

Chairman's Address

9 November 2018



Carnarvon Petroleum Limited ("Carnarvon") (ASX: CVN) is conducting its Annual General Meeting today in Perth.

For the benefit of those shareholders and market observers who were unable to attend and listen to the meeting in person, the Chairman's Address given by Mr Peter Leonhardt is attached.

For all enquiries please contact:

Shareholder Enquiries

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Company Secretary
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Yours faithfully

A handwritten signature in black ink, appearing to read "Thomson Naude".

Thomson Naude
Company Secretary
Carnarvon Petroleum Limited

This news release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this news release includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of reserves and potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this news release require Carnarvon and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this news release is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of Carnarvon. Although Carnarvon believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.

Before we move onto the formal proceedings, I would like to reflect on what has been a landmark year for your Company. At the conclusion of the formal business proceedings, Adrian Cook will provide an in-depth update on the Company's activities.

The discovery of oil and gas in the Dorado well has marked the beginning of a remarkable transformation for Carnarvon. Moments like these are the reason we are explorers. The significance of the discovery cannot be understated and with further follow up potential in the immediate area, I am incredibly excited about what the future holds. It is the result of hard work and persistence which we must continue as we unlock this basin.

This occasion provides an opportunity to thank our Joint Venture partner, Quadrant Energy. The efforts and skill of the Quadrant team and their operatorship has been instrumental. We have always shared a very good relationship with Quadrant Energy and I wish to thank them for their continued support.

In relation to the proposed acquisition of Quadrant Energy by Santos, we have already had very positive discussions with them and are looking forward to working with our new partner to progress the Phoenix Project. Their experience and capabilities in exploration and production will provide immense value to our operations.

As a team we are delighted with the value Carnarvon has been able to provide to shareholders this year. The additional follow-up potential within the Phoenix project and Carnarvon's other key assets, represent a compelling opportunity for this value to continue to grow.

This is driven by Carnarvon's regional strategy and focus on the North West Shelf of Australia. With additional Permits added to the portfolio, Carnarvon has a suite of assets that will allow us to capitalise on the improving outlook for energy market conditions. The objective now is to test these prospects and add to the hydrocarbons that have already been discovered.

The Company also made significant progress on the Buffalo oil project. The plans and approvals to drill a Buffalo well continue to advance. While our other discoveries may have overshadowed the Buffalo oil field redevelopment for the time being, it is important to remember that the project has the potential to deliver significant value to Carnarvon.

The process to ratify the Maritime Boundary Treaty is progressing well and we welcome the opportunity to work with the Government of Timor-Leste as we redevelop the Buffalo oil field.

On another note, I feel it is necessary to recognise that climate change is an important issue for the oil and gas industry and the global economy at large. While the world is moving towards lower carbon economies, we believe that gas has an important role in reducing carbon emissions and both oil and gas will remain an important element in the future energy mix.

As Carnarvon transitions into oil and gas production, it is important that we manage our environmental impact through efficient use of resources and waste management. At the moment, Carnarvon's controllable carbon footprint is limited to its head office and employees. Despite this, Carnarvon is taking active steps to reduce its influence on the environment and will continue to be proactive as it commences operations.

This last year has been a period of very intense activity with a heavy workload and I would like to thank Adrian Cook and the Carnarvon team for their immense efforts. The success achieved to date is a testament to their hard work and dedication. The board has also played an important supportive roll and, in my view, has an excellent balance of the expertise and skills required for strong governance. I would like to thank my colleagues for their support and hard work throughout the year. I can assure you that we are in safe hands as Carnarvon moves into its next stage of growth.

I would also like to thank our shareholders for their continued support. For those who were able to attend our investor open day in March, it was very enjoyable to be able to discuss our projects with you. To our shareholders here today, I encourage you to spend some time after the meeting to talk to the Carnarvon team.

The coming year will be incredibly important for Carnarvon and its shareholders. I am sure you are as excited as I am about our plans for the coming year and our capacity to build upon the Company's achievements.