

Roc-2 well drilling update

19 September 2016



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) provides the following update on drilling operations as advised by the operator of the Roc-2 well, Quadrant Energy.

Progress

Since the last report the well has been drilled down to a total depth of 5,290 metres measured depth and the rig is preparing to run wireline logging tools. It is expected that wireline operations, including wireline formation testing, will be undertaken over the next seven to ten days.

Comments

During the deepening of the well over the past week several sands with positive indications of hydrocarbons were intersected in the deeper Milne sections of the well. These will also be investigated with the more detailed formation evaluation provided for with wireline logging along with the shallower Caley sandstone where the Company confirmed hydrocarbons previously.

While these deeper Milne sands are not interpreted to be commercially significant within the Roc structure in this well, the existence of reservoir and hydrocarbons at this depth are positive signals for the shallower and larger Dorado structure that was outlined during the recent Good Oil conference (see Carnarvon website for details).

A stratigraphic image of the formations and casing plan is presented in Figure 1 below.

The Roc-2 well is located within the WA-437-P exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	20%
Quadrant Energy (<i>Operator</i>)	80%

Yours faithfully

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

Adrian Cook
Managing Director
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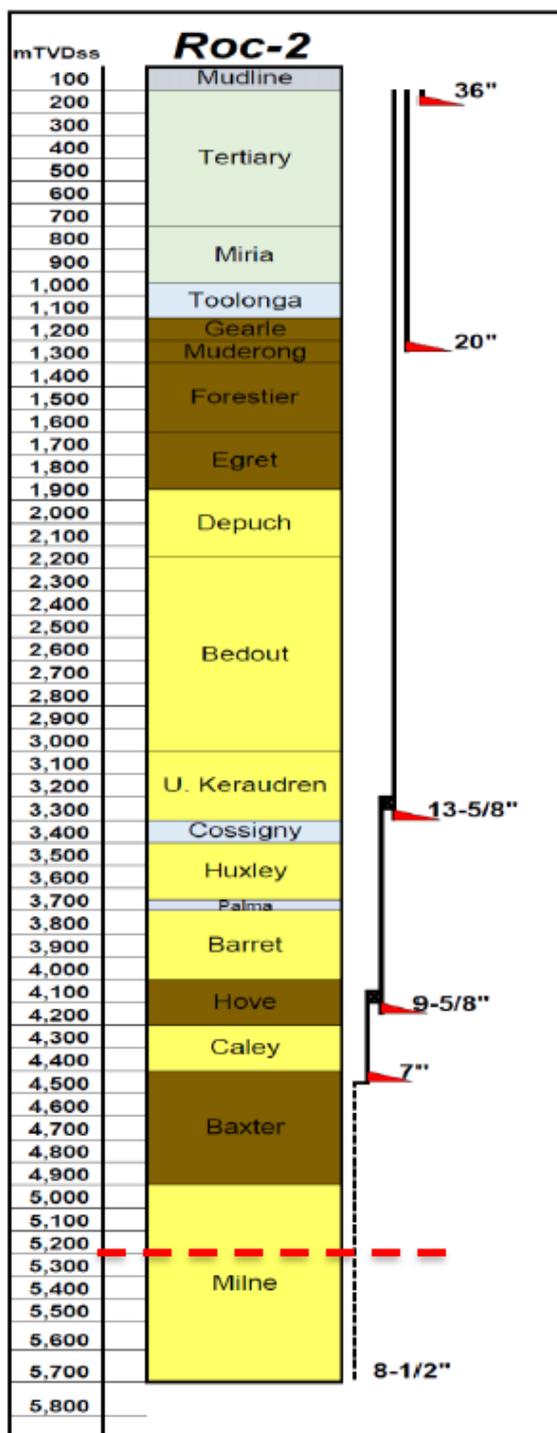


Figure 1: Stratigraphic column expected to be encountered by the Roc-2 well with major formations outlined and anticipated casing plan. Note the 7" casing will be set after the well has completed drilling operations. The well has a planned total depth of around 5,250 metres but has the capacity to be drilled deeper.