

Successful Caley flow test in Dorado-3

8 October 2019



- A successful Caley reservoir flow test has exceeded 11,000 barrels of oil per day plus associated gas
- The potential flow rate is even higher but for limits on the capacity of test equipment on the rig
- Very significant production rates have now been demonstrated from the reservoir flow test results

Carnarvon Petroleum Limited ("Carnarvon" or "Company") (ASX:CVN) today announces that the Dorado-3 appraisal well successfully confirmed the Caley reservoir is capable of delivering oil at significant production flow rates.

The well test was conducted over an approximate 11 metre section of net Caley reservoir, between 3,999 and 4,015 metres Measured Depth. The test indicates very high potential flow rates of around 30,000 barrels per day from each production well in the Caley reservoir.

These results are in addition to the Baxter flow test results announced on 19 September 2019.

The results were also achieved with only a 220 psi drawdown and, as with the recent Baxter test, the Caley flow rate was constrained by the capacity of the test equipment on the rig.

The initial clean-up flow rate test achieved a maximum possible measured rate of approximately 11,100 barrels per day of oil and 21 million standard cubic feet ("MM scf") per day of associated gas through a 68/64" choke. The oil flow rate is one of the highest from a North West Shelf appraisal well test.

Carnarvon Managing Director, Mr Adrian Cook, said:

"These results are the highlight of an incredibly successful 2019 appraisal program in which we have now confirmed a very large resource of oil and gas at Dorado and prolific production flow rates.

Dorado is an exceptional project given these appraisal outcomes and is complemented by its local jurisdiction, it's location in shallow water and its services advantages given its proximity to shore and supporting infrastructure which will aid development and operational costs.

Our strategy set us a clear plan a number of years ago and we have pursued this consistently and tenaciously, even with recent challenging industry conditions.

We are now very proud and excited to announce these results and in effect the highly successful conclusion of our assessment of the Dorado resource.

Our future now moves to a new form of value generation for our shareholders, namely focused on the development and production of the Dorado field. Whilst focused on development, we also retain our intention to pursue a suite of the most exciting exploration prospects in Australia situated around the Dorado field.

We look forward to advancing the Dorado project and our exploration opportunities with our partner and thank them and their team for their efforts this year in delivering a successful 2019 drilling project in a safe and cost effective manner."



The composition of the oil and associated gas that has flowed to surface on this test from the Caley reservoir are as anticipated with no basic sediments and water (BS&W). Non-hydrocarbon gases are nominal with around 1.8% carbon dioxide (CO₂).

Testing of the Caley reservoir has continued beyond the initial clean-up flow with a series of pressure build-ups and multi-rate flow tests to gather important reservoir information. A significant amount of hydrocarbon fluids was also collected to assist in the development studies.

The completion of the Caley well test will end the Dorado-3 well and the 2019 well campaign.

The Dorado oil and gas field resides in WA-437-P in which Carnarvon holds a 20% interest.

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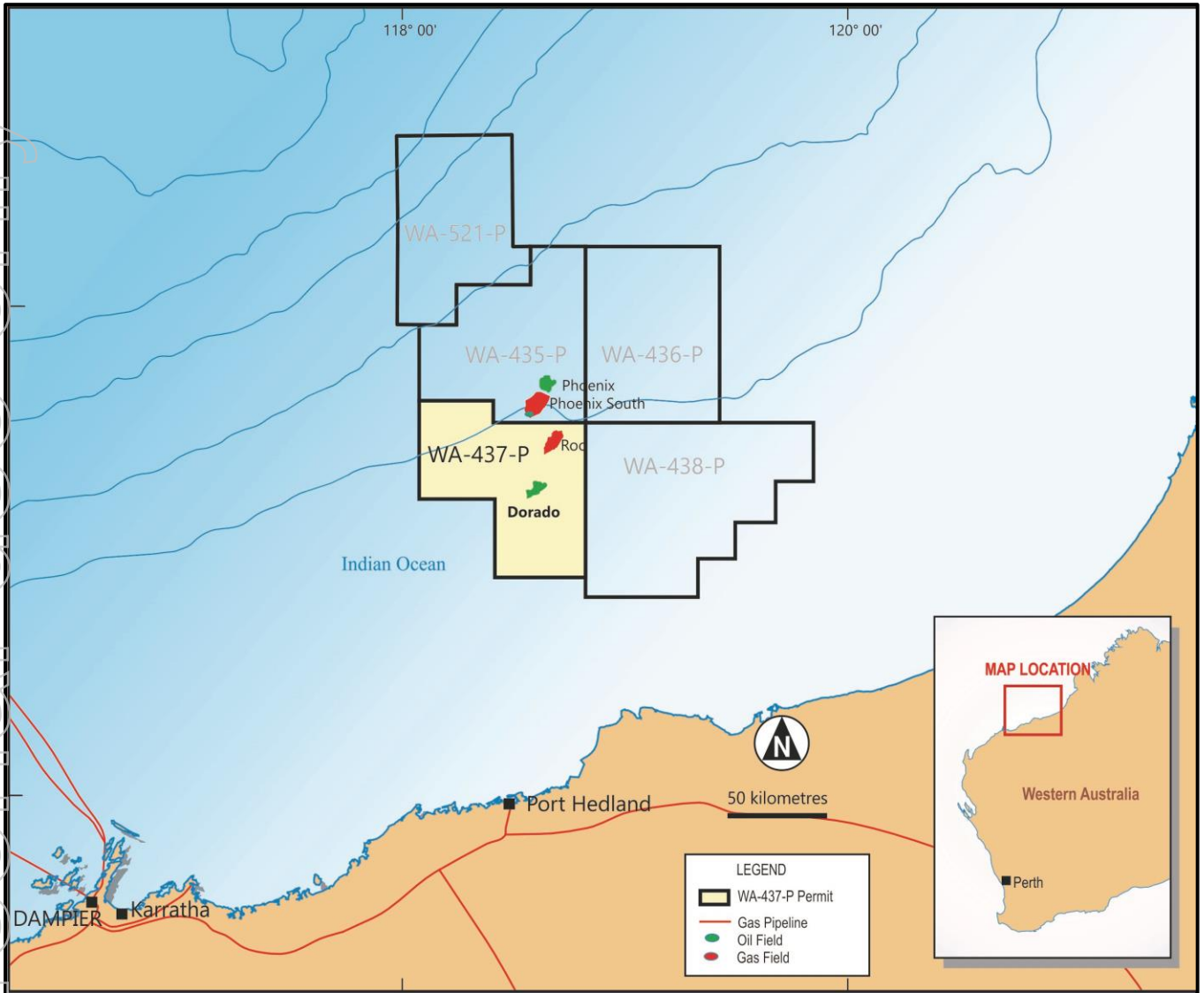


Figure 1 – Map of WA-437-P showing the Dorado field

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