Roc-2 well commences drilling

11 July 2016

Highlights

- **Roc-2 well commenced drilling on 9 July 2016**
- **Roc-2 appraising Roc discovery to prove up volumes above minimum economic field size**
- **Drilling expected to take approximately 60 days followed by evaluation**
- **Evaluation includes well testing program designed to confirm commercial flow rates**

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to report that the operator of the Roc-2 well, Quadrant Energy, has advised that the well commenced drilling on 9 July 2016.

The main aims of the Roc-2 well are to appraise the Roc gas-condensate discovery in the Caley section that Carnarvon announced on 4 January 2016, to progress towards proving a volume above the minimum economic field size and to establish potential flow rates for future development planning.

Secondary objectives for the well are to explore the hydrocarbon potential of the deeper Milne member, where encouraging hydrocarbon shows were observed during the final phase of drilling the Roc-1 well, and the shallower Huxley member, where oil shows were encountered at Roc-1.

The Roc-2 well will be drilled in around 100m water depth, approximately 160 km north-east of Port Hedland in the Bedout sub-basin of the greater Roebuck basin (figures 1 and 2). The well will take approximately 60 days to drill down to a total depth of around 5,250 metres, including the cutting of 120 metres of core, before the evaluation program is undertaken. The evaluation, including wireline logging and flow testing, is expected to extend over a further 40 days.

The Roc prospective and contingent resources are within the WA-437-P exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	**20%**
Quadrant Energy (*Operator*)	80%

Yours faithfully

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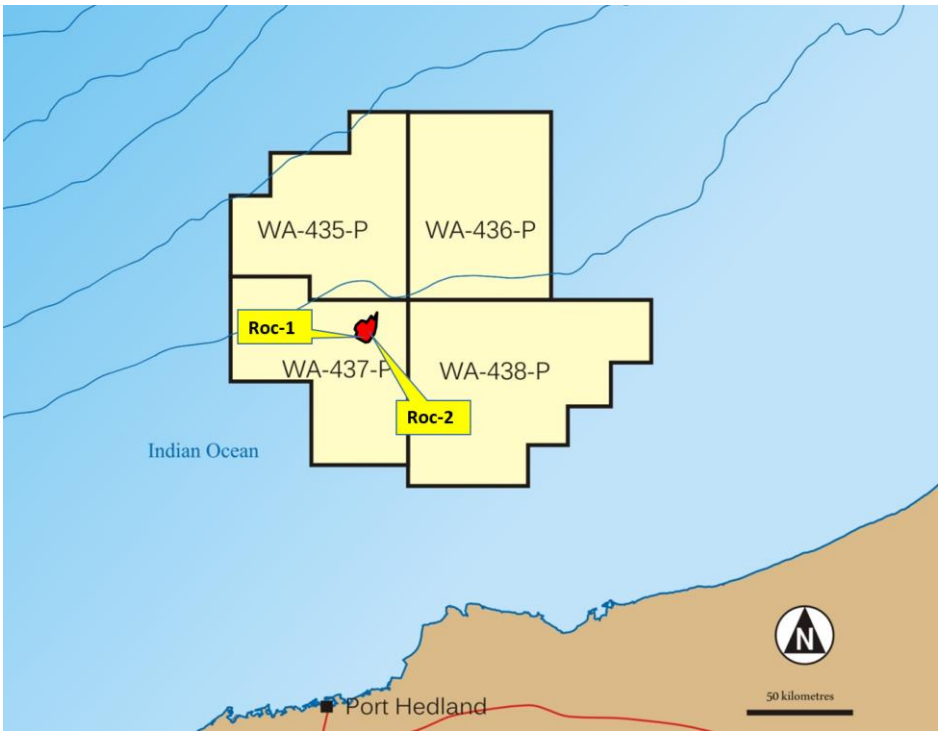

Figure 1: Location of Roc-2 within WA-437-P in the North West Shelf of Western Australia

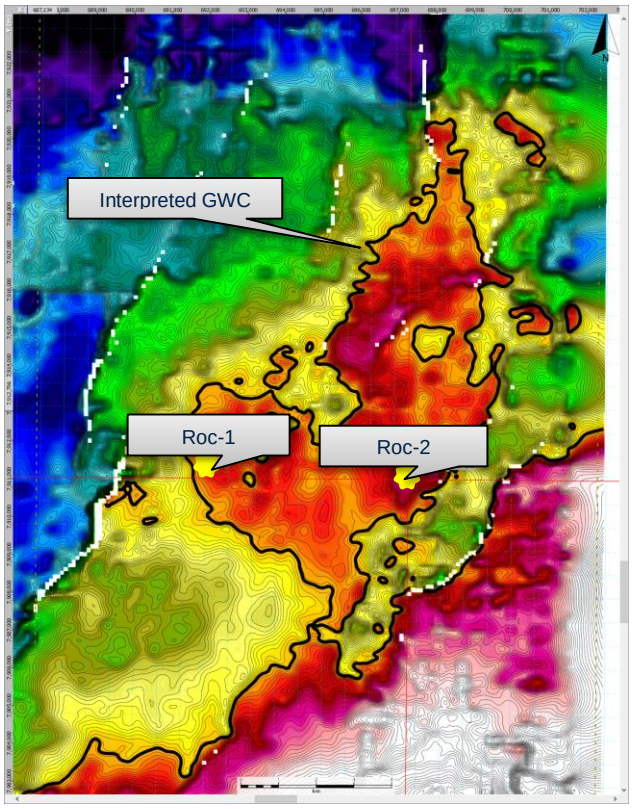

Figure 2: Location of Roc-2 within the Roc structure based on depth map from 3D seismic