More oil confirmed in Dorado-1 well

8 August 2018

CARNARVON
PETROLEUM LTD

Highlights

- **Latest wireline results confirm more light oil in the Crespin and Milne Members**
- **Adds another 40 metres of net oil pay**
- **Total hydrocarbon net pay now 132 metres in the Dorado-1 well**

Carnarvon Petroleum Limited ("Carnarvon" or "the Company"; ASX:CVN) is pleased to confirm that the Quadrant-Carnarvon Joint Venture has made additional oil discoveries in the Crespin and Milne Members of its Dorado-1 well.

The results, which follow the completion of the wireline evaluation, are in addition to those announced on 18 and 24 July 2018.

Carnarvon's Managing Director, Adrian Cook said the latest results make the Dorado result all the more impressive.

"The oil discovered in the Caley Member is very significant in terms of its likely scale and in proving that this play works in the basin. Discovering more oil in the Crespin and Milne Members makes this a truly incredible find, for Dorado and for similar structures nearby that have been identified in Carnarvon and Quadrant's prospect list." Mr Cook said.

Light oil has been recovered from the Crespin Member containing a gross hydrocarbon package of 50 metres and a net oil pay thickness of 22 metres. The quality of the reservoir encountered was better than pre-drill estimates with average porosities of 14 per cent.

Light oil was also recovered from the Milne Member containing a gross hydrocarbon package of 30 metres and a net pay thickness of 18 metres. The average porosity of 13 per cent was also better than the pre-drill estimates.

Pressure data has confirmed that the Dorado structure contains multiple oil columns in the Caley, Crespin and Milne Members and a gas and condensate column in the Baxter Member, aggregating to a total net hydrocarbon pay of 132 metres. The Caley, Baxter and Milne sands did not encounter any water, whereas the lower section of the Crespin sand contains an interpreted water contact.

"With drilling and evaluation of the Dorado-1 well now completed, Carnarvon's assessment of the hydrocarbon volumes associated with this discovery is now well underway.

The hydrocarbon volumes will be announced to shareholders and investors as soon as possible." Mr Cook said.

Project equity Owners (WA-437-P):

Carnarvon Petroleum	**20%**
Quadrant Energy (*Operator*)	80%

Competent Person Information

The results outlined in this report (and the results on 18 and 24 July 2018) were compiled 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 and is a member of the Society of Petroleum Engineers. 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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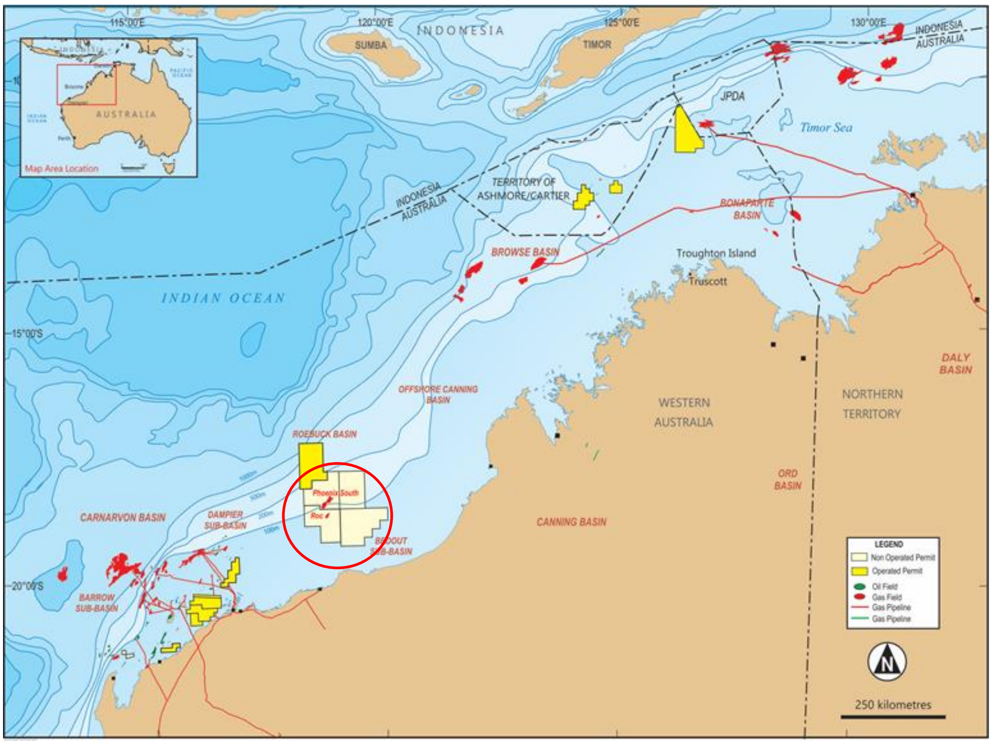
Figure 1: Location of the Phoenix Project



Forward Looking Statements

This document may contain 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 document 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.