

Outtrim East-1 drilling commences

20 June 2016



Highlights

- **Outtrim East-1 well commenced drilling on 18 June 2016;**
- **Drilling expected to take approximately 25 days to reach total depth of approximately 1,440m;**
- **Formation evaluation program includes pressure and fluid sampling and extensive conventional coring.**

Carnarvon Petroleum Limited ("Carnarvon") (ASX: CVN) is pleased to advise that the operator of the Outtrim East-1 well, Quadrant Energy, has advised that the well commenced drilling on 18 June 2016.

The aim of the Outtrim East-1 well is to explore for additional hydrocarbon bearing sands to the North and East of the hydrocarbon reservoir seen at the Outtrim-1 oil discovery.

The forward plan is to drill to approximately 1,300m MD, which is expected to be just above the Pyrenees Formation, which was oil-bearing in the Outtrim-1 well situated approximately 1 km away. It is then planned to obtain around 90m of conventional core. After obtaining the core, the final section of the well will be drilled to a Total Depth (TD) of 1,440m.

The Company expects to be in a position to report on whether the target formations are hydrocarbon-bearing, and the extent of any reservoir sands intersected, after completion of the wireline logging and pressure and fluid sampling program. This is scheduled to be the final process in the well, namely after coring is complete.

Carnarvon expects the estimate of recoverable volumes for the Outtrim and Outtrim East structures to follow receipt of laboratory tests, a process that will take several months after completion of the well.

The Outtrim East-1 well is located within the WA-155-P(1) exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	28.5%
Quadrant Energy (<i>Operator</i>)	71.5%

Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook".

Adrian Cook
Managing Director
Carnarvon Petroleum

Shareholder enquiries:

Mr Thomson Naude

Company Secretary

Phone: (08) 9321 2665

Email: investor.relations@cvn.com.au

Media enquires:

Mr Tony Dawe

Professional Public Relations

(08) 9388 0944 / 0405 989 743

tony.dawe@ppr.com.au