



**CARNARVON**  
PETROLEUM LTD

Euroz Securities' Rottnest Island  
Institutional Conference Presentation



14 March 2017

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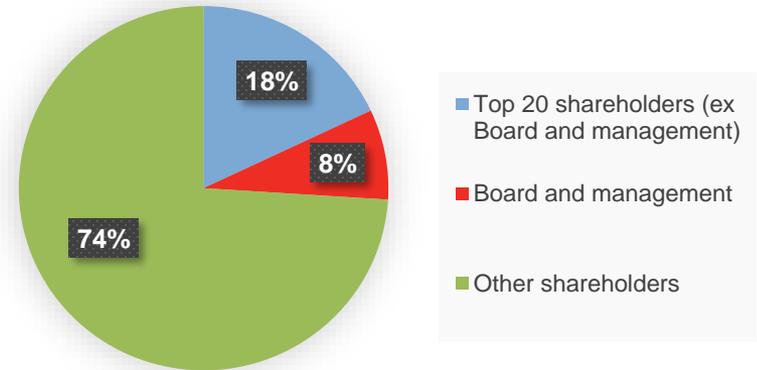
Market capitalisation ~\$100 million

Cash (31 Dec. 2016) ~\$60 million

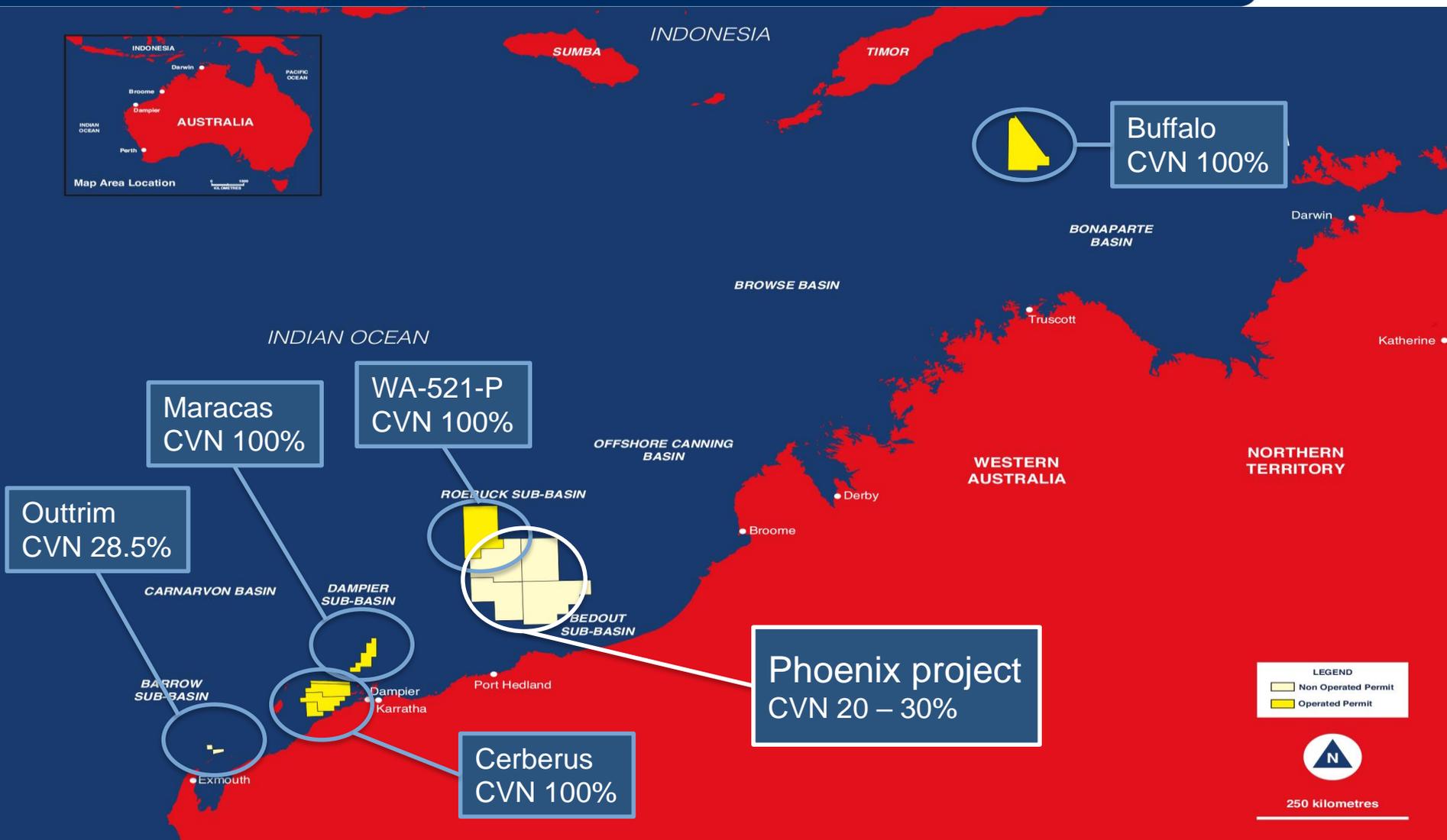
Enterprise value ~\$40 million

Share price ~10 cents

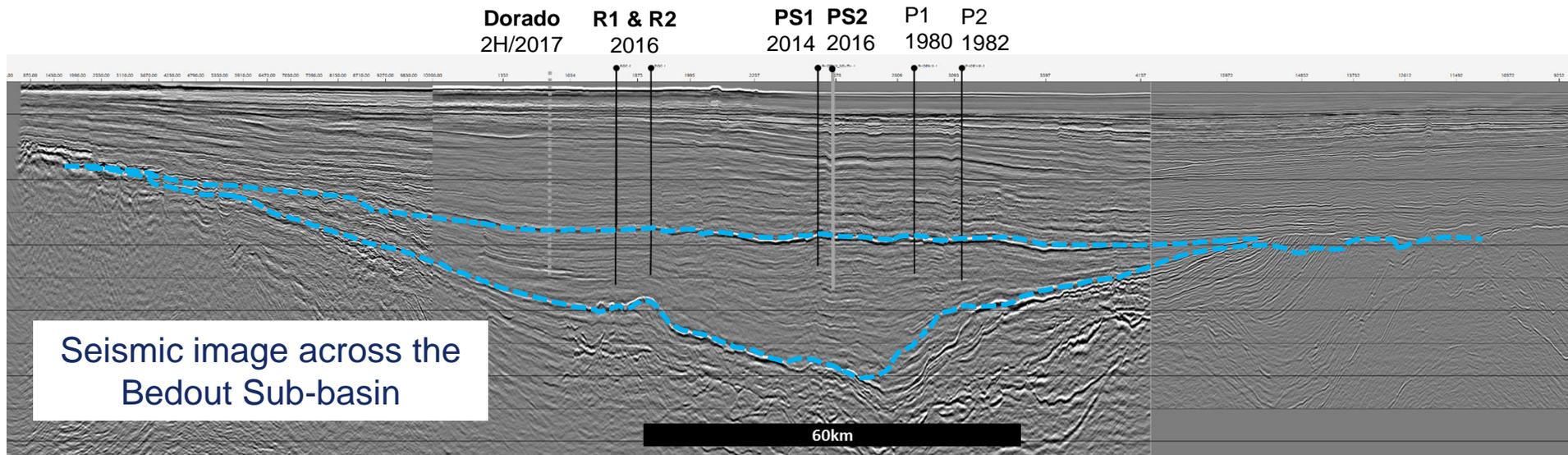
## Carnarvon's shareholders



# Portfolio snapshot



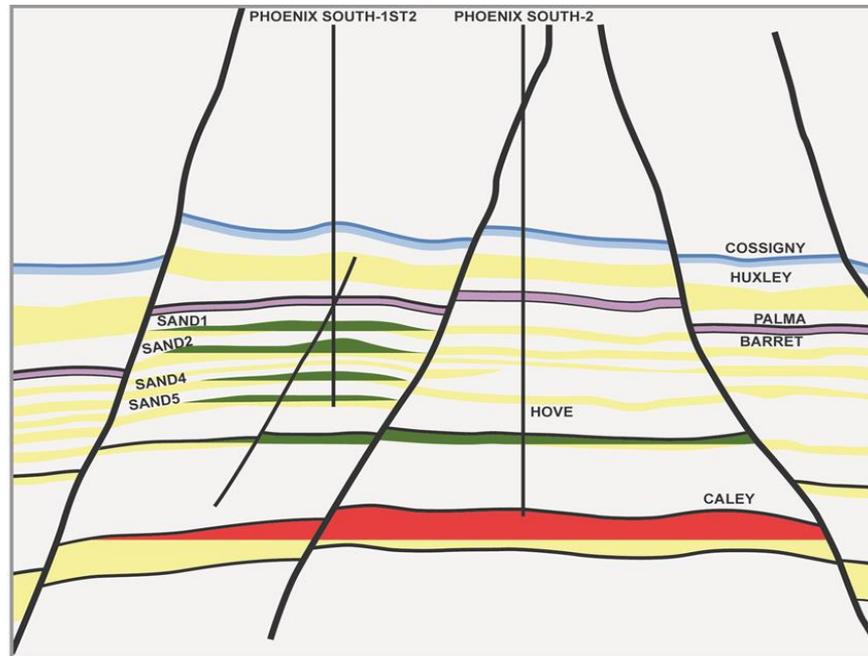
- **The most exciting exploration and appraisal acreage on the NWS**
- FOUR discoveries from four wells drilled by Carnarvon and partner
- Commercial flow rates achieved, comparable with major NWS fields
- New hydrocarbon basin uncovered & significantly de-risked
- Carnarvon and partner hold all the acreage covering this basin
- Carnarvon provides the only ASX listed exposure to this acreage



- **Roc-2 well delivered an historic flow at commercial rates**
- The well flowed strongly for 6 days under controlled test conditions
- At 51 million scf per day of gas and 2,943 barrels of condensate per day, being a high condensate to gas ratio of 58 bbls/mmscf.
- Potential production from these fields ~20% of the WA domestic gas usage



- **Phoenix South-2 intersected gas and condensate at the Caley Sst**
- High gas influx and pressures prohibited evaluation of the resource
- Pressure positive for porosity (higher volume) and permeability (higher flow rates)
- Upside potential in additional hydrocarbon sand packages

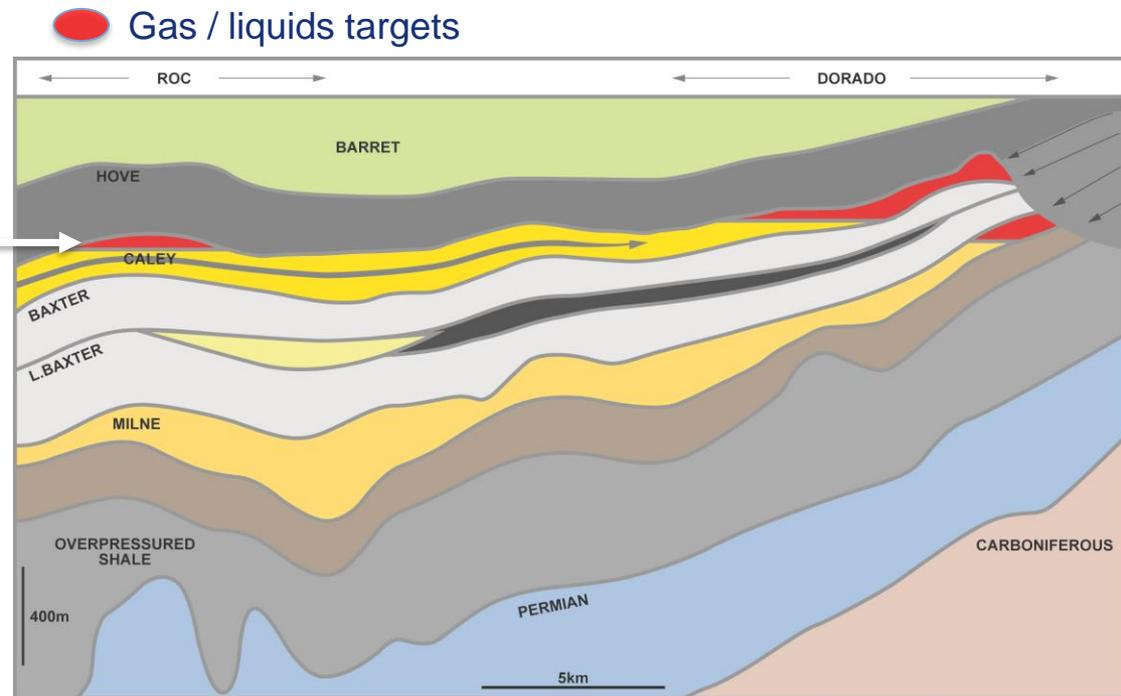


# Phoenix: Dorado structure

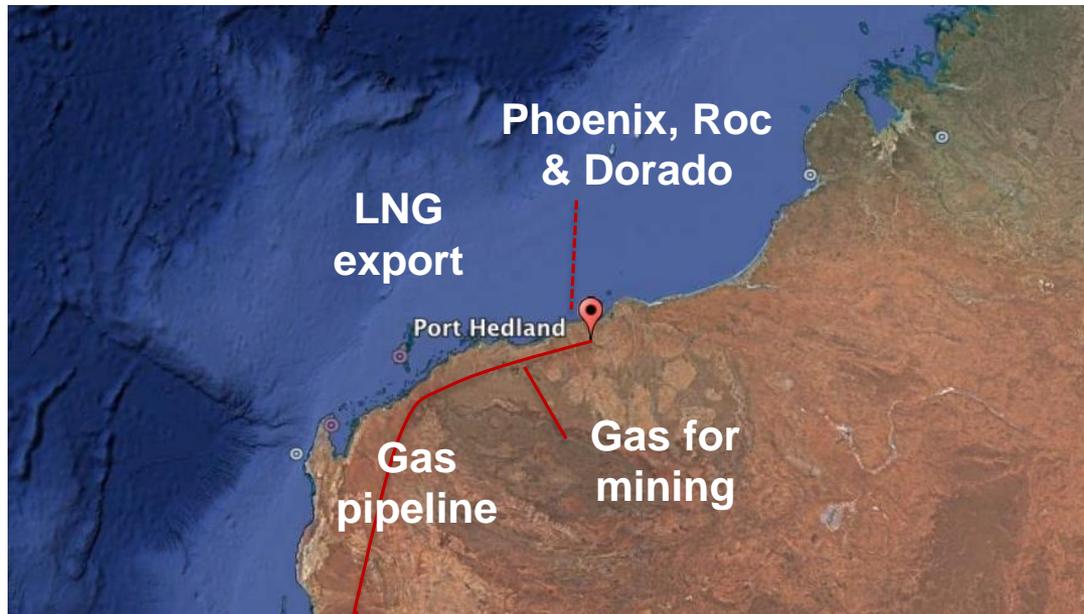


- **Dorado is a large target ~15 kilometres from the Roc discoveries**
- Dorado structure is clear on 3D seismic and many times larger than Roc
- Hydrocarbons expected from the same high generating rocks that charge Roc
- Dorado-1 well preparations in progress with late 2017 expected spud

Roc-2 flow test 2016



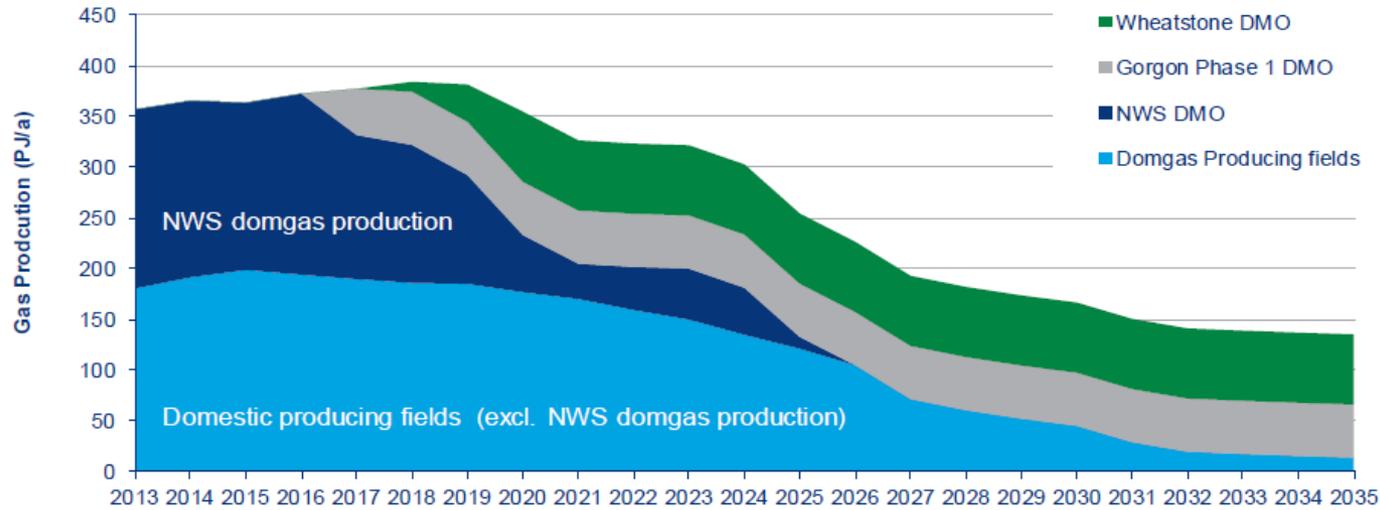
- **Location important relative to gas monetisation opportunities**
- Phoenix and Roc discoveries lie ~150 kilometres offshore of Port Hedland
- WA's main gas pipeline passes Port Hedland
- Fortescue River Gas Pipeline links main gas pipeline to Pilbara iron ore mines
- LNG export facilities expected to have spare capacity from 2020
- Traditional WA gas supply sources in natural decline



# Phoenix: Historic WA gas supply in decline

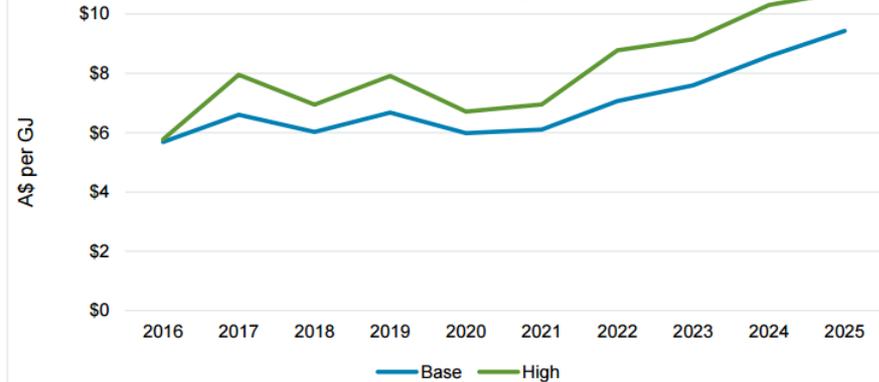


WA domestic gas – producing and committed developments



Source: Wood Mackenzie

Forecast WA gas prices



Source: IMO forecasts 2016 to 2025

# Phoenix: Reindeer gas field an analogy for Roc



- **Reindeer gas field developed and operated by Quadrant Energy**
- Similar resource size of circa 80 million barrels of oil equivalent (“boe”)<sup>1</sup>
- Similar water depths of circa 50-100 metres
- Similar distance of resource to gas plant of circa 100-150 kilometres
- Primary difference being Roc has greater liquids content but deeper reservoir

	<b>Reindeer<sup>2</sup></b>	<b>Roc<sup>1</sup></b>
Resource (million boe)	84	78
Revenue	US\$3.4 bn	
Development and abandonment costs	(US\$1.4 bn)	
Operating costs	(US\$0.5 bn)	
Petroleum resource rent tax	(US\$0.2 bn)	
<b>Cash flow before income tax</b>	<b>US\$1.3 bn</b>	
	(US\$15/boe)	

Financial figures are gross, nominal amounts



- **Material cash generation potential as resources scale up**
- Tie-back developments can leverage off the first development hub
- Benefits arise as resources scale up, such as non replication of operating costs
- Net present valuations and risking are independent of the following figures

	Reindeer <sup>2</sup>	Roc <sup>3</sup>	Dorado <sup>1</sup>	Phoenix South <sup>1</sup>
Resource (million boe)	84	78	127	108
Revenue	US\$3.4 bn			
Development and abandonment	(US\$1.4 bn)			
Operating costs	(US\$0.5 bn)			
Petroleum resource rent tax	(US\$0.2 bn)			
<b>Cash flow before income tax</b>	<b>US\$1.3 bn</b>			
	(US\$15/boe)			

Financial figures are gross, nominal amounts





**Think Different**

**Act Different**