

Australian Block Award

29 May 2014



Highlights

- Carnarvon awarded new block covering 1,450 km²
- Adjacent to oil and gas fields of the Harriet Joint Venture
- Substantially covered by quality 3D seismic data
- Shallow water, shallow targets suitable for jack-up rig drilling
- Minimal work commitments added to the portfolio

Carnarvon Petroleum Ltd (“Carnarvon”) is pleased to announce the award of Petroleum Exploration Permit EP-491 (bid block L11-7) on the eastern flank of the prolific oil producing Barrow Sub basin. Carnarvon is Operator and 100% working interest holder in this block with a total area of around 1,450 km².

Numerous oil and gas fields are present to the north and west of the block, including the significant hydrocarbon accumulations in the Harriet area, reservoired within the highly productive Flag Sandstone. Cumulative production from the Harriet fields has exceeded 100 million bbls of oil and condensate and 175 bcf of natural gas. Extensive infrastructure exists within the Harriet area, including oil and gas processing facilities on Varanus Island operated by Apache Energy.

A substantial area of the block is already covered by modern 3D seismic data that will aid in identifying analogous traps to those occurring immediately to the west.

The majority of the block lies in shallow water capable of access by a jack-up drilling rig, which when combined with shallow drilling targets, results in estimates for exploration drilling that will be some of the lowest cost in the North West Shelf.

Major hydrocarbon accumulations also occur further north of the blocks in a different reservoir setting. The Wandoo and Stag fields have recoverable oil estimated to be approximately 100 and 50 million barrels respectively.

Work commitments for the primary 3 year period are limited to reprocessing the existing 3D seismic and extensive geological studies and will not add any significant cost exposure to Carnarvon’s already low future commitments.

Managing Director’s Comments:

“Securing a significant acreage position just to the south of two major oil fields with minimal commitments compliments Carnarvon’s strategy for expansion on the North West Shelf. That the blocks are already covered by extensive modern 3D data, combined with shallow water depths and reservoir targets, means that future exploration costs will be kept to a minimum as we pursue significant oil prospects in the acreage.” Managing Director Adrian Cook said.

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Yours faithfully



Adrian Cook
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