

Successful Baxter flow test in Dorado-3

19 September 2019



- **Baxter reservoir flows at 48 MM scf/day gas and 4,500 bbls per day of condensate on test**
- **These rates exceeded pre-test expectations and were limited to surface equipment capacity**
- **Caley oil reservoir flow testing is to commence in around 8 to 10 days**

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

The initial clean-up flow rate test over the Baxter Member was conducted over a twelve-hour period with the flow rate constrained by the surface well test equipment. The flow rate achieved a maximum possible measured rate of approximately 48 million standard cubic feet ("MM scf") per day of gas and 4,500 barrels ("bbls") per day of associated condensate through a 60/64" choke. This is equivalent to approximately 15,300 barrels of oil equivalent ("boe") per day using Carnarvon's 4.45 Bscf per MMBoe conversion rate for the Baxter gas. The well test was conducted over an approximate 7.4 metre interval of net Baxter reservoir and importantly was achieved with only 150 psi drawdown.

Once flow testing operations and data interpretation for both the Baxter and Caley reservoirs have been completed, Carnarvon will be in a position to provide guidance on the projected flow rates that could be expected for less constrained production scale wells.

Carnarvon Managing Director, Mr Adrian Cook, said:

"The initial results from the Baxter well test have comfortably exceeded our pre-test expectations, with the measured rates being at the surface equipment capacity, indicating the reservoir had the capacity to flow at significantly higher rates."

"The well test has confirmed our assessment that the Baxter reservoir contains a condensate-rich gas capable of flowing at commercial rates with minimal impurities."

"This flow test information is important to the Joint Venture in terms of selecting a final concept for developing this project. "

"Carnarvon looks forward to the final phase of appraisal for the Dorado field with the upcoming well-test of the Caley reservoir."

The gas and condensate compositions from the Baxter well test are in line with expectations with around 2 to 5% basic sediments and water (BS&W). Non-hydrocarbon gases are nominal with around 1.5% carbon dioxide (CO₂).

The Baxter well test will continue for another 24 to 48 hours with multi-rate flow tests and pressure build-ups to gain further important reservoir information.

At the completion of the current well test, the Baxter formation will be isolated and operations will commence to prepare for testing the Caley reservoir. Current indications are that the Caley well test results will be available in around 10 to 12 days.

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

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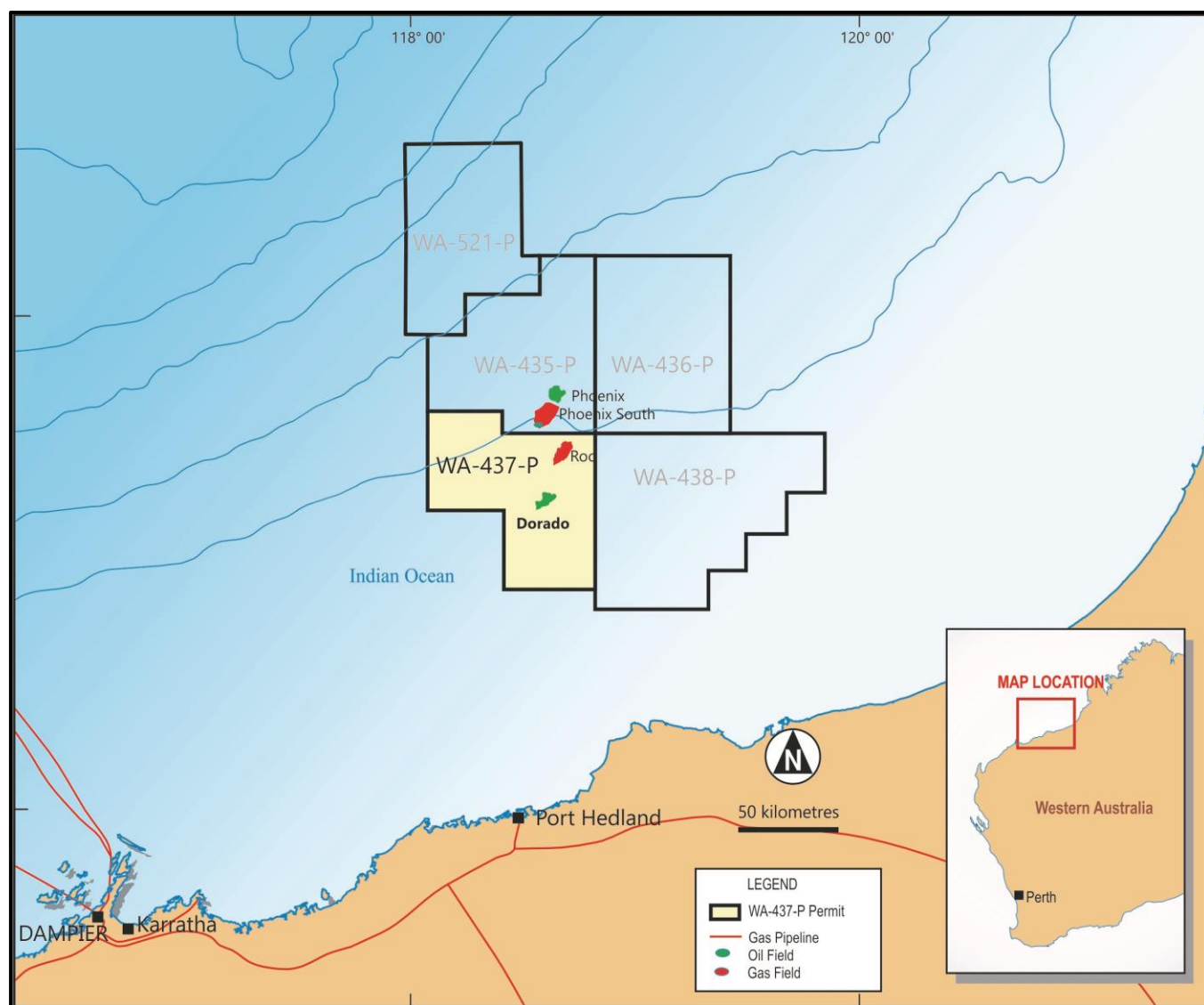


Figure 1 – Map of WA-437-P showing the Dorado field