



SEPTEMBER 2013 QUARTERLY ACTIVITIES REPORT

ASX Release

25 October 2013

**CARAVEL
ENERGY LIMITED**
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Issued Capital:

825.84m shares

Options:

100.0m (CRJOA)

ASX Symbol:

CRJ & CRJOA

- Caravel Energy Limited is nearing the completion of its stage 2 seismic programme.
- Submission of an Environmental Impact Assessment of the Company's seismic programme.
- The Company continued discussions during the quarter with interested parties regarding the future funding of the Company.

Caravel Energy Limited's ("Caravel" or "the Company") main asset is its current 25% interest in PetroMad (Mauritius) Ltd (Petromad), which in turn has a 100% interest in Block 3114, a 10,160km² onshore block in the Morondava Basin in the south-west of Madagascar (figure 1).

Caravel has the right to earn up to an 80% interest in PetroMad. The main lead in Block 3114 is the Ambatry Lead, which has independently assessed mean prospective oil resources of 236MMbbl.

COMPLETION OF STAGE 2 OF THE SEISMIC PROGRAMME FOR BLOCK 3114 ONSHORE MADAGASCAR

As previously announced, the Company is nearing the completion of stage 2 of its seismic programme (figure 2).

Upon acquisition and interpretation of the remaining stage 2 seismic data, the Company's plan is to integrate this fresh data set with the existing 2D data set and move forward with its drilling campaign.

The completion of the stage 1 and 2 seismic programme will fulfil the Company's Seismic farm-in obligations with Petromad and the relevant regulatory body National Mines and Strategic Industries Office ("OMNIS").

As part of the seismic programme, Caravel was required to complete an Environmental Impact Assessment ("EIA"). The Company has now completed the EIA and submitted the report to The National Office for the Environment in Madagascar ("ONE").

The next and final stage of the Seismic EIA requires ONE to conduct an audit of the submission and the Company does not expect any matters to arise from this audit process.

SALE OF OLYMPIC DOMAIN TENEMENTS

Caravel announced on 27 June 2012 that it had contracted to the sale of four Exploration Licences (ELs) and five Exploration Licence Applications (ELAs) located in the Olympic Domain area of South Australia to BHP Billiton Olympic Dam Corporation Pty Ltd.

The sale was subject to several conditions precedent including satisfactory completion of due diligence by BHP Billiton completion of documentation and receipt of Ministerial Consent to the licence transfers. The Company had anticipated that settlement of the transaction would occur in July of 2013.

The Company confirmed during the quarter that the conditions precedent to this sale were not satisfied, and that BHP Billiton would not proceed with the acquisition of the ELs and ELAs. Caravel Energy is currently reviewing the assets and will advise the market whether it still proposes to sell or alternatively retain these tenements.

BOARD CHANGES

During the quarter Caravel advised that Mr Timothy Flavel, Dr Robert Wrixon and Mr Jonathan Hart had resigned as directors of the Company.

UPDATE ON VOLUNTARY SUSPENSION

On 19 April 2013 the securities of Caravel Energy Limited were placed in voluntary suspension at the request of the Company pending the release of an announcement regarding a finance raising. The Company advises that negotiations with interested parties are ongoing and the Company expects it will end the voluntary suspension and resume trading within the next few weeks.

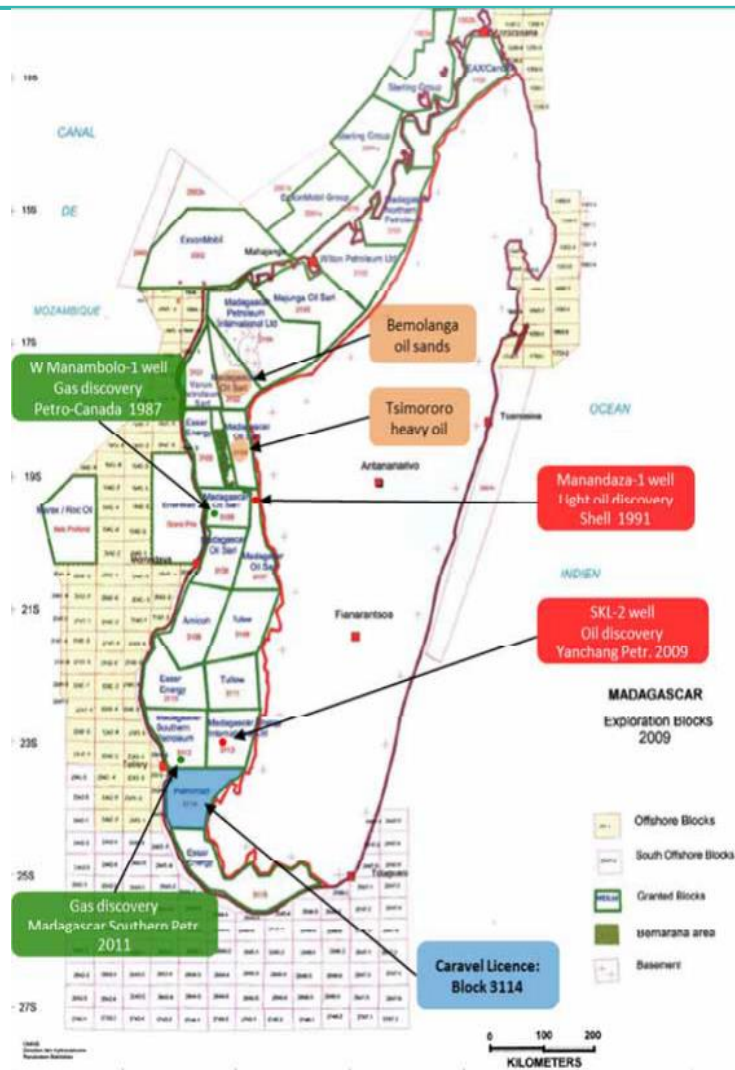
Brian McMaster
Chairman
CARAVEL ENERGY LIMITED

ABOUT CARAVEL ENERGY

Caravel Energy Limited is an exploration company currently conducting work programmes across its Bezaha Oil Project (Block 3114). Block 3114 is a low cost advanced onshore exploration project, approximately 10,160km² in size and located in the Morondava Basin in southern Madagascar. The project is proximal to multi-billion barrel oil fields to the north and the Company's independent technical experts report that the block has significant potential for the discovery of large light oil and gas accumulations.

Caravel Energy has structured an agreement that allows the Company to earn a staged interest up to 80% upon successful completion of work programmes, expenditure commitments and further payments.

Figure 1: Madagascar License Blocks



Source: Office des Mines Nationales et des Industries Stratégiques (OMNIS)

Figure 2: Seismic Lines

