

Outtrim East-1 well update

1 July 2016



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

Progress

The well has reached the 12-1/4" hole section TD at a depth of 1,011m. Carnarvon notes that the first casing string was set shallower than expected due to drilling challenges in the shallow-hole section of the well around 400m, which had resulted in a delay of approximately 10 days. The well has successfully drilled through this challenging section.

Current Operations

The well is currently rigging up to run the 9-5/8" casing liner at section TD of 1,011m.

Forward Plan

After the 9-5/8" casing liner has been cemented, drilling will continue to the expected oil zone where 90m of conventional coring will take place. After obtaining the core, the final section of the well will be drilled to a Total Depth (TD) of 1,440m.

The expected cost to Carnarvon for the well is expected to be approximately \$10.5m.

The Outtrim East-1 well is located within the WA-155-P(1) exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	28.5%
Quadrant Energy (<i>Operator</i>)	71.5%

Yours faithfully

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

Adrian Cook
Managing Director
Carnarvon Petroleum

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