

# SPP Offer Documentation

16 May 2018



Carnarvon Petroleum Limited (ACN 002 688 851) (**Company**) provides the attached offer documentation in respect to its recently announced Share Purchase Plan ("SPP"), including a booklet which sets out the terms and conditions of the SPP and an application form. These documents have been dispatched to eligible shareholders today.

The SPP offers eligible shareholders the opportunity to subscribe for up to A\$15,000 of new fully paid ordinary shares in the Company.

Full details of the offer and how to participate are contained in the Terms and Conditions in section 4 of the attached SPP offer document.

If you have any questions, regarding the SPP, please contact the Company SPP Offer Information Line on 1300 853 481 (callers within Australia) or +61 1300 853 481 (callers outside Australia).

For and on behalf of the Company by

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

**Adrian Cook**  
Managing Director  
Carnarvon Petroleum Limited

Carnarvon Petroleum Limited

ABN 60 002 688 851

# Share Purchase Plan Offer

The Offer closes at 5.00pm (AEST) Friday, 1 June 2018  
(unless extended before that time)

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This is an important document and should be read in its entirety.

This document has been prepared by Carnarvon. The Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase additional Carnarvon Shares without brokerage and transaction costs.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR  
FOR THE BENEFIT OF US PERSONS**

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# 1 Key offer information

## Key dates

Event	Date
<b>Record Date</b>	7.00pm (AEST) on Thursday, 10 May 2018
<b>Offer opens</b>	Wednesday, 16 May 2018
<b>Offer closes</b>	5.00pm (AEST) on Friday, 1 June 2018
<b>Allotment Date</b>	Wednesday, 6 June 2018
<b>Dispatch of holding statements / confirmation advices</b>	Friday, 8 June 2018

The above timetable is indicative only and Carnarvon may, at its discretion, vary any of the above dates by making an announcement to ASX.

Defined terms and abbreviations used in this document are set out in **clause 19** of the Terms and Conditions in **section 4**.

## Important notices

The offer contained in this document is not a recommendation to purchase New Shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY<sup>®1</sup> payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on the market at a lower price than the Offer Price. If the market price of Shares is lower than the Offer Price after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

This document has been prepared to comply with the requirements of the laws of Australia. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia except to the extent permitted below.

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

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<sup>1</sup> <sup>®</sup> Registered to BPAY Pty Limited ABN 69 079 137 518. New Zealand based shareholders cannot apply using BPAY<sup>®</sup> unless they have an Australian bank account.

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians may not distribute any part of this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer available.

Carnarvon recommends that you monitor its announcements and the Share price, which can be found on its website at [www.carnarvon.com.au](http://www.carnarvon.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: CVN).

## Further information

Please refer to the announcement made by Carnarvon on Friday, 11 May 2018 for further background and information in relation to the Offer.

## Questions

If you have any questions in relation to the Offer or how to complete the Application Form, please call the Share Registry, Link Market Services Limited by telephone, on 1300 853 481 (callers within Australia) or +61 1300 853 481 (callers outside Australia), or consult your financial or other professional adviser.

## 2 Letter from the Chairman

Wednesday, 16 May 2018

Dear Shareholder,

### **Carnarvon Petroleum Limited Share Purchase Plan Offer**

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares in Carnarvon. The Offer forms part of the capital raising being undertaken by Carnarvon and was foreshadowed in the placement announced on Friday, 11 May 2018.

Carnarvon is seeking to raise A\$4 million under the Offer. Applications received in excess of A\$4 million may be scaled back at Carnarvon's absolute discretion. If this occurs, excess funds will be returned to applicants without interest.

The proceeds raised as a result of the Offer will be used to enable the Company to progress its drilling and development plans in the Buffalo Oil Field in Timor-Leste and for general working capital purposes.

**The Offer will open on Wednesday, 16 May 2018 and will remain open until 5.00 pm (AEST) on Friday, 1 June 2018 (unless extended before that time).**

Under the Offer you can acquire up to A\$15,000 worth of New Shares without paying any brokerage or other charges.

The Offer Price is A\$0.13 per share, representing a discount of 25.7% to Carnarvon's closing Share price on ASX on Wednesday, 9 May 2018 (being the last trading day before the details of the Offer were announced).

Participation in the Offer is optional. The Offer is available to Eligible Shareholders who are holders of Shares at 7.00pm (AEST) on Thursday, 10 May 2018 and whose registered address is in Australia (and its external territories) or New Zealand.

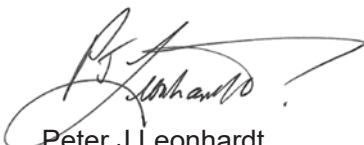
The directors of Carnarvon reserve the right to scale back applications on an equitable basis in respect of any application. If this occurs, excess funds will be returned to applicants without interest.

Full details of the Offer and how to participate are contained in the Terms and Conditions in section 4 of this document, which I encourage you to read and consider carefully.

If you have any questions, please contact the company's share registry, Link Market Services Limited, by telephone on 1300 853 481 (callers within Australia) or +61 1300 853 481 (callers outside Australia) or consult your financial or other professional adviser.

Thank you for your continued support of Carnarvon.

Yours sincerely,



Peter J Leonhardt  
Chairman

### 3 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in **section 4**.

Question	Answer
<b>What is the Offer?</b>	<p>The Offer enables Eligible Shareholders to apply to purchase up to A\$15,000 worth of shares in Carnarvon without paying any brokerage or other charges.</p> <p>New Shares issued under the Offer will rank equally with other Shares as at the date of issue, and will be able to be traded on ASX (subject to ASX granting quotation of the New Shares).</p> <p>Carnarvon is seeking to raise A\$4 million under the Offer. Applications received in excess of A\$4 million may be scaled back at Carnarvon's absolute discretion. If this occurs, excess funds will be returned to applicants without interest.</p>
<b>Am I eligible to participate?</b>	<p>You are eligible to participate if you fulfil the criteria set out in <b>clause 2</b> of the Terms and Conditions.</p> <p>To be eligible to participate you must have been a holder of Carnarvon shares at 7.00pm (AEST) on Thursday, 10 May 2018 (<b>Record Date</b>) and your registered address must be in Australia (and its external territories) or New Zealand.</p> <p>If you are a nominee or custodian holding shares on behalf of one or more beneficial holders, you may also apply to purchase up to A\$15,000 worth of shares on behalf of each beneficial holder, subject to complying with the criteria set out in <b>clause 7.2</b> of the Terms and Conditions.</p>
<b>Do I have to participate?</b>	<p>No, participation is optional. If you do not wish to participate in the Offer, you do not need to do anything, and the Offer will lapse at 5.00pm (AEST) on Friday, 1 June 2018.</p>
<b>Can I transfer my entitlement to participate?</b>	<p>You cannot transfer your right to purchase New Shares under the Offer to anyone else.</p>
<b>How much can I invest under the Offer?</b>	<p>The maximum investment for each shareholder is A\$15,000. You may apply to purchase a parcel of A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000 or A\$15,000 worth of New Shares.</p>
<b>What is the issue price of New Shares under the Offer?</b>	<p>The Offer Price is A\$0.13 per New Share, representing a discount of 25.7% to Carnarvon's closing Share price on ASX on Wednesday, 9 May 2018 (being the last trading day before the details of the Offer were announced).</p> <p>There is a risk that the market price of Shares may rise or fall between the date of this document and the time of issue of the New Shares under the Offer. This means that the price you pay for the New Shares issued to you under the Offer may be less than or exceed the market price of Shares on the Allotment Date.</p> <p>Accordingly, you should monitor Carnarvon's announcements and its Share price, which can be found on the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> (ASX code: CVN).</p> <p>You should be aware that your application, once made, is unconditional and cannot be withdrawn even if the market price of Shares is less than the Offer Price.</p>
<b>How do I apply?</b>	<p>To apply for shares under the Offer you can either:</p> <p><b>Option 1: Pay online</b></p> <p>To pay online you will need to:</p> <ul style="list-style-type: none"> <li>• apply for New Shares online by visiting Carnarvon's offer website at <a href="http://www.carnarvon.com.au/">http://www.carnarvon.com.au/</a> ;</li> <li>• provide your Securityholder Reference Number/Holder Identification Number, the name on your Application Form and your postcode to access the online application system;</li> <li>• follow the instructions provided on the website; and</li> </ul>

Question	Answer
	<ul style="list-style-type: none"> <li>ensure that your payment is received by the Share Registry before 5.00pm (AEST) on Friday, 1 June 2018.</li> </ul> <p><b>Option 2: Pay by BPAY®</b></p> <p>To pay via BPAY you will need to:</p> <ul style="list-style-type: none"> <li>be an account holder with an Australian financial institution;</li> <li>use the personalised reference number shown on your Application Form, which is required to identify your holding; and</li> <li>ensure that your payment is received by the Share Registry before 5.00pm (AEST) on Friday, 1 June 2018.</li> </ul> <p>If paying online via BPAY, you <b>do not</b> need to complete and submit the Application Form but you will be taken to have made the statements and certifications on the Application Form.</p> <p>Please note that your financial institution may implement earlier cut-off times with regard to electronic payment. Please take this into consideration when making payment online or via BPAY.</p> <p>New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account.</p> <p><b>Option 3: Pay by cheque or money order</b></p> <p>Complete and return the enclosed Application Form together with a cheque or money order made payable to “Carnarvon Petroleum Limited” as shown on the Application Form.</p> <p>A reply paid envelope is enclosed for the convenience of Shareholders in Australia, and a self-addressed envelope is enclosed for the convenience of shareholders outside Australia.</p> <p>Your completed Application Form and cheque must be received by the Share Registry prior to the close of the Offer at 5.00pm (AEST) on Friday, 1 June 2018. Shareholders in New Zealand will need to affix the appropriate postage to the self-addressed envelope.</p>
<p><b>Are there any other terms and conditions attached to the Offer?</b></p>	<p>The terms and conditions relating to the Offer are set out in full in <b>clause 4</b>. Please read the Terms and Conditions carefully, as you will be bound by them in participating in the Offer. Shareholders accepting the Offer will also be bound by the constitution of the Company.</p>
<p><b>What is the maximum investment for each shareholder?</b></p>	<p>The maximum investment for each shareholder is A\$15,000. You may not apply for more than A\$15,000 worth of New Shares in aggregate under the Offer, even though you may receive more than one offer (eg due to multiple registered holdings), or offers in more than one capacity, under the Offer.</p>
<p><b>How many shares will I receive?</b></p>	<p>You may apply for a parcel of shares under the Offer with one of the application amounts set out in <b>clause 6.2</b> of the Terms and Conditions. The Offer Price is A\$0.13 per New Share.</p>
<p><b>When will I receive my shares?</b></p>	<p>New Shares will be allotted on Wednesday, 6 June 2018 (<b>Allotment Date</b>). Holding statements will be despatched on Friday, 8 June 2018.</p>
<p><b>When can I trade allocated shares?</b></p>	<p>You can trade your New Shares after the Allotment Date. However, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the Offer.</p>
<p><b>Is the Offer underwritten?</b></p>	<p>No, the Offer is not underwritten.</p>



## 4 Terms and conditions

### 1 Offer

The Offer entitles eligible Carnarvon shareholders to apply to purchase up to A\$15,000 worth of Shares in Carnarvon.

### 2 Eligibility to participate

2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00pm (AEST) on Thursday, 10 May 2018 (**Record Date**) with a registered address in Australia (and its external territories) or New Zealand, unless:

- (a) you hold Shares on behalf of another person who resides outside Australia (and its external territories) or New Zealand; or
- (b) you are, or are acting for the account or benefit of, a US Person.

2.2 Carnarvon has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia (and its external territories) and New Zealand to participate in the Offer.

2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for a maximum parcel of New Shares of 115,384 in aggregate across those holdings

2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 7.1(j)** by one joint holder will be effective in respect of the other joint holder(s).

2.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 7.2**.

2.6 Directors and employees of Carnarvon who hold Shares may be Eligible Shareholders.

### 3 Rights to apply for New Shares are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

### 4 Offer Price

4.1 The Offer Price for each New Share is A\$0.13, representing a discount of 25.7% to Carnarvon's closing Share price on ASX on Wednesday, 9 May 2018 (being the last trading day before the details of the Offer were announced).

4.2 The Offer Price is also less than the volume weighted average market price of Carnarvon's Shares over the last five trading days on which sales were recorded before the day on which the Offer was announced, being A\$0.164.

4.3 The Offer Price is fixed, regardless of any changes in the market price of Carnarvon Shares during the Offer period.

4.4 Carnarvon Shares are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the Shares are issued. This means that the price paid for a New Share under the Offer may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders.

## 5 Timing

- 5.1 The Offer opens on Wednesday, 16 May 2018 and closes at 5.00pm (AEST) on Friday, 1 June 2018 unless extended. Carnarvon proposes to allot New Shares on Wednesday, 6 June 2018 and send confirmations to shareholders Friday, 8 June 2018.
- 5.2 Carnarvon reserves the right to extend the Offer or the proposed Allotment Date at any time by making an announcement to ASX.

## 6 Applying for New Shares

- 6.1 You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in the table below. The maximum investment by an Eligible Shareholder under the Offer is A\$15,000.
- 6.2 The number of New Shares you will receive, at each of the available levels, is set out below. Where applicable, the number of New Shares for each parcel has been rounded down to the nearest whole number of New Shares.

Application amount	Number of New Shares
<b>A\$1,000</b>	<b>7,692</b>
<b>A\$2,500</b>	<b>19,230</b>
<b>A\$5,000</b>	<b>38,461</b>
<b>A\$7,500</b>	<b>57,692</b>
<b>A\$10,000</b>	<b>76,923</b>
<b>A\$15,000</b>	<b>115,384</b>

- 6.3 You may not apply for more than A\$15,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.4 If you wish to apply for New Shares under the Offer you should:
- pay online by following the instructions on the Carnarvon's offer website at <http://www.carnarvon.com.au/>. You will need to provide your Securityholder Reference Number/Holder Identification Number, the name on your Application Form and your postcode to access the online application system. Please ensure that your payment is received by the Share Registry before 5.00pm (AEST) on Friday, 1 June 2018;
  - pay directly via BPAY<sup>®</sup> on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY unless they have an Australian bank account).<sup>2</sup> Please ensure that your payment is received by the Share Registry before 5.00pm (AEST) on Friday, 1 June 2018; or
  - complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to "Carnarvon Petroleum Limited" to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders, and a self-addressed envelope is enclosed for the convenience of overseas shareholders. Application Forms (with

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<sup>2</sup> Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted online or through BPAY are received in time.

application payments) must be received by the Share Registry before 5.00pm (AEST) on Friday, 1 June 2018.

- 6.5 In the case of making payment online or via BPAY®, applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted online or through BPAY are received in time. The Application Form does not need to be returned where an application is made online or via BPAY®.
- 6.6 Do not forward cash. Receipts for payment will not be issued.
- 6.7 Funds paid online or via BPAY® or Application Forms (with application payments) must be received by the Share Registry by the applicable time (specified above) on Friday, 1 June 2018. Carnarvon may reject applications received after this time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.8 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Carnarvon may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.9 You cannot withdraw or revoke your application once you have sent in an Application Form or paid online or via BPAY®.

## **7 Effect of making an application**

- 7.1 If you submit a payment online or via BPAY® or complete and return the Application Form:
- (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
  - (b) you authorise Carnarvon to correct or amend your Application Form as contemplated by **clause 6.8**;
  - (c) you acknowledge that the market price of Shares may rise or fall between the date of this offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
  - (d) you accept the risk associated with any refund that may be despatched to you at your address as shown on Carnarvon's share register;
  - (e) you are responsible for any dishonour fees or other costs Carnarvon may incur in presenting a cheque for payment which is dishonoured;
  - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
  - (g) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;

- (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
- (i) you acknowledge that you have not been provided with investment advice or financial product advice by Carnarvon or the Share Registry; and
- (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Carnarvon arrangement in the 12 months prior to your application, exceeds A\$15,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

7.2 If you are a Custodian, you certify:

- (a) that as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have been provided with a copy of this document and instructed you to apply for New Shares;
- (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- (c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Carnarvon arrangement in the 12 months prior to your application, exceed A\$15,000; and
- (d) that you:
  - (i) hold an Australian financial services licence that covers the provision of a custodial or depository service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in ASIC Class Order CO 13/763);
  - (ii) do not hold an Australian financial services licence for the provision of a custodial or depository service as described in the Class Order and are exempt from the requirement to hold such a licence; or
  - (iii) otherwise meet the definition of Custodian in the Class Order.

7.3 Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.

7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the Class Order, you cannot participate for beneficiaries in the manner outlined in **clause 7.2** above. In this case, the rules for multiple registered holdings as described in **clause 2.3** apply.

## **8 Rights attached to the New Shares**

New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. Carnarvon will apply for the New Shares to be quoted on ASX.

## **9 Costs of participation**

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the Offer.

## **10 Applications may be scaled back**

- 10.1 Carnarvon reserves the right to scale back your entitlement to acquire New Shares under the Offer (if, for example, the applications for New Shares would exceed the overall cap of A\$4 million). If this occurs, excess funds will be returned to applicants, without interest. If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded down to the nearest whole number of New Shares.
- 10.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

## **11 Refunds**

- 11.1 Refunds pursuant to the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 11.2 If a refund is made, payment will be by cheque mailed to your address as shown on Carnarvon's share register.
- 11.3 You will not receive any interest on funds refunded to you.
- 11.4 Any refund made to you is despatched at your risk.

## **12 United States**

- 12.1 Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.
- 12.2 This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Carnarvon's Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.
- 12.3 Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment online or by BPAY® or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

## **13 Dispute resolution**

Carnarvon reserves the right to settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer. Carnarvon's decision will be conclusive and binding on all shareholders and other persons to whom the determination relates.

## **14 Waiver, amendment, suspension and termination**

- 14.1 Carnarvon may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or

termination will be binding on all Eligible Shareholders even where Carnarvon does not notify you of the event.

14.2 Carnarvon is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

## 15 ASIC relief

15.1 The Offer is made in accordance with the Class Order. The Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares up to A\$15,000 under the Offer, subject to certain terms and conditions.

15.2 In accordance with the terms of the Class Order, Carnarvon will give a notice to ASX that complies with the Class Order.

## 16 Governing law

These Terms and Conditions are governed by the laws in force in Western Australia.

## 17 Binding terms

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of Carnarvon.

## 18 No underwriting

The Offer is not underwritten.

## 19 Definitions

In this document the following terms have these meanings:

Definition	Meaning
<b>A\$</b>	Australian dollars.
<b>Allotment Date</b>	The date the New Shares are allotted, expected to be Wednesday, 6 June 2018.
<b>Application Form</b>	The application form which accompanies this Share Purchase Plan Offer.
<b>ASIC</b>	The Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited trading as the Australian Securities Exchange.
<b>Carnarvon or the Company</b>	Carnarvon Petroleum Limited ABN 60 002 688 851.
<b>Class Order</b>	ASIC class order CO 09/425.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Custodian</b>	The meaning given in the Class Order.
<b>Eligible Shareholder</b>	A person who is eligible to participate in the Offer in accordance with <b>clause 2</b> of the Terms and Conditions.
<b>New Shares</b>	The Shares offered in the Share Purchase Plan Offer.
<b>Offer</b>	The offer of New Shares in the Share Purchase Plan Offer.
<b>Offer Price</b>	A\$0.13 per New Share.
<b>Record Date</b>	The record date for the Offer being 7.00pm (AEST) on Thursday, 10 May 2018.

<b>Share Purchase Plan Offer</b>	This document.
<b>Share Registry</b>	Link Market Services Limited.
<b>Shares</b>	Fully paid ordinary shares in Carnarvon.
<b>Terms and Conditions</b>	The terms and conditions of the Offer set out in <b>section 4</b> of this Share Purchase Plan Offer.
<b>US Person</b>	A "U.S. person" as defined in <i>Regulation S</i> under the <i>US Securities Act of 1933</i> .
<b>US Securities Act</b>	<i>US Securities Act of 1933</i> .



**SRN/HIN:**  
**Entitlement Number:**  
**Record Date:** 10 May 2018  
**Offer Opens:** 16 May 2018  
**Issue Price per Share:** A\$0.13

<b>Offer Closes</b> <b>5:00pm (AEST):</b>	<b>1 June 2018</b>
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## SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

### How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
  - Option 1: Paying by BPAY®.
  - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

### PAYMENT OPTIONS

#### Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (AEST) on 1 June 2018. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and Carnarvon Petroleum Limited receives an amount which is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000 or A\$15,000, Carnarvon Petroleum Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



**Billers Code:** 979211  
**Ref:**

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
® Registered to BPAY Pty Ltd ABN 69 079 137 518

#### Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000 or A\$15,000.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Carnarvon Petroleum Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000 or A\$15,000, Carnarvon Petroleum Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

Please detach and enclose with payment

**SRN/HIN:**  
**Entitlement Number:**



**A** I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/>	A\$1,000.00	OR	<input type="checkbox"/>	A\$2,500.00	OR	<input type="checkbox"/>	A\$5,000.00	OR	<input type="checkbox"/>	A\$7,500.00	OR	<input type="checkbox"/>	A\$10,000.00	OR	<input type="checkbox"/>	A\$15,000.00
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**B** Make your cheque, bank draft or money order payable to "Carnarvon Petroleum Limited" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

**C** Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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## IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Carnarvon Petroleum Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
  - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
  - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. Carnarvon Petroleum Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Carnarvon Petroleum Limited may scaleback applications in its discretion.

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### How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

Carnarvon Petroleum Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

#### Hand Delivery

Carnarvon Petroleum Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 1 June 2018. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Carnarvon Petroleum Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

**If you require information on how to complete this Acceptance Slip please contact the Carnarvon Petroleum Limited SPP Offer Information Line on 1300 853 481 if calling within Australia or +61 1300 853 481 if calling from outside of Australia.**