

Roc-1 well update

18 December 2015



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) provides the following update on drilling operations as advised by the operator of the Roc-1 well, Quadrant Energy.

Highlights

- In the section of the well from 3,750 metres to 4,200 metres (top section) minor hydrocarbon shows were observed whilst drilling in good quality reservoir sands;
- Subject to confirmation on wireline logs, this section does not appear to contain commercial quantities of hydrocarbons;
- In the section of the well from 4,200 metres to 4,435 metres elevated gas readings and increased resistivity in porous zones were observed, indicating the presence of hydrocarbons and a working petroleum system;
- Portions of total mud gas in the current section equal to those observed across the reservoir zones in Phoenix South-1;
- On reaching a Total Depth of approximately 4,750 metres a full suite of logs will be run to confirm the above preliminary observations.

Progress

Since the last report the 216 mm (8 ½") hole has drilled from a depth of 4,000 metres to approximately 4,435 metres.

While drilling through the top section, equivalent to where the oil was discovered in Phoenix South-1, a number of sandstone intervals were intersected. Interpretations from recording while drilling indicated sands of better reservoir quality than observed at Phoenix South-1, albeit with a more muted gas and hydrocarbon response.

Higher levels of C1 through to C5 (gas and oil indicators) have been observed to date in the current section of the well with total gas readings across an approximate 25 metre clean sandstone of equal magnitude to the levels achieved while drilling through the reservoir sections at the nearby Phoenix South-1 well.

Current Operations

As at 06:00 hours on 18th December 2015 the rig was tripping out the hole in preparation to change the drill bit.

Forward Plan

The plan is to drill ahead as scheduled to a Total Depth of approximately 4,750 metres (subject to hole conditions) at which time a full suite of wireline logs will be acquired.

Location

The Roc-1 well is located in WA-437-P, approximately 20km south-east of the 2014 Phoenix South-1 oil discovery, and around 150km north of Port Hedland.

The equity interest holders in WA-437-P are:

Carnarvon Petroleum	20%
Quadrant Energy (<i>Operator</i>)	40%
JX Nippon	20%
Finder Exploration	20%

Yours faithfully



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