

Dorado-3 appraisal well

18 July 2019

Highlights

- Noble Tom Prosser drilling rig preparing to move to the Dorado-3 appraisal well site over the weekend
- The Dorado-3 well will appraise the Dorado oil and gas discovery
- The Dorado-3 well is designed to enhance the Joint Venture's confidence in the sub-surface characteristics and confirm reservoir productivity
- Dorado-3 well plan is to conduct several well tests and acquire several hundred metres of core

Carnarvon Petroleum Limited ("Carnarvon" or "Company") (ASX:CVN) is pleased to provide the following update on the drilling of the Dorado-3 appraisal well.

The Dorado-3 well is the second appraisal of the Dorado oil and gas field which was discovered in 2018. The field is located approximately 160km north-northeast of Port Hedland in the Bedout Sub-basin in around 95 metres water depth.

The Dorado-1 exploration well discovered hydrocarbon bearing reservoirs in the Caley, Baxter, Crespin and Milne Members of the Lower Keraudren Formation.

The Dorado-2 appraisal well, located around 2.2km north east of the Dorado-1 well, confirmed hydrocarbon bearing reservoirs in the Caley, Baxter and Milne and importantly demonstrated connectivity within each reservoir between the two wells.

The Dorado-3 appraisal well is located approximately 900 metres north west of the Dorado-1 discovery location.

The Dorado-3 well has been designed to enhance the Joint Venture's confidence in the subsurface characteristics and confirm reservoir productivity. Dorado-3 is planned to conduct two, and potentially up to three, flow tests targeting the Caley, Baxter and Milne reservoirs, as well as acquire approximately 380 metres of full-bore core in the Caley, Baxter, Crespin and Milne Members. This will result in a significant amount of new data to further characterise the Dorado field.

Refer to the Technical Appendix for further details on the Dorado-3 well.

The Dorado and Roc oil and gas fields reside in WA-437-P in which Carnarvon holds a 20% interest.

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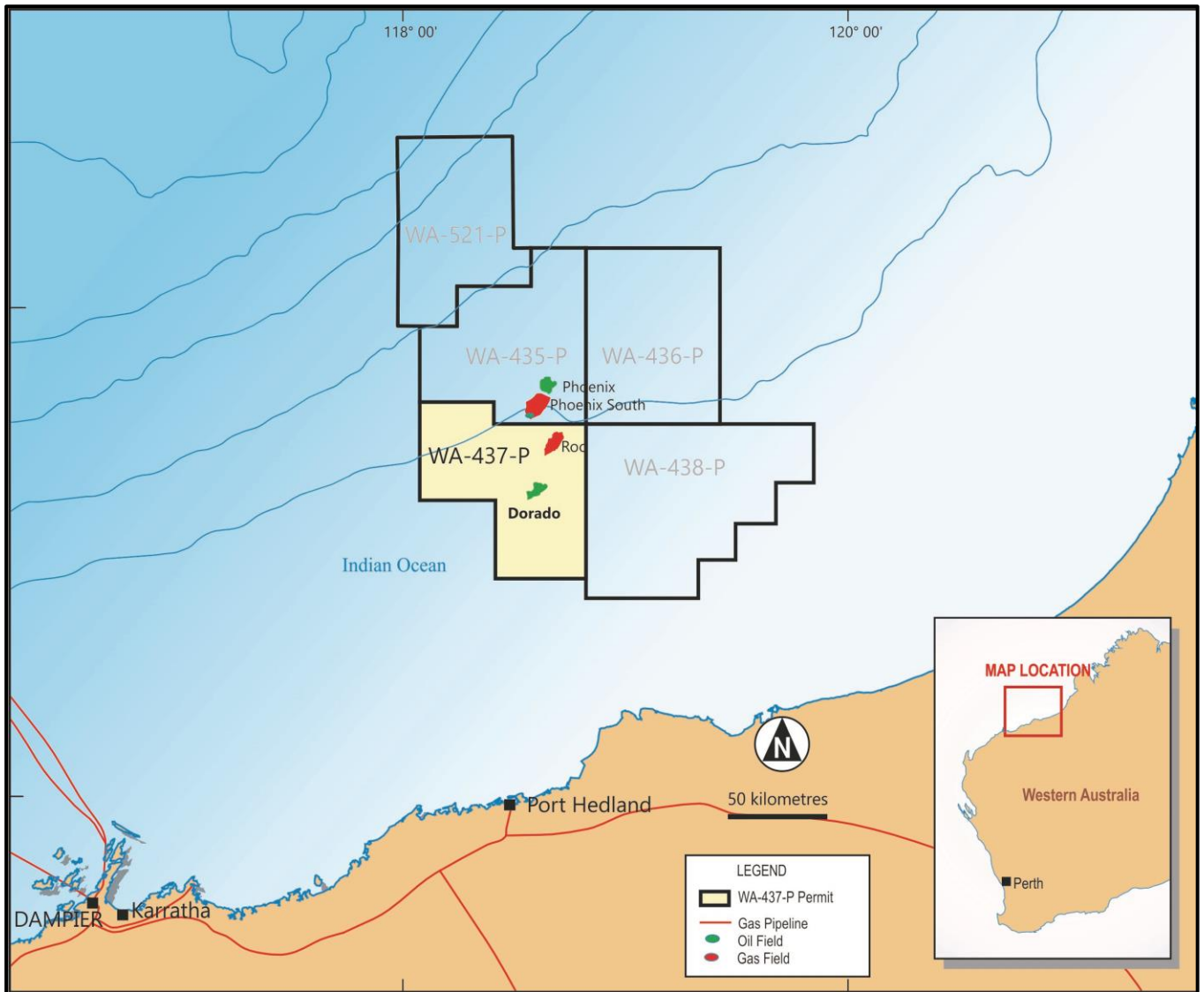


Figure 1 – Map of WA-437-P showing the Dorado field

Technical Appendix – Dorado-3 well objectives and well plan

Dorado-3 Well Objectives

The Dorado-3 appraisal well has been designed to enhance the Joint Venture’s confidence in the subsurface characteristics and confirm reservoir productivity.

The successful Dorado-2 appraisal well proved connectivity across the same reservoir intervals between the Dorado-1 and Dorado-2 wells, confirmed the oil water contact in the Caley reservoir and extended the proven extent of a number of the other hydrocarbon columns. As such, there is reduced uncertainty with respect to the extent of the hydrocarbon columns and reservoir connectivity.

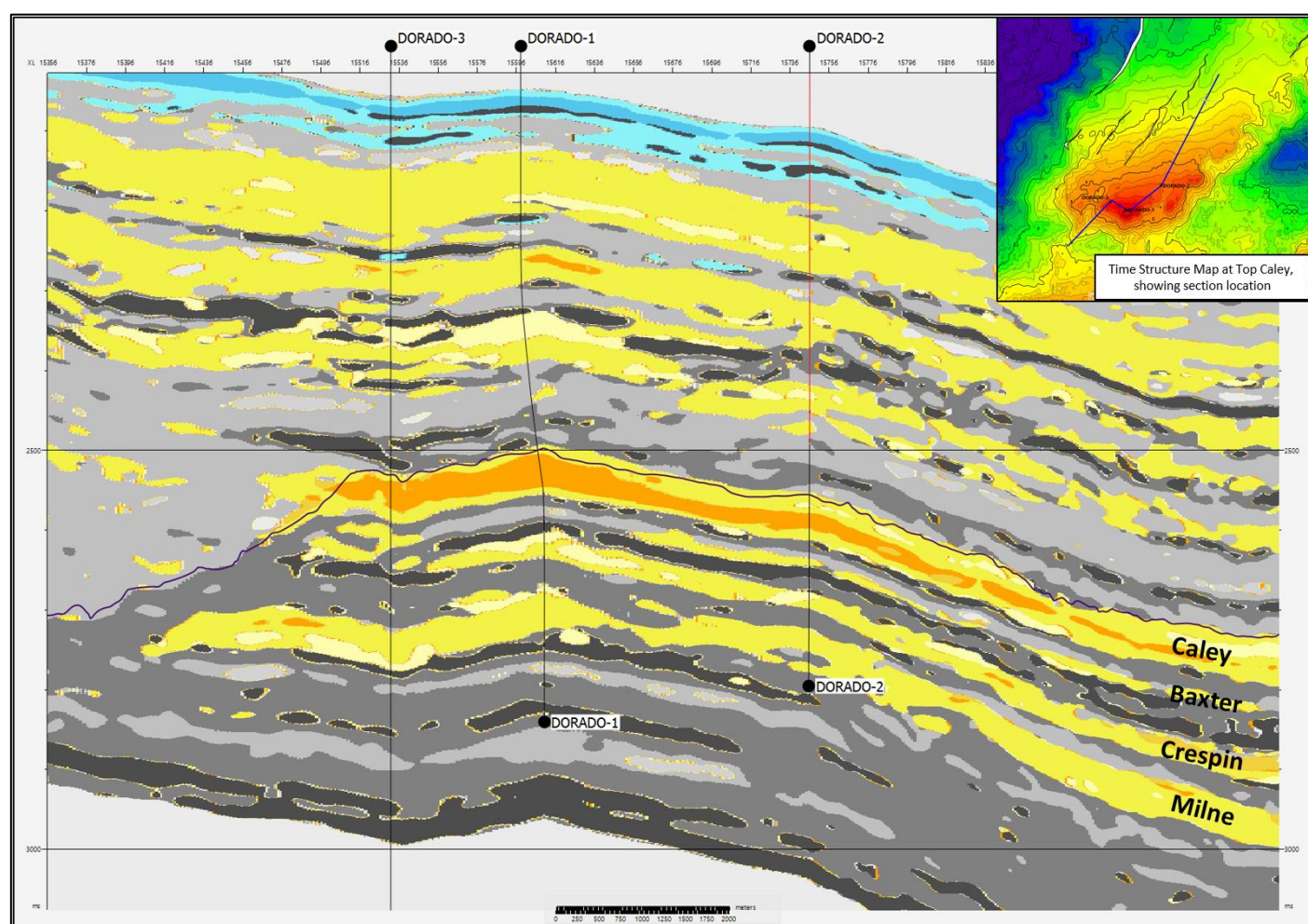


Figure 2 – Most likely lithology section showing location of Dorado-3 down-dip of Dorado-1 and up-dip of Dorado-2

The objectives for the Dorado-3 well include the acquisition of significant full-bore core over each of the reservoir sections, detailed wireline logging and full-bore well flow tests.

The core will be used to strengthen the Joint Venture’s understanding of the reservoir architecture, calibrate the petrophysical models to support better definition of reservoir properties such as porosity, permeability and hydrocarbon saturation, and provide rock samples for detailed engineering studies in preparation for development.

Full-bore well testing will provide important information regarding the flow potential of the different reservoirs, which will impact on sizing for eventual development facilities. The well testing will also allow for collection of representative fluid samples for fine-tuning of the processing requirements of the production equipment.

Dorado-3 Well Location

The location of the well was chosen to ensure the Caley interval will be fully oil saturated, while also providing additional information regarding the portions of the field to the west of the Dorado-1 well location. Data from this well will thus allow further accuracy of estimates for hydrocarbon fluids in place.

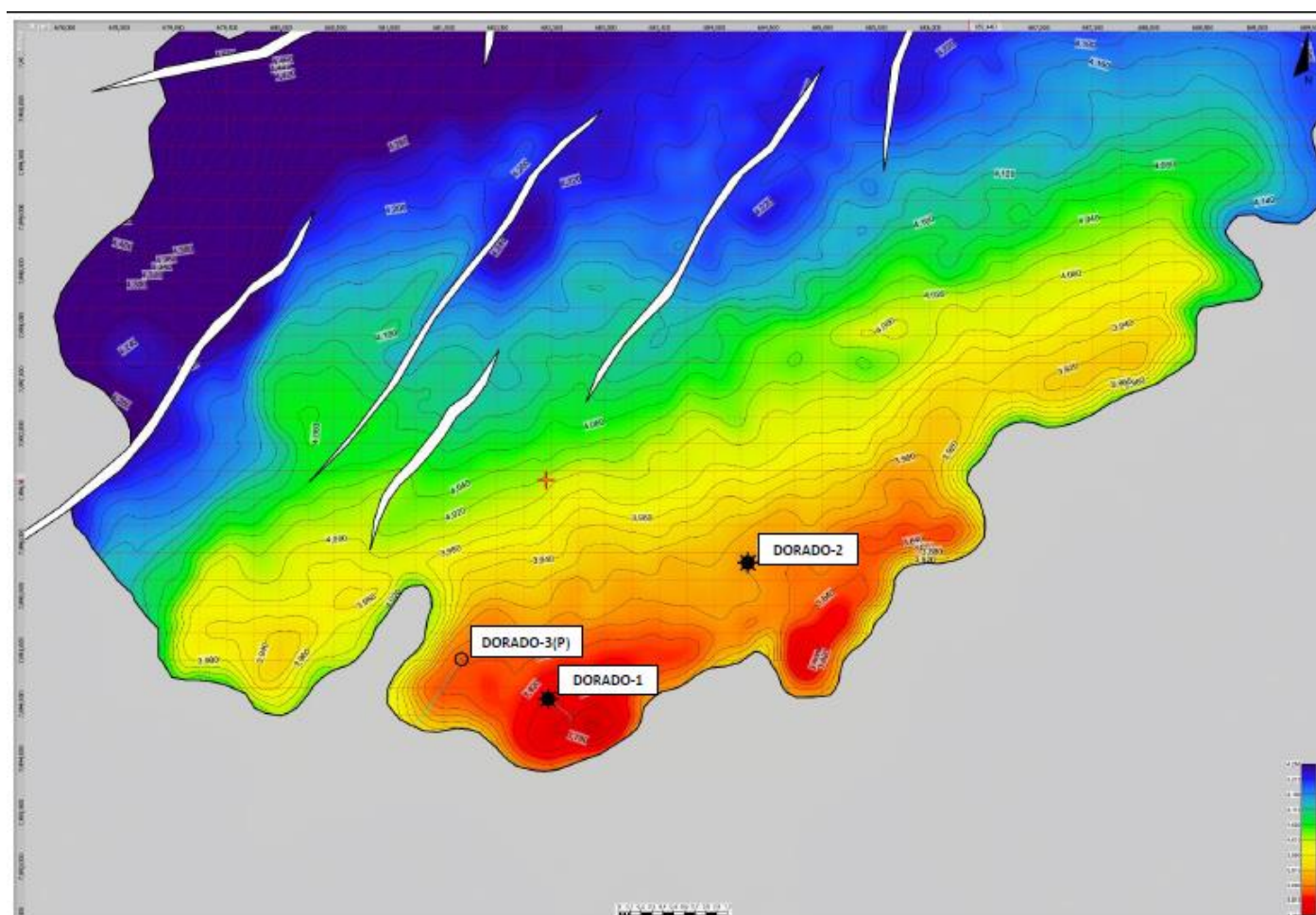


Figure 3 - Top Caley Depth Structure Map

The Dorado-3 location was also chosen to appraise the Milne reservoir in an area that, based on interpretations of seismic data, appears to be thicker and better developed.

The Baxter and Milne reservoirs will be encountered above the hydrocarbon-water contacts and hence, along with the Caley reservoir, will be well located for full-bore well flow testing.

The Dorado-3 well location is slightly down-dip to the Dorado-1 well, but significantly up-dip from the Dorado-2 well. The Crespín reservoir is expected to be encountered with an oil-water contact in the reservoir and so will not be ideally positioned for a well test.

Well Plan

It is expected to take approximately one month to drill to the top of the Caley reservoir.

Around 380 metres of full-bore core is planned to be extracted over the Caley, Baxter, Crespín and Milne reservoirs. Due to the nature of the coring operations, information available while coring will be limited. Details of the reservoirs and hydrocarbons encountered will not be able to be assessed until three weeks after the commencement of coring when the wireline logging is completed.

A 7" liner will then be set in the well and well testing will be performed. Planning is in place for either two or three well tests to be performed in the well. These will test the flow capabilities of the oil in the Caley reservoir, and either one or both of the Baxter and the Milne intervals. Well testing is expected to take about 30-40 days to complete, dependent on the number of tests, with approximately 36 hours of hydrocarbon flows in each test.

At the completion of the well testing, the rig will be released after leaving the well in a safe condition.