

Dorado-1 well update

30 April 2018



Highlights

- The Dorado-1 well drilling rig has now left Singapore and is heading to the Dorado location
- The drilling rig, being the Ensco-107 jack-up, is expected to be on location in mid May 2018
- Dorado-1 is less than 20km from the Roc discovery which flowed 55 mmscf/d and 3000 bbl/d/day
- Primary Caley target prospective resource is 545 Bscf of gas and 30 mmbbls condensate (gross, Pmean)
- The well will also assess deeper Milne targets with significant additional gas and condensate potential

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide the following update on its near-term drilling program.

The Ensco 107 jackup drilling rig (pictured) has commenced mobilisation from Singapore to drill the Dorado-1 well. The rig is expected on location in mid May 2018 with drilling anticipated to commence before the end of May. The well is expected to take around 60 days to complete and be at the top of the primary objective in around 35 days.

The primary objective of the Dorado-1 well is to assess the gas and liquids potential in the Caley Member. As depicted in Figure 2 below, the Dorado well is less than 20km from and up-dip of the successful Roc-1 and Roc-2 wells. The Roc-2 well also tested the deliverability of the reservoir through a well test that achieved around 55 million scf/day of gas and an associated condensate rate of 3,000 barrels per day. The Dorado-1 well, being up-dip of the Roc discoveries, enhances the overall chance of success of this prospect.



The Dorado structure at the Caley interval is estimated to contain a gross mean recoverable prospective resource of **545 Bscf of gas** and **30 million barrels of associated condensate** (being 125 million barrels of oil equivalent ("boe"), gross, Pmean). Multiple secondary targets have been identified by Carnarvon in the Crispin and Milne members (see Figure 3) and these will also be assessed by the Dorado-1 exploration well. See the recently released volumetric strategy update (ASX 23 April 2018) for details on these targets.

The Dorado structure is clearly defined on 3-D seismic. The shale-filled canyon (the Dorado Canyon) which has incised into the Caley and Milne sediments, creates a large trap geometry in the target levels, bounded to the west, south and east (see Figure 1 and 2). Similar shale-filled canyon trap geometries have proven very effective in a number of gas fields in the Gippsland Basin in Victoria.

The Dorado prospect is considered by Carnarvon as a probable gas prospect, with significant associated condensate, based on the results at Roc and Phoenix South. However, it should be noted that there is the

possibility for this structure to contain a substantial oil accumulation. This is due to the known presence of oil-prone source-rocks in the section at Roc, and the possibility that gas at Roc has displaced the oil up dip into Dorado.

Carnarvon Petroleum
Quadrant Energy (*Operator*)

20%
80%

Yours faithfully



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Figure 1: Seismic line, roughly N-S through Phoenix South, through Roc and Dorado showing the incised Dorado Canyon (on the RHS) which defines the Dorado trap.

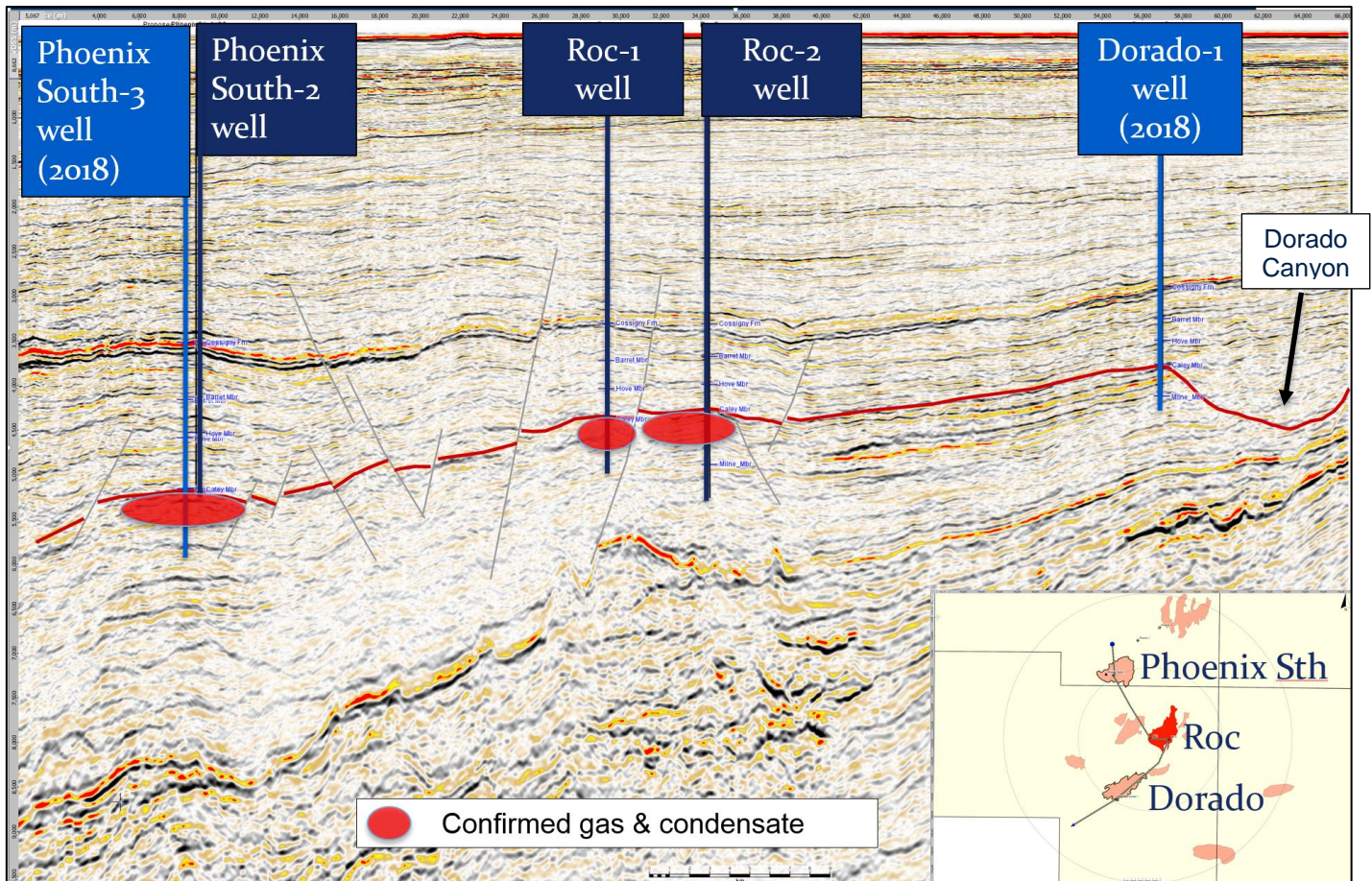


Figure 2: Perspective view of the Top Caley Surface (in TWT) around the Roc Field and Dorado Prospect.

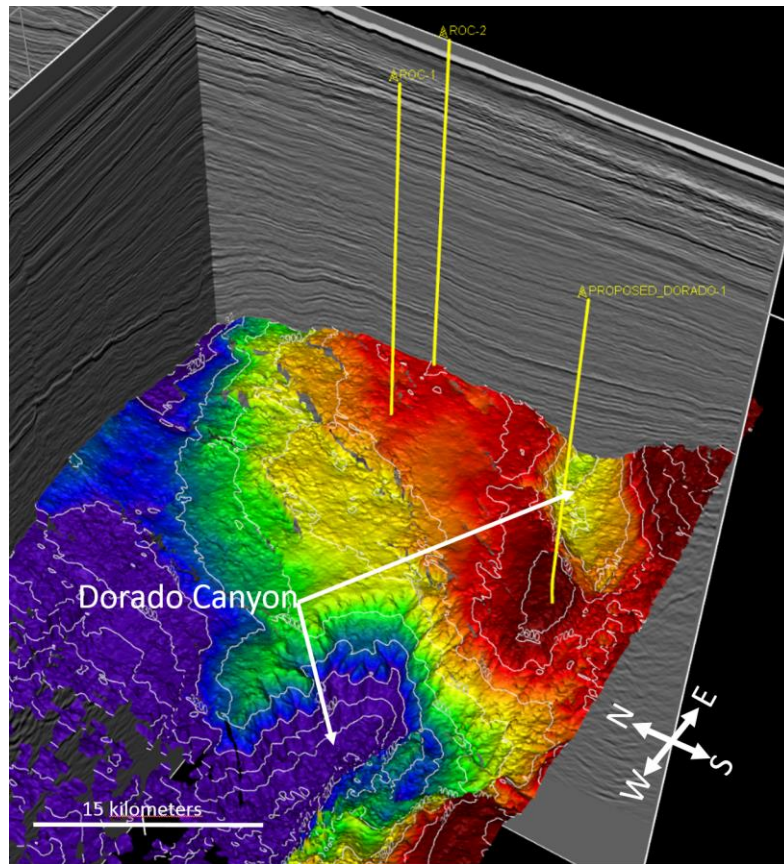
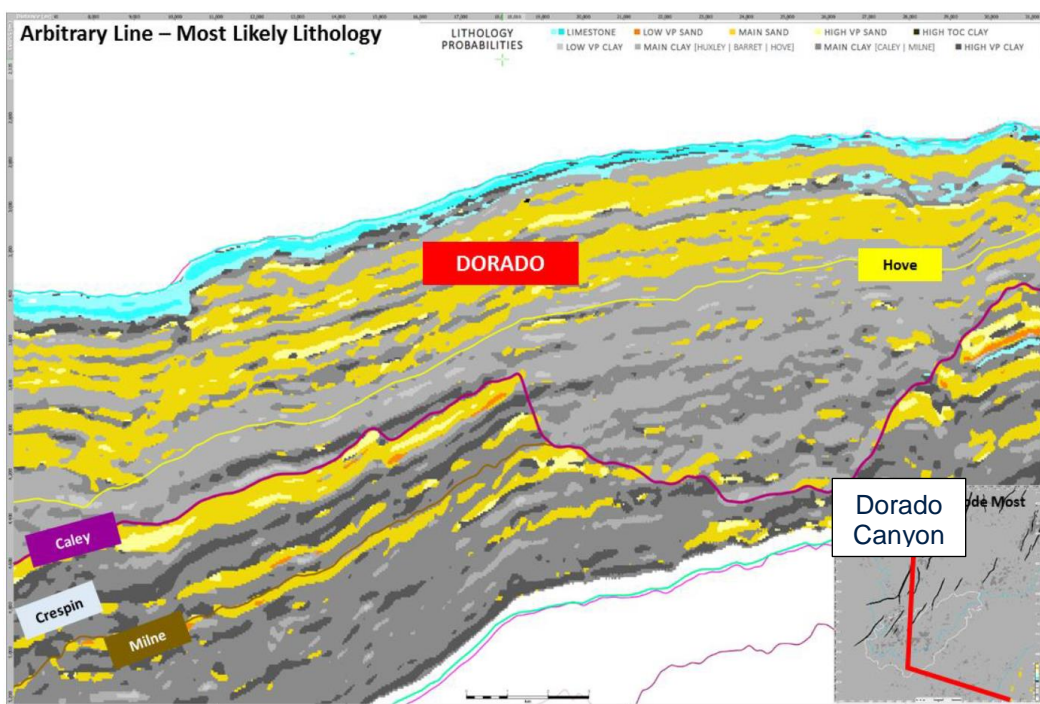


Figure 3: Predicted Lithology at Dorado from 2017 Seismic Inversion Project.



Cautionary Statement

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Resources

All contingent and prospective resources presented in this report are prepared as at 23 April 2018 (Reference: CVN ASX releases of 23 April 2018). 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 and have been prepared using probabilistic methods.

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

Competent Person Statement Information

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

Forward Looking Statements

This document 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 document 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-ups. By their very nature, the forward-looking statements contained in this news release 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 news release 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.