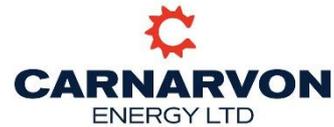


Pavo-1 well oil discovery

23 March 2022



Highlights

- Pavo-1 well makes material oil discovery (Carnarvon 30% interest)
- Excellent reservoirs confirmed across a net oil pay zone of 46 metres
- Light sweet oil (~52° API) with low gas-oil ratio recovered from the well
- Pavo-1 result expected to support subsea tie-back to the Dorado production facilities

Carnarvon Energy Limited (“Carnarvon”) (ASX:CVN) confirms that the Pavo-1 well has made a material oil discovery in the Caley Member.

Light oil has been recovered from excellent reservoirs. The highly porous and permeable sands contain a net pay thickness of 46 metres from within a gross hydrocarbon package of 60 metres.

The results were confirmed when wireline testing was undertaken in the well, after drilling down to around 3,600 metres Measured Depth (“MD”) in the 8 ½” hole.

Carnarvon Managing Director and CEO, Adrian Cook, said the results added significant value to the Dorado development plan:

“Today we announce another important oil discovery in the Bedout Basin, with high quality oil having now been recovered to surface from excellent quality reservoirs.

This discovery is material because Pavo lies only 46 kilometres from the proposed Dorado production facilities and is expected to be an ideal resource to tie back to Dorado.

Subject to the joint venture making a final investment decision (FID) this year, the Dorado production infrastructure is planned to be in-place by the end of 2025 and will have the capacity to tie-in other fields like Pavo with no material increase in operational costs.

Pavo proves the extension of a working petroleum system some 46 kilometres east of Dorado. The well demonstrates that quality reservoir and trapping mechanisms are effective in this area, which hosts a suite of other exploration targets. These will now warrant further assessment for drilling.

We have a number of additional drilling activities to undertake in the Pavo-1 well before moving the drilling rig to the Apus-1 well location.

Overall, we are extremely pleased with the Pavo-1 result and are looking forward to it adding significant value within what is now expected to be an expanded Dorado production hub.”

Forward plan

On completion of the sidewall core sample acquisition across the Caley hydrocarbon zone and deeper Milne and Dumont Members, the well will be deepened in the current 8 ½” hole to an expected Total Depth (“TD”) of around 4,200m MD, targeting the Early Triassic and Upper Permian stratigraphy which have not previously been intersected in the basin.

Carnarvon is not anticipating commercial results from the deeper sections of the well that are to be drilled. The geological information being sought in this section is relevant to assessing the potential for prospects within that stratigraphic section nearby and across the basin.

Equity participation

The Pavo-1 well is located in the WA-438-P exploration permit in which Carnarvon holds a 30% interest.

Approved by:



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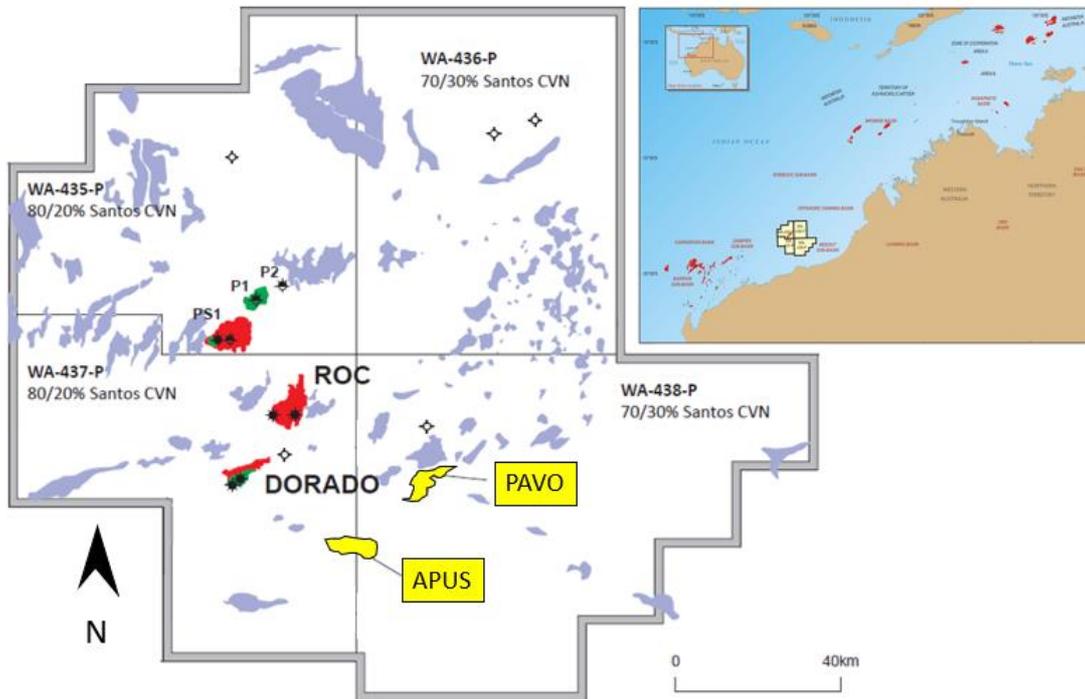


Figure 1: Pavo-1 well location map



Figure 2: One of the oil samples extracted from Pavo-1

Pavo-1 oil discovery - technical summary

Formation evaluation from the wireline logging suite has confirmed the presence of a hydrocarbon column in the Caley Member in the Pavo-1 well, with light sweet oil recovered to surface.

Elevated gas readings and increased resistivity were observed while drilling through the Caley Member, indicating the presence of hydrocarbons.

The wireline logging tools have confirmed that the well encountered a total gross Caley Member hydrocarbon package of 60 metres, with a net oil pay of 46 metres.

Excellent reservoir characteristics were interpreted from the logging, with average porosity of around 19% and hydrocarbon saturation of 80%.

Interpreted permeabilities ranged between 100 to 1,000 millidarcies in the Caley Member hydrocarbon zone.

The high quality of the reservoirs was demonstrated by the rapid time taken to extract the oil samples and the high mobilities recorded while undertaking formation testing.

The reservoir parameters interpreted from wireline logging indicate that the Pavo-1 well has encountered Caley Member reservoir quality that is very similar to the same interval in the Dorado field.

A number of oil samples were extracted from the Caley sandstone interval with a very light oil being recovered to surface. Estimates of the oil characteristics from the rig indicate a ~52° API oil with a relatively low gas-oil ratio.

The combination of light oil and excellent reservoir characteristics supports the potential for high flow rates on production.

The deeper Dumont Member sands also encountered excellent reservoir characteristics, with porosities in excess of 18%, which bodes well for future exploration potential in prospects in the area targeting this interval. This interval was not recognised to be a structural closure pre-drill at the Pavo-1 location and, as expected, did not intersect hydrocarbons.

Forward-looking statements

This announcement contains certain “forward-looking statements”, which can generally be identified by the use of words such as “will”, “may”, “could”, “likely”, “ongoing”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “forecast”, “goal”, “objective”, “aim”, “seek” and other words and terms of similar meaning. Carnarvon cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on any forward-looking statement.