

Large New North West Shelf Permit Secured

20 September 2016



HIGHLIGHTS

- **New permit (WA-524-P) acquired adds to Carnarvon's strong NWS exploration portfolio;**
- **1,210 km² on the flank of the prolific Dampier Sub-Basin, near Wandoo and Legendre Oil Fields;**
- **Three substantial leads identified which will be the focus of value adding technical work.**

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to announce that it has been awarded the WA-524-P permit which is situated on the flanks of the Dampier Sub-Basin, a part of the highly prospective Greater Carnarvon Basin, on Western Australia's North West Shelf. This large 1,210km² permit is located on the Enderby Terrace, which contains a number of untested yet attractive play types in a proven basin which includes the Stag, Wandoo and Legendre oil fields, plus the Reindeer gas field.

Carnarvon's Managing Director and CEO, Adrian Cook said:

"Carnarvon is continuing to build its portfolio in anticipation of the next oil price cycle. There are a number of attractive opportunities in this permit that I am confident will become attractive drill prospects in the future. This area will benefit from the application of our technical expertise and recent improvements in technology that were not previously available".

Carnarvon is recognised as an innovator and industry leader in understanding the deeper plays on the North West Shelf, and has identified great potential within the Permo-Triassic stratigraphy within the newly awarded block. The success of drilling the Early Triassic play types in the Roebuck Basin is well documented, and Carnarvon has identified through its regional technical work, the potential for a similar pre-Jurassic play on the flanks of the Dampier Barrow Sub-Basin.

Carnarvon has identified three potential leads within the block and aims to de-risk the elements of the play, with a number of geoscience work flows. This will include a regional source rock study and 3D seismic reprocessing with modern Full Wave form Inversion (FWI) aimed at greatly improving the quality of the 3D seismic interpretation, which also act as a precursor to rock physics studies aimed at improving our confidence around the reservoir properties. These work flows allow Carnarvon to add significant value to the asset by undertaking a forward work program that has a modest financial obligation.

Carnarvon's technical team will also further investigate the potential of a secondary play system in the shallower Cretaceous stratigraphy, which has seen great success in the nearby Stag and Wandoo oil accumulations.

Successful exploration in this region would provide attractive returns on investment due to leads being situated in relatively shallow water, located at a moderate reservoir depth and the acreage being near existing services and infrastructure.

Yours faithfully



Adrian Cook
Managing Director
Carnarvon Petroleum

Shareholder enquiries:

Mr Thomson Naude
Company Secretary
Phone: (08) 9321 2665
Email: investor.relations@cvn.com.au

Media enquires:

Mr Tony Dawe
Professional Public Relations
(08) 9388 0944 / 0405 989 743
tony.dawe@ppr.com.au

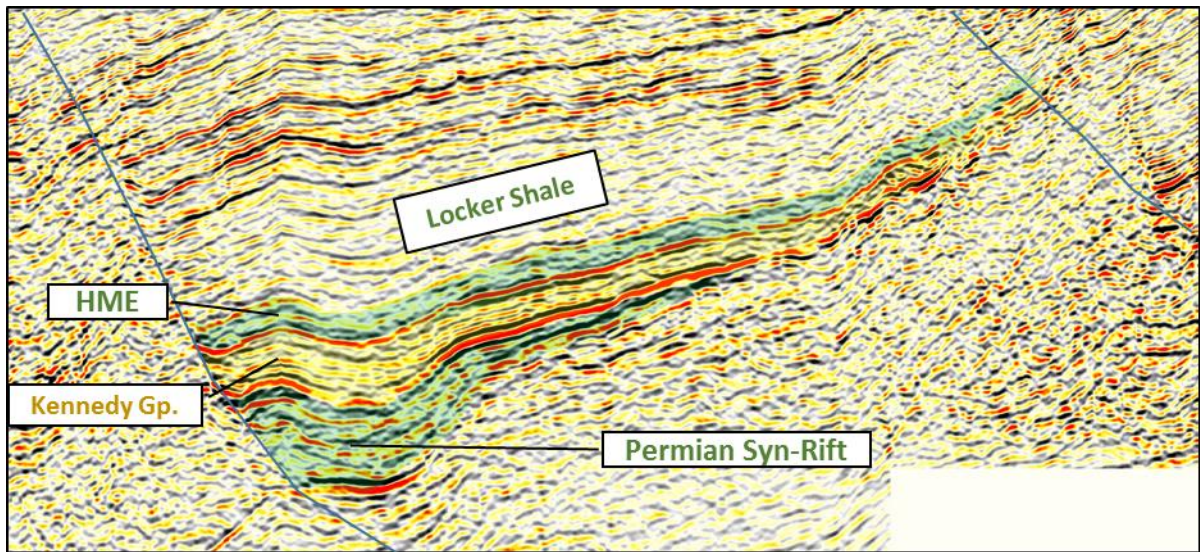


Figure 1: Seismic line through WA-524-P showing one of the 3 structural fault blocks observed with potential reservoir and sources highlighted

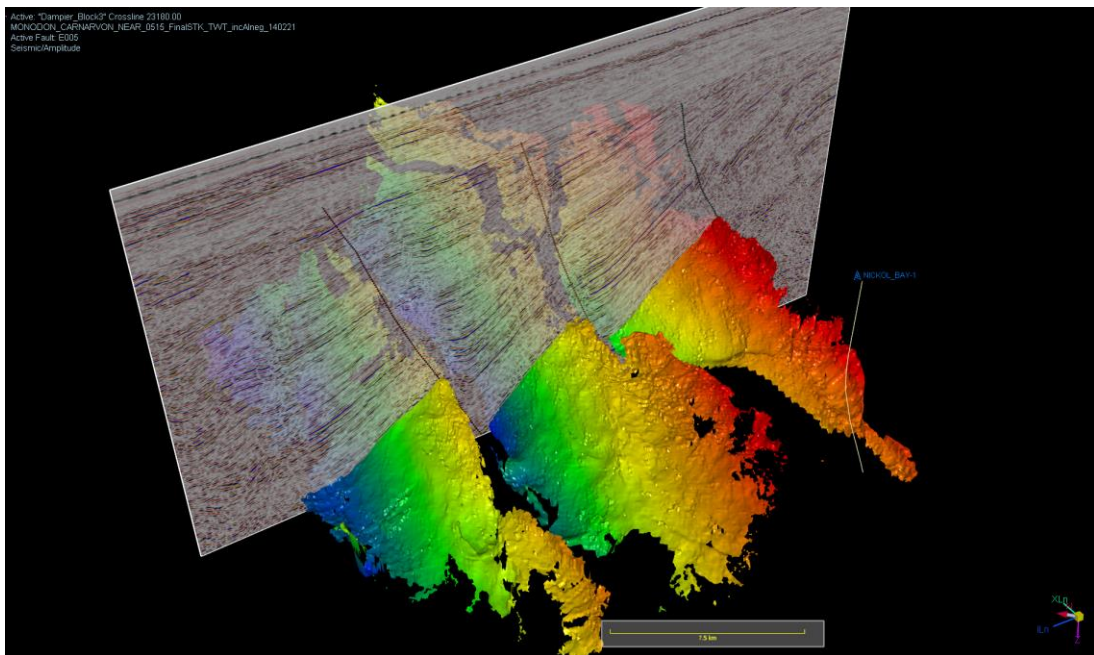


Figure 2: 3D interpretation of the top reservoir section, highlighting the large throw of the fault blocks

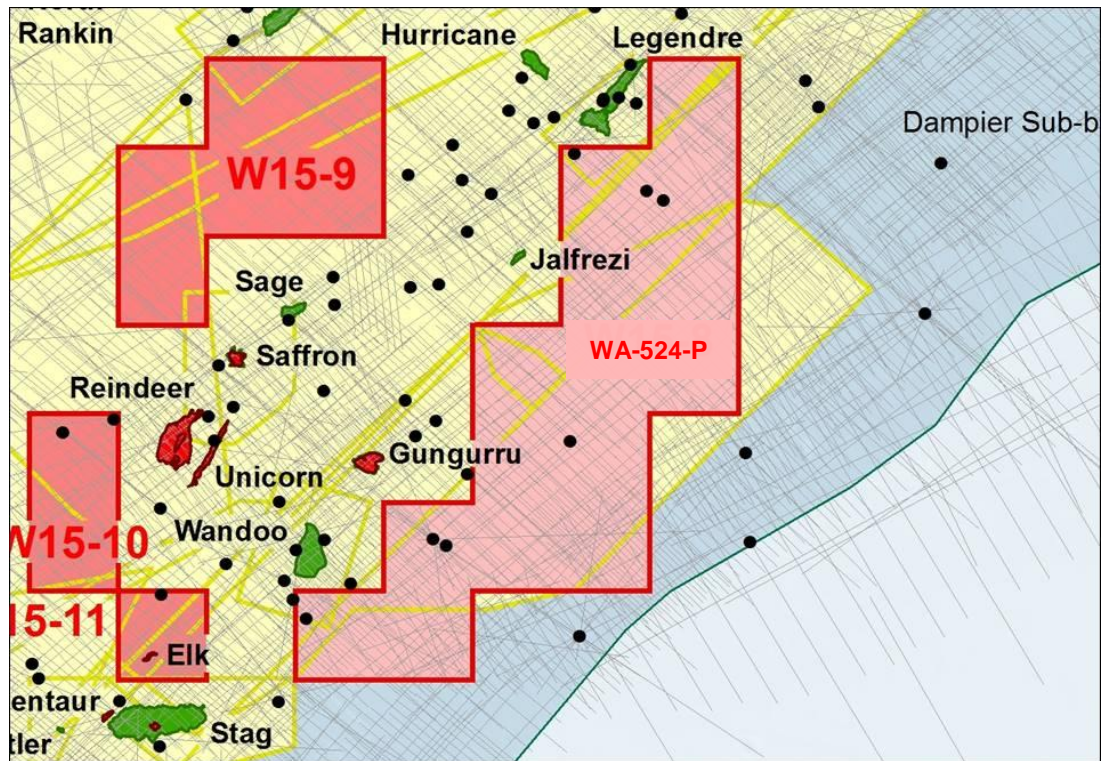


Figure 3: Permit map showing nearby oil and gas fields

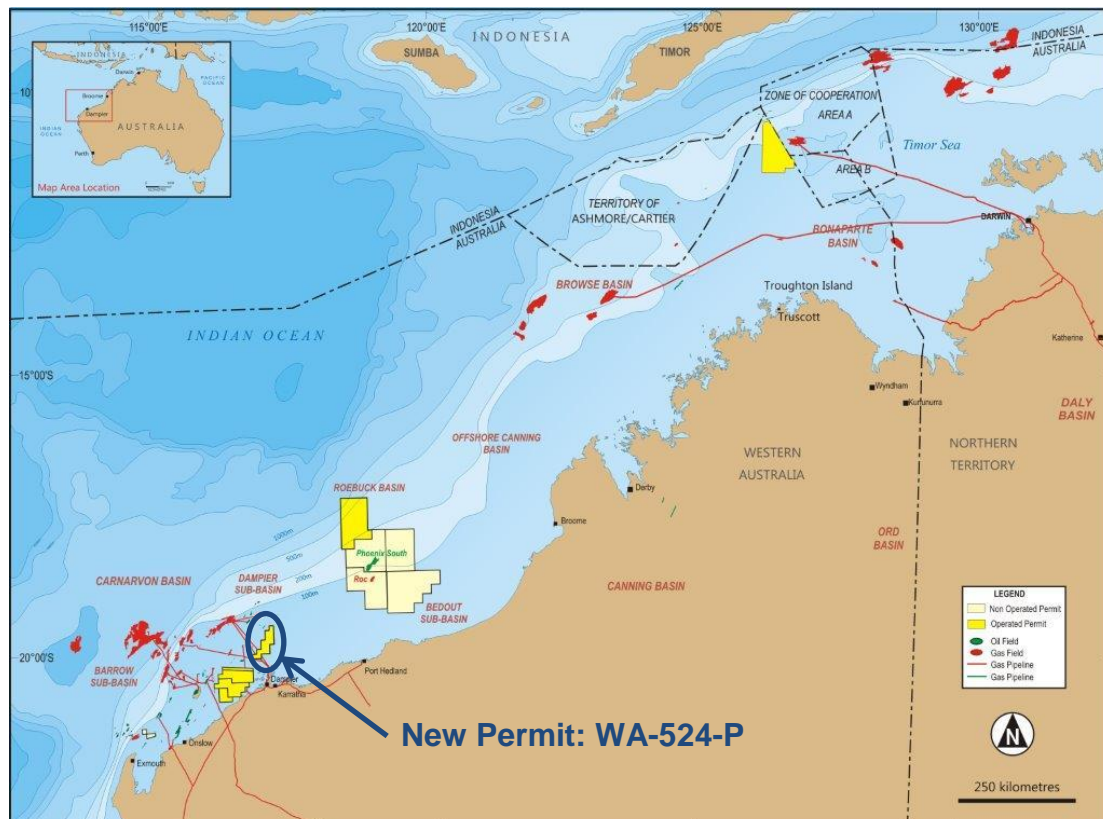


Figure 4: Map of Carnarvon's permits