

# Divestment of Thailand assets

4 December 2014



## Highlights

- Carnarvon reaches agreement to divest the balance of its Thailand assets
- Total cash consideration of US\$58.2<sup>1</sup> million (A\$68.5 million<sup>2</sup>) payable on completion
- Sale further strengthens Carnarvon's balance sheet with cash forecast to exceed A\$100 million immediately upon transaction completion
- Transaction consistent with Carnarvon's renewed strategic focus on the North West Shelf of Western Australia, with extensive work programme expected for 2015

**Carnarvon Petroleum Limited (ASX: CVN) ("Carnarvon") is pleased to advise that the Company has entered into a Sale and Purchase Agreement (SPA) to divest its remaining 20% interest in the Thailand oil production concessions L44/43, L33/43 and SW1A (Thai assets).**

Carnarvon has agreed to sell its remaining 20% interest in its Thai assets to the Berlanga Group for a total cash consideration of US\$58.2<sup>1</sup> million (A\$68.5 million<sup>2</sup>). The above amounts include working capital of approximately US\$8.2 million, subject to final completion adjustments.

The SPA was entered into with Berlanga Thailand Limited, a member of the Berlanga Group, and a deposit of US\$2.0 million (A\$2.3 million<sup>2</sup>) was received by Carnarvon upon signing the SPA.

The SPA is subject to satisfaction of standard terms and conditions, including receiving joint venture partner consents, executing completion documents and payment of the consideration. Completion is currently scheduled to occur on or before 16 February 2015.

Carnarvon retains its US\$32 million receivable in the Thai assets, agreed to as part of the Loyz transaction announced in March 2014.

Managing Director and Chief Executive Officer, Mr Adrian Cook said, *"This is a positive commercial outcome for the Company. Carnarvon's already robust balance sheet will be strengthened with cash forecast to exceed A\$100 million post-completion. On completion of this transaction we will have realised US\$91 million in the past year from the sale of our Thailand interests with up to a further US\$32m to be received in the future. This has proven to be a very profitable investment and a powerful demonstration of our willingness to think and act differently."*

*With the sale, we are now entirely focused on maximising value in the North West Shelf of Western Australia. Upon completion of the sale we will have secured important funding for our future activities without diluting our shareholders' interests or raising debt. We are now well funded and focused to follow up on our success at the Phoenix South-1 well."*

Carnarvon Petroleum was advised by Miro Advisors and King & Wood Mallesons. Berlanga Thailand Limited was advised by Silverhorn Investment Advisors and K&L Gates.

Notes: 1. Subject to final calculation of the working capital adjustment  
2. Assuming an exchange rate (AUD/USD) of 0.85

**For all enquiries please contact:**

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**Yours faithfully**



**Adrian Cook**  
**Managing Director**  
**Carnarvon Petroleum**

**About Carnarvon Petroleum (ASX: CVN)**

Carnarvon Petroleum Limited is a Perth based company listed on the Australian Securities Exchange (ASX: CVN). The company's principal activity is oil and gas exploration and production.

Carnarvon's objective is to create material returns on its shareholder's investments, through delivering profitable and sustainable growth from the development, exploitation and commercialisation of oil and gas assets.

Carnarvon is focused on oil & gas exploration in the world-class province of the North West Shelf area off the coast of Western Australia.

**About the Berlanga Group**

The Berlanga Group is an independent, privately owned, exploration and production energy company in the Asia-Pacific region. Founded over 20 years ago, the Berlanga Group has acquired, owned, operated and developed significant oil and gas concessions and has also successfully managed acquisitions and divestments across a range of assets in the wider Asia region.

In 2013 Berlanga turned its attention to building a significant portfolio of prime oil and gas assets focussed on South East Asia. Among recent notable achievements is the award of the shallow water block, M-8, in offshore Myanmar.