

Phoenix South-1 Update

18 August 2014



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide a copy of a press release from Apache Energy regarding the oil discovery at Phoenix South-1 in the WA-435-P exploration permit.

The equity interest holders in the WA-435-P permit are:

Carnarvon Petroleum	20%
Apache Energy (Operator)	40%
JX Nippon	20%
Finder Exploration	20%

For all enquiries please contact:

Shareholder Enquiries

Mr Thomson Naude
Company Secretary
Phone: (08) 9321 2665
Email: investor.relations@cvn.com.au

Media Enquires

Mr Tony Dawe
Professional Public Relations
(08) 9388 0944 / 0405 989 743
tony.dawe@ppr.com.au

Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook".

Adrian Cook
Managing Director
Carnarvon Petroleum

This news release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this news release includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of reserves and potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this news release require Carnarvon and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this news release is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of Carnarvon. Although Carnarvon believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.



NEWS RELEASE

APACHE ANNOUNCES FIRST CANNING BASIN OIL DISCOVERY OFFSHORE WESTERN AUSTRALIA

HOUSTON, Aug. 18, 2014 – Apache Corporation (NYSE, Nasdaq: APA) today announced an oil discovery at the Phoenix South-1 well – the company’s first discovery in Australia’s offshore Canning Basin.

Wireline and formation pressure tools have confirmed at least four discrete oil columns ranging in thickness between 85 and 151 feet (26 to 46 meters) in the Triassic Lower Keraudren formation, within an overall, sand-rich section between 13,648 and 14,763 feet below sea level (4,160 to 4,500 meters).

Six light oil samples have been recovered from three intervals to date; permeability measurements from the sampled zones indicate a productive oil reservoir with preliminary estimates that there might be as much as 300 million barrels of oil in place.* Evaluation of the formation penetrated in the Phoenix South-1 is under way, and final calculation of hydrocarbon pay will depend on additional analysis.

The Phoenix South-1 well is located in permit WA-435-P, offshore western Australia, 110 miles (180 km) north of Port Hedland in 435 feet (133 meters) of water. Apache has a 40-percent interest and operatorship of WA-435-P and the adjacent permit WA-437-P; co-venturers are Carnarvon Petroleum (20 percent), FINDER Exploration (20 percent) and JX Nippon (20 percent). Apache also has exercised its option to acquire 40-percent interest and operatorship of two additional adjacent permits (WA-436-P and WA-438-P) for a total position of more than 5 million acres (20,000 square kilometers).

The area includes a number of large, undrilled structures, including the Roc prospect on WA-437-P, with potential to be significant additional oil accumulations. Further drilling and evaluation is planned for 2015.

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“Although evaluation is at an early stage, Phoenix South-1 is an exciting result,” said Thomas E. Voytovich, Apache’s executive vice president and chief operating officer – International. “The oil and reservoir quality we have seen point to a commercial discovery. If these results are borne out by further appraisal drilling, Phoenix South may represent a new oil province for Australia. We look forward to working with our partners to continue evaluation of the area.”

* Oil in place estimate based on 10th percentile probability.

About Apache

Apache Corporation is an oil and gas exploration and production company with operations in the United States, Canada, Egypt, the United Kingdom and Australia. Apache posts announcements, operational updates, investor information and copies of all press releases on its website, www.apachecorp.com, and on its Media and Investor Center mobile application, which is available for free download from the Apple App Store and the Google Play Store.

Forward-looking statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations, and objectives for Apache's operations, including statements about drilling plans in Australia. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk Factors" in our 2013 Form 10-K filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any

forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development, or otherwise, except as may be required by law.

Cautionary Note to Investors

The United States Securities and Exchange Commission ("SEC") permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. Apache may use certain terms in this press release, such as "preliminary estimate of oil in place," and other similar terms that the SEC guidelines strictly prohibit Apache from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, available from Apache at www.apachecorp.com or by writing Apache at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

Contacts

Media: (713) 296-6100 Patrick Cassidy
(713) 296-7276 Bill Mintz

Investor: (281) 302-2286 Castlen Kennedy
Christopher Cortez
Alicia Reis

Website: www.apachecorp.com

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