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**CARNARVON**  
PETROLEUM LTD



Euroz Securities' Rottnest Island  
Institutional Conference Presentation

14 March 2017

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The Resource estimates outlined in this report have been 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 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.

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# Corporate snapshot



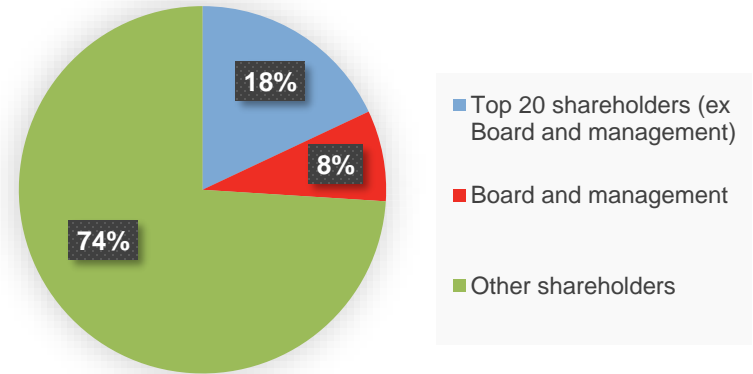
Market capitalisation ~\$100 million

Cash (31 Dec. 2016) ~\$60 million

Enterprise value ~\$40 million

Share price ~10 cents

## Carnarvon's shareholders



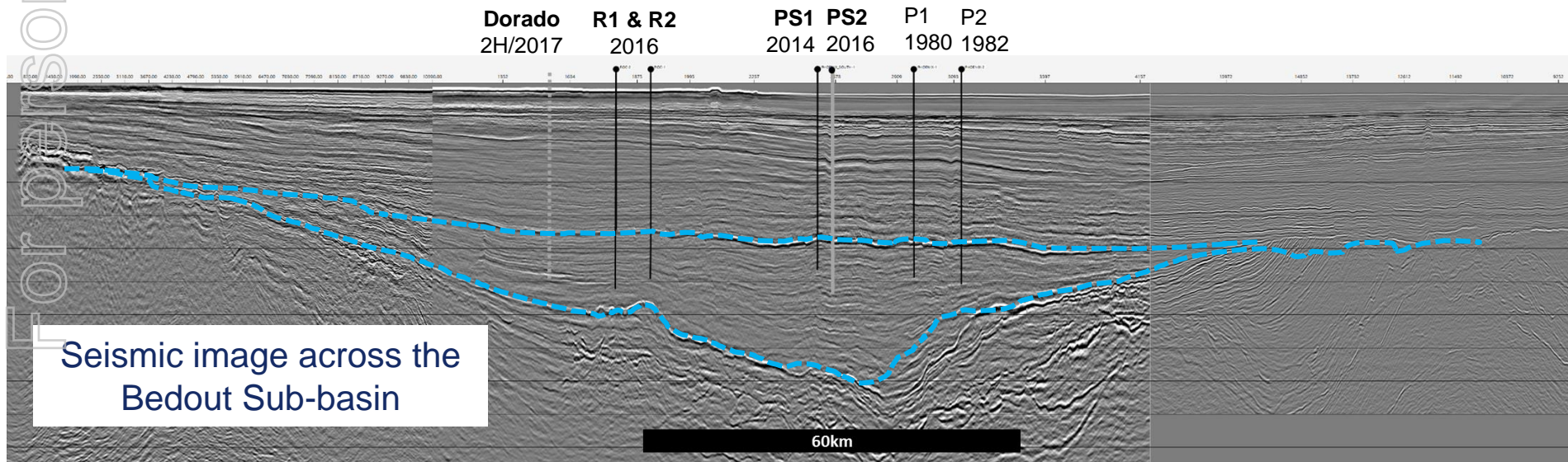
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- The most exciting exploration and appraisal acreage on the NWS
- FOUR discoveries from four wells drilled by Carnarvon and partner
- Commercial flow rates achieved, comparable with major NWS fields
- New hydrocarbon basin uncovered & significantly de-risked
- Carnarvon and partner hold all the acreage covering this basin
- Carnarvon provides the only ASX listed exposure to this acreage

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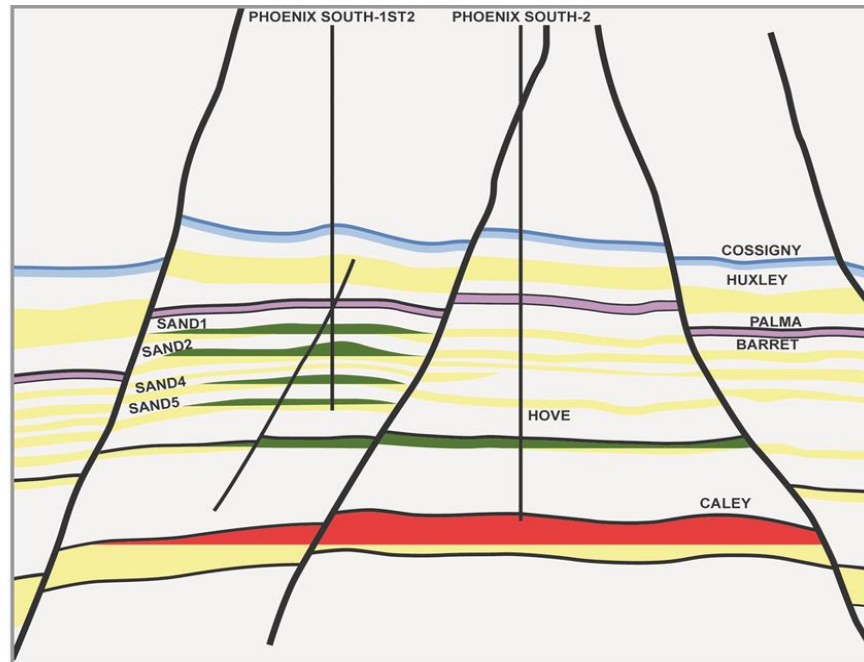


Seismic image across the Bedout Sub-basin

- **Roc-2 well delivered an historic flow at commercial rates**
- The well flowed strongly for 6 days under controlled test conditions
- At 51 million scf per day of gas and 2,943 barrels of condensate per day, being a high condensate to gas ratio of 58 bbls/mmscf.
- Potential production from these fields ~20% of the WA domestic gas usage



- **Phoenix South-2 intersected gas and condensate at the Caley Sst**
- High gas influx and pressures prohibited evaluation of the resource
- Pressure positive for porosity (higher volume) and permeability (higher flow rates)
- Upside potential in additional hydrocarbon sand packages

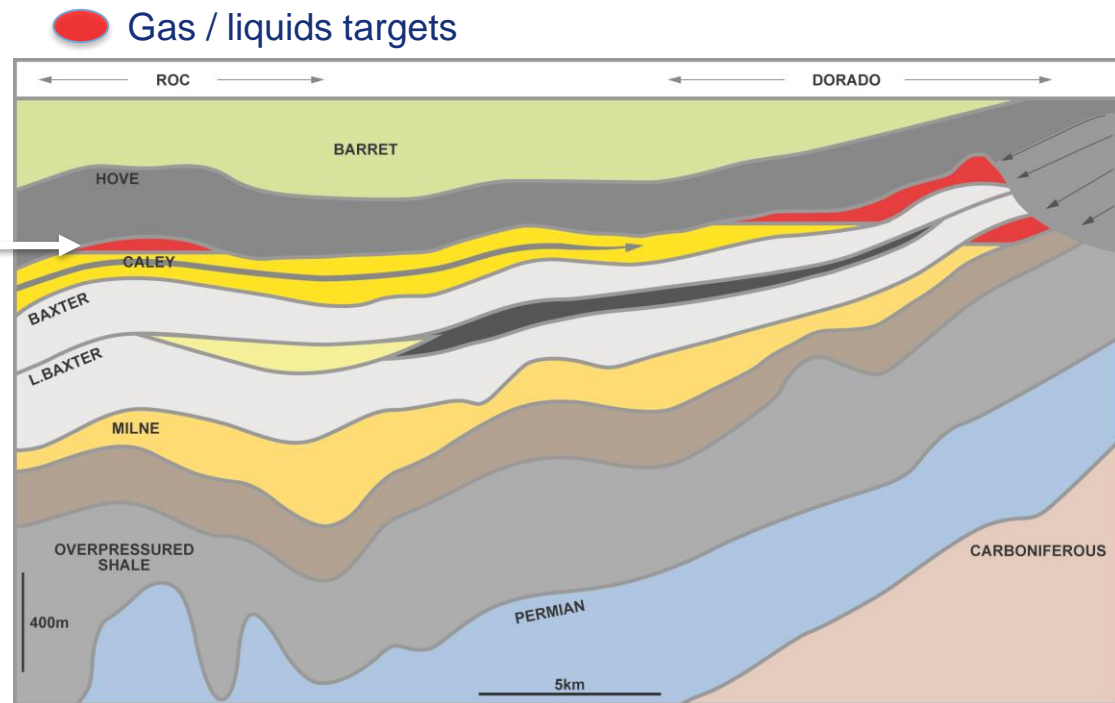


# Phoenix: Dorado structure



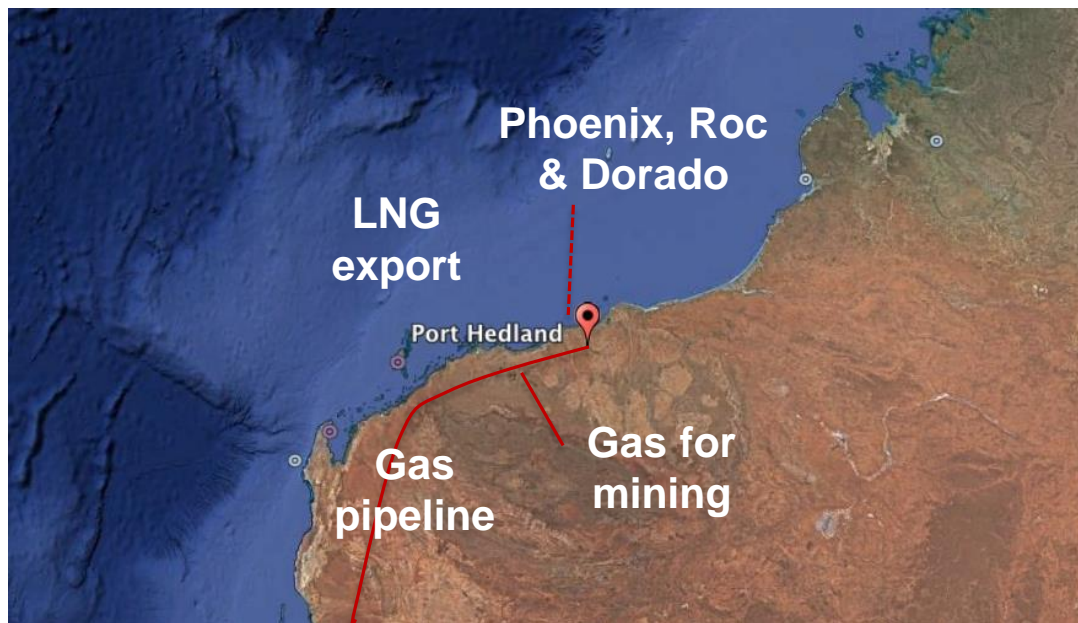
- Dorado is a large target ~15 kilometres from the Roc discoveries
- Dorado structure is clear on 3D seismic and many times larger than Roc
- Hydrocarbons expected from the same high generating rocks that charge Roc
- Dorado-1 well preparations in progress with late 2017 expected spud

Roc-2 flow test 2016





- **Location important relative to gas monetisation opportunities**
- Phoenix and Roc discoveries lie ~150 kilometres offshore of Port Hedland
- WA's main gas pipeline passes Port Hedland
- Fortescue River Gas Pipeline links main gas pipeline to Pilbara iron ore mines
- LNG export facilities expected to have spare capacity from 2020
- Traditional WA gas supply sources in natural decline

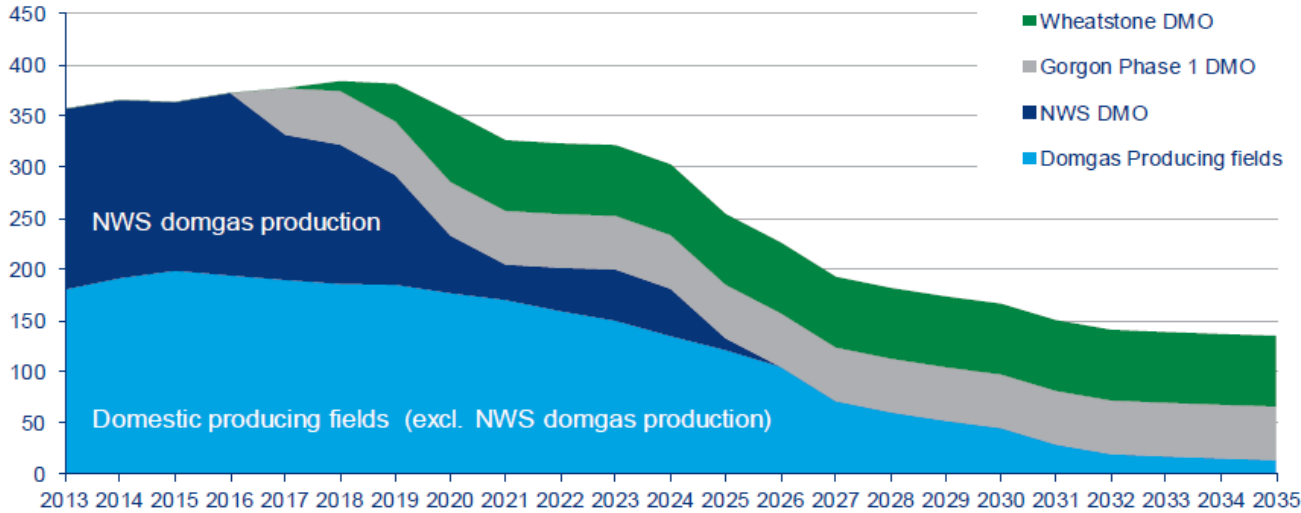


# Phoenix: Historic WA gas supply in decline



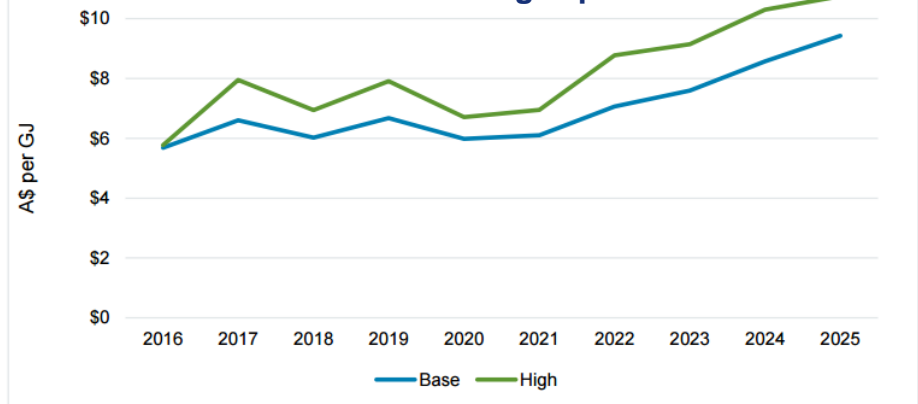
WA domestic gas – producing and committed developments

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Source: Wood Mackenzie

Forecast WA gas prices



Source: IMO forecasts 2016 to 2025

# Phoenix: Reindeer gas field an analogy for Roc



- Reindeer gas field developed and operated by Quadrant Energy
- Similar resource size of circa 80 million barrels of oil equivalent (“boe”)<sup>1</sup>
- Similar water depths of circa 50-100 metres
- Similar distance of resource to gas plant of circa 100-150 kilometres
- Primary difference being Roc has greater liquids content but deeper reservoir

	Reindeer <sup>2</sup>	Roc <sup>1</sup>
Resource (million boe)	84	78
Revenue	US\$3.4 bn	
Development and abandonment costs	(US\$1.4 bn)	
Operating costs	(US\$0.5 bn)	
Petroleum resource rent tax	(US\$0.2 bn)	
<b>Cash flow before income tax</b>	<b>US\$1.3 bn</b>	
	(US\$15/boe)	

Financial figures are gross, nominal amounts

# Phoenix: Roc, Phoenix South & Dorado



- **Material cash generation potential as resources scale up**
- Tie-back developments can leverage off the first development hub
- Benefits arise as resources scale up, such as non replication of operating costs
- Net present valuations and risking are independent of the following figures

	Reindeer <sup>2</sup>	Roc <sup>3</sup>	Dorado <sup>1</sup>	Phoenix South <sup>1</sup>
Resource (million boe)	84	78	127	108
Revenue	US\$3.4 bn			
Development and abandonment	(US\$1.4 bn)			
Operating costs	(US\$0.5 bn)			
Petroleum resource rent tax	(US\$0.2 bn)			
<b>Cash flow before income tax</b>	<b>US\$1.3 bn</b>			
	(US\$15/boe)			

Financial figures are gross, nominal amounts

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**Think Different**

**Act Different**