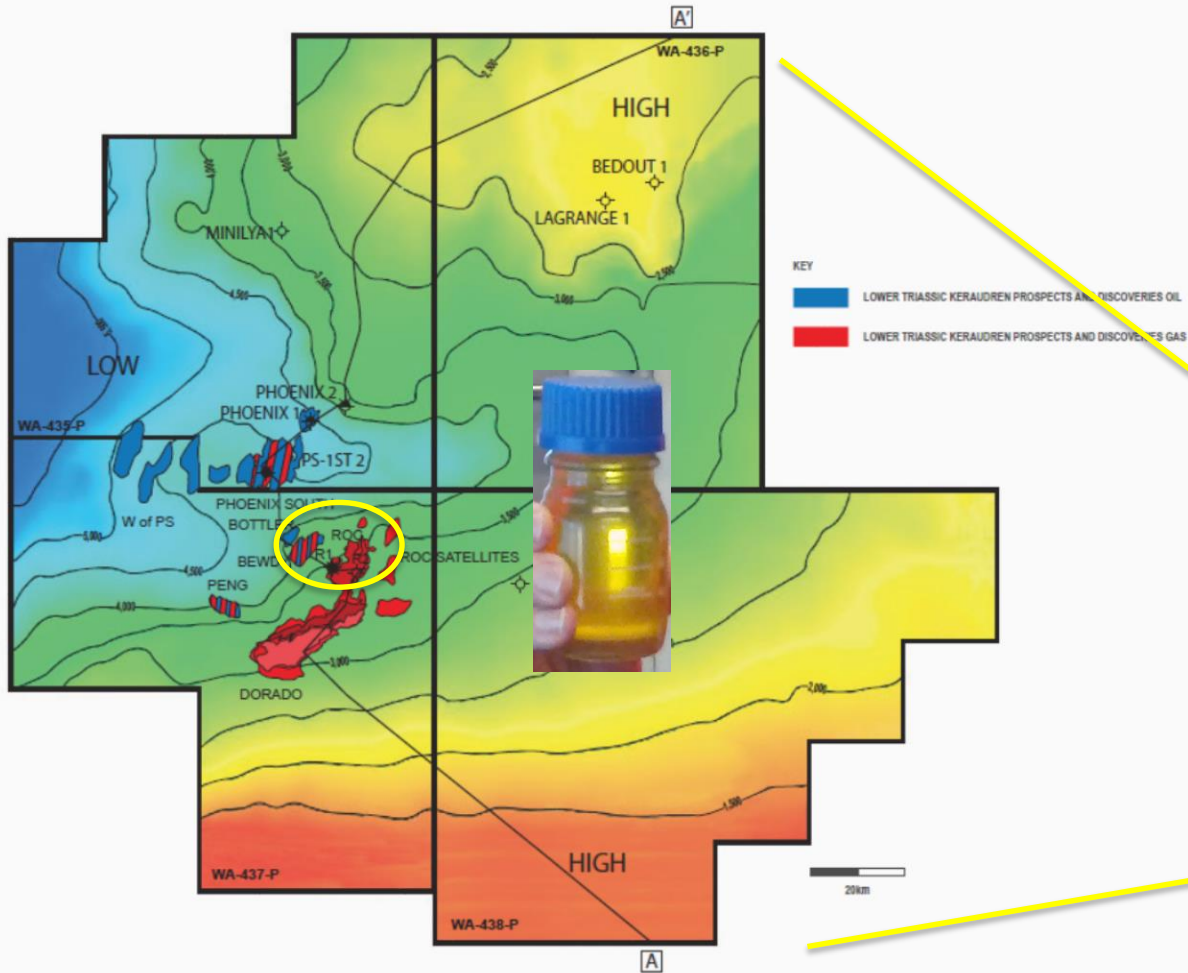
2014 Phoenix South-1 (oil)



Roc-1 & 2 gas & condensate discoveries

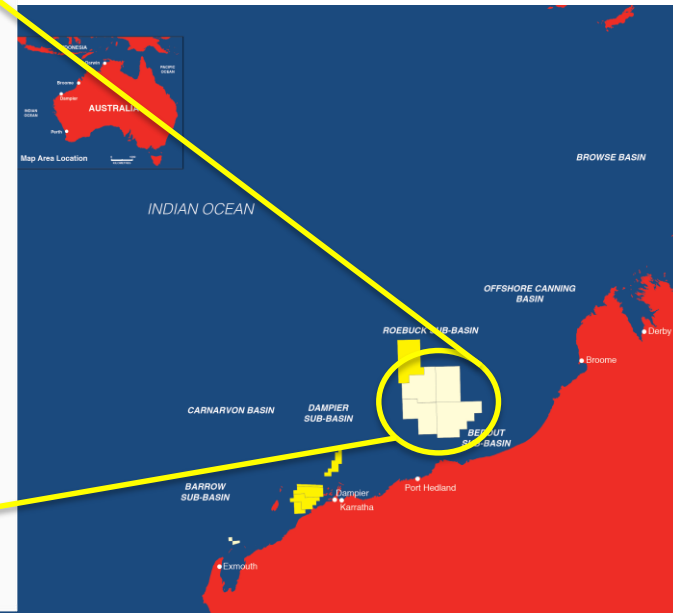


BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



1980 Phoenix-1 well (BP)
1982 Phoenix-2 well (BP)
2014 Phoenix South-1 (oil)

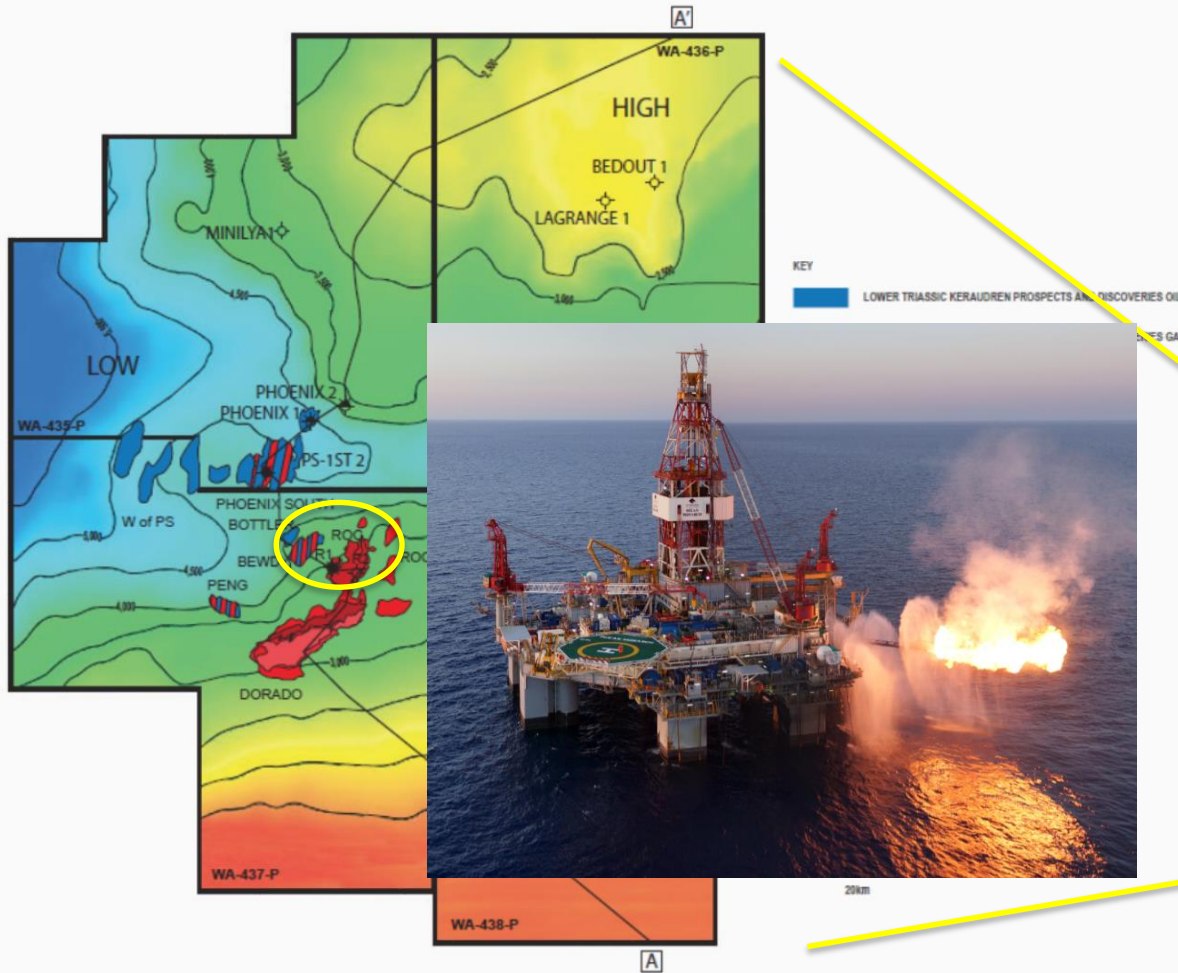
2016 Roc-1 (gas & cond.)
2016 Roc-2 (gas & cond.)



Roc-2 gas & condensate flow test

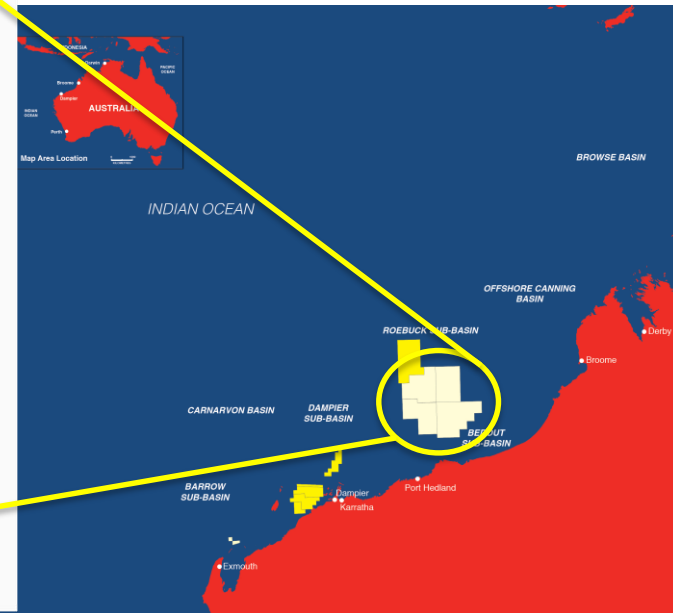


BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



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1982 Phoenix-2 well (BP)
2014 Phoenix South-1 (oil)

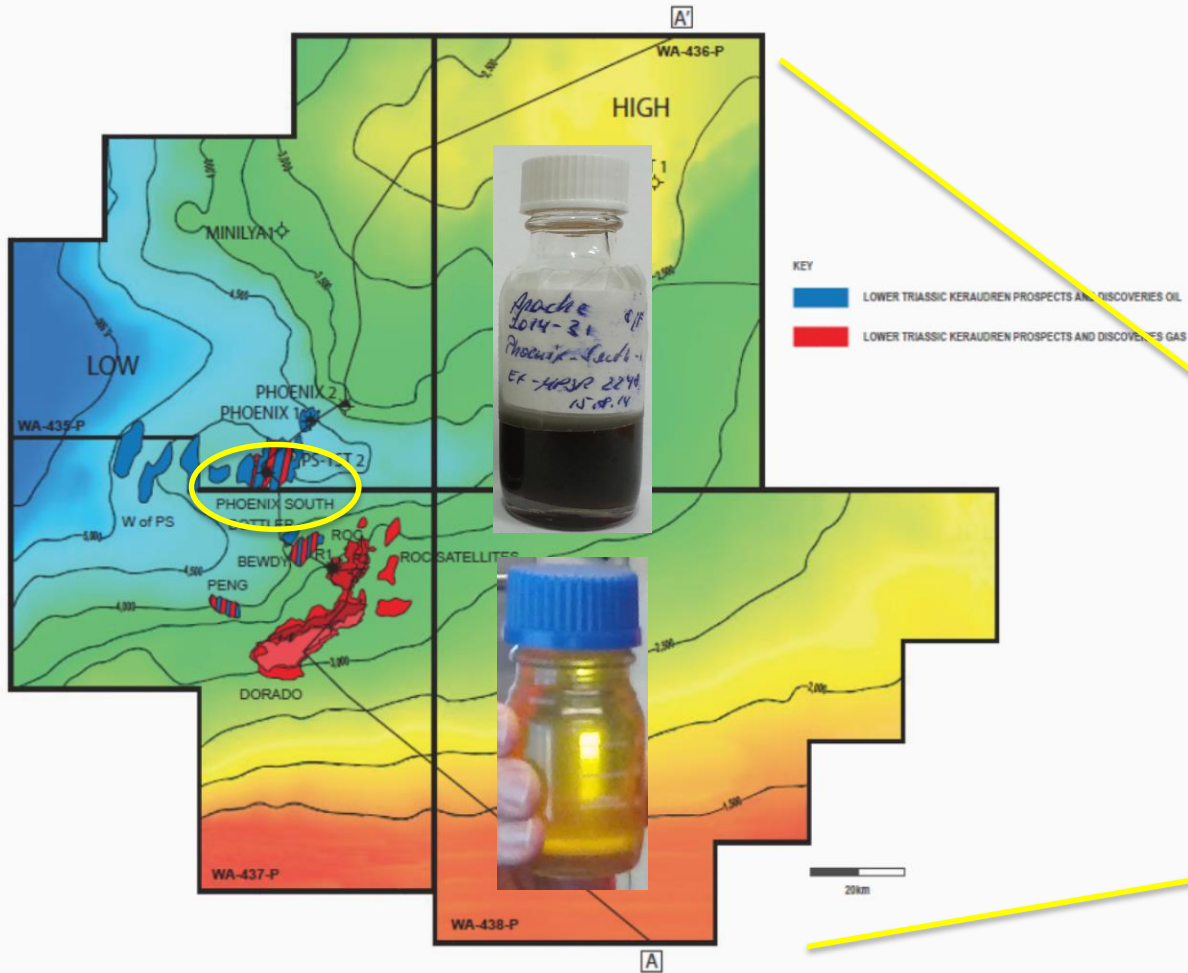
2016 Roc-1 (gas & cond.)
2016 Roc-2 (gas & cond.)



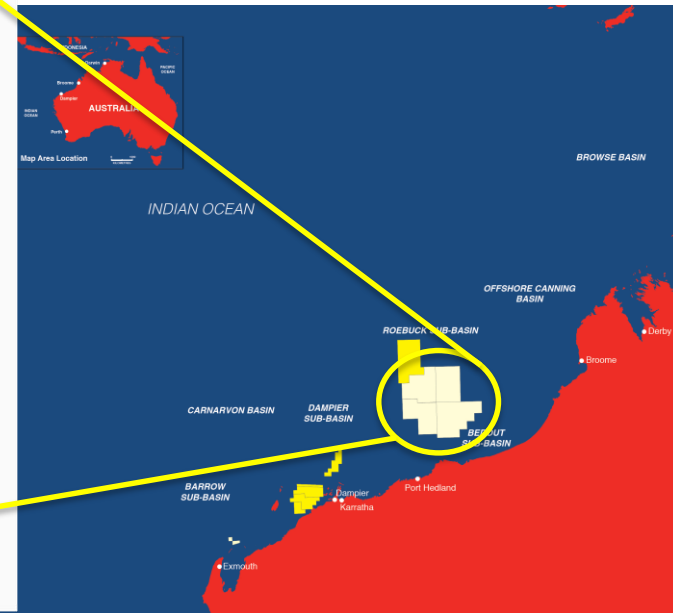
Phoenix South-2 currently drilling



BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



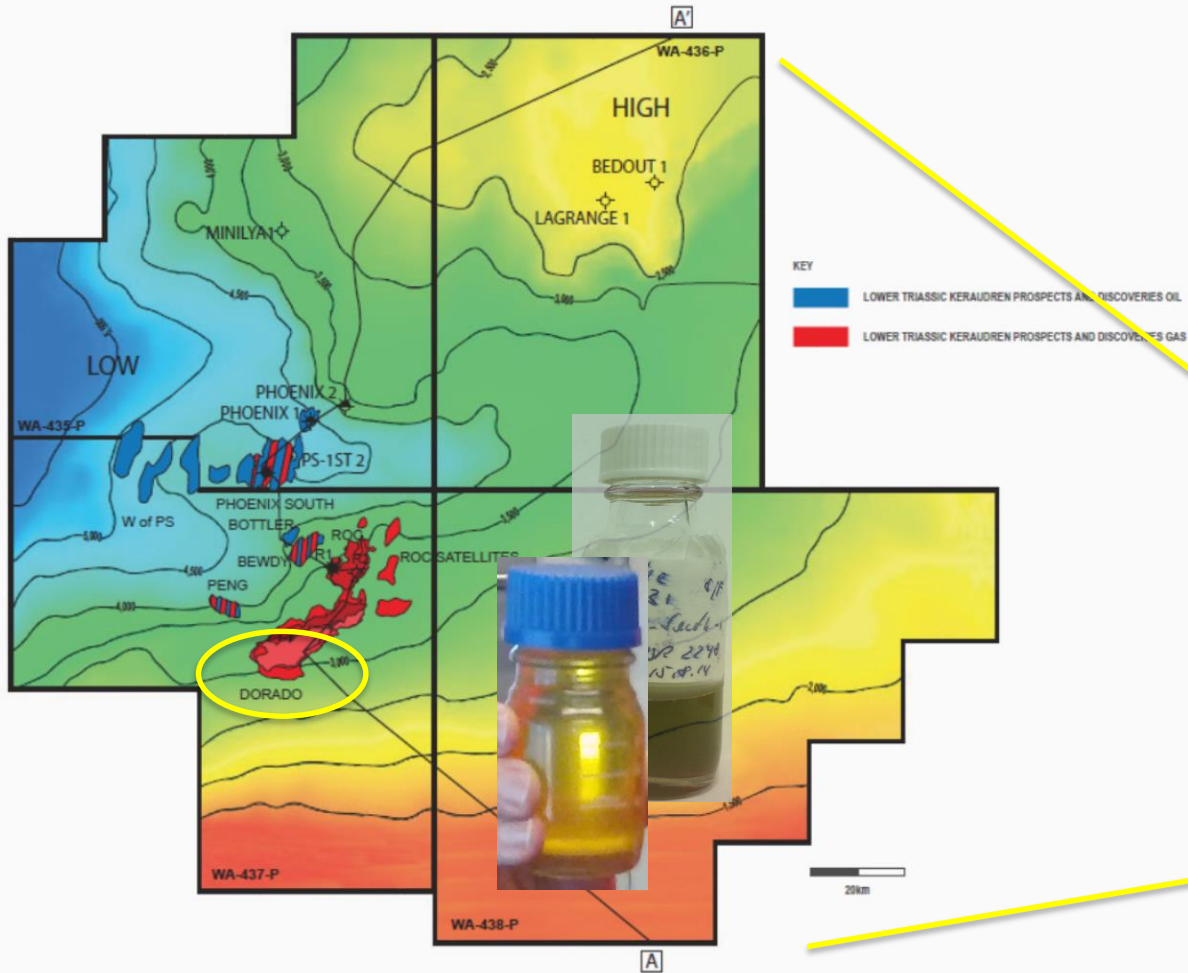
- 1980 Phoenix-1 well (BP)
- 1982 Phoenix-2 well (BP)
- 2014 Phoenix South-1 (oil)
- 2016 Roc-1 (gas & cond.)
- 2016 Roc-2 (gas & cond.)
- 2016 Phoenix Sth-2 (ogc)



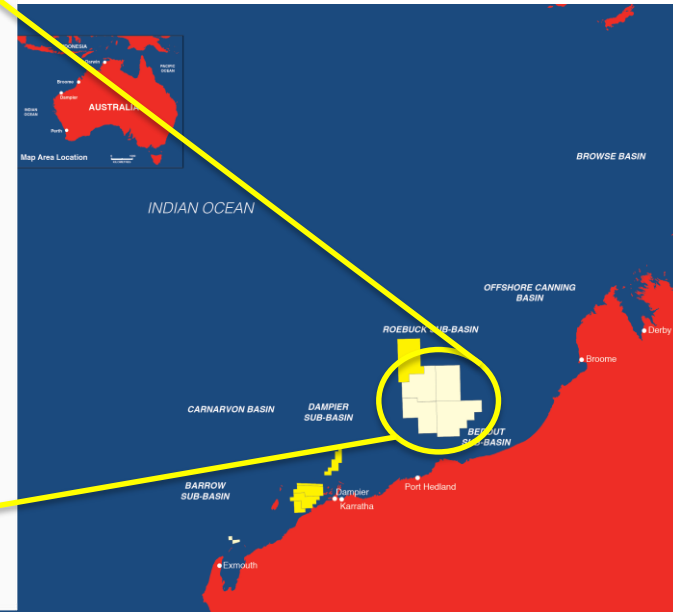
Dorado well being considered in 2017



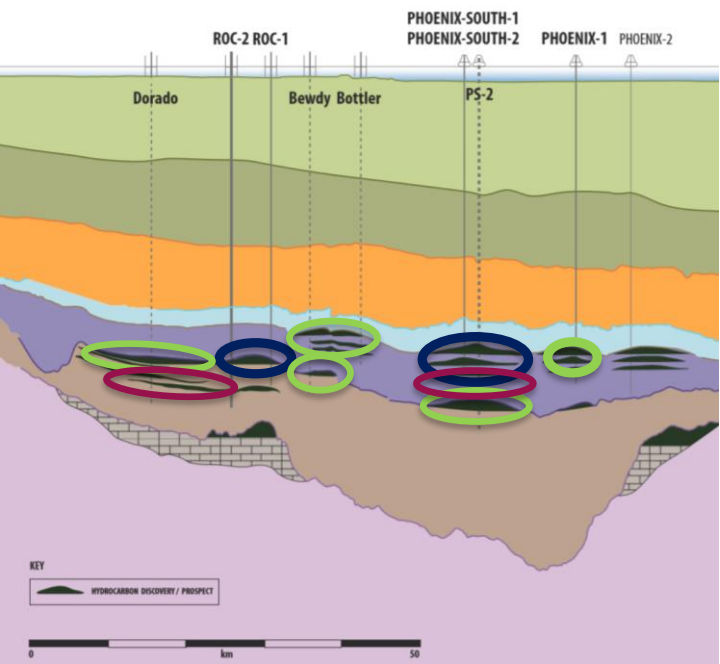
BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MILLISECONDS TWO WAY TIME)



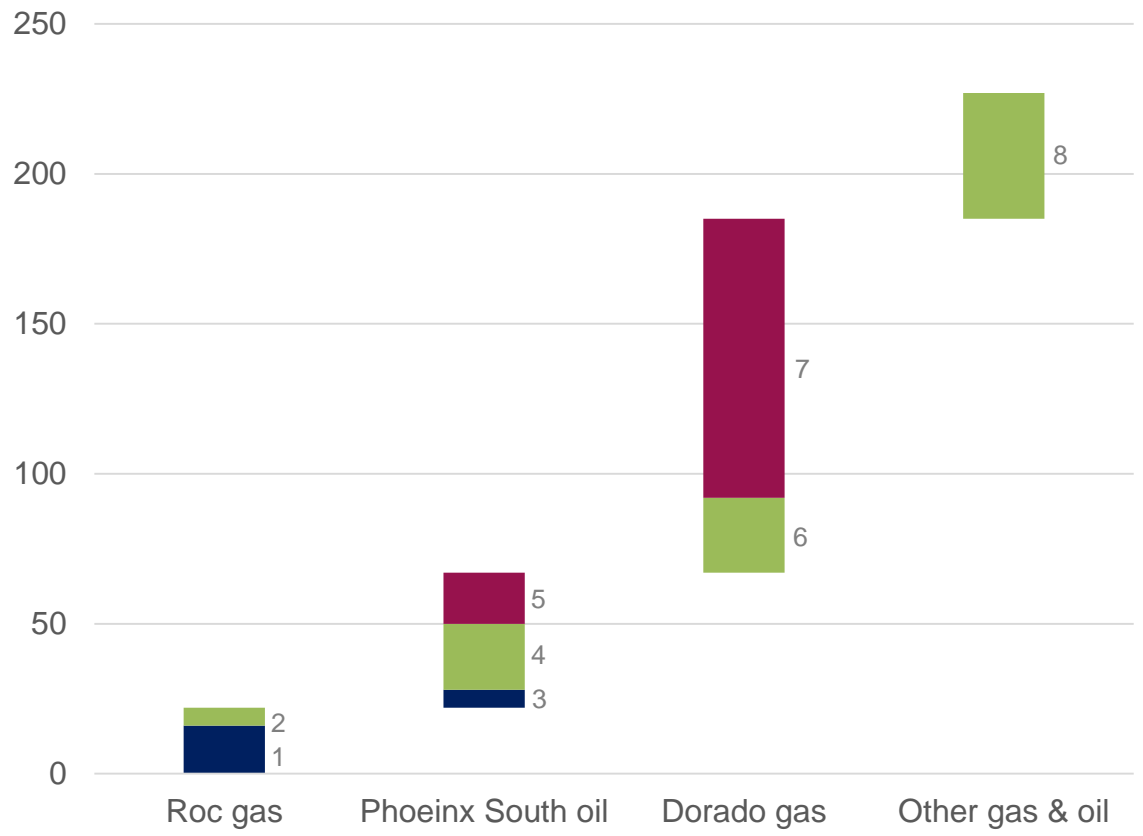
- 1980 Phoenix-1 well (BP)
- 1982 Phoenix-2 well (BP)
- 2014 Phoenix South-1 (oil)
- 2016 Roc-1 (gas & cond.)
- 2016 Roc-2 (gas & cond.)
- 2016 Phoenix Sth-2 (ogc)
- 2017? Dorado (gas & cond.)



Volume Estimates

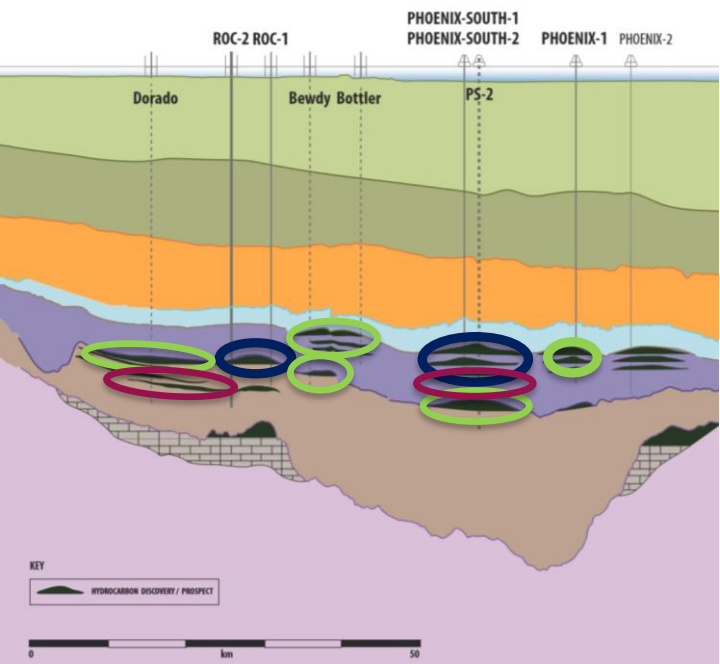


All volumes below are mmboe – net to Carnarvon – 2C or Pmean as applicable

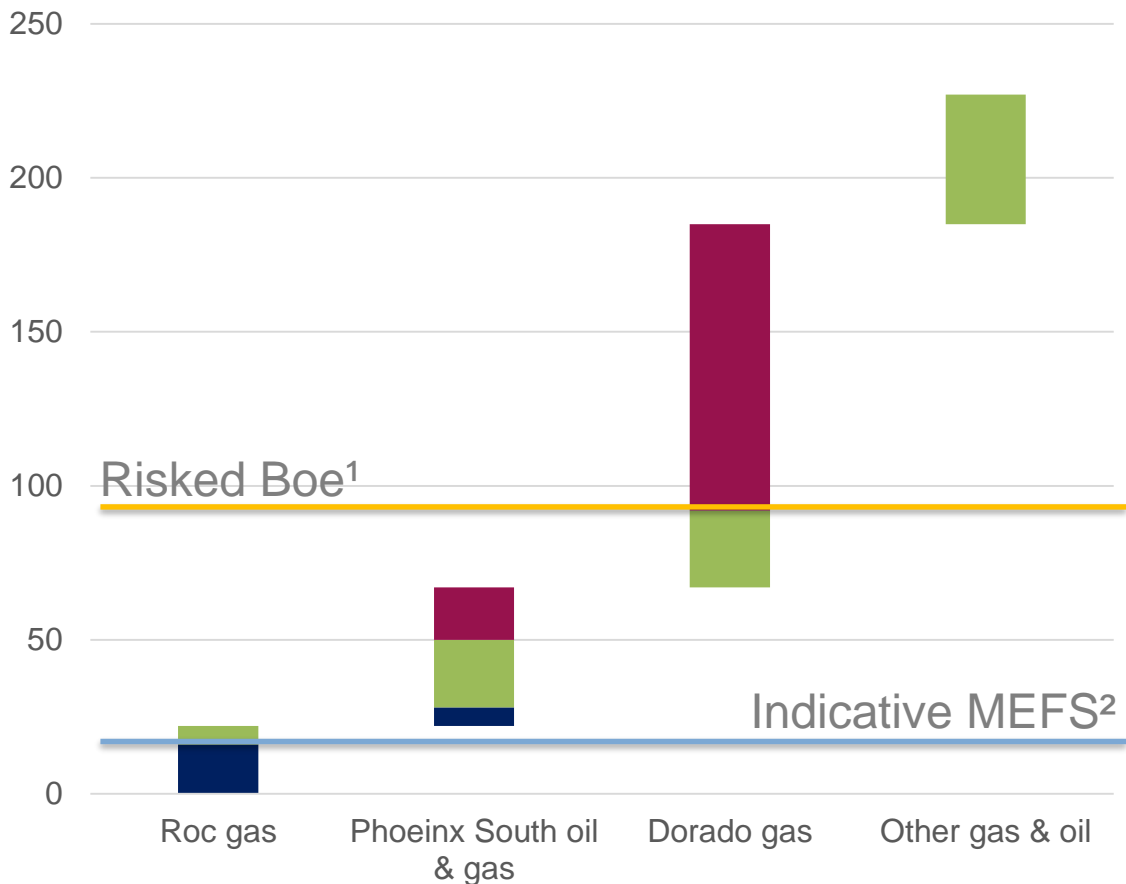


- 1 – Roc Caley 2C: 15.6 mmboe
- 2 – Roc Caley Pmean: 5.6 mmboe
- 3 – Phoenix South Barrett 2C: 4.8 mmboe
- 4 – Phoenix South Caley Pmean: 21.5 mmboe
- 5 – Phoenix South Hove Pmean: 16.9 mmboe
- 6 – Dorado Caley Pmean: 25.4 mmboe
- 7 – Dorado Milne Pmean: 92.8 mmboe
- 8 – Roc Satellites, Phoenix, Bewdy, Bottler, Peng, West of PS Pmean: 42.3 mmboe

Volume Estimates



All volumes below are mmboe – net to Carnarvon – 2C or Pmean as applicable



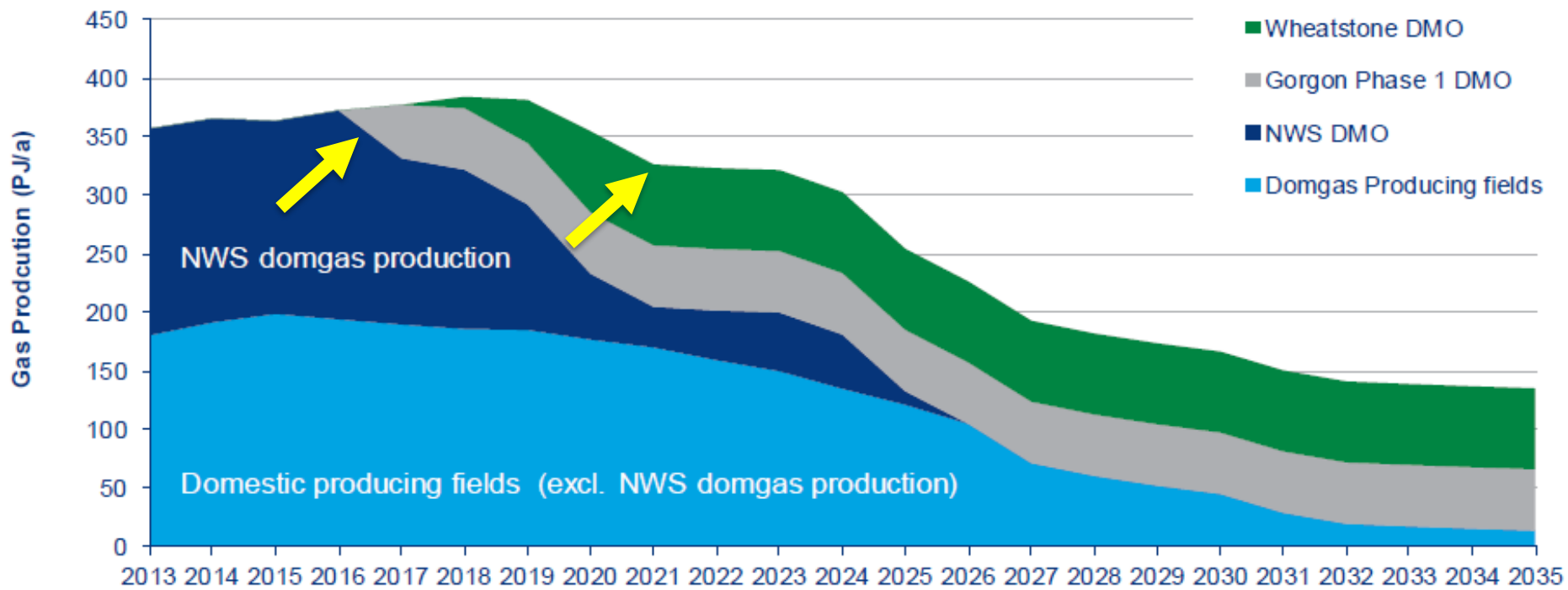
¹ - 2C of table 4, plus risked mmboe of table 5 and 6 in ASX announcement on 14/11/2016

² - Carnarvon's initial assessment of minimum economic field size is currently 325 bcf with 17 mmbls of condensate or 74 mmboe gross (15 mmboe net)

Gas shortage - looming as an issue for WA

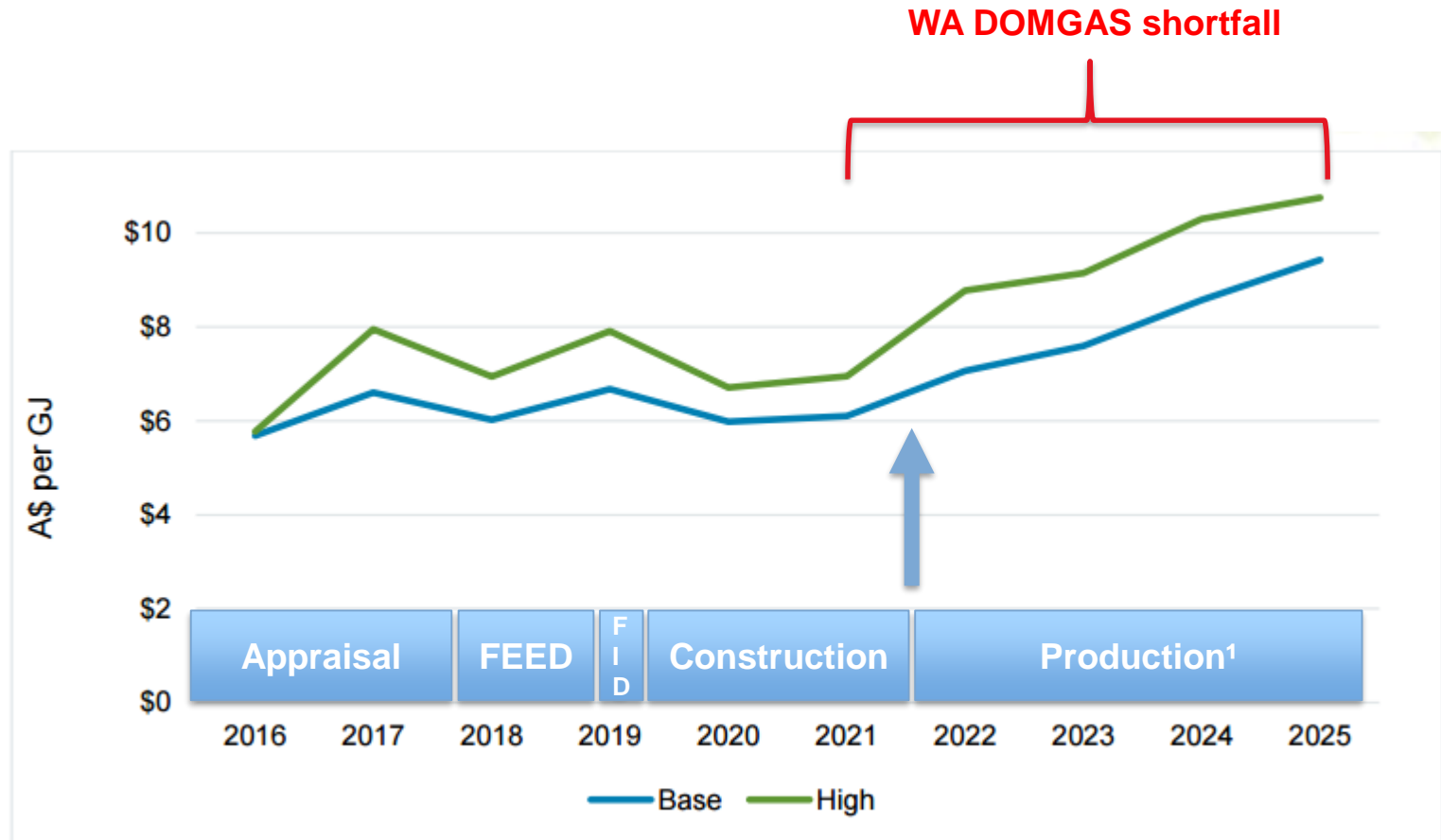


WA domestic gas – producing and committed developments



Source: Wood Mackenzie

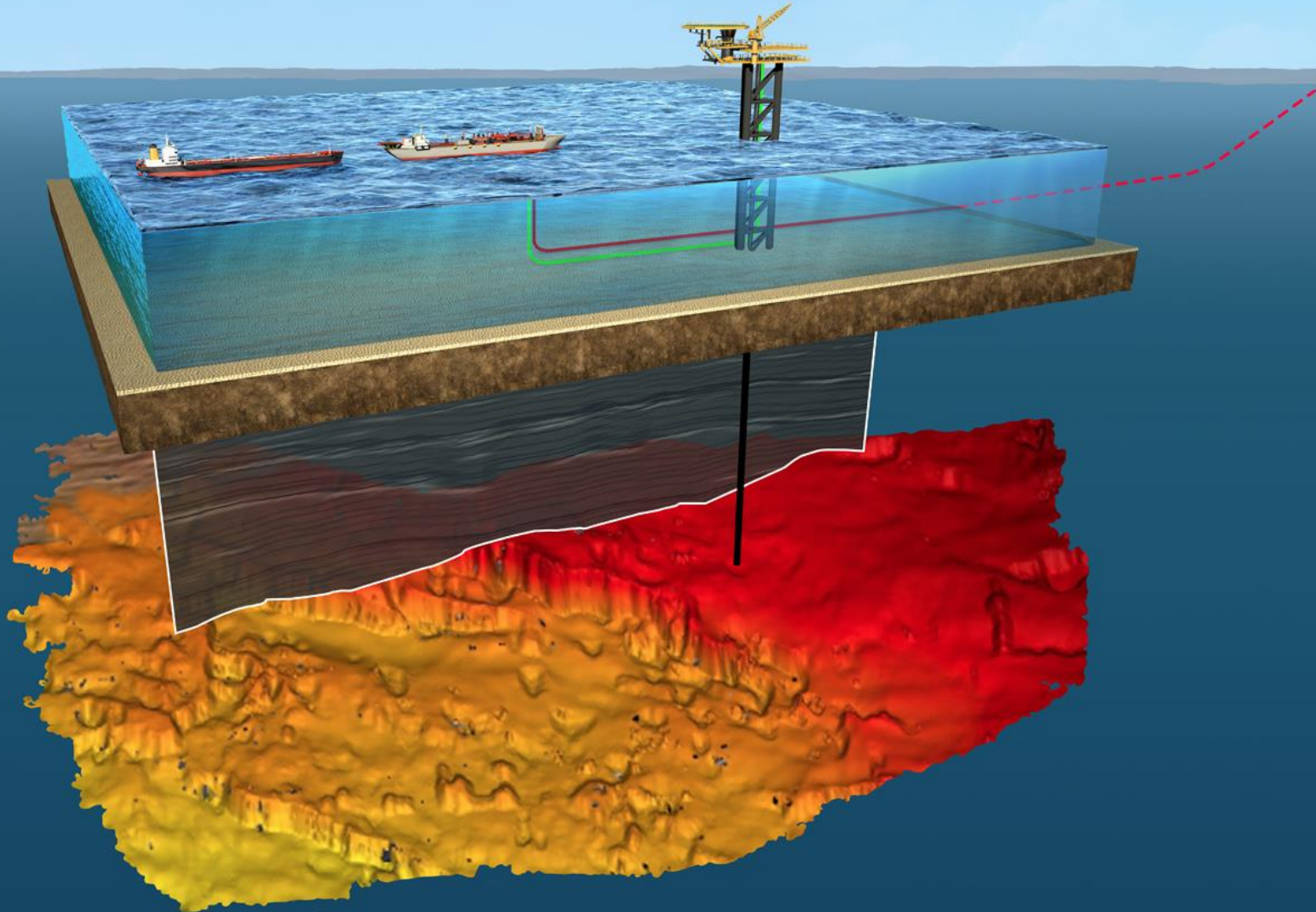
Gas prices - forecast to rise



Source: IMO forecasts 2016 to 2025

¹ Indicative Roc / Phoenix area project schedule

Development concept





Technical & portfolio overview

(is the NWS the North Sea of 30 years ago?)



Our strategy

Identify large oil and gas prospects the majors would like to drill when the oil price turns.

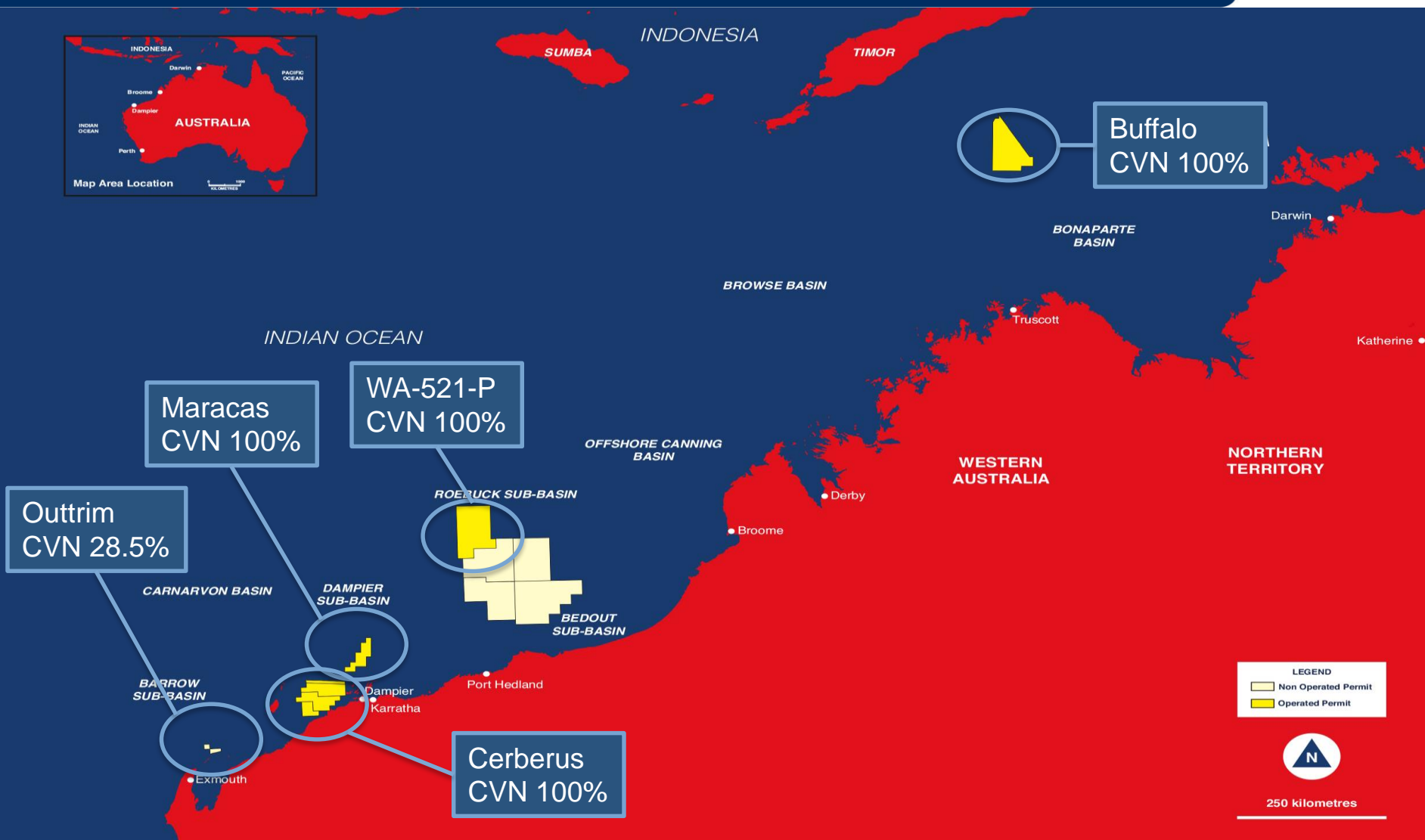
How

Acquire blocks cheaply in the low of the oil cycle via gazettals or farmins:

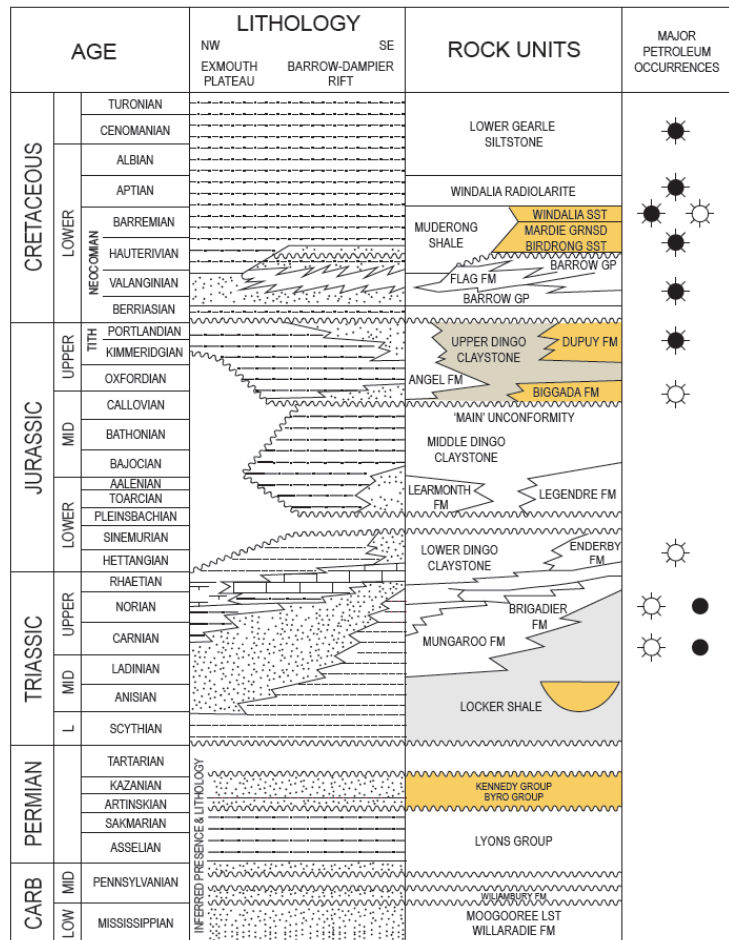
- **SIMPLE IDEA....but few are doing this**
- **Generational opportunity to acquire quality acreage**

1. Being focused
2. Building NW Shelf data base
3. Mapping the region to find prospects
4. Exchanging permit equity for funding to drill exploration wells

The Portfolio – what and why



NWS shallow water stratigraphy



(After Barber, 1986)

12/65-11

Nanniyarra Sandstone is lower Devonian in age.
Barrow Group consists of Flacourt and Malouet Formations.
Correct time relationships are shown for rock units but not all units are present in each sub-basin.

● Oil ☀ Gas ☀ Oil,gas

Tertiary/Upper Cretaceous

- A few fields of this age e.g. Maitland
- Northern WA has fault leakage into this stratigraphy
- Rarely explored and often not logged/cuttings to seabed

Lower Cretaceous

- CVN on the lookout for remaining undrilled structures
- Subcrop play untested

Jurassic – *Outtrim/ WA-521-P / WA-523-P “Buffalo”*

- Upper Jurassic **turbidite stratigraphic traps** aka N.Sea
- A few Middle Jurassic structures remain undrilled
- Lower Jurassic underexplored and marine source

Upper Triassic – very few >1TCF structure remain undrilled

Lower Triassic

- recent **Roc and Phoenix South** discoveries
- **Cerberus blocks**
- **Looking for more**

Permian - poorly explored mixed carbonate clastics

- recent Waitsia onshore gas discovery
- **WA-524-P “Maracas” block**
- **new play to chase**

Carboniferous – poorly explored oil prone source rock

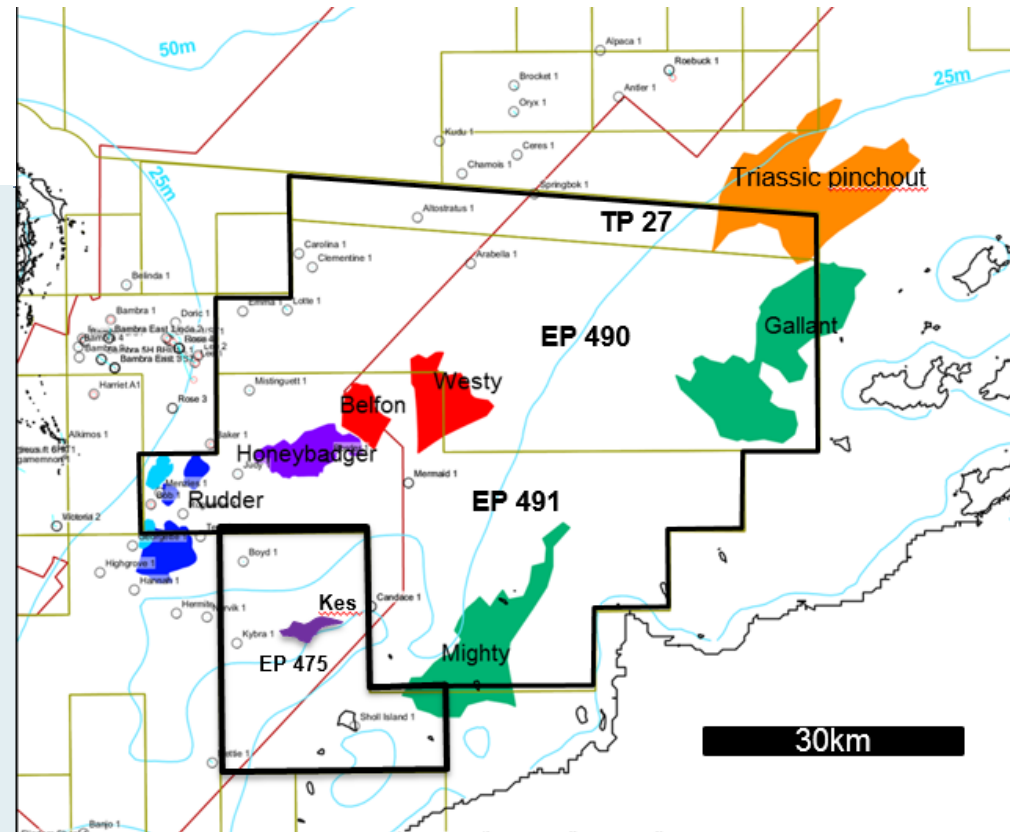
Multiple shallow water prospects

Targets

- 12 Cretaceous, Jurassic, Lower Triassic+Permian leads/prospects
- <50 metres water depth
- <2000 metres target depths

5 possible targets

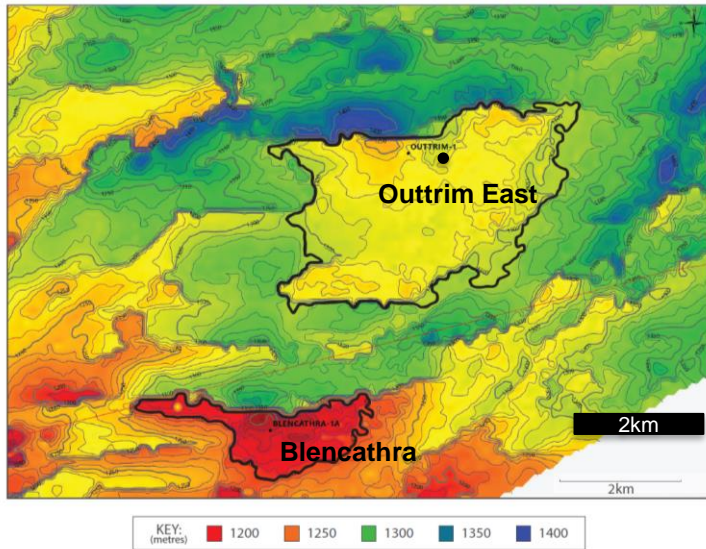
- Lower Triassic Honeybadger or Kes turbidite strat leads
- Upper Triassic pinchout prospects
- Upper Permian Belfon fault block prospect
- Jurassic Rudder stratigraphic prospect
- Cretaceous Gallant pinchout prospect



Outtrim project



Carnarvon Preliminary, Near Top Oil Reservoir Depth Map

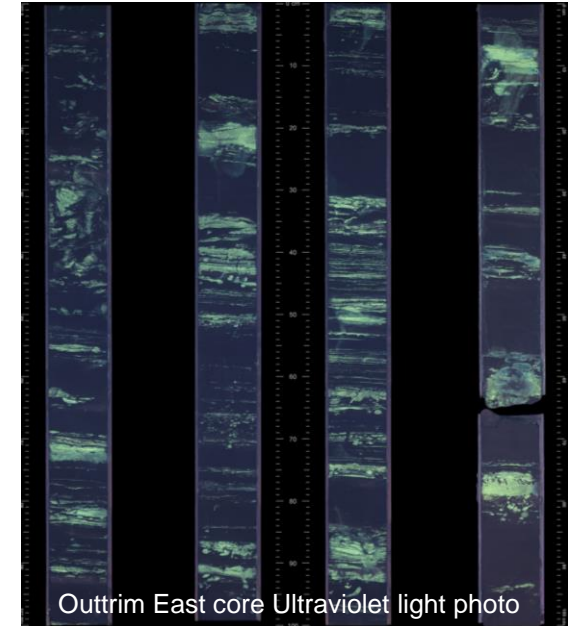


Acquired: 1Q 2016

Oil discovery July 2016

KEY EVENT:

- 90m core analysis
- TCM early 2017



Outtrim East core Ultraviolet light photo

Outtrim East drilled June/July 2016

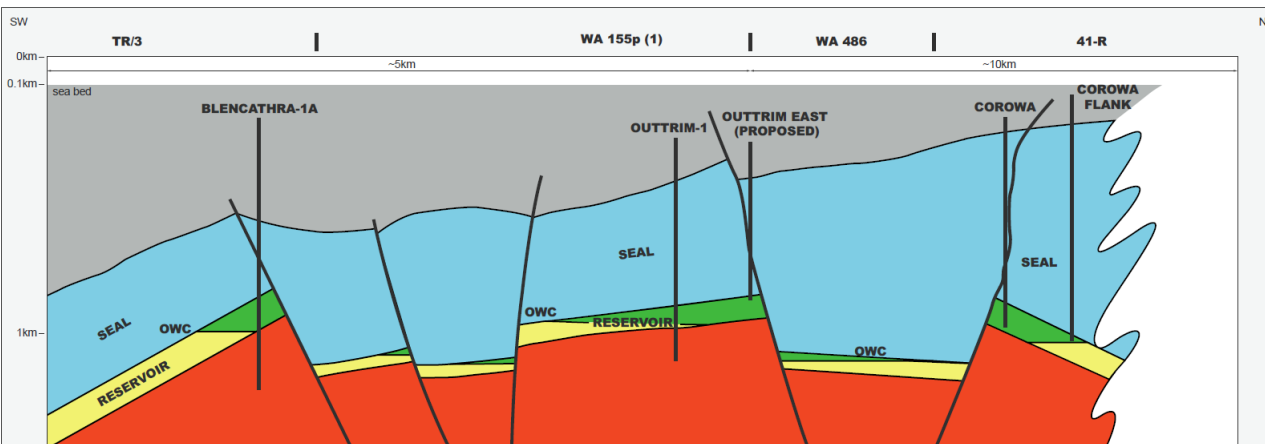
Targeted oil up dip of Outtrim-1

Aggregation possible

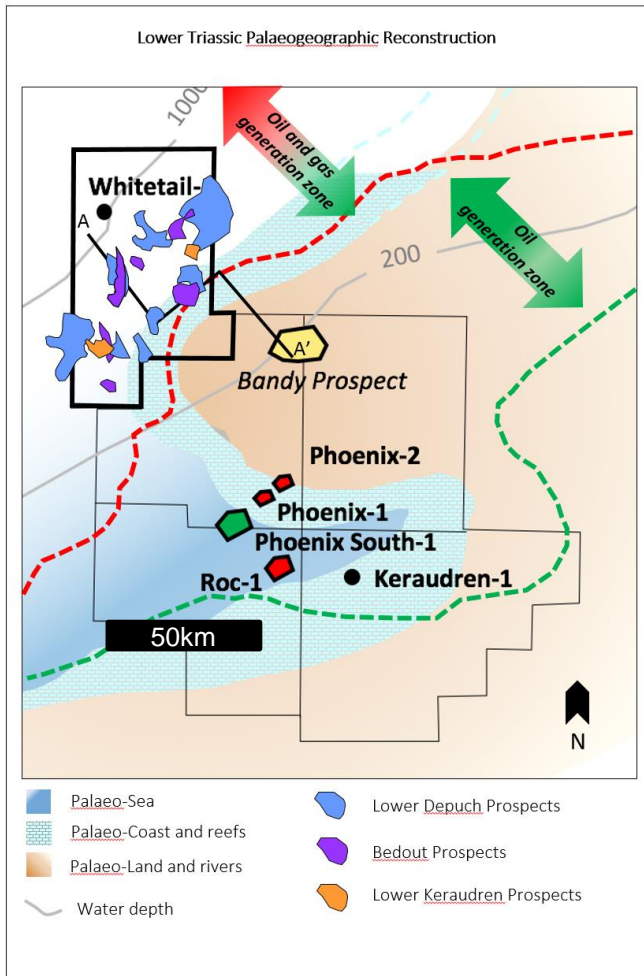
CVN%: 28.5%

Quadrant Operator: 71.5%

Water Depth: 50-200 metres



WA-521-P adjacent Phoenix / Roc project



Large multi stacked shallow and deeper oil prone prospects

Aiming to be ready for farm out next year

Play Elements

Trap

- Large structures

Reservoir

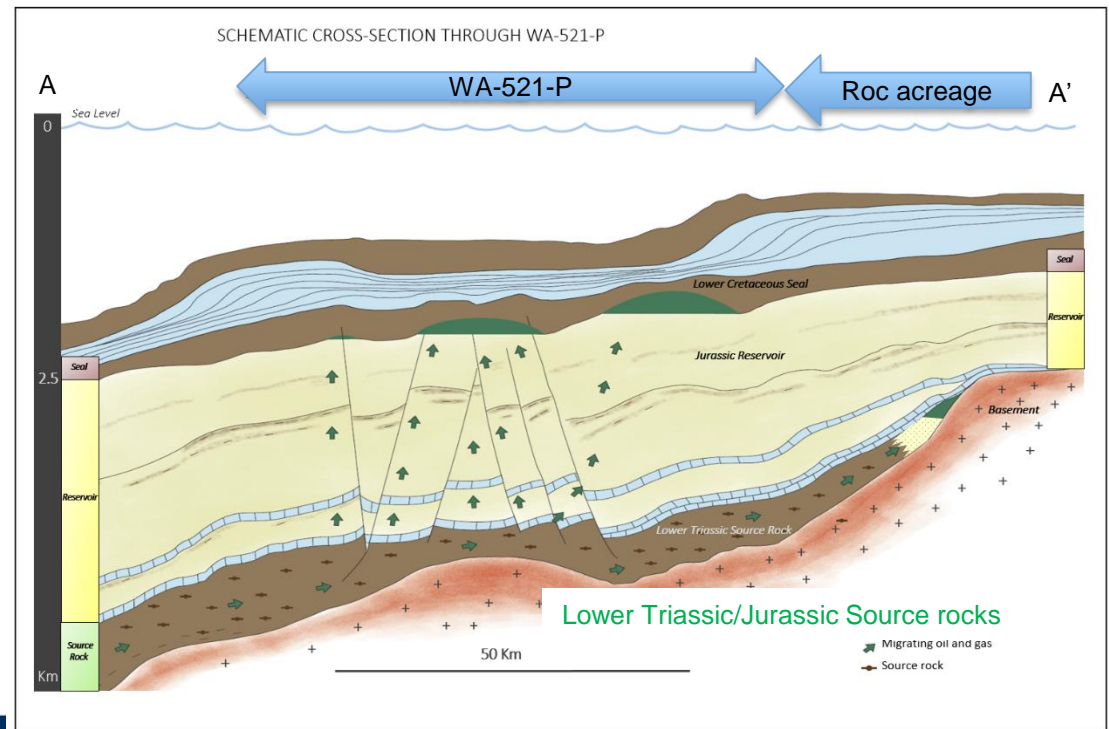
- Lower Depuch and Bedout deltaic sands

Seal

- Muderong Shale and Lower Depuch intra-formational seals

Source Rock

- Jurassic/Triassic source rocks



Buffalo project

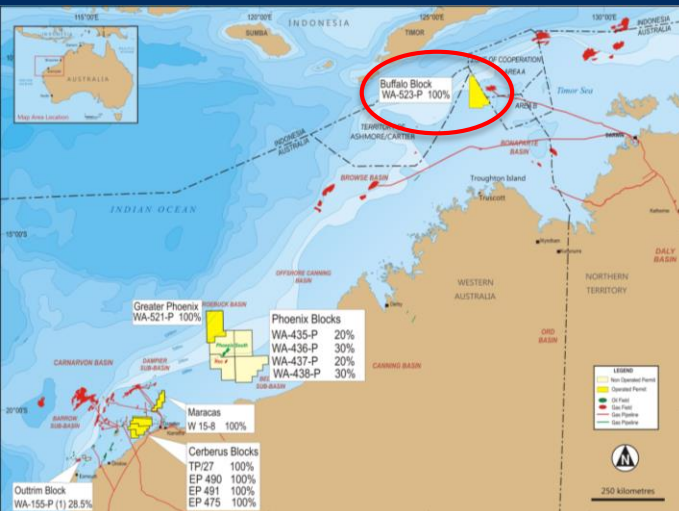
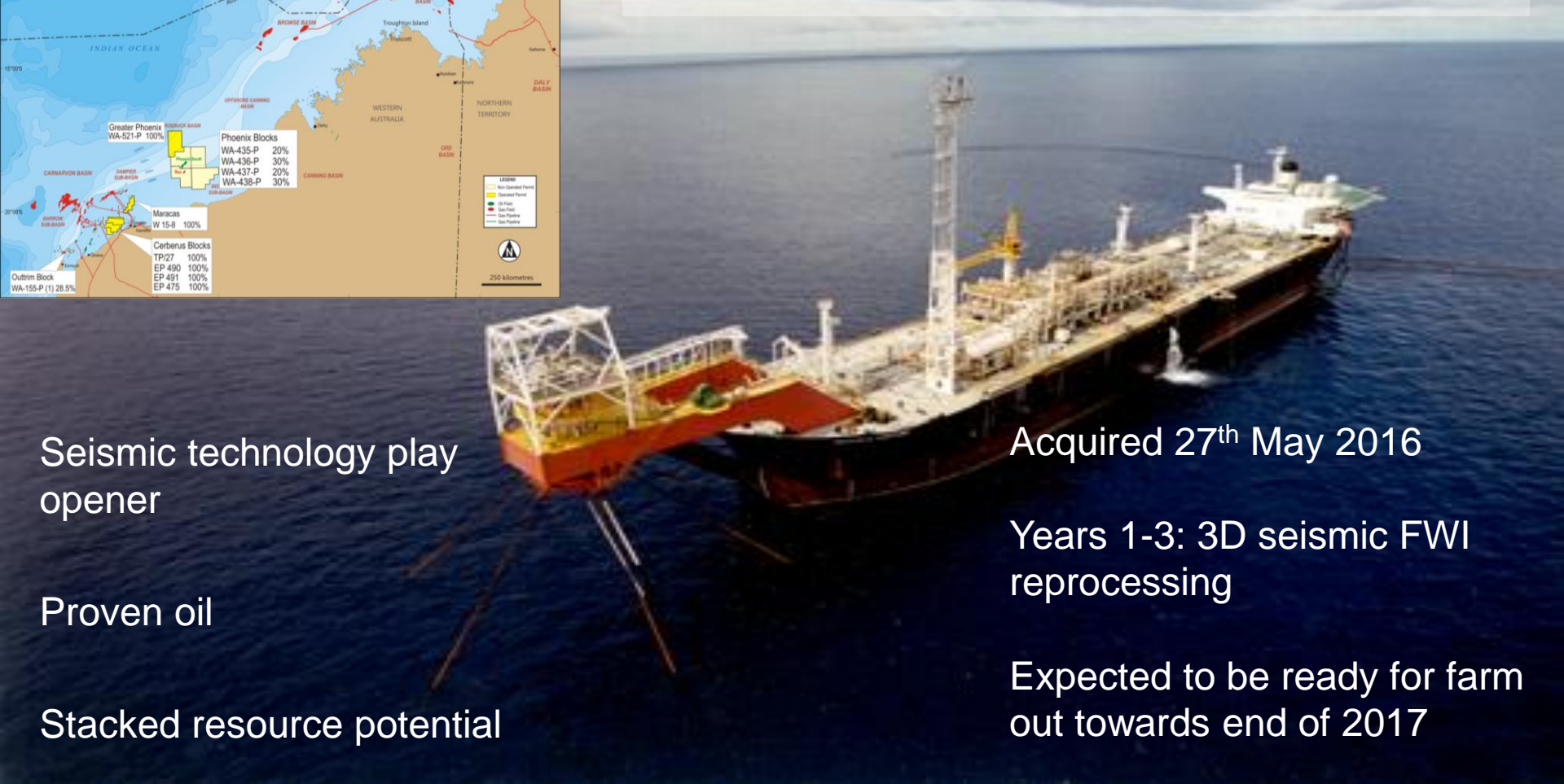


Image of Nexan Buffalo FPSO on station in the Buffalo oil field between 1999 and 2004



Seismic technology play opener

Proven oil

Stacked resource potential

Acquired 27th May 2016

Years 1-3: 3D seismic FWI reprocessing

Expected to be ready for farm out towards end of 2017

Buffalo project – 1.3 billion boe surround this permit

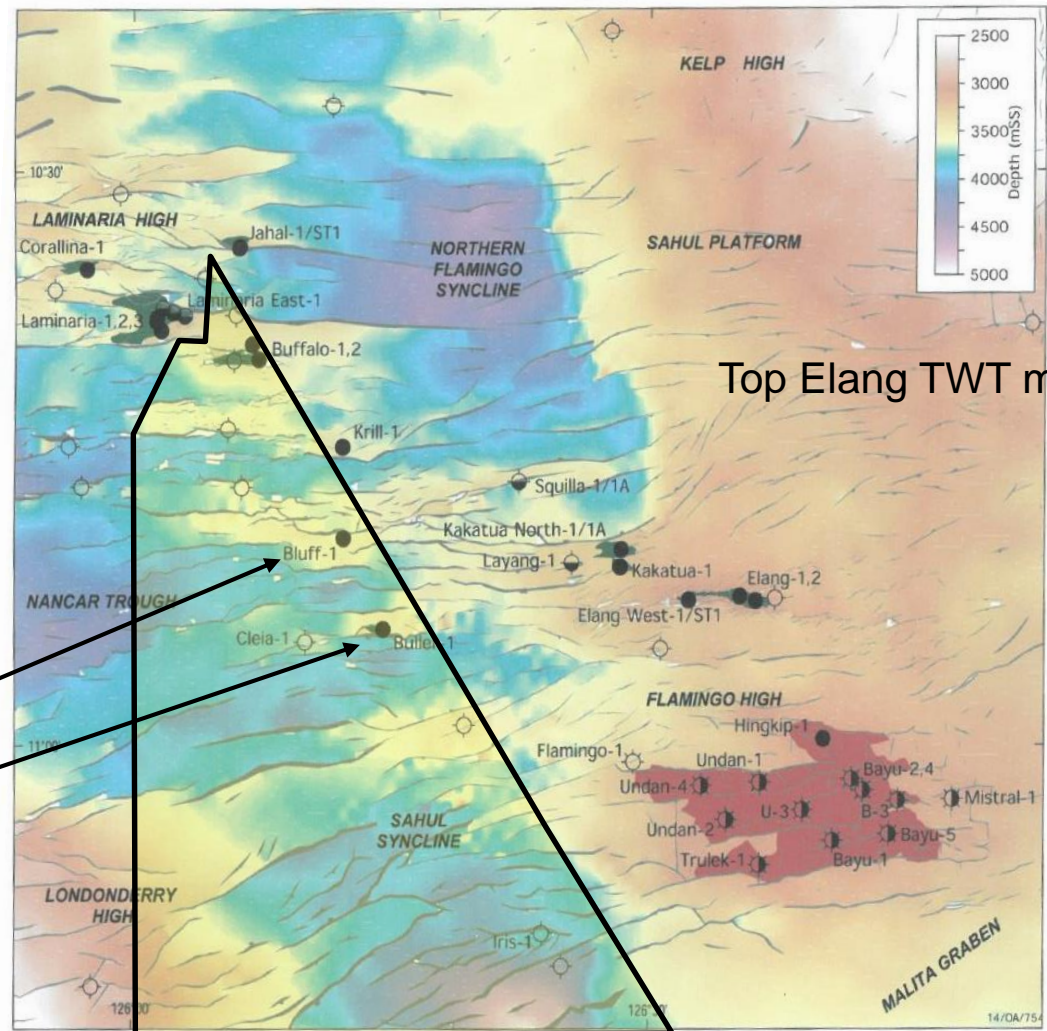


1. Buffalo redevelopment
2. “cheating” exploration
3. Undrilled prospects

FIELD	MMBO
Bayu-Undan (Bayu-1)	870
Corallina-1	106
Laminaria-1	99.1
Kitan-1	31.4
Elang-1	31.1
Buffalo-1	21.6
Kuda Tasi-1	10
Elang West-1	5
Jahal-1/1st	5

*Data from Woodmac (Oct 15):
Discovered Resource by Discovery Well.*

- Note live net/gross oil columns at :
 - Bluff-1 17m/33m
 - Buller-1 8m/26.5m
 - Both wells lie under the 3D, and may be subject to structural reinterpretation after 3D reprocessing.

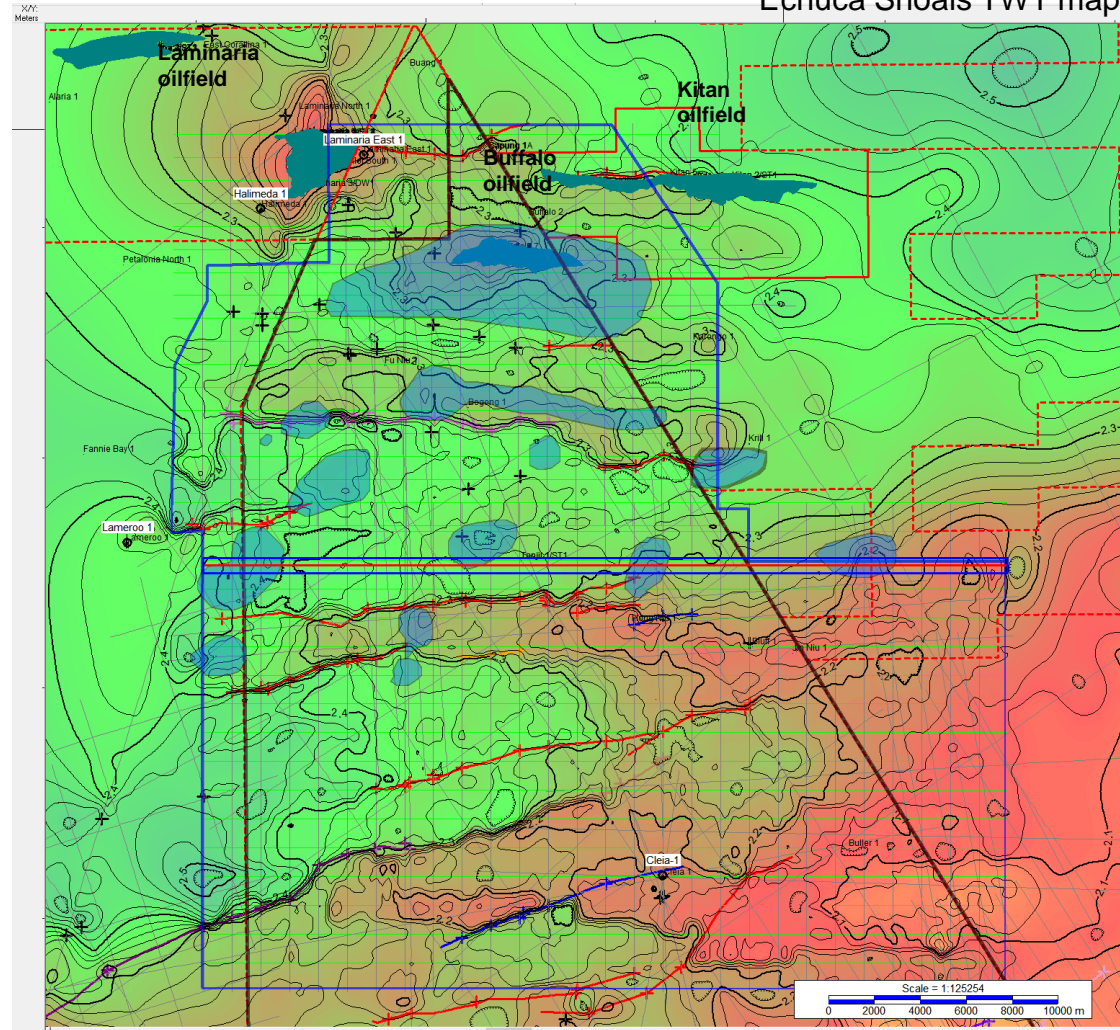


Top Elang TWT map

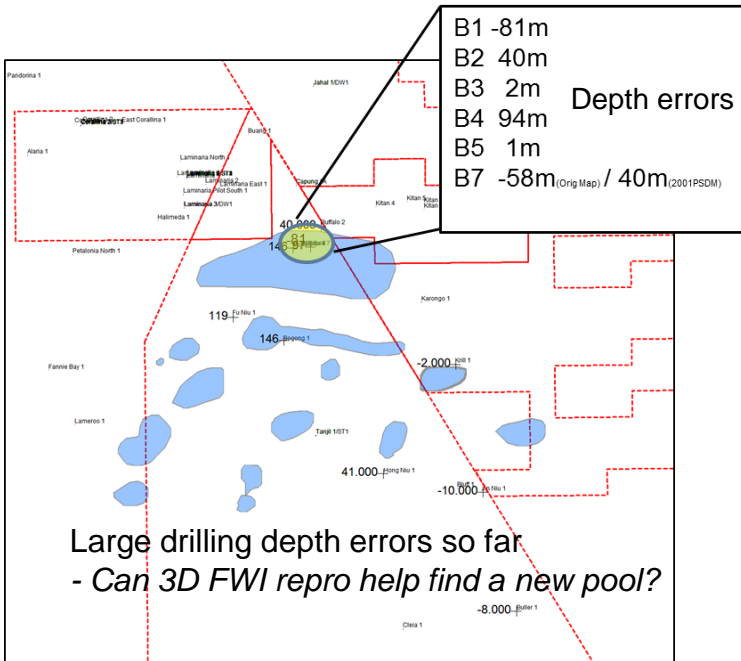
Buffalo project – goal to understand the reefs



Echuca Shoals TWT map

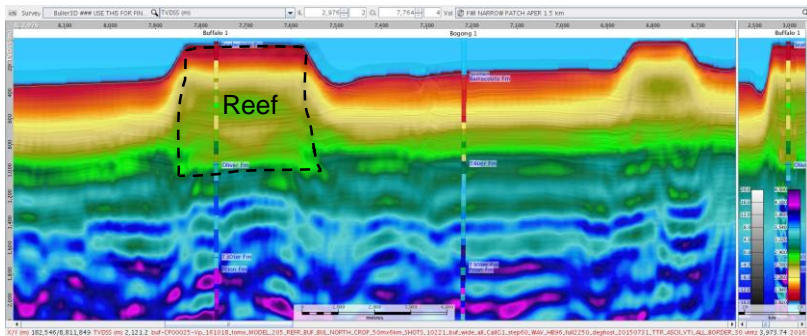
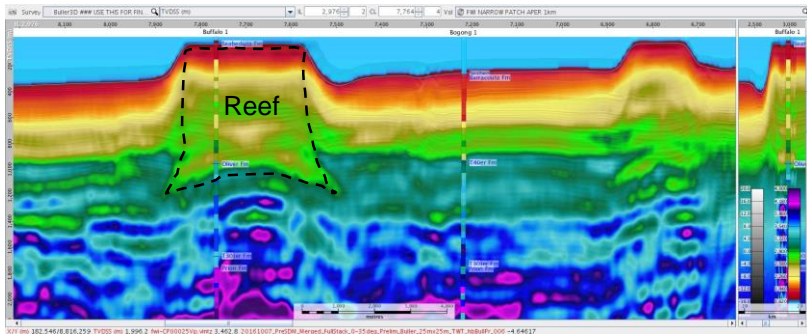


- Light blue shading is surface reefs
- Reefs play havoc with imaging oil prospects
- CVN using FWI reprocessing to image reefs
- Complete FWI 3D seismic repro May 2017
- Aim to be ready for farmout Q3/Q4 2017





Imaging the shallow reefs will allow us to understand the structures below



Improving velocity structure using FWI reprocessing

Narrow Patch/Aper1000m

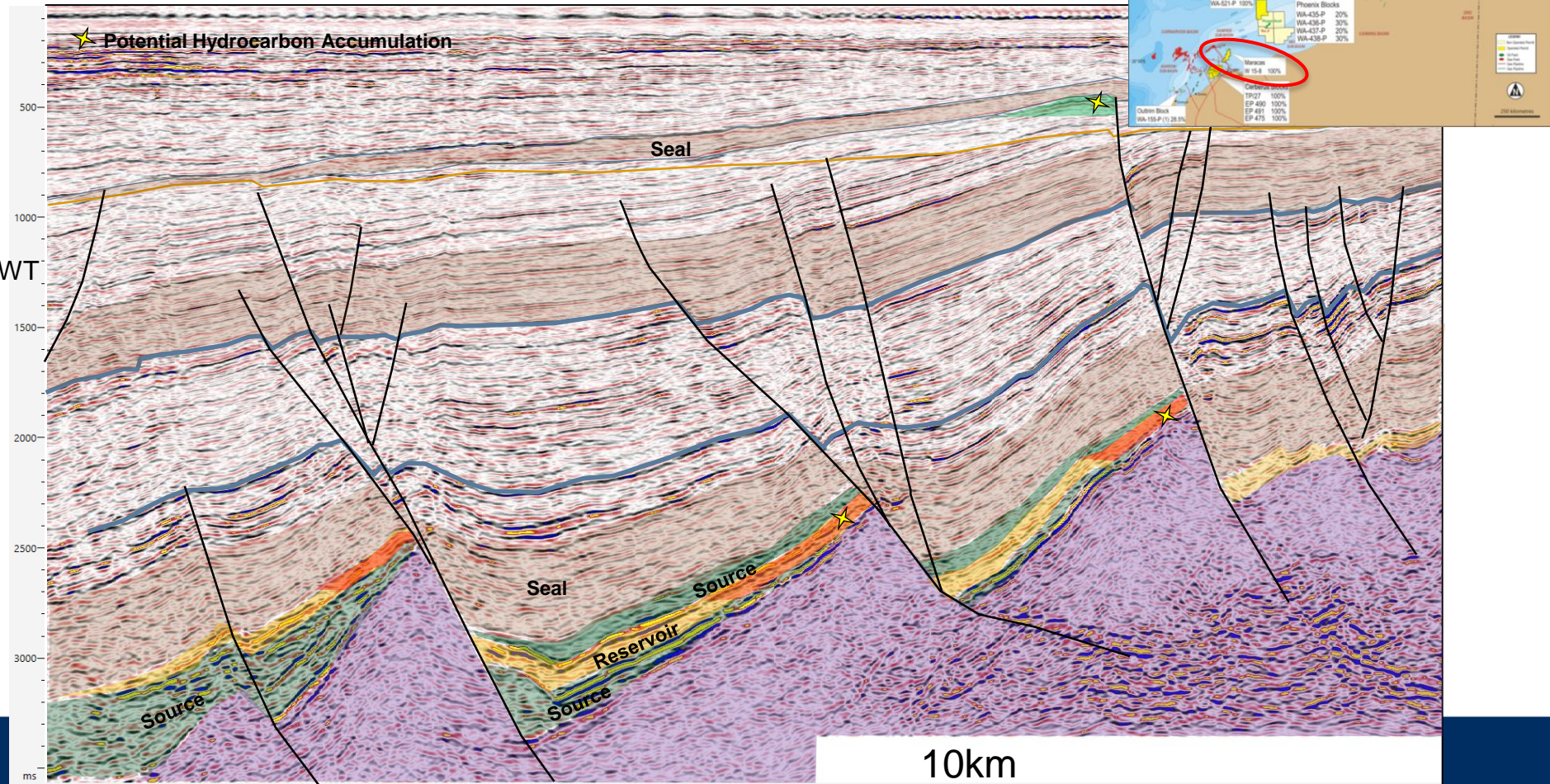
Narrow Patch/Aper1500m

WidePatch/Aper1500m

Maracas project



- Acquired 9th September 2016
- Permian Play- 3 large prospects
- Cretaceous Play- depth closures to be identified
- First 3 years: reprocess 3D – light work programme





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- **SIMPLE IDEA....but few are doing this**
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Wrap up

Opportunity in spades



Phoenix South-2 well results

Update volumes on Phoenix South-2 results

Mature portfolio to attract drilling capital

Dorado-1 well potential

Roc well potential



Clear strategy



High impact portfolio



Phoenix / Roc lead project



Management capability



Strong financial position





Think Different

Act Different