

Phoenix South-2 well drilling update

23 November 2016



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) provides the following update on drilling operations as advised by the operator of the Phoenix South-2 well, Quadrant Energy.

Progress

The well has drilled to around 3,700 metres measured depth in 17 ½" (445 mm) hole.

Current Operations

The well is currently setting the 13 5/8" (346mm) casing.

Forward Plan

Once the 13 5/8" (346mm) casing has been set and cemented in place, the well will commence drilling the 12 ¼" (311 mm) hole section.

The rig is expected to take around 3 weeks to set the 13 5/8" casing, drill the 12 ¼" hole to a measured depth of approximately 4,700 metres and evaluate the Barret reservoir section with wireline logging tools (refer Figure 1).

The Caley sandstone is expected to be encountered in the final 8 ½" hole section which will follow the evaluation of the Barret formation (also refer Figure 1) and setting of 9 5/8" casing.

The Phoenix South-2 well is located within the WA-435-P exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	20%
Quadrant Energy (<i>Operator</i>)	80%

Yours faithfully

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

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: Stratigraphic column expected to be encountered by the Phoenix South-2 well with major formations outlined.

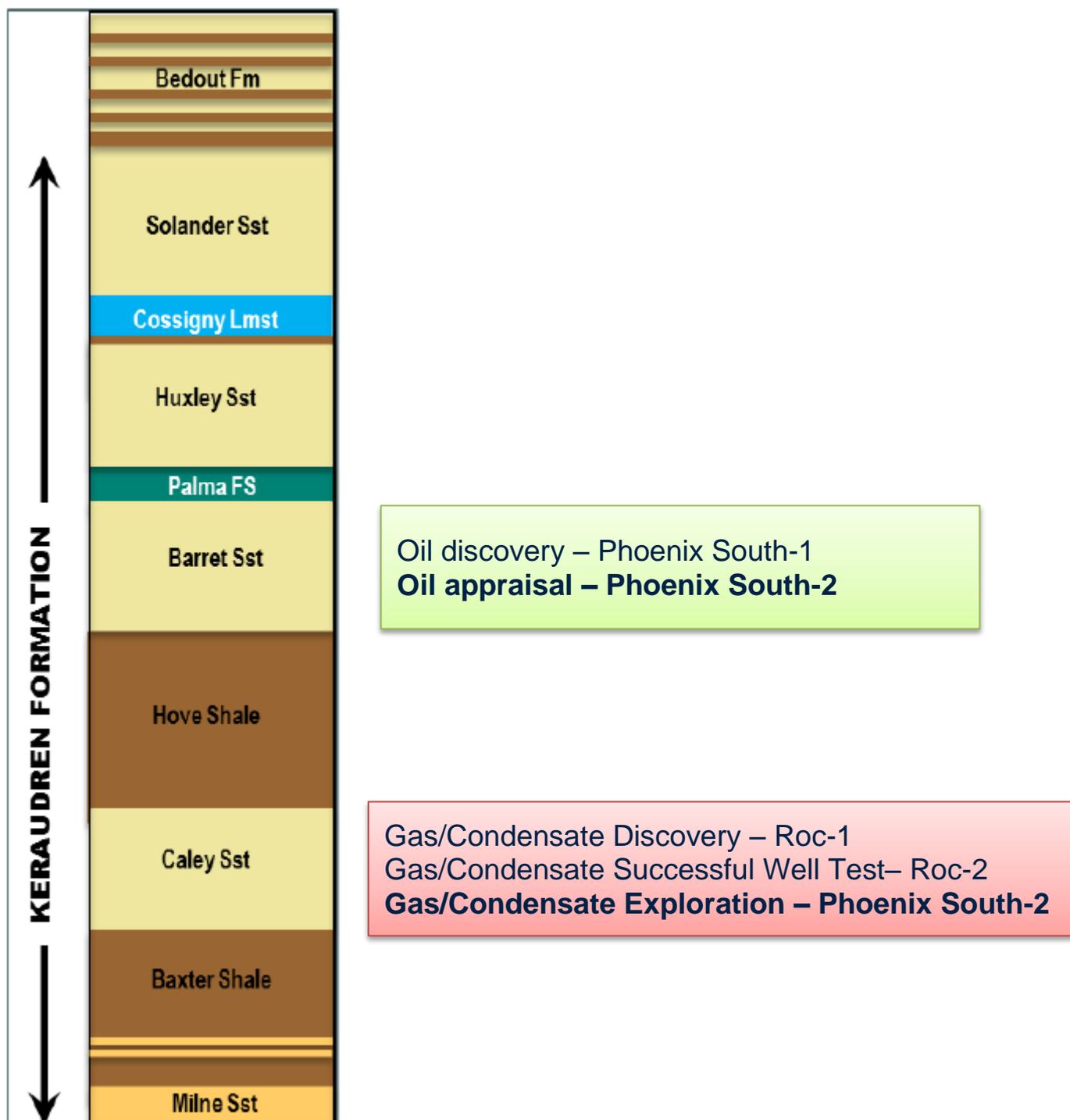


Figure 2 - Location of the Phoenix South-2 well

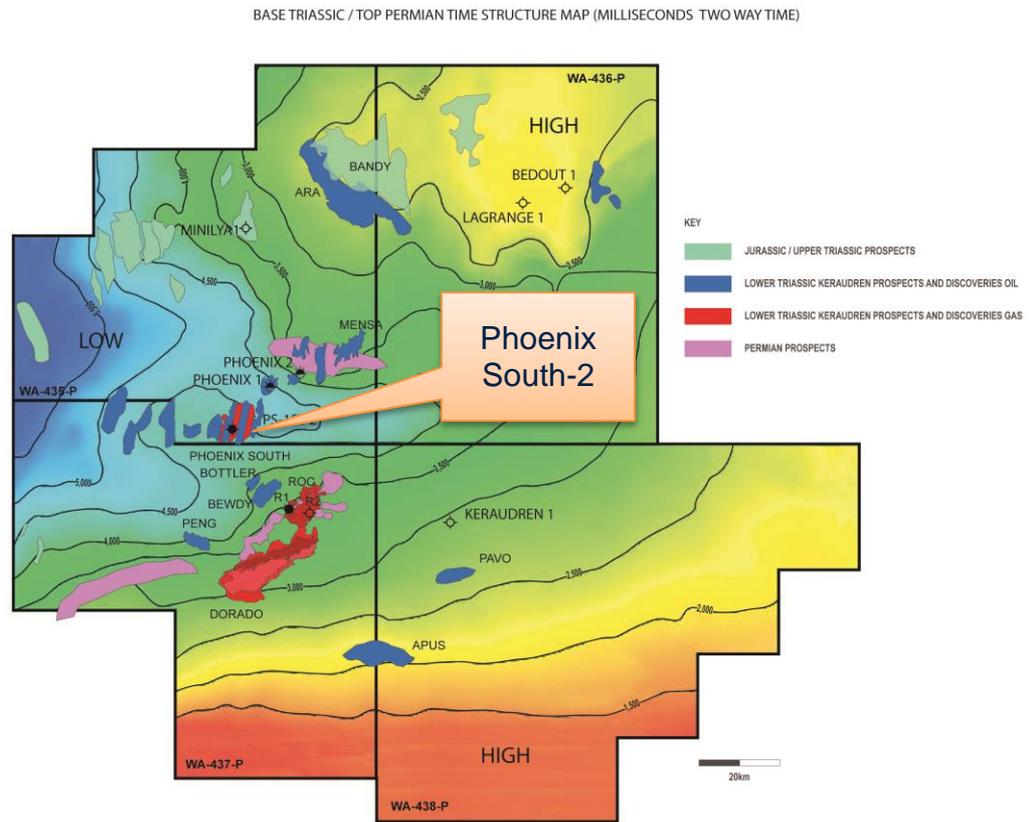


Figure 3: Caley depth map

