

Dorado-1 drilling update

31 July 2018



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide the following update on the drilling of the Dorado-1 well.

Progress

The 7" liner was set and cemented in place down to around 4,044 metres Measured Depth ("MD") and the well has drilled down to approximately 4,620 metres MD.

While drilling through the Crespin and Milne Members, a number of sandstone intervals have been encountered. Elevated gas readings and increased resistivity were observed in interpreted porous and permeable zones, indicating the presence of hydrocarbons.

The positive observations in this additional section of the well warrant wireline logging in order to obtain more definitive results as to, amongst other things, the nature of the hydrocarbons (oil, gas and condensate) and the characteristics of the reservoir.

Current Operations

The rig is currently drilling ahead at approximately 4,620 metres MD.

Forward Plan

The well will continue drilling ahead to a revised deeper total depth of approximately 4,650 metres MD after which a suite of wireline logging tools will be run.

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

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Figure 1: Location of the Phoenix Project

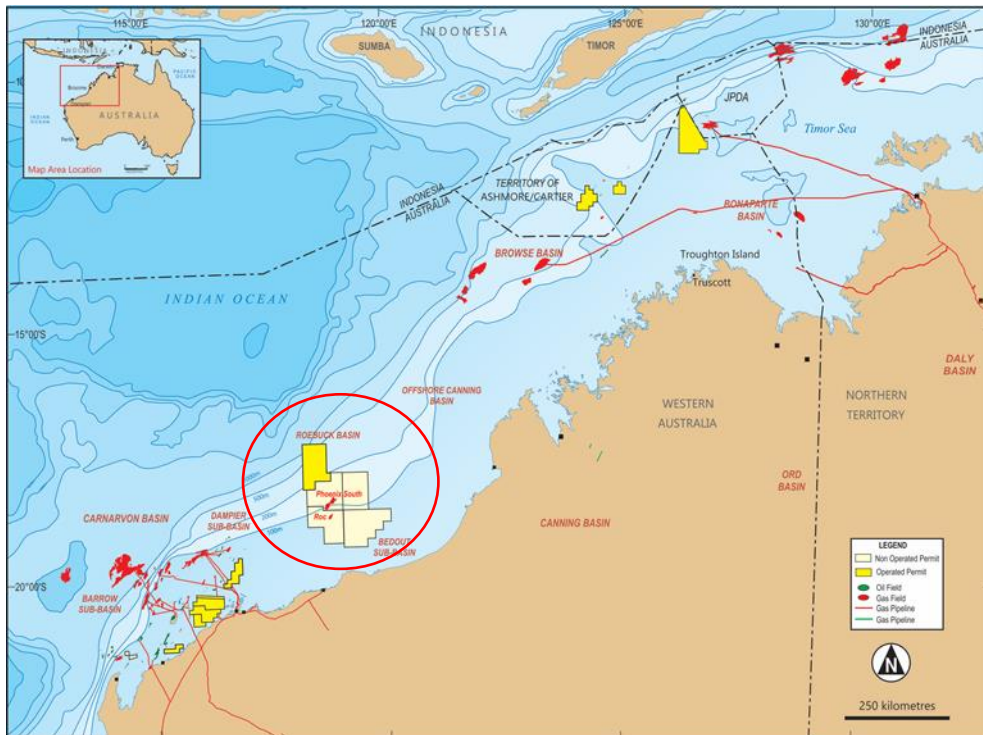
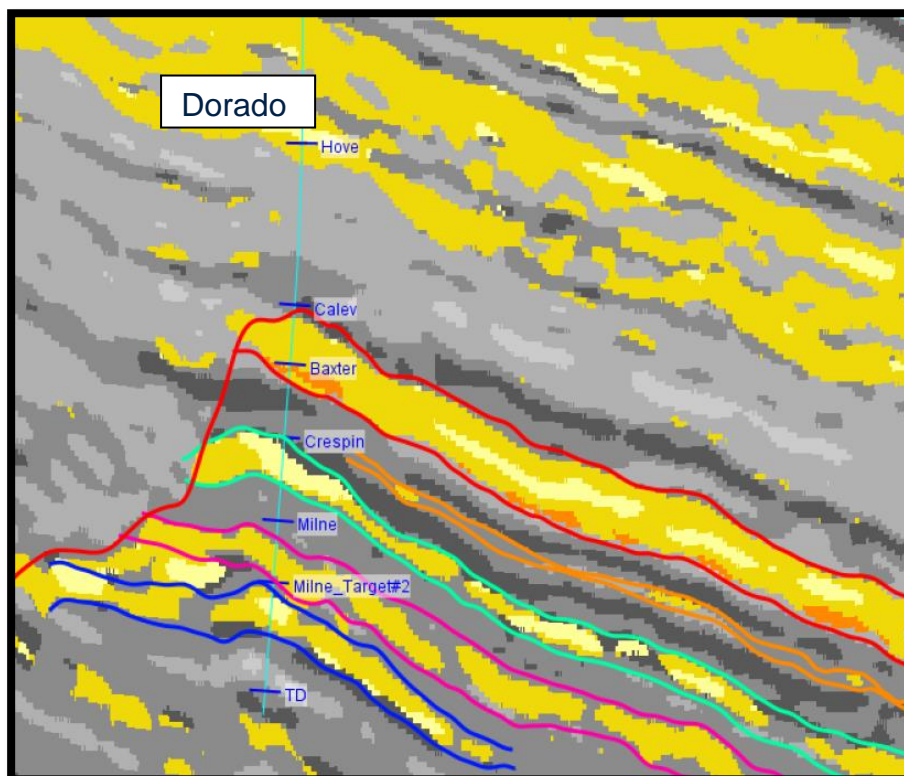


Figure 2: Predicted Lithology at Dorado from 2017 Seismic Inversion Project



Forward Looking Statements

This document may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of reserves and potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this news release require Carnarvon and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this news release is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of Carnarvon. Although Carnarvon believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.