



**CARNARVON**  
PETROLEUM LTD

ASX: CVN

**Annual General Meeting**

**13 November 2015**

**Carnarvon Petroleum**

**Managing Director's presentation**

# Disclaimer

---



The Resource estimates outlined in this report were reviewed by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga has over 20 years' experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor Degree in Engineering and a Masters Degree in Petroleum Engineering. Mr Huizenga is qualified in accordance with ASX Listing Rules and has consented to the form and context in which this statement appears.

All continent and prospective resources presented in this report are prepared as at 7 April 2015 per the DeGolyer and MacNaughton reports released to the ASX on 7 April 2015. The estimates of contingent and prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. DeGolyer and MacNaughton is an independent international energy advisory group whose expertise is in petroleum reservoir evaluation and economic analysis. The continent and prospective resources presented in this report are based on information compiled by professional staff members who are full time employees of DeGolyer and MacNaughton. 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.

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 must be recognised as a subjective process 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.

This presentation contains forward looking statements which involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the oil and gas industry, many of which are outside the control of and may be unknown to Carnarvon Petroleum Limited.

No representation, warranty or assurance, express or implied, is given or made in relation to any forward looking statement. In particular no representation, warranty or assumption, express or implied, is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual and future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements were based.

Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements, and should rely on their own independent enquiries, investigations and advice regarding information contained in this presentation. Any reliance by a reader on the information contained in this presentation is wholly at the readers own risk.

Carnarvon and its related bodies corporate and affiliates and their respective directors, partners, employees, agents and advisors disclaim any liability for any direct, indirect or consequential loss or damages suffered by a person or persons as a result of relying on any statement in, or omission from, this presentation.

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, Carnarvon disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this presentation to reflect any change in expectations in relation to any forward looking statements or any such change in events, conditions or circumstances on which any such statements were based.

Nothing contained in this document constitutes investment, legal, tax or other advice. This document, and the information contained within it, does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, you should consider seeking independent professional advice before seeking to take any action based on the information contained in this document.

This presentation has been prepared by Carnarvon. No party other than Carnarvon has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this presentation.

# Carnarvon executive team



## **Philip Huizenga – Chief Operating Officer**

Petroleum Engineer

Drilling, logging and production throughout Australia, Asia and the Americas.



## **Dr Stephen Molyneux – Exploration Manager**

Geologist

Seismic interpretation and development geology in North Sea, Asia and now Australia.



## **Dr Jeff Goodall – Chief Geologist**

Geologist

Exploration and development geology throughout Australia, South East Asia and the North Sea.



## **Andrew Padman – Exploration Advisor**

Geophysicist

Seismic interpretation in Australia and Asia.



## **Thomson Naude – Chief Financial Officer and Company Secretary**

Chartered Accountant

Auditing, financial reporting and commercial transactions.

# Carnarvon snapshot

---



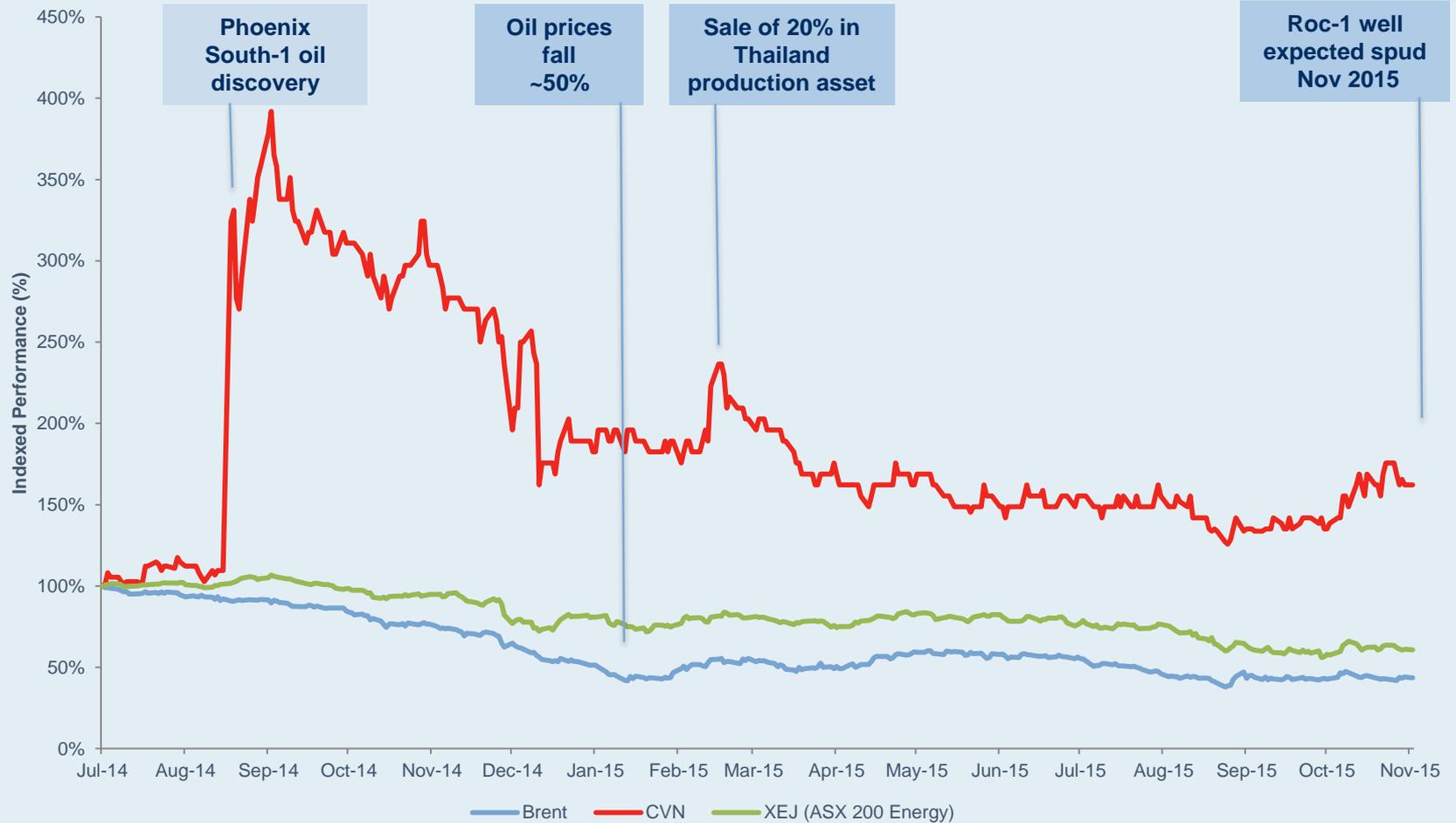
A\$120m  
value on ASX

A\$103m\* in cash  
plus future income stream and debt free

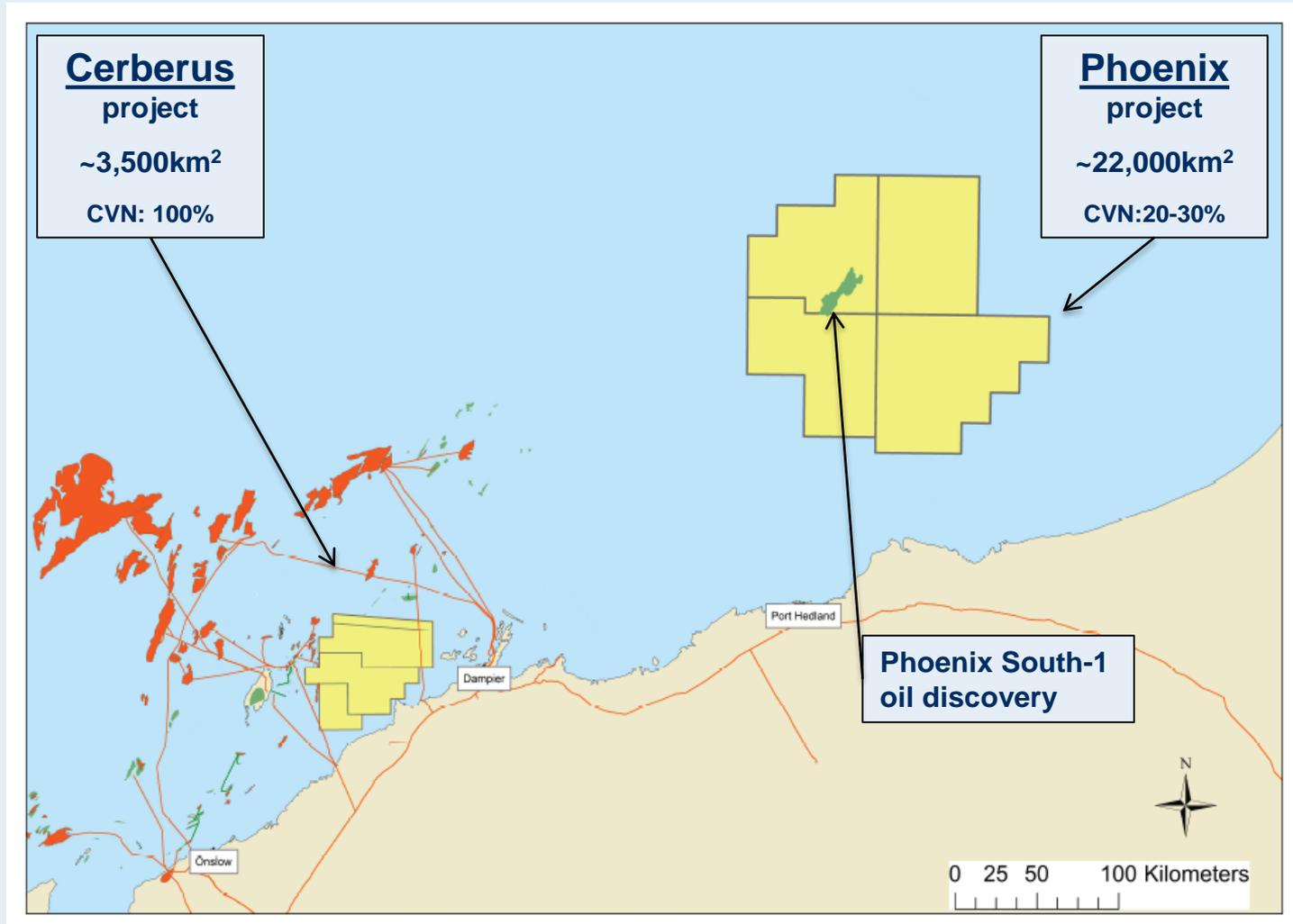
Phoenix South-1 oil discovery August 2014  
High impact Roc-1 well spud expected November 2015

\* As reported in the Company's September 2015 Quarterly Report

# Relative performance



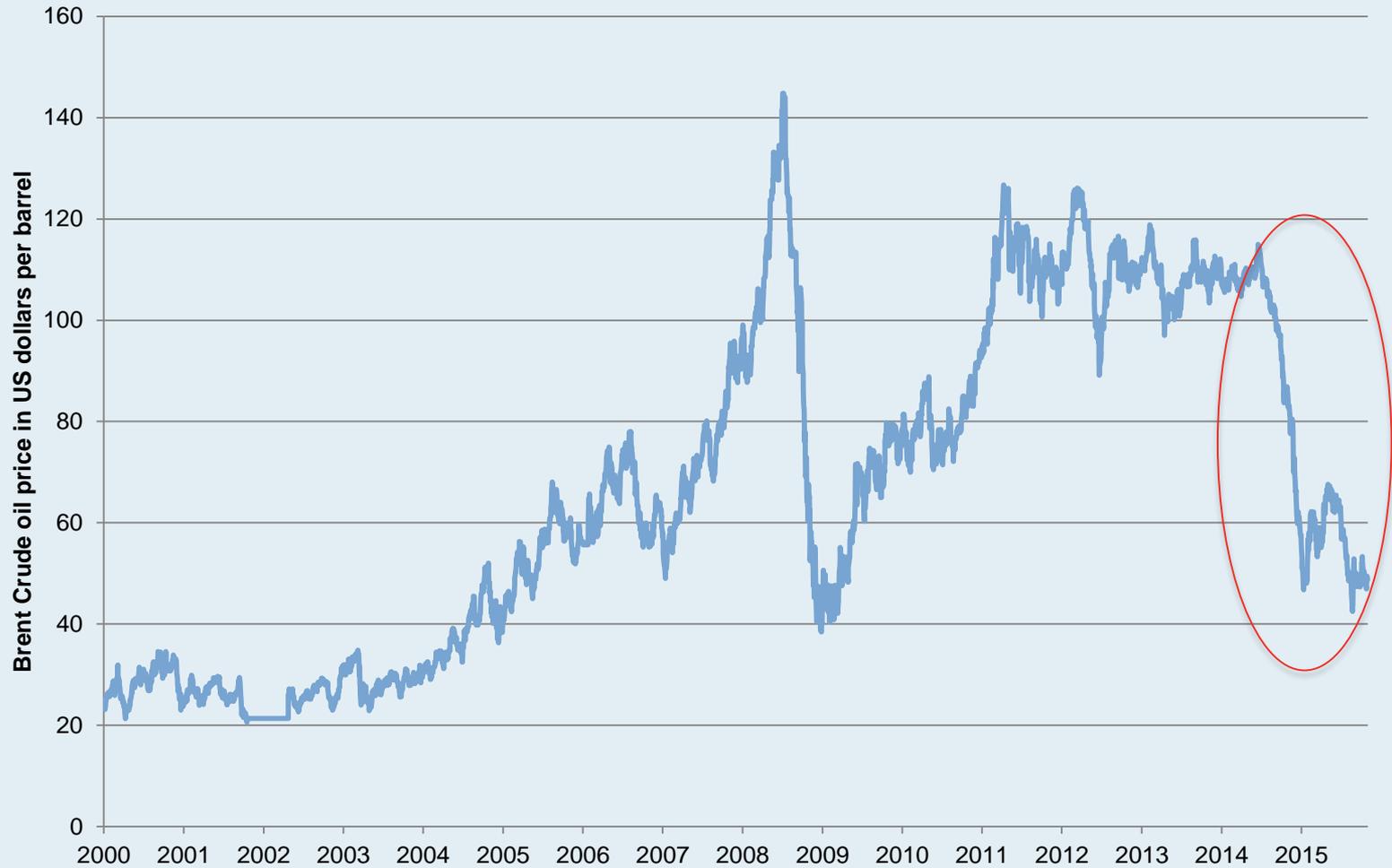
# Carnarvon's permits in the North West Shelf



**Oil & Gas sector**

**At a glance**

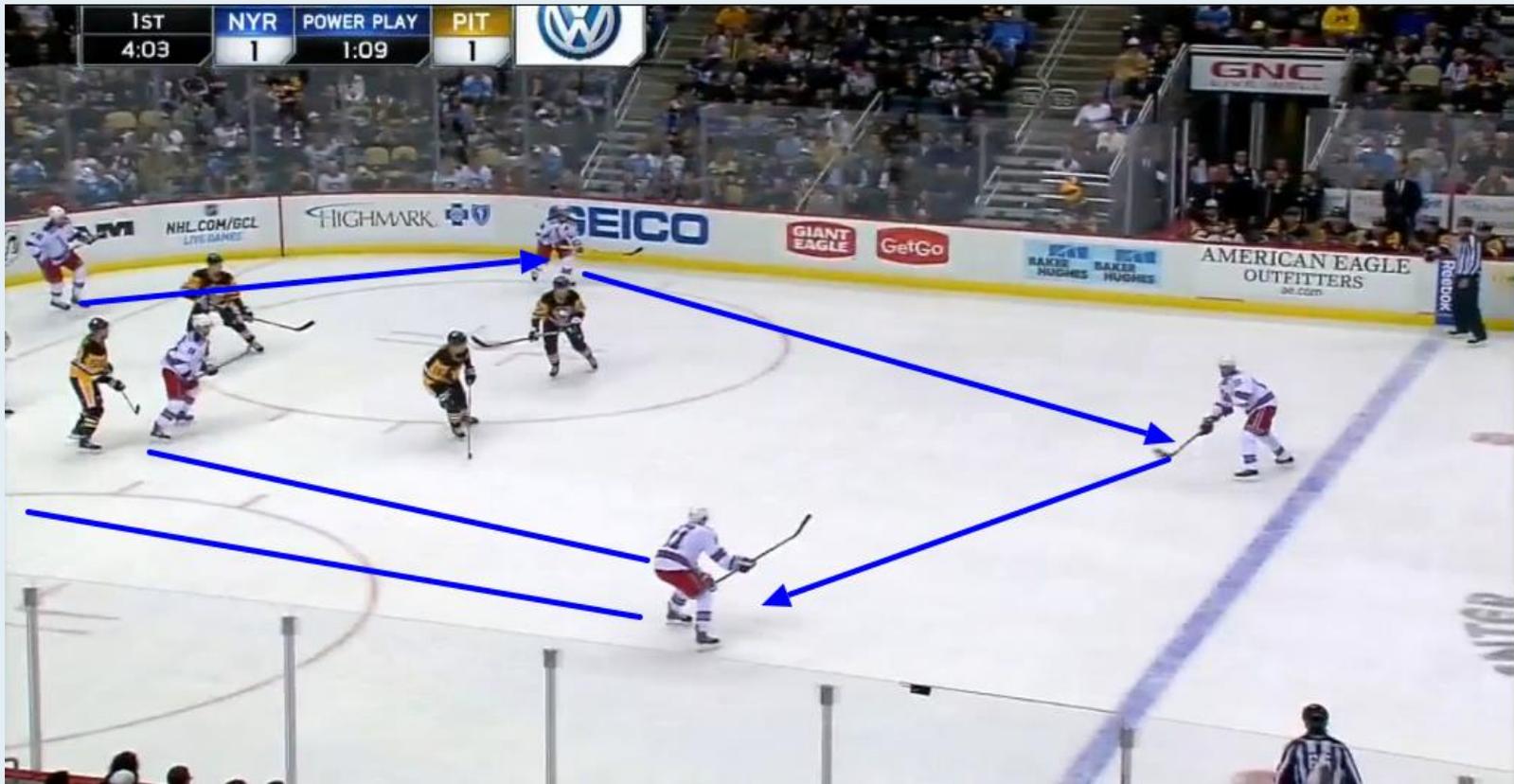
# Oil sector under pressure



# The challenge is to anticipate the value shifts

---

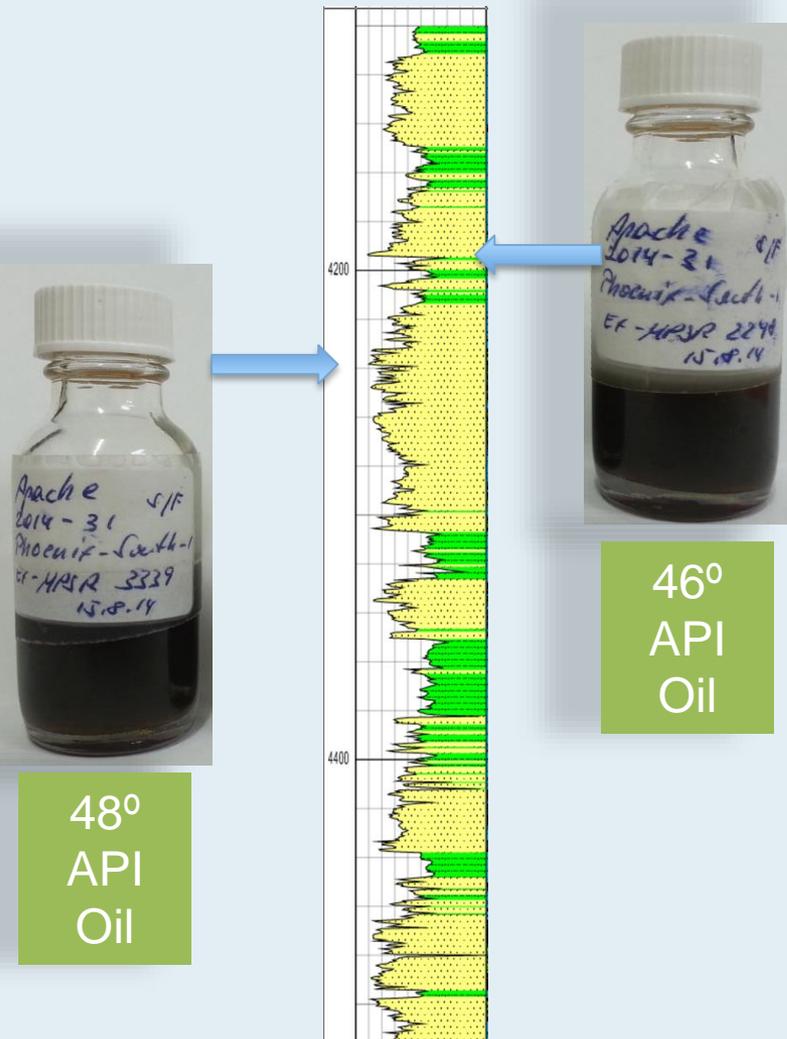
“Skate to where the puck is going, not to where it has been” Wayne Gretzky



**Phoenix Project**

**New oil province**

# Phoenix: Phoenix South-1 oil discovery



## Recap

- 59 metre net oil pay in 4 intervals
- 6 oil samples recovered from 3 zones
- 46° to 48° API & 370 to 720 scf/bbl
- Extensive rock & log suite acquired

## Challenges

- Reservoir quality
- Formation stability

## Key work flows

- Dynamic Phoenix South model
- Understanding of fault structures
- Resource assessment by operator
- Integrated regional geological model

# Phoenix: Roc-1 exploration well



*Noble Tom Prosser drilling rig*

## Summary

- Larger structure than Phoenix South
- Shallower water depth than Phoenix South
- Shallower reservoir than Phoenix South
- Up-dip to Phoenix South structure

## Key dates\*

- November 2015 spud
- December 2015 / January 2016 TD
- Suspend successful well
- Q3, 2016 re-enter well for extensive evaluation and testing

Cost carry to US\$70 million (gross)

\* Dates are best estimates and may change

# Phoenix: independent resource estimate



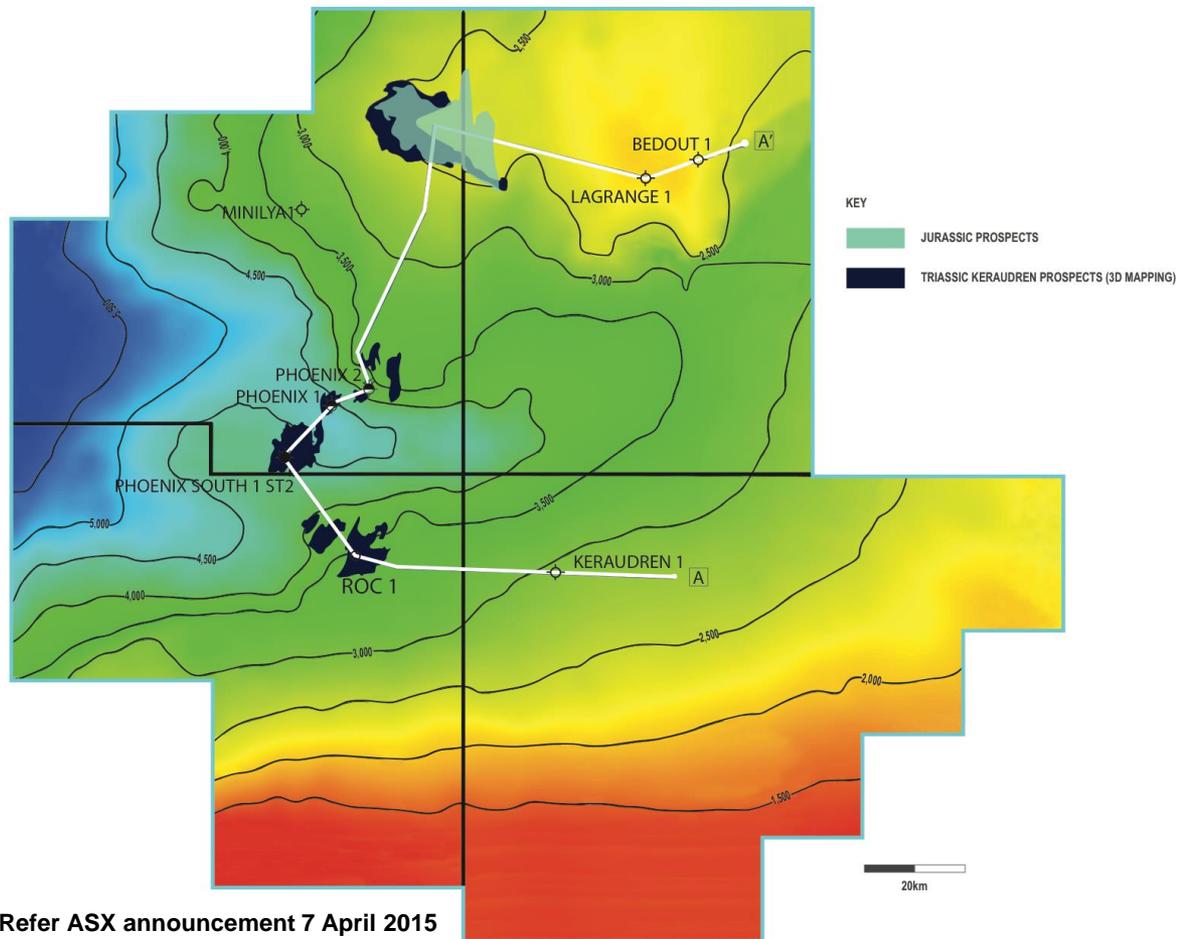
By DeGolyer & MacNaughton

Resources (mmbbls)

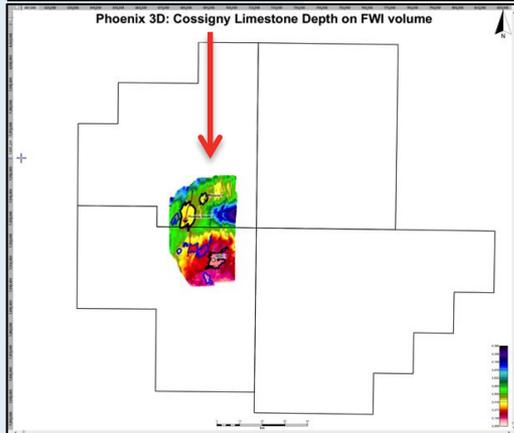
	Low	Best	High
Phoenix and Phoenix South Contingent resources	13	31	78
Roc, Bewdy, Bottler Prospective resources	35	73	154
<b>Total (arithmetic sum)</b> (Refer ASX announcement 7 April 2015) (CVN has a 20% interest in these resources, calculated using probabilistic methodology)	<b>48</b>	<b>104</b>	<b>232</b>

# Phoenix area: what's in the rest?

BASE TRIASSIC / TOP PERMIAN TIME STRUCTURE MAP (MSEC)

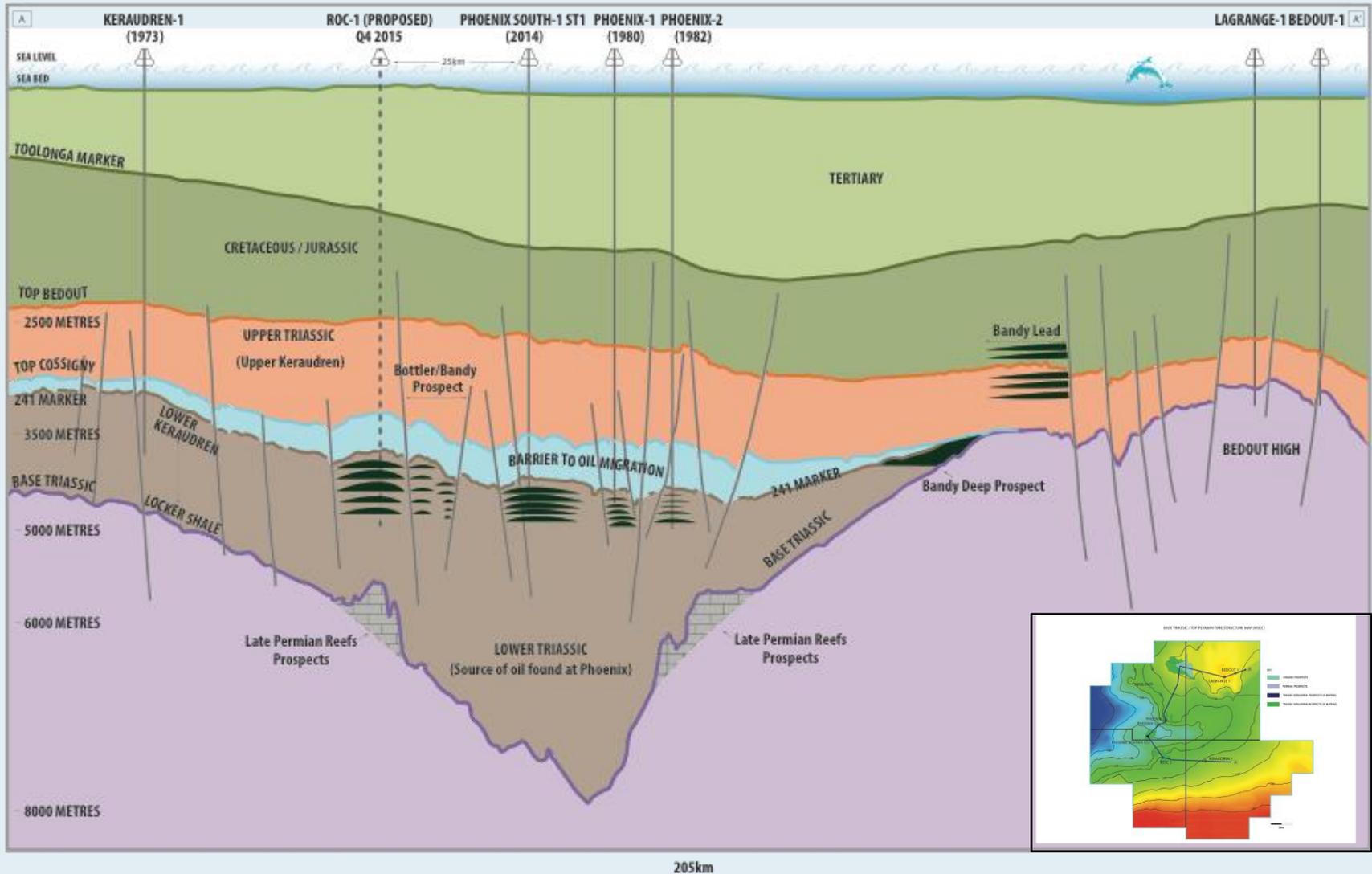


Resource estimate of 104 mmbbls\* (viz. mid case) is within 5% of acreage held

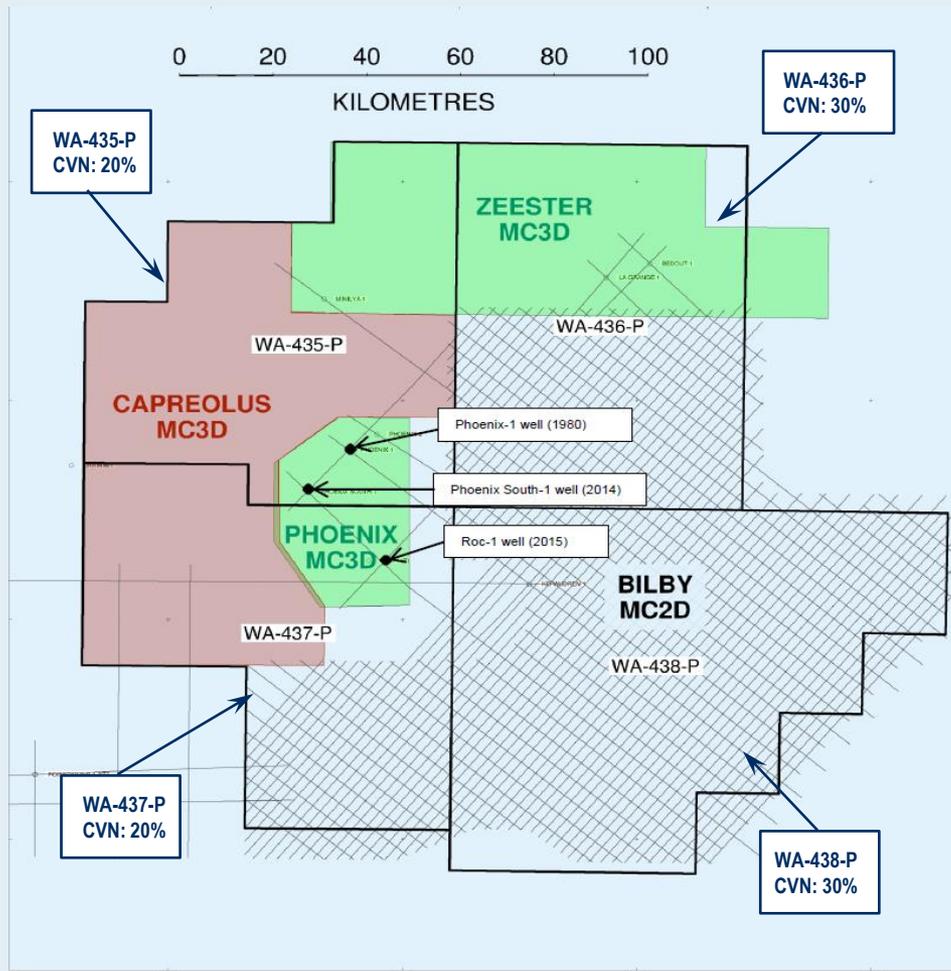


\*Refer ASX announcement 7 April 2015

# Phoenix area: whole basin in CVN acreage



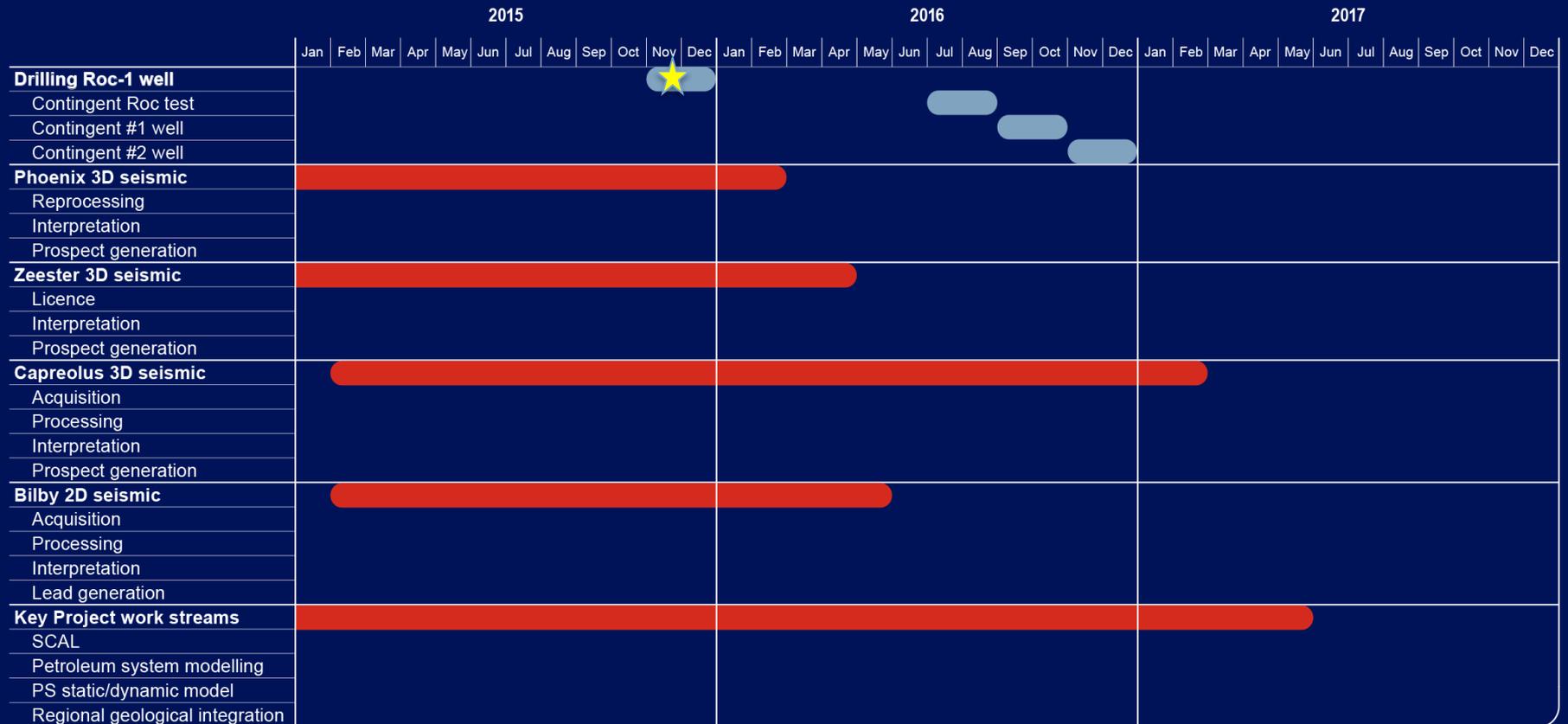
# Phoenix area: acquired significant new data



## Highlights

- The initial Phoenix MC3D covered ~5% of acreage holding
- At end of CY 2015 the total 3D data set will cover ~45% of CVN's acreage holding
- The new data is intended to assist in identifying new targets for potential drilling in 2016 and 2017
- The partners committed ~A\$52m to data acquisition in 2015

# Phoenix area: active exploration program underway

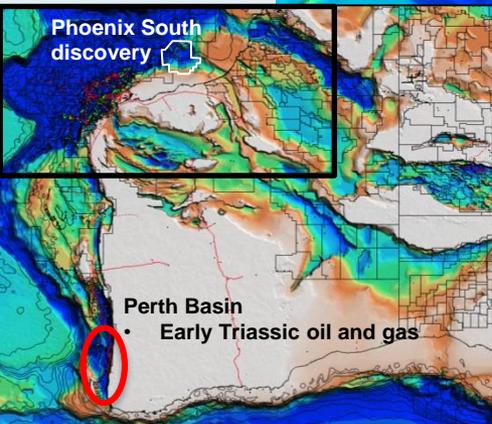
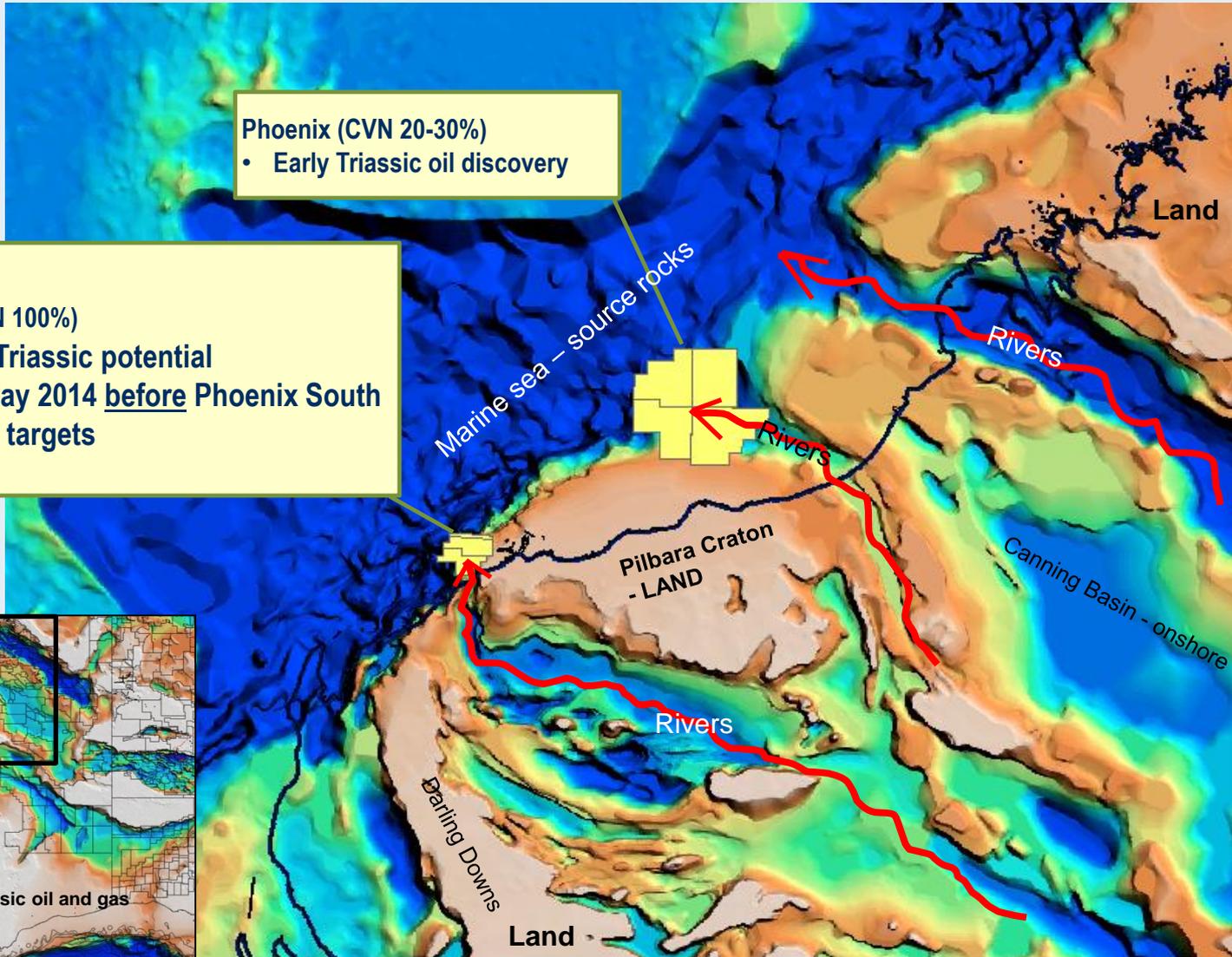


\*Dates indicative and subject to change.

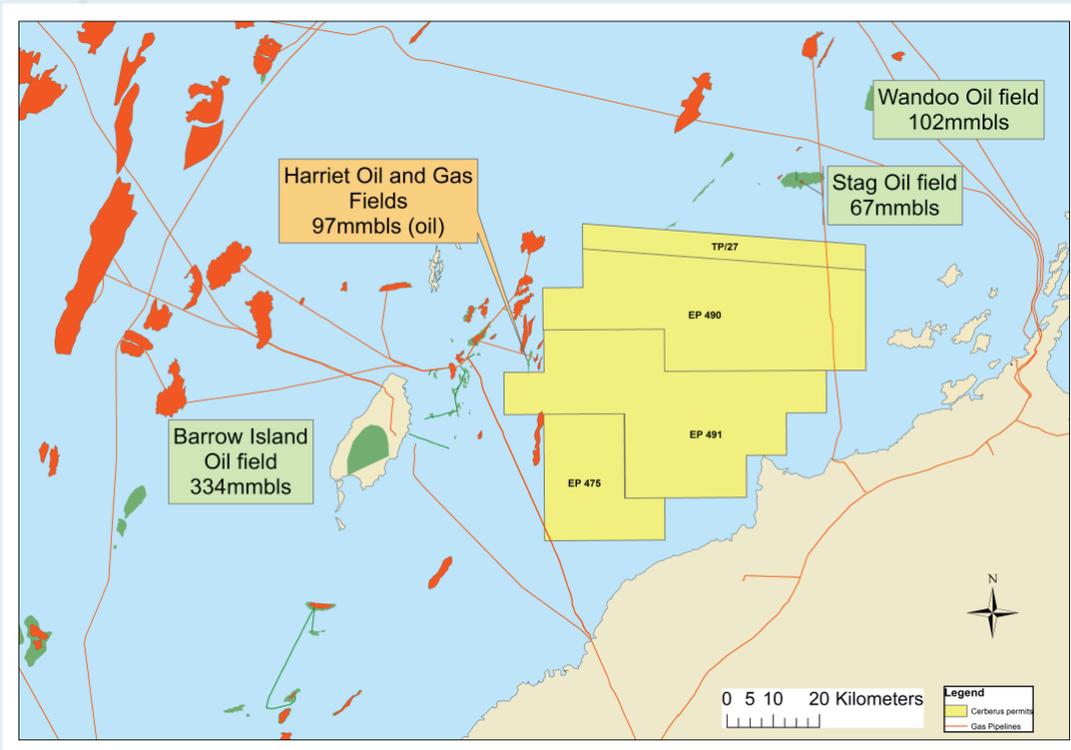
**Cerberus Project**

**New project**

# Cerberus: Early Triassic initial focus



# Cerberus: prolific hydrocarbon region



## Highlights

- Proven petroleum system
- Multiple play potential
- Large volume fields nearby
- Shallow water acreage with shallow target prospects
- Close to pipeline infrastructure and onshore services
- High value success case

**Conclusion**

**NWS exploration specialist**

# Carnarvon investment proposition

---



Well funded with cash and liquid assets of ~A\$120 million

Upcoming high impact Roc-1 well, with cost carry

Accomplished Board and in-house technical team

Well placed to capitalise on reducing industry costs

Capacity to grow the asset portfolio

Focused North West Shelf business model

**Think** different

**Act** different