

# Corporate Presentation

12 October 2020



Carnarvon Petroleum Limited's ("Carnarvon") (ASX:CVN) Managing Director and CEO will present the attached corporate update to the Macquarie Bank Small & Mid Cap Oil & Gas Day."

Approved by:

A handwritten signature in black ink, appearing to read "A Cook", is positioned above the name Adrian Cook.

Adrian Cook

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# CARNARVON

PETROLEUM LTD



CORPORATE PRESENTATION  
12 OCTOBER 2020

# DISCLAIMER

The resource estimates outlined in this Presentation are based on and fairly represent information and supporting documentation prepared by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga has over 25 years' experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor Degree in Engineering, a Masters Degree in Petroleum Engineering and is a member of the society of Petroleum Engineers. Mr Huizenga is qualified in accordance with ASX Listing Rules and has consented to the form and context in which this statement appears.

All contingent and prospective resources presented in this report are prepared as at 28 August 2017, 23 April 2018, 20 August 2018, 15 October 2018, 15 July 2019 and 17 September 2020 pursuant to the Company's ASX announcements released to ASX on 28 August 2017, 23 April 2018, 20 August 2018, 15 October 2018, 15 July 2019 and 17 September 2020. The estimates of contingent and prospective resources included in this Presentation have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Carnarvon is not aware of any new information or data that materially affects the information included in this Presentation and that all material assumptions and technical parameters underpinning the estimates in this Presentation continue to apply and have not materially changed. Carnarvon used deterministic and probabilistic methods to prepare the estimates of these contingent resources. These contingent resources have been aggregated by arithmetic summation and hence the aggregate 1C may be a very conservative estimate and the 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment are subjective processes of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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# PRESENTATION CONTENT

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## **DORADO DEVELOPMENT**

One of the largest oil discoveries on the North West Shelf in the last 30 years (CVN 20%).

2

## **BEDOUT EXPLORATION**

New underexplored sub-basin on the North West Shelf with multiple play types (CVN 20%-30%).

3

## **EXPLORATION PORTFOLIO**

Attractive targets maturing within the Company's North West Shelf portfolio.

4

## **FINANCIAL OVERVIEW**

Over \$110m in cash, no debt and a fundable project in the Dorado oil field (CVN 20%).

# DORADO DEVELOPMENT

## BACKGROUND

### Dorado discovered in 2018

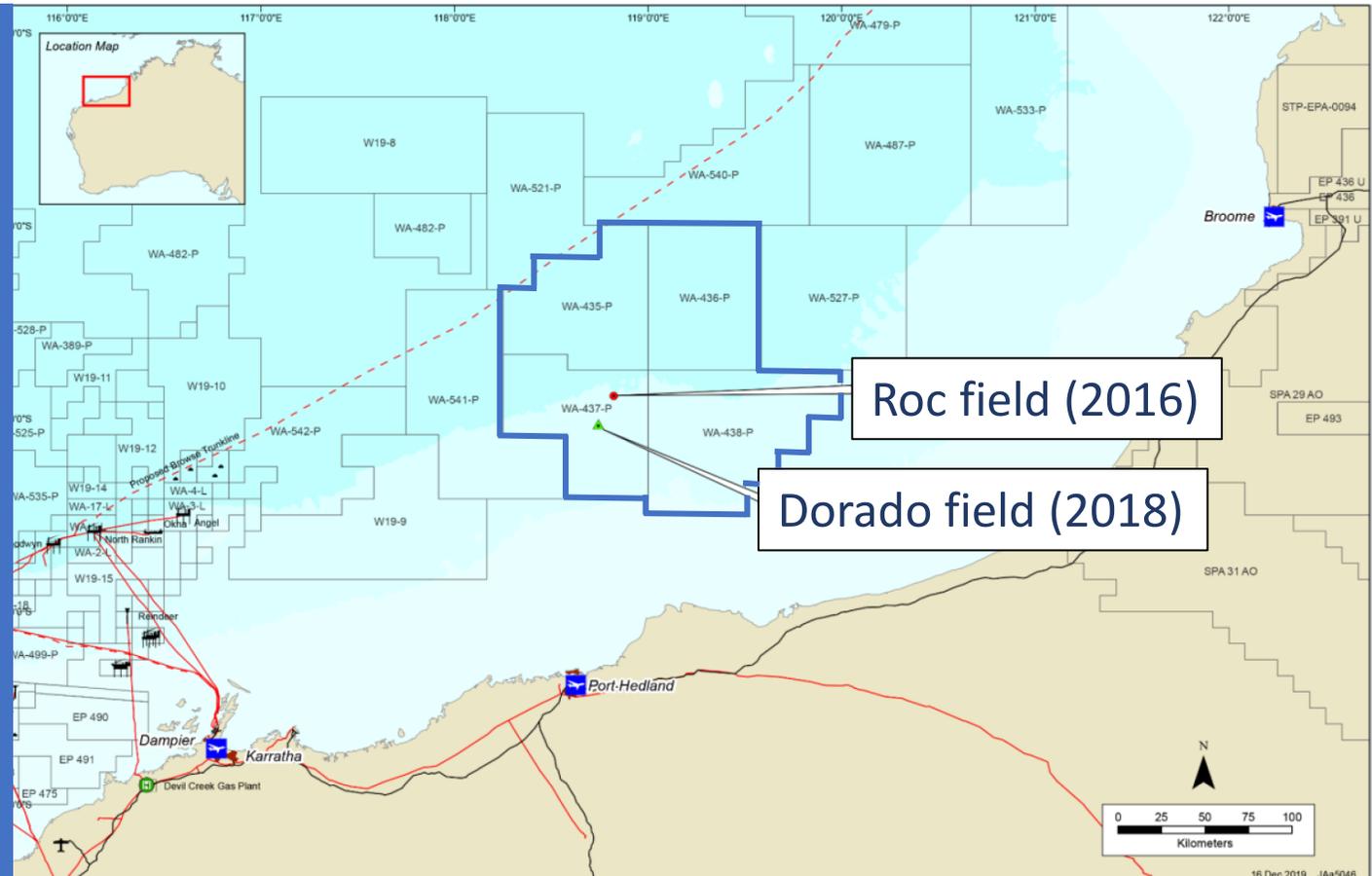
Appraised in 2019 (2 wells)  
Development assessed 2020

### Large NWS oil find

162mmbbls of oil & condensate  
(2C, Gross, CVN 20%)<sup>1</sup>

### Location strengths

In Australia  
110km~ to shore  
90m~ water depth



1

# DORADO DEVELOPMENT

## SUBSURFACE

### Four reservoirs

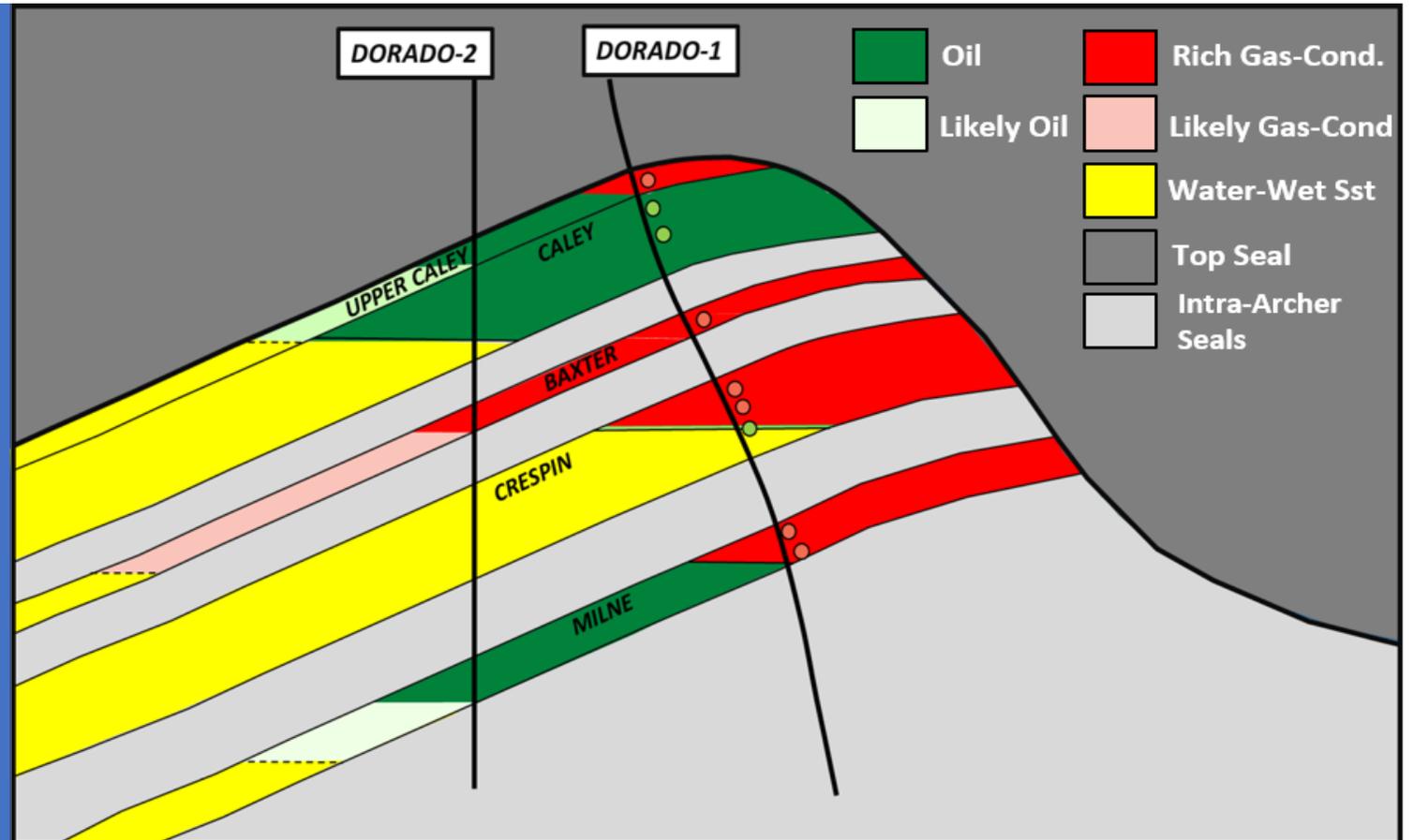
All good to high quality

### High deliverability

Caley test flowed 11,000 bopd  
(maximum with equipment)

### Circulate gas by reinjection

to support oil flow rate  
and total oil recovery



1

# DORADO DEVELOPMENT

## STANDARD INDUSTRY CONCEPT

### Floating Production Storage & Offtake vessel (“FPSO”)

100,000~ bopd capacity

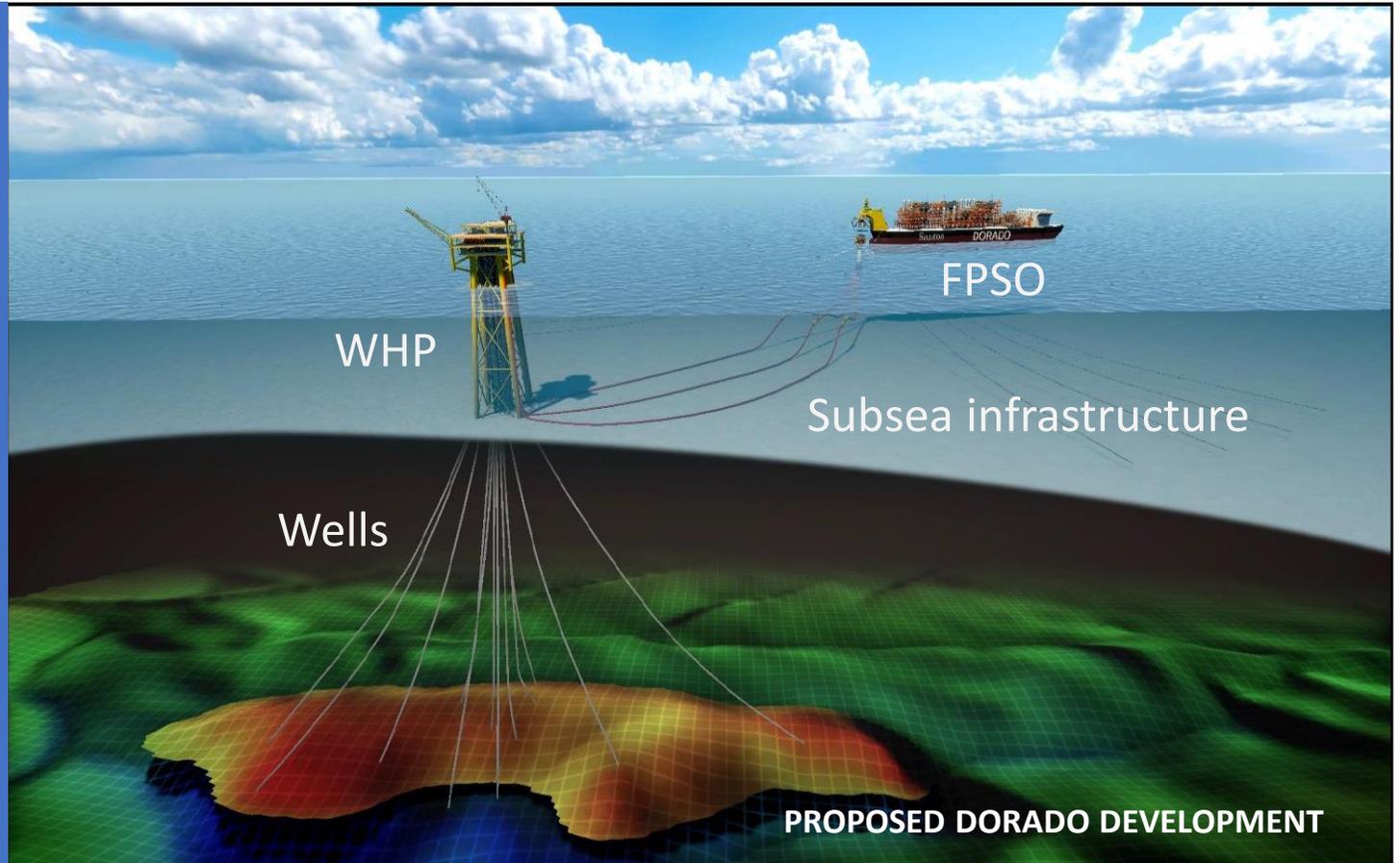
900,000~ barrel storage

Gas compression equipment

### Well Head Platform (“WHP”)

16 slot capacity

Hosting 8-10 wells initially for production & gas reinjection



1

# DORADO DEVELOPMENT

## 2020 ACCOMPLISHMENTS

### Development Theme Selected

Oil produced via WHP and FPSO with gas injection

### Location Declaration Accepted

Precursor to Production License

### Pre-FEED Engineering Studies Complete

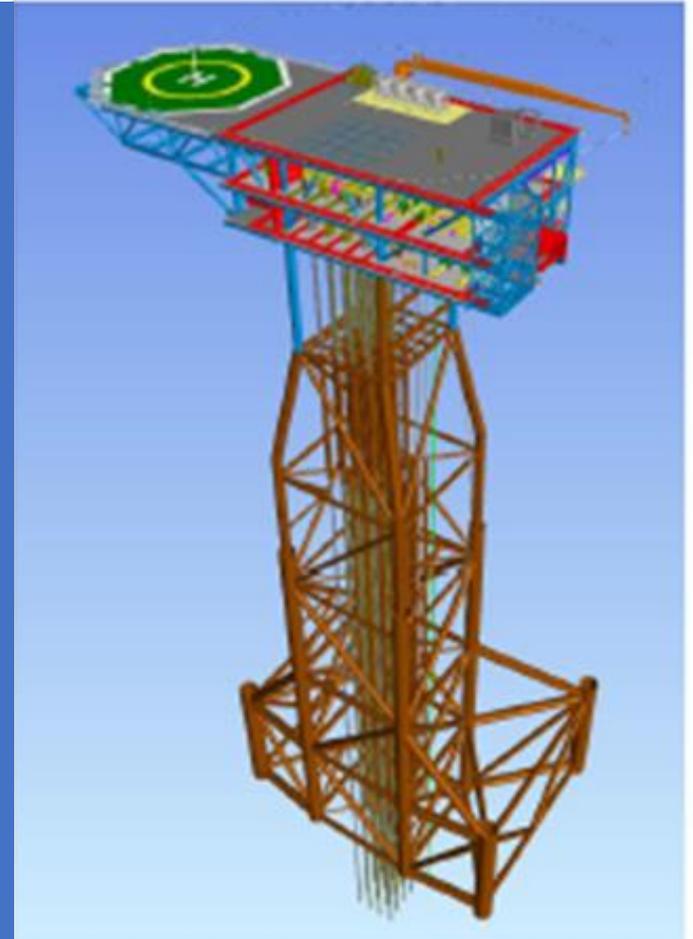
WHP, FPSO and SURF

### Preliminary Field Development Plan progressed

Positive feedback received from regulator

### Offshore Project Proposal complete

Currently with regulator for review



1

# DORADO DEVELOPMENT

## CURRENT POSITION

### FPSO engineering & design

Three parties in bid process

### WHP engineering & design

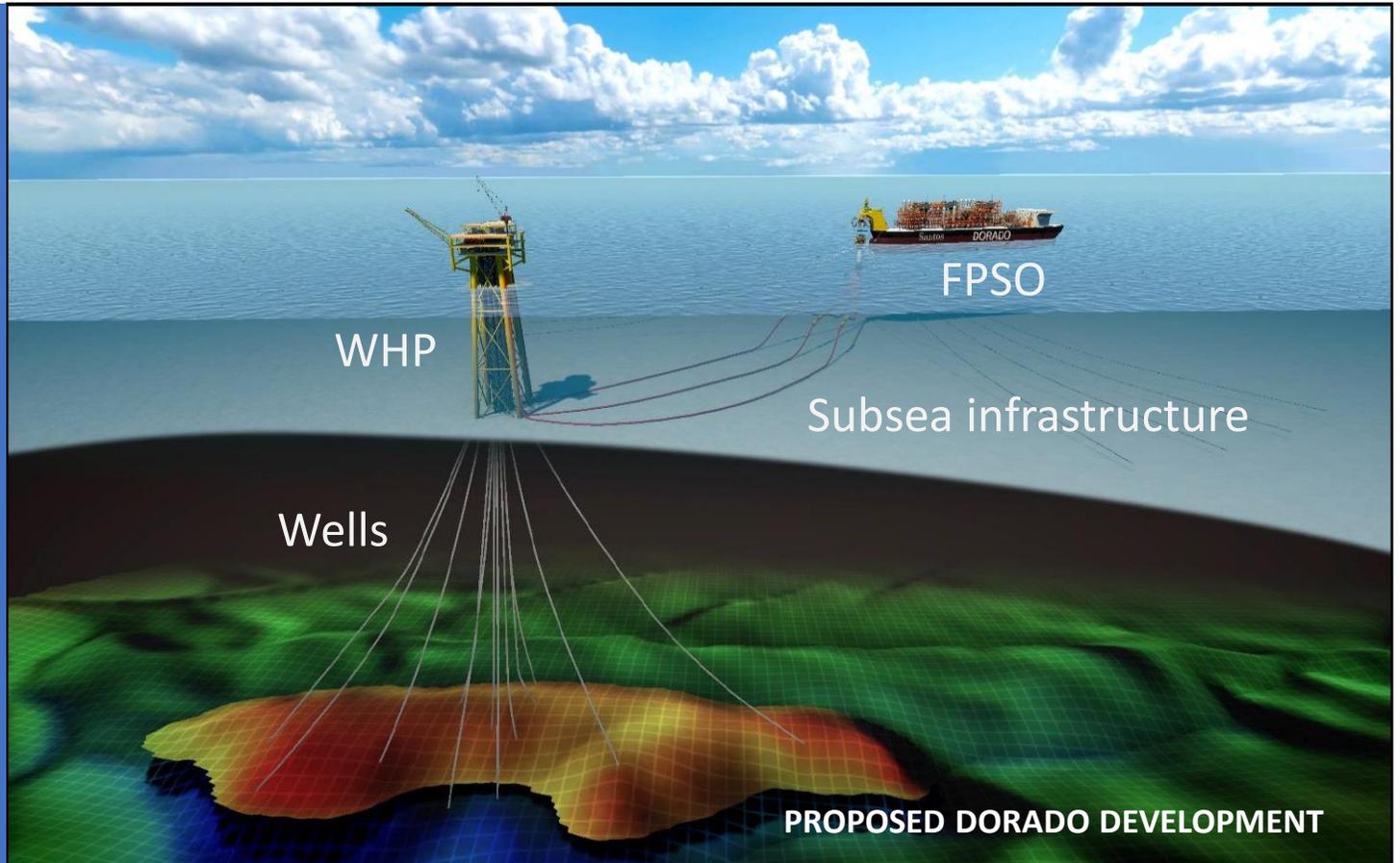
Three parties in bid process

### Subsea infrastructure

In engineering phase

### Field optimization planning

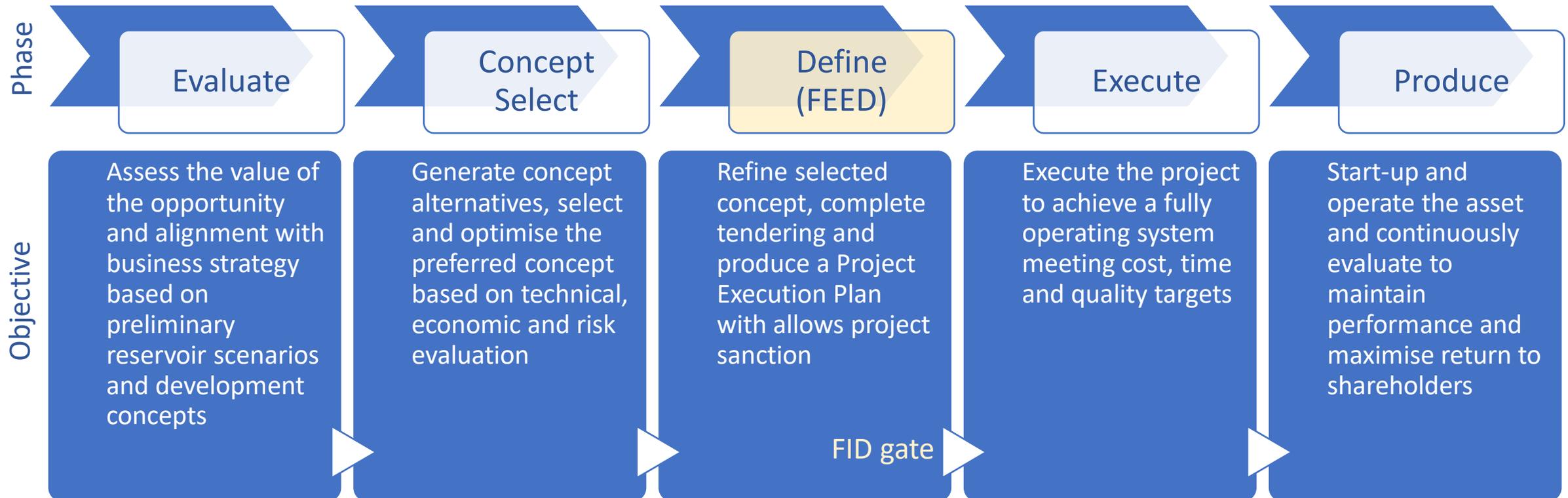
Well count and positioning  
Well completion techniques



1

# DORADO DEVELOPMENT

## MOVING TO FEED PHASE SHORTLY



1

# DORADO DEVELOPMENT

## STRONG PROJECT FUNDAMENTALS

**Attractive  
investment  
proposition**

Australian based asset  
Large resource  
Quality reservoir  
High initial flow rates  
Standard industry development  
Shallow water depth  
Experienced operator  
Low production cost  
Short capital payback  
Meaningful near field tie back upside  
Oil price linked resource

**Attractive  
risk  
proposition**

1

# DORADO DEVELOPMENT

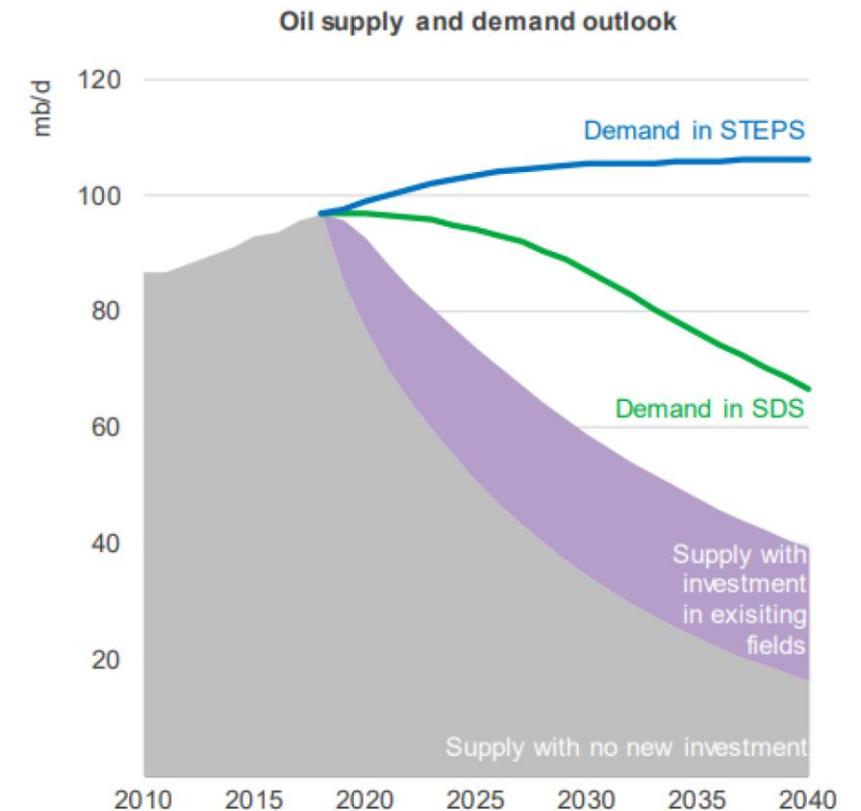
## UNDER INVESTMENT AN UPSIDE RISK FOR OIL PRICES

### Short term oil price outlook improving slowly

Demand recovering slowly from COVID-19 shock  
Large inventory stockpiles present  
Additional supply capacity exists

### Medium / long term oil price outlook is strong

Oil is an important contributor to the energy supply mix  
Current resources are being depleted as produced  
Risk that the industry has under invested since 2016



Source: IEA, 2020

# BEDOUT EXPLORATION

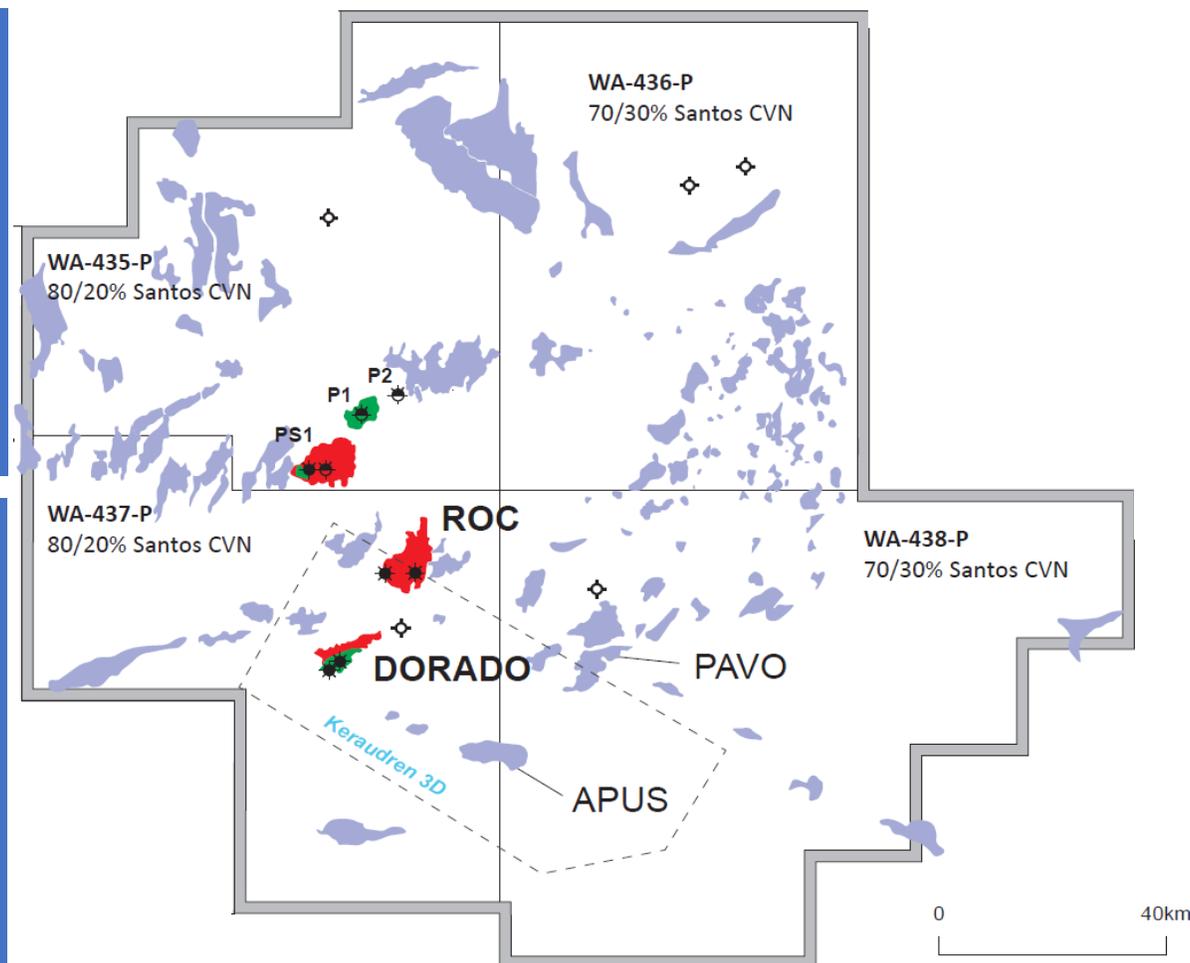
## EXCITING NEW SUB-BASIN

### Extensive suite of opportunities

- Liquids rich petroleum system
- Multiple play types exist
- Lightly explored region
- High drilling success in current JV

### Carnarvon well positioned

- CVN an originator in unlocking sub-basin
- CVN holds 20%-30% across sub-basin
- Strategic holding now in “hot acreage”



# BEDOUT EXPLORATION

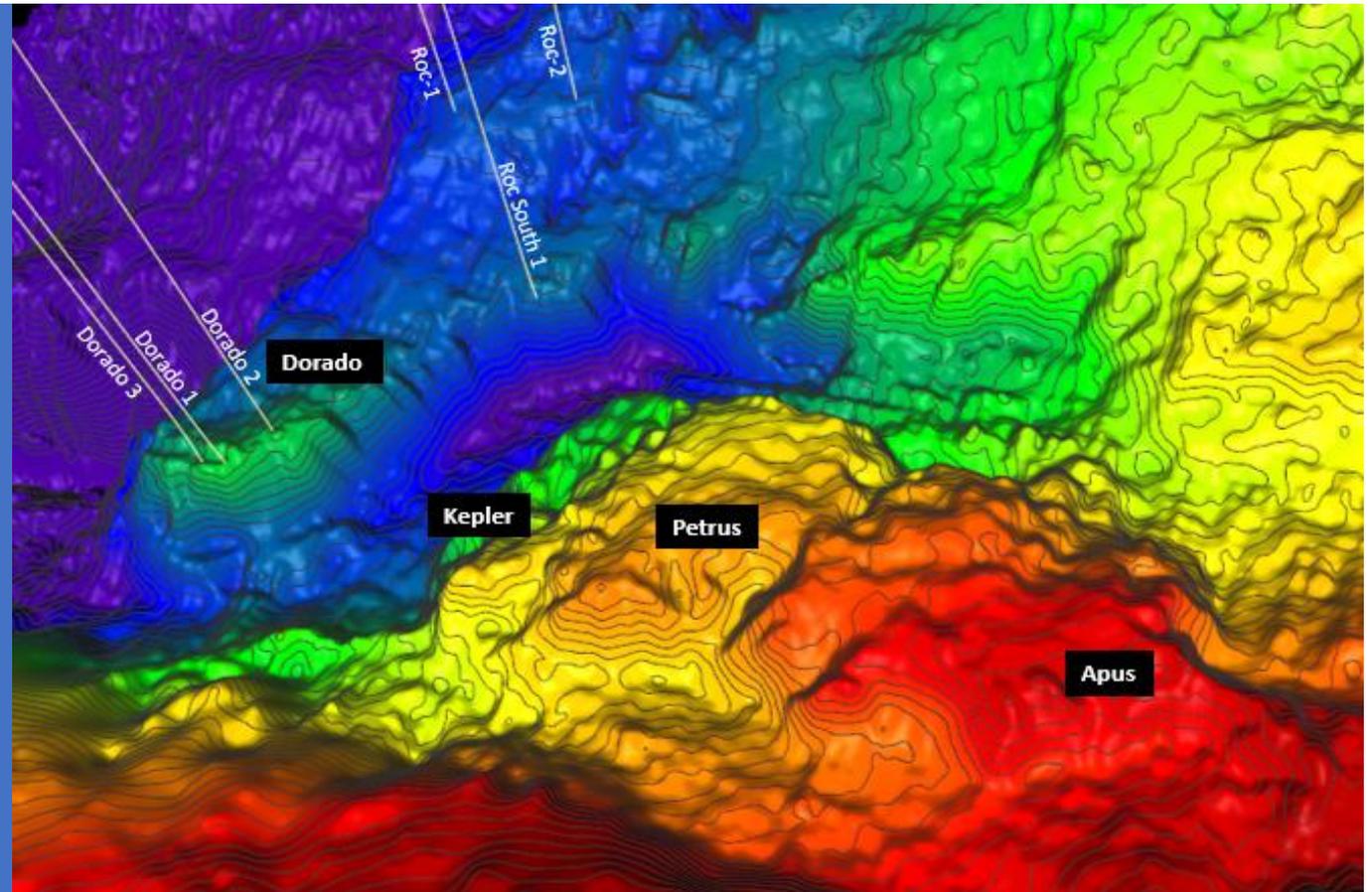
## NEW SEISMIC OPENING NEAR FIELD OPPORTUNITIES

### Keraudren 3D acquired in 2019

New acquisition technique used  
Resulted in improved quality data  
Supporting better prospect imaging

### Key prospects near Dorado

Attractive targets being matured  
Tie back & stand alone potential  
Maturing next drilling targets  
(including *Petrus*, *Apus* & *Pavo*)



# EXPLORATION PORTFOLIO

## NORTH WEST SHELF FOCUS

### Broad exploration portfolio

With a suite of different play types

### Low commitment holdings

Acquired in low oil price cycles

### Valuable resource potential

In shallow water & liquids focused

### High equity levels to farm down

Enables appropriate risk sharing

*Carnarvon Interests  
as at 30 June 2020  
in Australia and  
Timor-Leste*



3

# DIVERSE PORTFOLIO

## BUFFALO OIL FIELD OPPORTUNITY

**Former oil field**

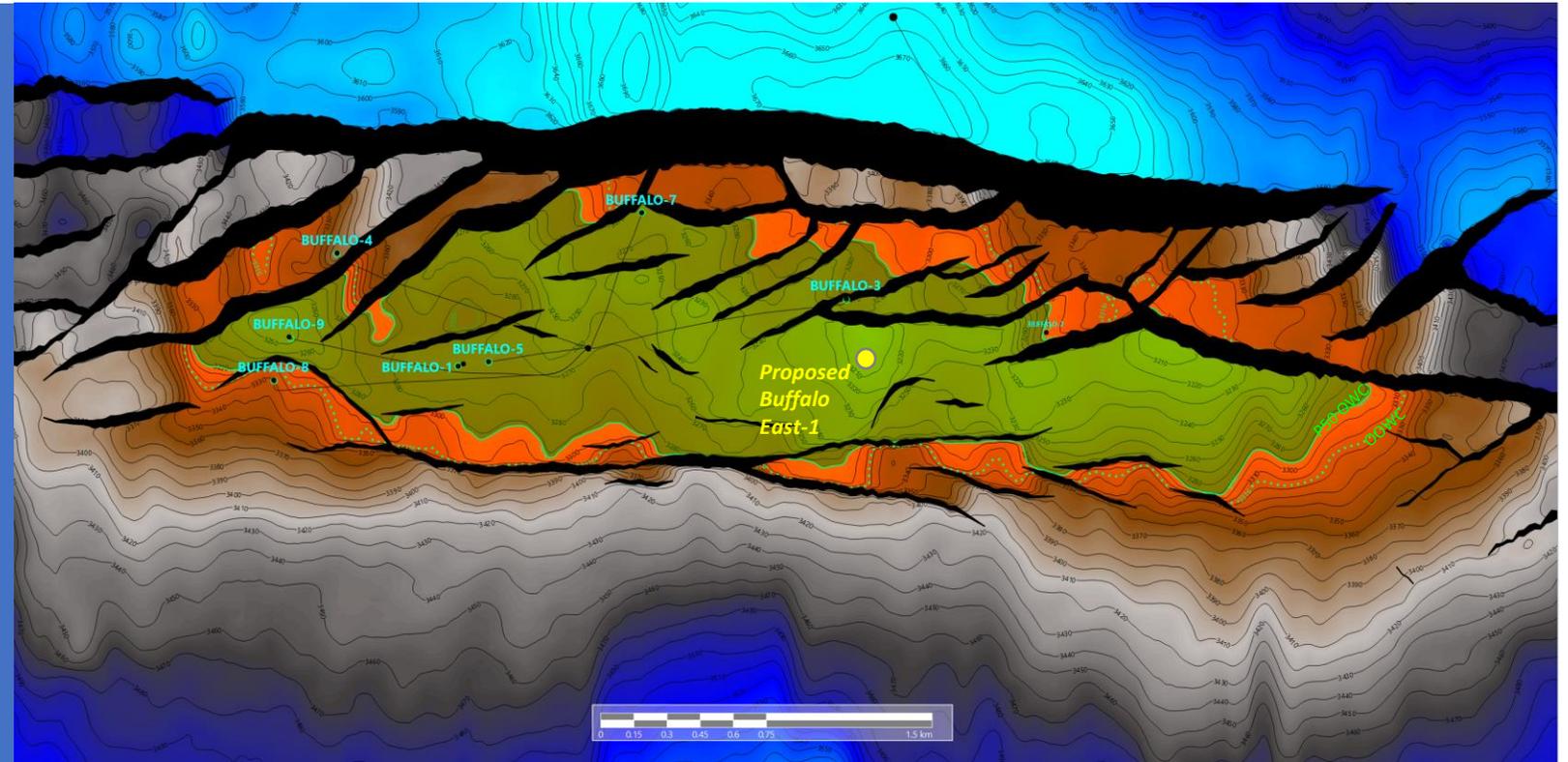
Produced 20 mmbbls

**Redevelopment**

Test unproduced attic

**Robust economics**

Low cost development



# FINANCIAL OVERVIEW

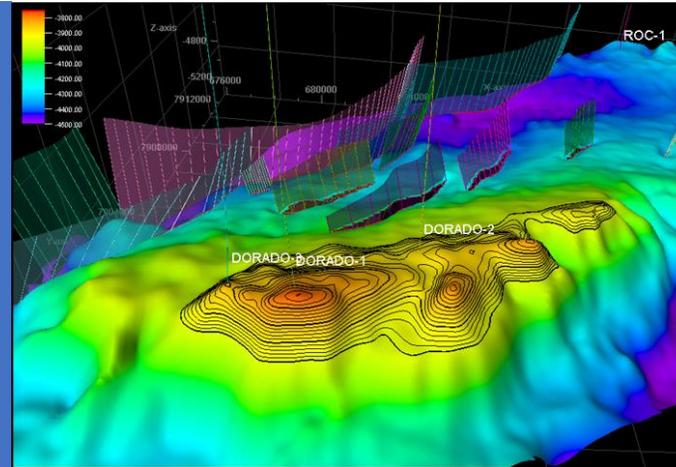
## STRONG BALANCE SHEET & FUNDING OPTIONS

### Balance sheet remains strong

Cash in excess of \$110 million

No debt

No material near term commitments



### Dorado oil & gas field

Very large resource

In Australia

Near field upside

CVN holds 20%

### Capital management and maturing multiple funding options will be a key focus in 2021

Significant in bound bank and capital provider interest in funding the Dorado development

Dorado construction costs to firm as bids finalized with contractors in late 2020 / early 2021

Dorado aiming to be investment ready in 2021 with FID timing subject to business conditions

# QUESTIONS

1

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