

Dorado-3 drilling update

12 September 2019



Carnarvon Petroleum Limited (“Carnarvon” or “Company”) (ASX:CVN) is pleased to provide the following update on the drilling of the Dorado-3 appraisal well.

Progress

Since the last report, the wireline logging operations have been completed and the 7” casing liner has been set in place across the Caley and Baxter reservoirs in preparation for flow testing the well.

Current Operations

The rig is currently preparing equipment for flow testing the well.

Forward Plan

The first flow test will be undertaken on the Baxter reservoir. In flow test operations the deeper reservoir is tested first before it is closed off and the test equipment moves to the shallower reservoir, which in this case will be the Caley reservoir.

After preparing the surface equipment, a process expected to take a number of days, a Drill Stem Test (“DST”) string will be run in the hole which will enable the flow testing of the Dorado-3 well across the Baxter formation. The Baxter formation was interpreted from wireline to be condensate rich gas.

The well will then be perforated and opened for a number of controlled flow tests. The flow tests will enable the measurement of pressure, permeability and flow capacity of the Baxter formation. The well test will also involve the collection of down-hole and surface samples for analysis and consideration in the design of the production facilities.

At the completion of testing in the Baxter, that reservoir section will be closed off and similar operations will be run over the Caley reservoir.

Well Objective

The Dorado-3 well is the second appraisal of the Dorado oil and gas field which was discovered in 2018. The field is located approximately 160km north-northeast of Port Hedland in the Bedout Sub-basin in around 95 metres water depth.

The Dorado-1 exploration well discovered hydrocarbon bearing reservoirs in the Caley, Baxter, Crespin and Milne Members of the Lower Keraudren Formation.

The Dorado-2 appraisal well, located around 2.2km north east of the Dorado-1 well, confirmed hydrocarbon bearing reservoirs in the Caley, Baxter and Milne and importantly demonstrated connectivity within each reservoir between the two wells.

The Dorado-3 appraisal well is located approximately 900 metres north west of the Dorado-1 discovery location.

The Dorado-3 well has been designed to enhance the Joint Venture’s confidence in the subsurface characteristics and confirm reservoir productivity. Dorado-3 is planned to conduct 2 flow tests targeting the Caley and Baxter reservoirs, as well as acquiring full-bore core in the Caley, Baxter, Crespin and Milne Members. This will result in a significant amount of new data to further characterise the Dorado field.

The Dorado oil and gas field resides in WA-437-P in which Carnarvon holds a 20% interest.

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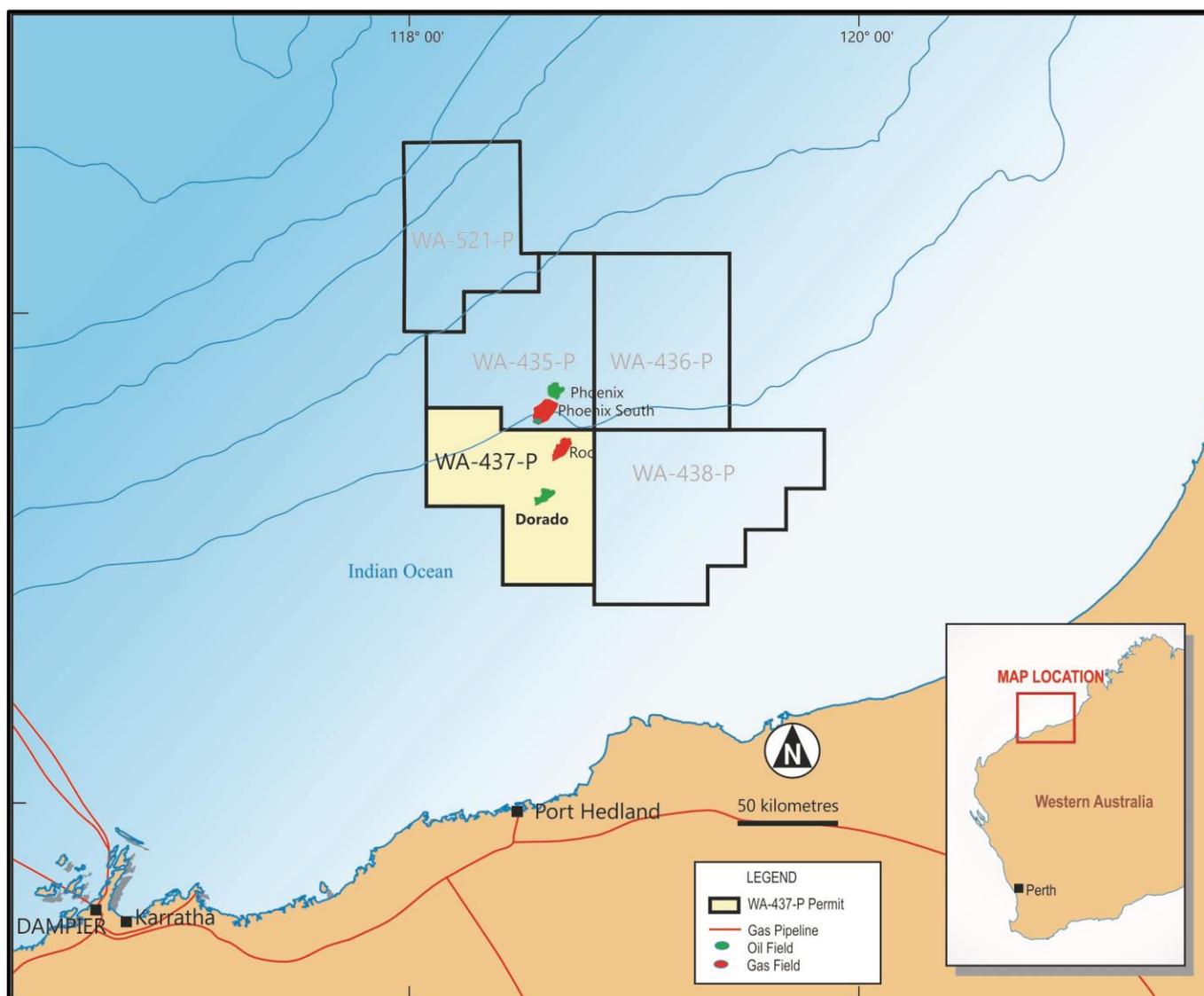


Figure 1 – Map of WA-437-P showing the Dorado field