Drilling commenced at Apus-1 well

8 April 2022

Carnarvon Energy Limited ("**Carnarvon**") (ASX:CVN) is pleased to announce that drilling has commenced at the Apus-1 well, located around 27 kilometres southwest of the successful Pavo-1 well (see Figure 1).

Progress

The Noble Tom Prosser jack-up drilling rig has commenced operations at Apus-1 with the drilling of the surface hole down to around 175 metres Measured Depth ("**MD**"), and installation of the surface conductor.

Image: Noble Tom Prosser Drilling Rig which has commenced drilling the Apus-1 well

Forward plan

Following the setting of the surface conductor, the 17 ½" hole will be drilled down to around 850 metres MD and the 13 ⅝" casing will be set and cemented in place.

The rig will then drill ahead in the 12 ¼" hole to approximately 2,200 metres MD before setting the 9 ⅝" liner.

No hydrocarbons are anticipated to be intersected in these hole sections.

After setting the 9 ⅝" liner, the rig will drill ahead in the 8 ½" hole section through the expected reservoir interval.

Well objective

The Apus-1 well is targeting a large structure with two potential reservoir intervals.

Carnarvon has estimated a gross mean combined recoverable volume of 235 million barrels of liquids and 408 billion cubic feet of gas in the Caley and Milne Members within the main Apus structure, which includes Apus West and Apus East (see Figure 2).

The target reservoirs have been proved in the Dorado and Pavo discoveries, with the Caley Formation sands having been flow tested at equipment limits of around 11,000 barrels of oil per day in the Dorado-3 well.

Apus is an attractive prospect, with Carnarvon ascribing an estimated one-in-four (23%) geological probability of success.

Key risks for the prospect are similar to those at Pavo prior to drilling the Pavo-1 well. These include hydrocarbon charge (long-range migration) and top-seal (thickness). The Pavo-1 well has proven long-range migration and effective top-seal at the Pavo structure, which is further from the Dorado field than Apus. The higher risk for Apus-1 relative to Pavo's pre-drill estimate of 34% relates primarily to more complex interpreted charge / migration pathways.

ASX disclosure: Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal will be required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Equity participation

The Apus-1 well is located in the WA-437-P exploration permit in which Carnarvon holds a 20% interest.

The Apus prospect straddles the boundary between the WA-437-P and WA-438-P exploration permits, with the resource interpreted to extend into WA-438-P in which Carnarvon holds a 30% interest (resulting in an average interest of ~25%).

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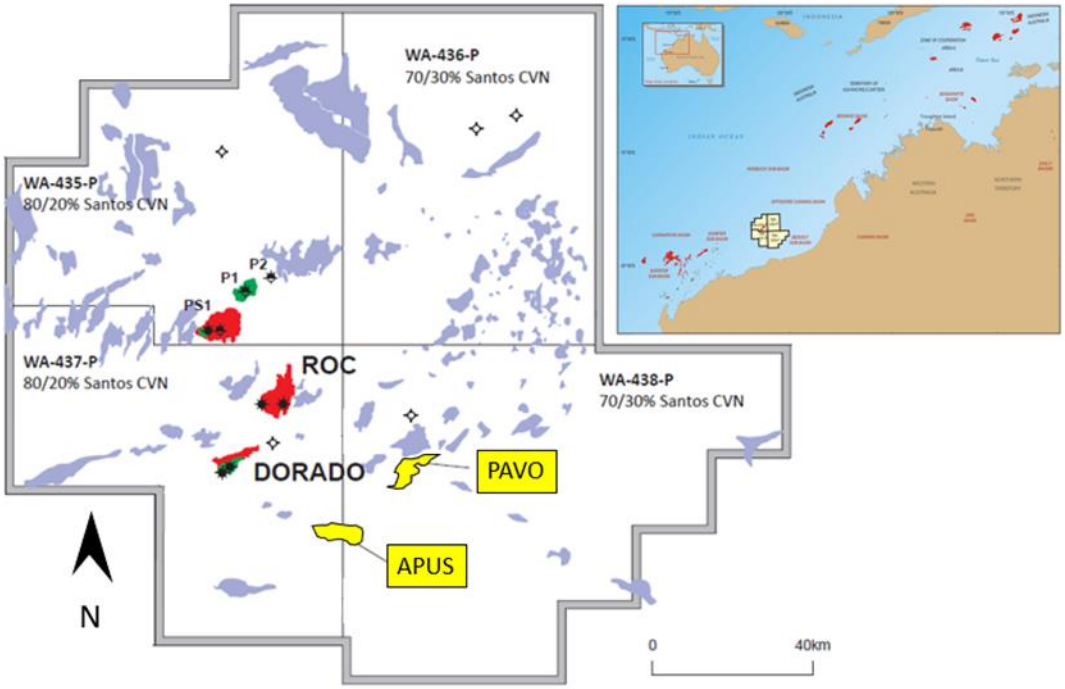
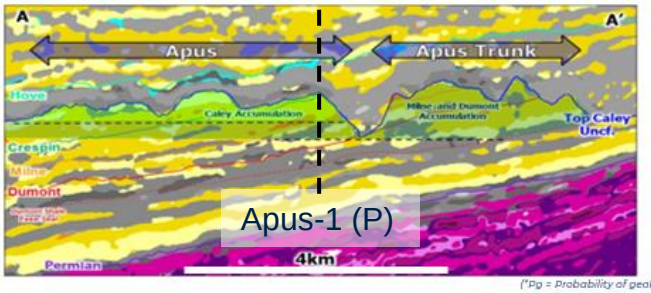
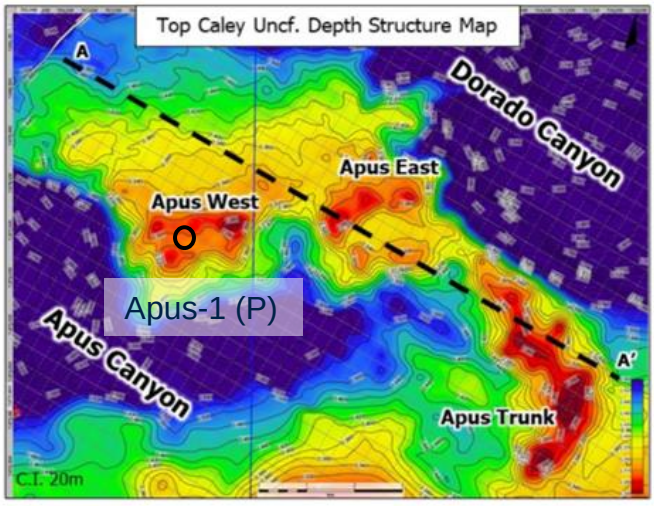


Figure 1: Apus-1 well location map

Location, WD	▪ WA-437-P (Santos 80%, Carnarvon 20%) ▪ 31km southeast of Dorado, 84m water depth
Rig	▪ Noble 'Tom Prosser' jack-up
Trap	▪ Archer Fm. closure & channel truncation plays
Targets	▪ Primary: Caley & Milne Member sands, Hove Fm. seal ▪ Secondary: Lwr Archer Fm. (Dumont), Permian
Volumes, Pg	▪ Liquids: 235mmbbl; Gas: 408Bcf (100%, mean); 23% *(not including Apus Trunk)*
Key Risks	▪ Charge, Top-seal
Dev't Concept	▪ 25-35km subsea tieback to Dorado facility





(*Pg = Probability of geological success)

Figure 2: Details of Apus-1 target

Further prospective resource information

The estimates of prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Please refer to Carnarvon's ASX announcements of 15 October 2018 and 17 September 2020 for more information.

A combination of deterministic and probabilistic methods were used to prepare the estimates of these prospective resources.

The resource estimates outlined in this announcement were compiled by Carnarvon's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the company. Mr Huizenga has over 25 years' experience in petroleum exploration and engineering. Mr Huizenga holds a Bachelor's Degree in Engineering, and a Master's Degree in Petroleum Engineering. Mr Huizenga is qualified in accordance with the ASX Listing Rules and has consented to the form and context of this announcement.

Carnarvon is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

Forward-looking statements

This announcement contains certain "forward-looking statements", which can generally be identified by the use of words such as "will", "may", "could", "likely", "ongoing", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "forecast", "goal", "objective", "aim", "seek" and other words and terms of similar meaning. Carnarvon cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on any forward-looking statement.