

# Rig Contract Signed for Dorado-1 well

13 November 2017



## Highlights

- Rig contract signed to drill the high impact Dorado-1 exploration well in the Phoenix project
- Drilling is expected to commence around May 2018
- Primary target estimated to contain 545 bscf of gas and 31 mmbbls of condensate (gross, Pmean)

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to inform shareholders that the Operator, Quadrant Northwest Pty Ltd has signed a contract with ENSCO Australia Pty Ltd to drill the highly anticipated Dorado-1 exploration well using the ENSCO-107 jack-up drilling rig.

The Dorado-1 exploration well has a number of large targets. The primary target is the proven Caley Sandstone which Carnarvon estimates to contain a mean prospective resource of 545 bscf of gas and 31 mmbbls of condensate. The Milne Sandstone is a secondary target which may contain up to four additional sands of a similar size, albeit with a slightly higher risk. The prospective resource estimates for the Dorado-1 well are outlined on page 3 and 5 of this announcement.

The Dorado-1 well is expected to commence around May 2018 while the Phoenix South-3 well is expected to commence around March 2018. Rigs have now been secured for both wells.

Carnarvon's Managing Director, Adrian Cook said *"the results of our 2018 drilling program are expected to be important contributors to our knowledge of the Bedout sub-basin and its near term commerciality. 2018 will be an exciting time with the Phoenix South-3 well evaluating the gas and condensate already discovered in the nearby Phoenix South-2 well, while the Dorado-1 well will be exploring for significant gas and condensate volumes over multiple reservoir sands only some 15 kilometres from the highly successful Roc-2 well."*

The Dorado-1 well is located within the WA-437-P exploration permit in the North-West Shelf of Australia. The equity interest holders are:

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

Yours faithfully

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

**Adrian Cook**  
Managing Director

## Shareholder enquiries:

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**Figure 1: Dorado Prospective Resource Estimates**

Dorado Caley Prospective Resources (From table 2 on page 4 of ASX announcement on 14 November 2016)

	Natural Gas				Condensate				Barrels of Oil Equivalent				Probability Geological Success	Risked MMBOE Mean
	BSCF P90	BSCF P50	BSCF Pmean	BSCF P10	MMBBL P90	MMBBL P50	MMBBL Pmean	MMBBL P10	MMBOE P90	MMBOE P50	MMBOE Pmean	MMBOE P10		
Dorado Caley	58.7	338.0	545.0	1,260.0	2.5	16.6	31.6	74.9	12.8	75.9	127.2	296.0	36%	45.8

Dorado Milne Prospective Resources (From table 3 on page 5 of ASX announcement on 14 November 2016)

	Natural Gas				Condensate				Barrels of Oil Equivalent				Probability Geological Success	Risked MMBOE Mean
	BSCF P90	BSCF P50	BSCF Pmean	BSCF P10	MMBBL P90	MMBBL P50	MMBBL Pmean	MMBBL P10	MMBOE P90	MMBOE P50	MMBOE Pmean	MMBOE P10		
Dorado Milne A	45.7	266.0	429.0	1,016.0	2.0	13.1	24.9	59.7	10.0	59.8	100.2	237.9	23%	23.3
Dorado Milne B	36.5	295.0	438.0	1,025.0	1.6	14.3	25.4	60.8	8.0	66.1	102.2	240.6	23%	23.8
Dorado Milne C	82.3	416.0	565.0	1,248.0	3.5	20.1	32.8	75.4	18.0	93.1	131.9	294.3	23%	30.7
Dorado Milne D	51.5	409.0	555.0	1,251.0	2.3	19.4	32.2	75.5	11.3	91.2	129.6	295.0	23%	30.1

Carnarvon uses probabilistic methods for estimation of petroleum resources at the field and project levels.

**Figure 2: Location of the Dorado Prospect**

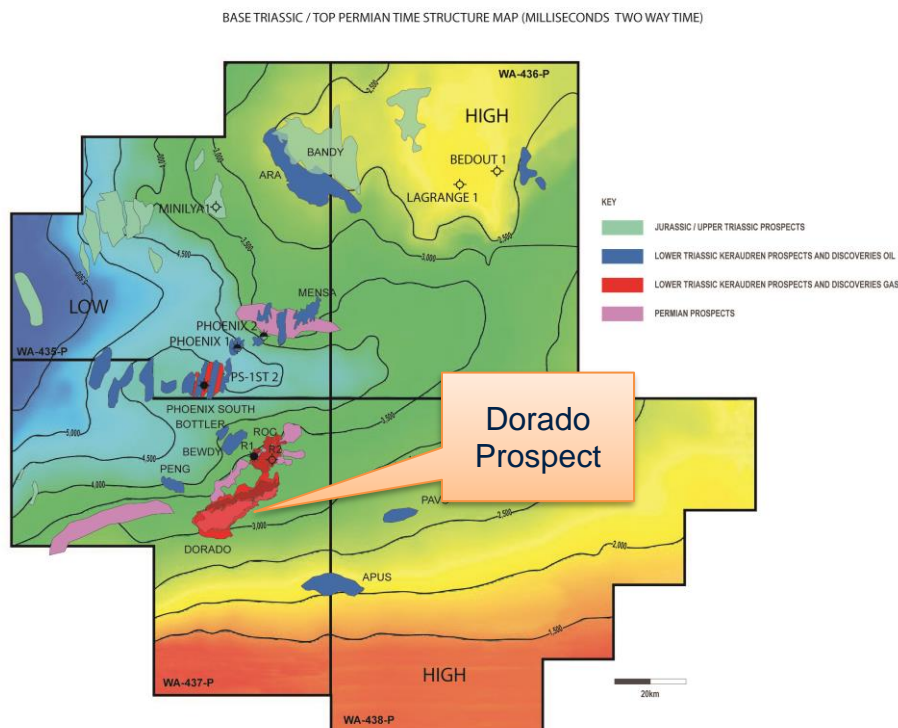


Figure 3: Seismic section showing Roc-1 well (left) and projected Dorado-1 well (blue)

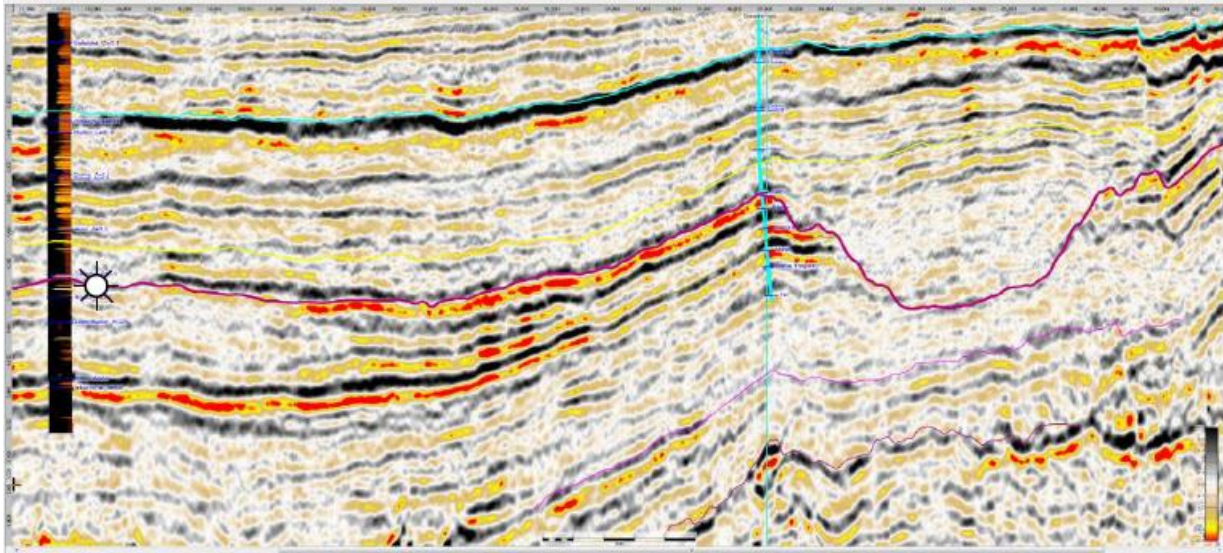
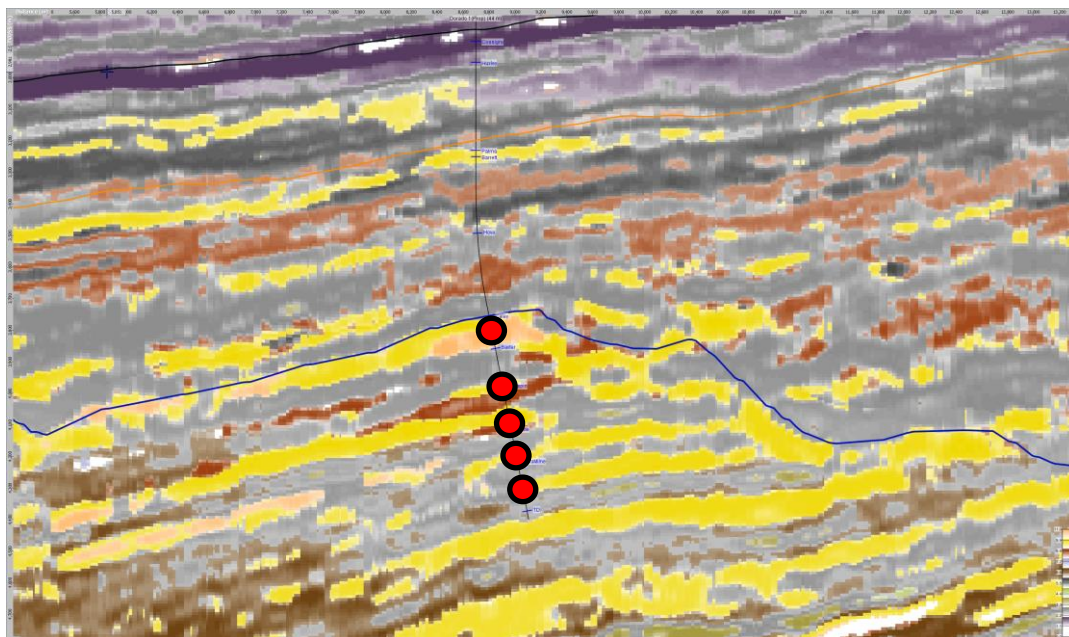


Figure 4: Seismic with Lithology indicators showing five potential sands being targeted by Dorado-1



### **Cautionary Statement**

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

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 is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### **Resources**

All contingent and prospective resources presented in this report are prepared as at 14 November 2016 (Reference: CVN ASX releases of 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 and have been prepared using probabilistic methods.

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

### **Competent Person Statement Information**

The Resource estimates outlined in this report were compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga has over 20 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.

### **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.