

Roc South-1 added to 2019 drill program

29 January 2019



- Roc South-1 well will be drilled immediately after Dorado-2 well in 2019
- Low risk target estimated to contain 74 million barrels oil equivalent (Pmean, gross)
- Tie back distance to the world class Dorado field

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to announce that the Roc-South-1 exploration well is going to be drilled in 2019. The well will be drilled immediately after the nearby Dorado-2 appraisal well is completed and the Noble Tom Prosser rig will then finish its 2019 drilling campaign for the joint venture with the Dorado-3 appraisal well.

Roc South has a very similar geological trap structure to Dorado and like Dorado is situated up-dip of the Roc structure.

Given the very similar seismic characteristics between Dorado and Roc South, and what is anticipated to be an identical oil sourcing mechanism, the Roc South prospect has a relatively high chance of geological success of 63%.

With the crest of Roc South being around 13 km from the crest of the Dorado structure, drilling success at Roc South would likely result in this structure being developed with the Dorado field.

Roc South-1 is situated in the WA-437-P Permit. The joint venture partners are Carnarvon (20%) and Santos Limited (80%, operator).

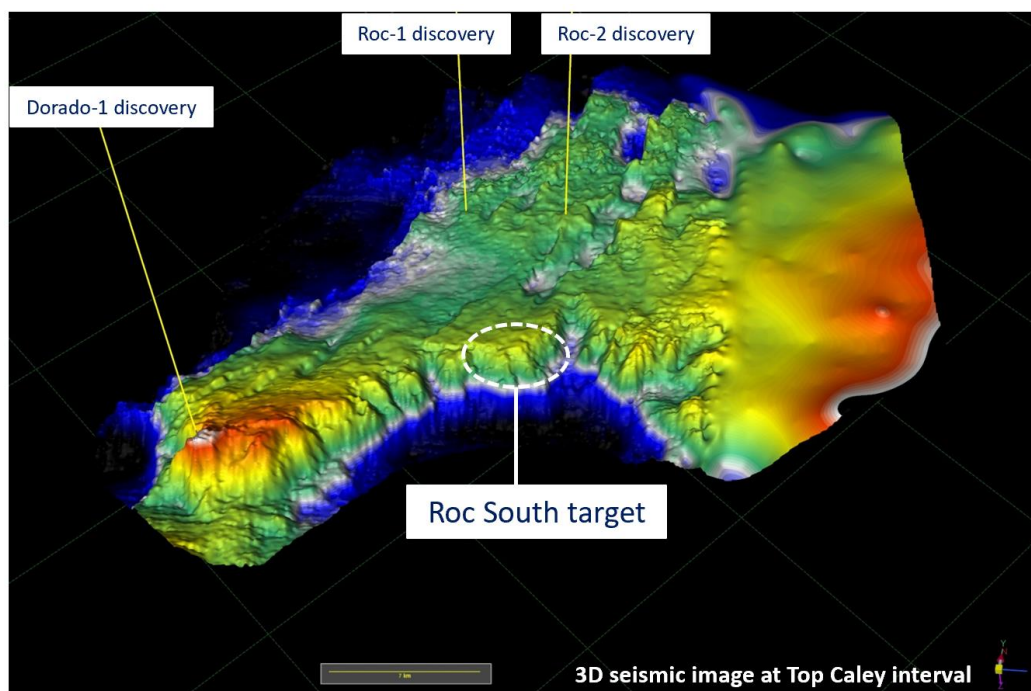
Managing Director Adrian Cook said:

"The addition of the Roc South-1 well to the 2019 drilling campaign makes a great deal of sense given the large size of the prospect and the high chance of discovery by industry standards."

"The joint venture has ambitions to make a Final Investment Decision to develop the Dorado field in 2020 and given the close proximity, Carnarvon anticipates that success at Roc South would mean it would likely form part of the world class Dorado project."

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These estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons, including the 2019 drilling Campaign.



Investor inquiries:

Thomson Naude

Company Secretary

Phone: (08) 9321 2665

Email: investor.relations@cvn.com.au

Media inquiries:

Luke Derbyshire

Managing Director, Spoke Corporate

Phone: 0488 664 246

Email: luke@spokecorporate.com

Annexure - Prospective Resource Information

Roc South Prospective Resources:

| Light Oil | | | | Natural Gas | | | | Barrels of Oil Equivalent | | | | Probability Geological Success |
|-----------|-----------|-------------|-----------|-------------|----------|------------|----------|---------------------------|-----------|-------------|-----------|--------------------------------|
| MMSTB P90 | MMSTB P50 | MMSTB Pmean | MMSTB P10 | BSCF P90 | BSCF P50 | BSCF Pmean | BSCF P10 | MMBOE P90 | MMBOE P50 | MMBOE Pmean | MMBOE P10 | |
| 9 | 45 | 56 | 118 | 15 | 76 | 100 | 217 | 12 | 59 | 74 | 156 | 63% |

These prospective resources are prepared as at 15 October 2018 (Refer to CVN ASX release of 15 October 2018). 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.

Carnarvon calculates reserves and resources according to the Society of Petroleum Engineers' Petroleum Resource Management System ("SPE-PRMS") definition of petroleum resources. Carnarvon reports reserves and resources in line with ASX Listing Rules.

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.

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

Unless otherwise stated, all petroleum resource estimates are quoted at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius).

Carnarvon uses probabilistic and deterministic methods for estimation of petroleum resources in this report. Unless otherwise stated, all petroleum estimates reported at the company level are aggregated by arithmetic summation by category.

MMBOE means millions of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Carnarvon is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbls (million stock tank barrels) to MMboe on a 1:1 ratio.

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, a Masters Degree in Petroleum Engineering and is a member of the Society of Petroleum Engineers. 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.