



CARNARVON
PETROLEUM LTD

Investor Presentation

February/March 2017



CVN



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.

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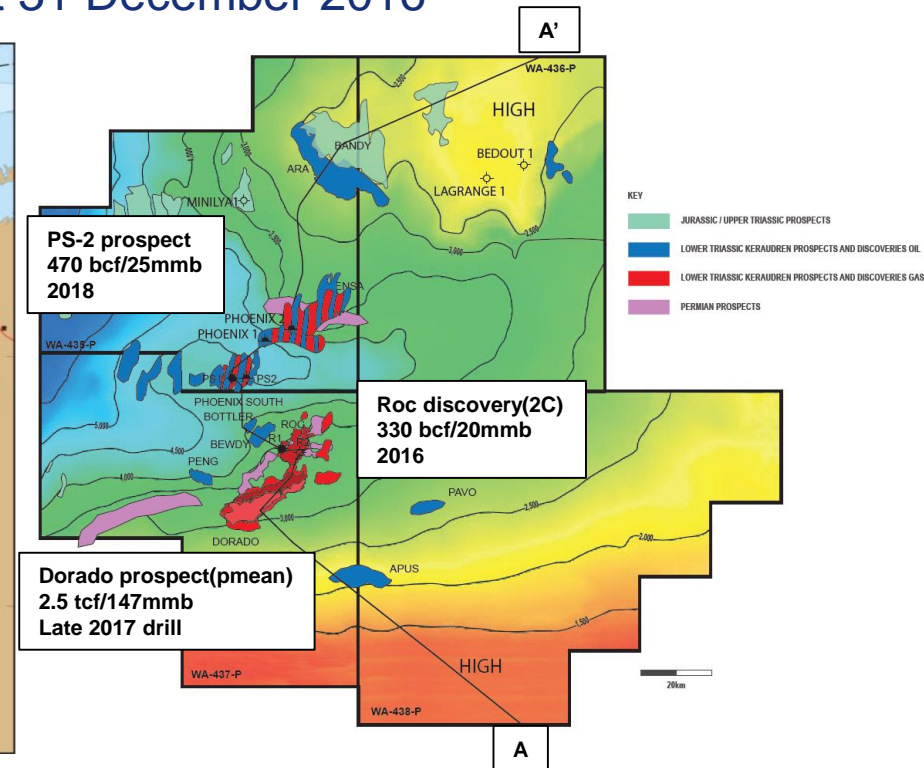
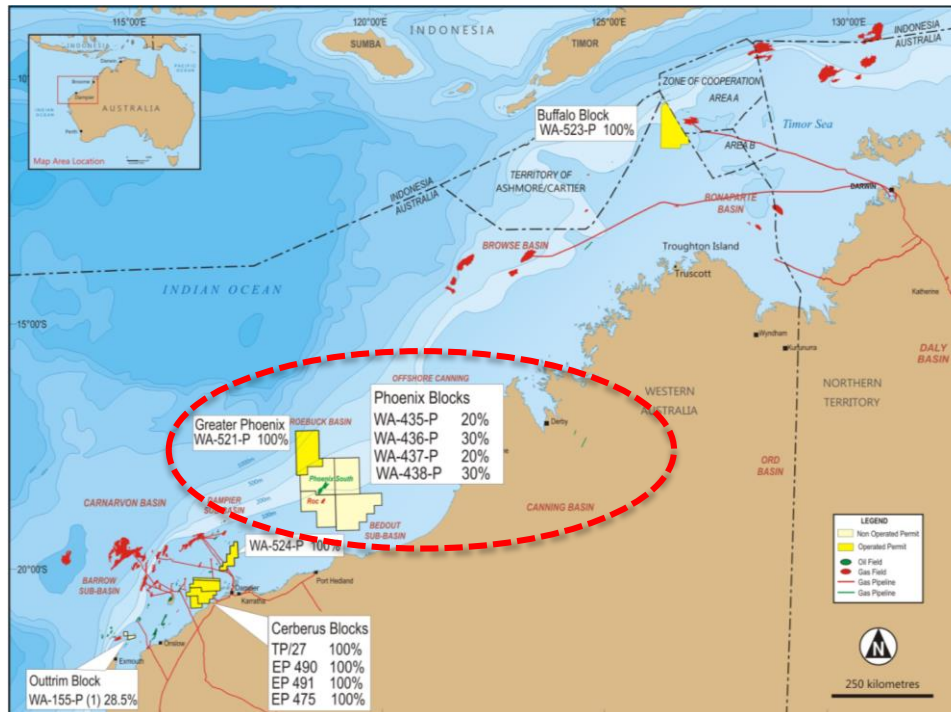
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Setting the scene



Overview

- **NEW North West Shelf (“NWS”)** hydrocarbon basin uncovered
- Play previously thought too deep / tight, now significantly de-risked
- Carnarvon provides the only ASX listed exposure to this acreage
- Market value of Carnarvon is around \$100 million (ASX code: CVN)
- Carnarvon has \$60 million of cash as at 31 December 2016

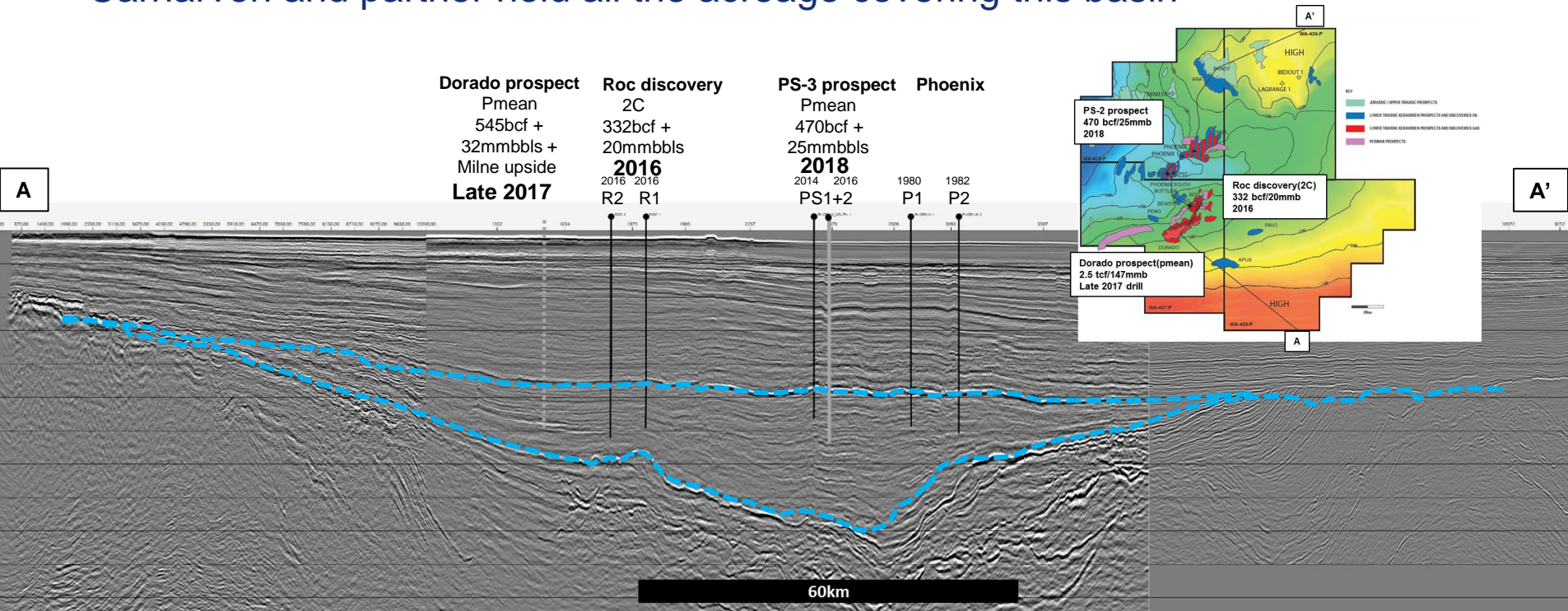


NWS Australia most exciting exploration acreage



Phoenix / Roc permits

- **FOUR discoveries from four wells drilled by Carnarvon and partner**
- Commercial flow rates achieved, comparable with major NWS fields
- Entire hydrocarbon province covers a very large ~22,000km²
- Carnarvon and partner hold all the acreage covering this basin



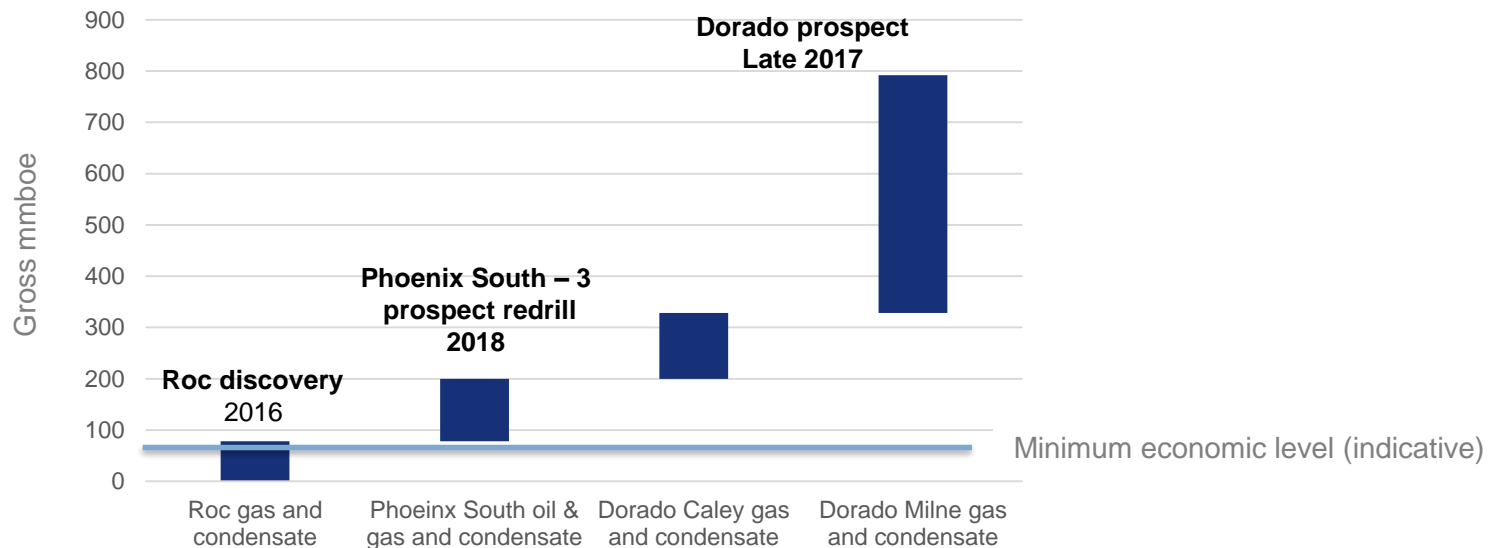
Seismic image across the Bedout Sub-basin

Commercial project taking shape



Phoenix / Roc permits

- **Multi-Tcf gas potential in a small tested area of the acreage**
- **Remaining area has similar high potential**
- High proportion of condensate in all gas samples recovered
- Engineering and commercial work commencing in 2017
- Key resources are capable of being centrally produced



Three key resource estimates, mid case / 2C basis

Stop: how did we get to this point?



Phoenix / Roc permit history

- 2009 Carnarvon secures interests in 4 permits in Government gazettal
- 2011 play opening 3D seismic acquired, the first 3D in the basin
- 2012 Apache Energy and JX Nippon farm in paying for two wells
- 2014 Phoenix South-1 discovered and recovered light oil
- 2015 / 2016 Roc-1 discovered and recovered gas and condensate
- 2016 Roc-2 discovered and **flowed** gas and condensate
- 2016 Phoenix South-2 discovered and recovered gas and condensate



Roc-2 well delivered an historic flow



Phoenix / Roc permits

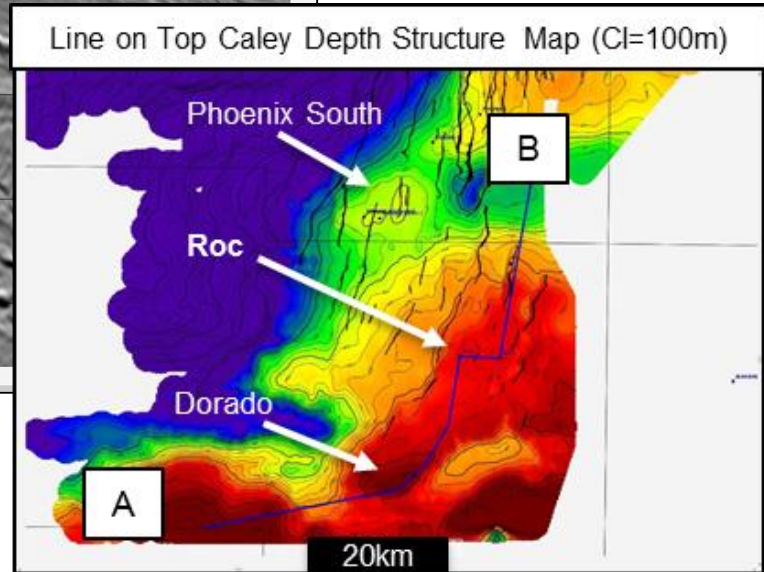
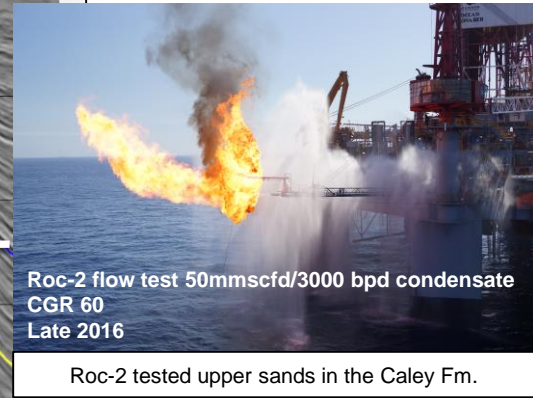
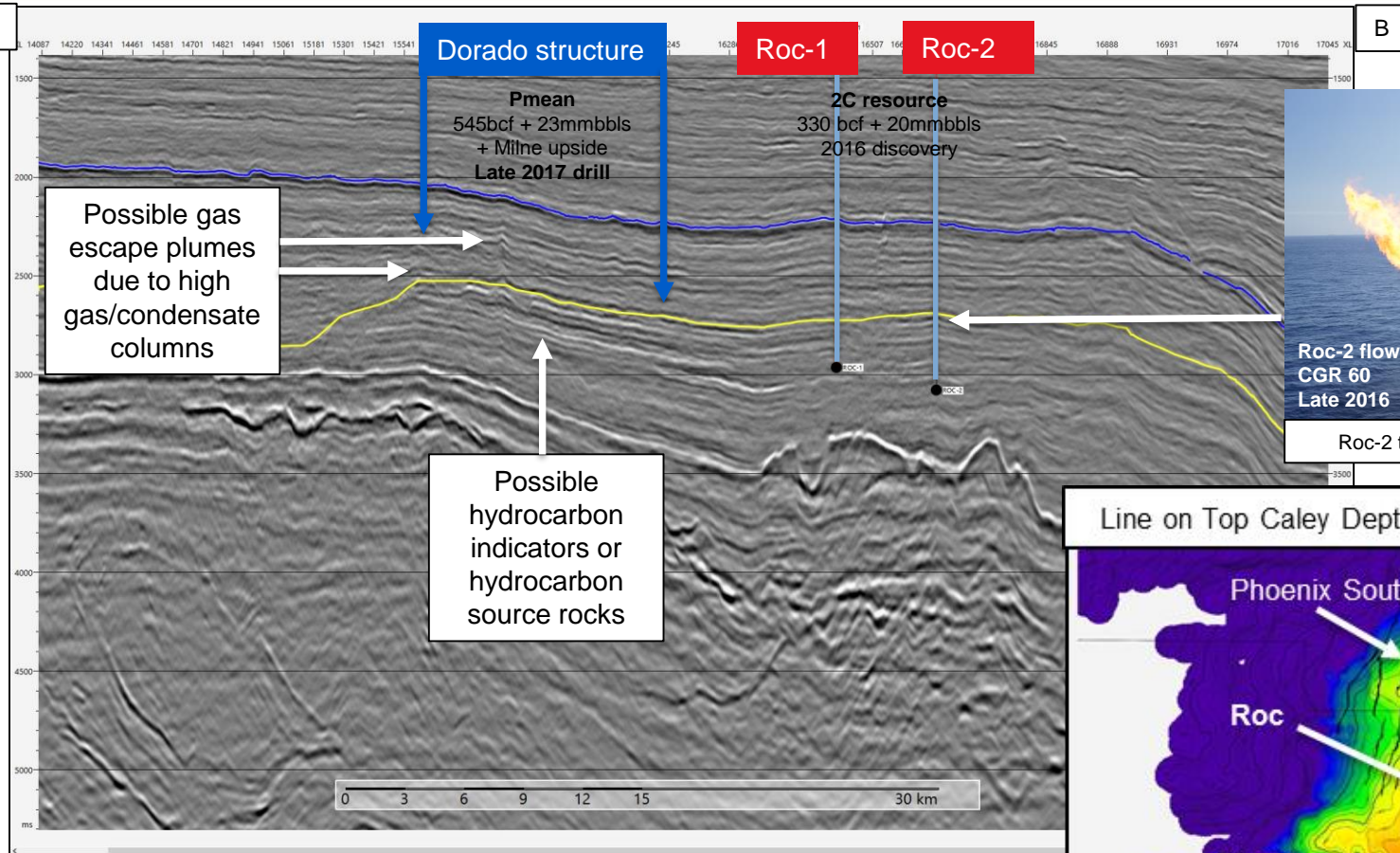
- Roc-2 well flowed strongly for 6 days under controlled test conditions
- At 51 million scf per day of gas and 2,943 barrels of condensate per day, being a high condensate to gas ratio of 58 bbls/mmscf.
- Production equivalent rate ~10% of the WA domestic gas usage



Dorado is the biggest target yet – updip of Roc



Phoenix / Roc permits



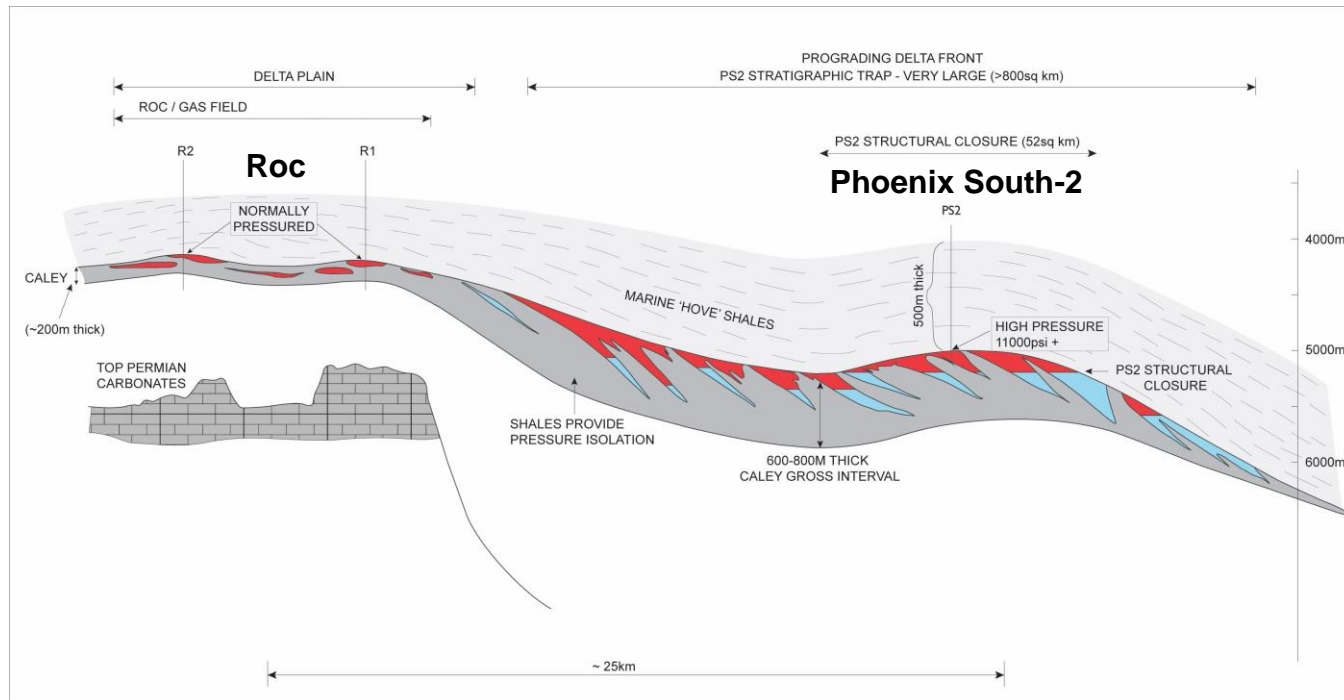
Seismic image of Caley sst horizon

Phoenix South-2 potentially uncovered a play fairway



Phoenix / Roc permits

- High gas influx and pressures experienced while drilling PS-2 Caley Sst
- Pressure positive for porosity (higher volume) and permeability (higher flow rates)
- High probability of sand prone reservoirs from seismic and regional mapping
- Potential for multiple sealed sand packages filled with hydrocarbons generated from shales within the package; versus structural trap targeted pre-drill



Location strategically important



Phoenix / Roc commercialisation

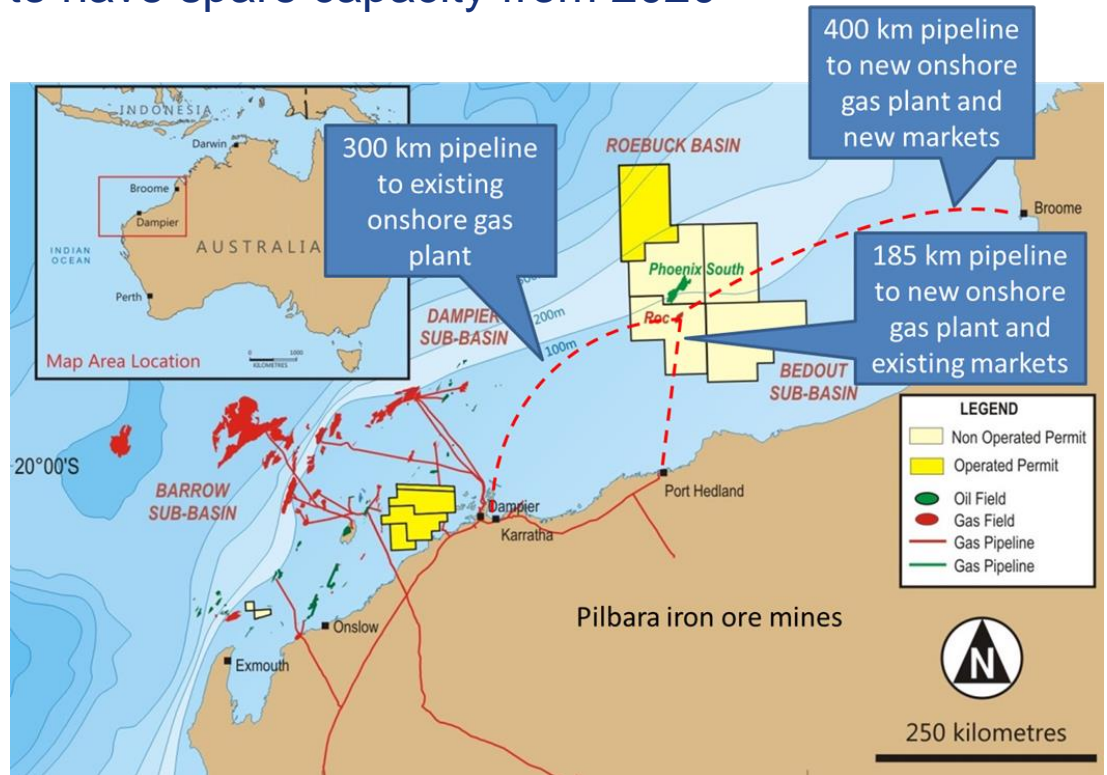
- Phoenix and Roc discoveries lie ~160 kilometres offshore of Port Hedland
- WA's main gas pipeline passes Port Hedland – domestic supply shortage from 2020
- Fortescue River Gas Pipeline links main gas pipeline to Pilbara iron ore mines
- LNG export facilities expected to have spare capacity from 2020

LNG export

Domestic Gas pipeline

Gas for mining

Government take – 60%



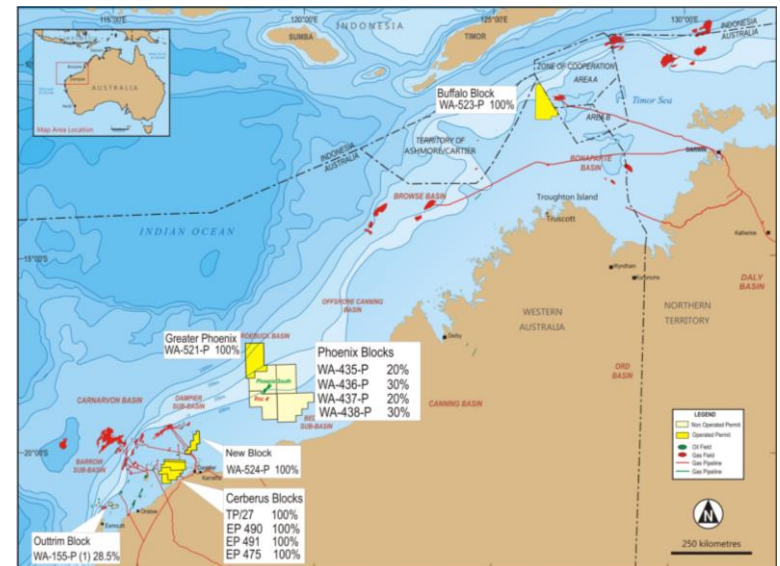
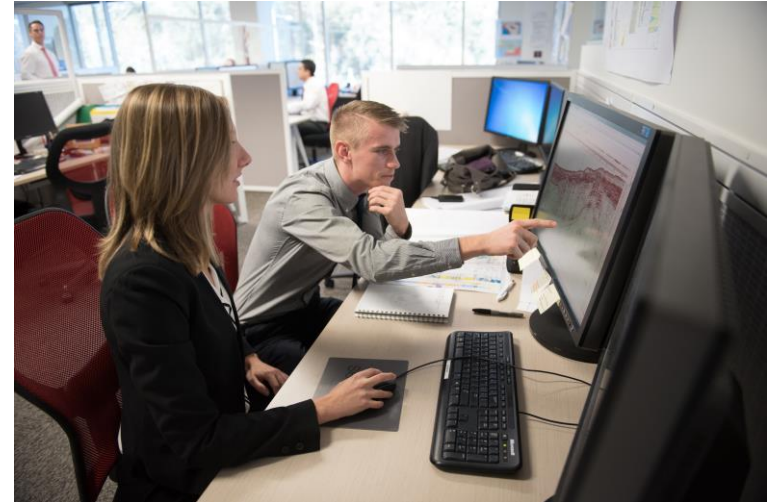
Keep the conveyer belt full



CVN's business model – create shareholder value through farmout exploration

Acquired acreage in the oil low 2014-2017

- Buffalo – running latest FWI 3D reprocessing
- Maracas – running latest FWI 3D reprocessing
- WA-521 – large leads identified on 2D next to Phoenix
- Cerberus – Phoenix / Roc like plays drill ready
- Outtrim – 2016 oil discovery and aggregation oil play



Where we see value

- Volume update(s) following Phoenix South well result and ongoing prospect work
- Dorado well targeting large volumes in late 2017
- Field development planning for Phoenix / Roc including project economics
- Commercial transactions such as divestments, farm-outs and acquisitions



2016 Roc-2 flow test





Think Different

Act Different