

# Agreement to divest interest in Thai assets



3 MARCH 2014

**Carnarvon Petroleum Limited (ASX:CVN) (Carnarvon) is pleased to advise shareholders it has entered into a Sale and Purchase Agreement (SPA) to divest half of its 40% interest in the Thailand concessions L44/43, L33/43 and SW1A (Thai assets).**

## Highlights

- Total consideration is up to US\$65 million (~A\$72 million<sup>1</sup>) for the disposal of 20% interest in Thai assets;
- Sale strengthens Carnarvon's balance sheet with cash forecast to exceed A\$50 million immediately upon transaction completion; and
- Carnarvon retains exposure to Thai assets through its remaining 20% interest.

Carnarvon has agreed to sell half of its 40% interest in its Thai assets for US\$65 million (~A\$72 million<sup>1</sup>) with US\$33 million (~A\$36.5 million<sup>1</sup>) to be paid on completion and up to US\$32 million (~A\$35.5 million<sup>1</sup>) to be paid annually at the rate of 12% of the buyer's future revenue, to a limit of US\$10 million per annum. The above amounts include working capital adjustments.

The sale strengthens Carnarvon's balance sheet, with cash forecast to exceed A\$50 million upon completion, in preparation for funding future North West Shelf exploration and appraisal activities that will follow a successful outcome from the high impact Phoenix South-1 well (expected to spud in the June 2014 quarter).

Carnarvon retains an exposure to the Thai assets through its remaining 20% interest and through future revenue payments arising from this sale.

The SPA remains subject to satisfaction of usual completion terms and conditions, including receiving partner consent, provision of an acceptable reserve report for Singapore Stock Exchange purposes, executing completion documents and payment of the consideration.

Carnarvon Petroleum was advised by Miro Advisors and King & Wood Mallesons.

## Managing Director's comments

Managing Director and Chief Executive Officer, Mr Adrian Cook said, "We look forward to welcoming Loyz Energy Limited to the joint venture and working with them on building value from this asset. Loyz is a reputable Singapore listed oil and gas company with global interests in exploration and production assets. This transaction enables Carnarvon to commercialise a significant proportion of the value of our Thai assets and ensures Carnarvon is very strongly focused on creating value from success in its North West Shelf endeavours with the first well expected to spud in the June quarter."

Notes: 1. Assuming an exchange rate (AUD/USD) of 0.90

**For all enquiries please contact:**

**Shareholder Enquiries**

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Yours faithfully



**Adrian Cook**  
Managing Director  
Carnarvon Petroleum

**About Carnarvon Petroleum (ASX: CVN)**

Carnarvon Petroleum Limited (Carnarvon) is a Perth based company listed on the Australian Securities Exchange (ASX: CVN). The company's principal activity is oil and gas exploration and production.

Carnarvon's objective is to create material returns on its shareholder's investments, through delivering profitable and sustainable growth from the development, exploitation and commercialisation of oil and gas assets.

Carnarvon is focused on oil & gas exploration in the world-class province of the North West Shelf area off the coast of Western Australia, and is producing oil from onshore assets in Thailand.

**About Loyz Energy Limited (SGX: SESDAQ (Catalist listing))**

Loyz Energy Limited (Loyz Energy) is an independent exploration and production (E&P) energy company in the Asia-Pacific region.

Loyz Energy plans to build a balanced portfolio of prime, producing oil and gas concessions, which will generate a steady earnings stream to build up its balance sheet, as well as exploration assets to drive long term growth. In addition, Loyz also seeks drilling partnerships to reduce the risk in the exploration and development stages.

Loyz Energy has development concessions in the US and Asia Pacific region and petroleum exploration permits in New Zealand's Taranaki Basin, offshore Victoria in Australia and a petroleum service contract in the East Palawan Basin, off the Philippines.