Investor Presentation
February/March 2017
The Resource estimates outlined in this report have been prepared by the Company’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 Degree in Engineering and a Masters Degree in Petroleum Engineering. Mr Huizenga is qualified in accordance with ASX Listing Rules and has consented to the form and context in which this statement appears.

All contingent and prospective resources presented in this report are prepared as at 14 November 2016 per the Company’s announcement released to the ASX on 14 November 2016. The estimates of contingent and prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Carnarvon is not aware of any new information or data that materially affects the information included in this presentation and that all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed.

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Setting the scene

Overview

- **NEW North West Shelf ("NWS") hydrocarbon basin uncovered**
- Play previously thought too deep / tight, now significantly de-risked
- Carnarvon provides the only ASX listed exposure to this acreage
- Market value of Carnarvon is around $100 million (ASX code: CVN)
- Carnarvon has $60 million of cash as at 31 December 2016
NWS Australia most exciting exploration acreage

Phoenix / Roc permits

• **FOUR discoveries from four wells drilled by Carnarvon and partner**
• Commercial flow rates achieved, comparable with major NWS fields
• Entire hydrocarbon province covers a very large ~22,000km²
• Carnarvon and partner hold all the acreage covering this basin

Refer to Carnarvon’s ASX announcement of 14 November 2016 for comprehensive details of these volume estimates. These resources are calculated using probabilistic methodology.
Commercial project taking shape

Phoenix / Roc permits

- Multi-Tcf gas potential in a small tested area of the acreage
- Remaining area has similar high potential
- High proportion of condensate in all gas samples recovered
- Engineering and commercial work commencing in 2017
- Key resources are capable of being centrally produced

Refer to Carnarvon’s ASX announcement of 14 and 17 November 2016 for comprehensive details of these volume estimates. These resources are calculated using probabilistic methodology.
Stop: how did we get to this point?

Phoenix / Roc permit history

- 2009 Carnarvon secures interests in 4 permits in Government gazetted
- 2011 play opening 3D seismic acquired, the first 3D in the basin
- 2012 Apache Energy and JX Nippon farm in paying for two wells
- 2014 Phoenix South-1 discovered and recovered light oil
- 2015 / 2016 Roc-1 discovered and recovered gas and condensate
- 2016 Roc-2 discovered and flowed gas and condensate
- 2016 Phoenix South-2 discovered and recovered gas and condensate
Roc-2 well delivered an historic flow

Phoenix / Roc permits

- Roc-2 well flowed strongly for 6 days under controlled test conditions
- At 51 million scf per day of gas and 2,943 barrels of condensate per day, being a high condensate to gas ratio of 58 bbls/mmscf.
- Production equivalent rate ~10% of the WA domestic gas usage
Dorado is the biggest target yet – updip of Roc

Phoenix / Roc permits

Seismic image of Caley sst horizon

Possible gas escape plumes due to high gas/condensate columns

Possible hydrocarbon indicators or hydrocarbon source rocks

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Phoenix South-2 potentially uncovered a play fairway

Phoenix / Roc permits

- High gas influx and pressures experienced while drilling PS-2 Caley Sst
- Pressure positive for porosity (higher volume) and permeability (higher flow rates)
- High probability of sand prone reservoirs from seismic and regional mapping
- Potential for multiple sealed sand packages filled with hydrocarbons generated from shales within the package; versus structural trap targeted pre-drill
Location strategically important

Phoenix / Roc commercialisation

- Phoenix and Roc discoveries lie ~160 kilometres offshore of Port Hedland
- WA’s main gas pipeline passes Port Hedland – domestic supply shortage from 2020
- Fortescue River Gas Pipeline links main gas pipeline to Pilbara iron ore mines
- LNG export facilities expected to have spare capacity from 2020

Government take – 60%
Keep the conveyer belt full

CVN’s business model – create shareholder value through farmout exploration

Acquired acreage in the oil low 2014-2017

- **Buffalo** – running latest FWI 3D reprocessing
- **Maracas** – running latest FWI 3D reprocessing
- **WA-521** – large leads identified on 2D next to Phoenix
- **Cerberus** – Phoenix / Roc like plays drill ready
- **Outtrim** – 2016 oil discovery and aggregation oil play
Investor opportunities

Where we see value

- Volume update(s) following Phoenix South well result and ongoing prospect work

- Dorado well targeting large volumes in late 2017

- Field development planning for Phoenix / Roc including project economics

- Commercial transactions such as divestments, farm-outs and acquisitions
Questions