STRACHAN CORPORATE

AFSL: 259730

Carnarvon Petroleum CVN

BUFFALO OILFIELD REDEVELOPMENT OFFERING +$680M NPV

Capital Structure

ASX Code: CVN	
Shares	1183 m.
Options	1.0 m.
Price	$ 0.130 /shr
Market Cap	$ 154 m.
Net Cash (est)*	$ 53 m.
EV (est)	$ 101 m.
EV / 2C	$ 1.98 /boe
EV / 2C + Pros	$ 1.04 /boe

** post issue, Dorado & Phoenix Sth*

Valuation

Valuation	$m.		$/ share	Dil/ shr
Cash (est)	53	53	0.045	0.029
New equity		77		0.043
Buffalo *	243	546	0.205	0.303
Phoenix / Sth	84	84	0.071	0.047
Roc +	87	87	0.074	0.048
Option cash	0	0	0.000	0.000
Corporate	-16	-16	-0.014	-0.009
Sub total	452	832	0.381	0.461
Dorado	67	67	0.056	0.037
Outtrim-East	2	2	0.002	0.001
Cash & Risked Targets	521	901	0.440	0.499
Other Expn	151	151	0.127	0.084
	671	1052	0.567	0.583

** assumes 60% retained, no share dilution & 75% POS or 100% retained, US$60m. new equity & 100% POS. Source: Strachan Corporate.*

Opinion

Carnarvon rates as a speculative buy supported by its gas and oil Contingent Resources.

Strachan Corporate assesses an un-geared $NPV_{7.6}$ of $682 million for Buffalo at US$70/bbl, which compares favourably with the company's current market value of $169 million.

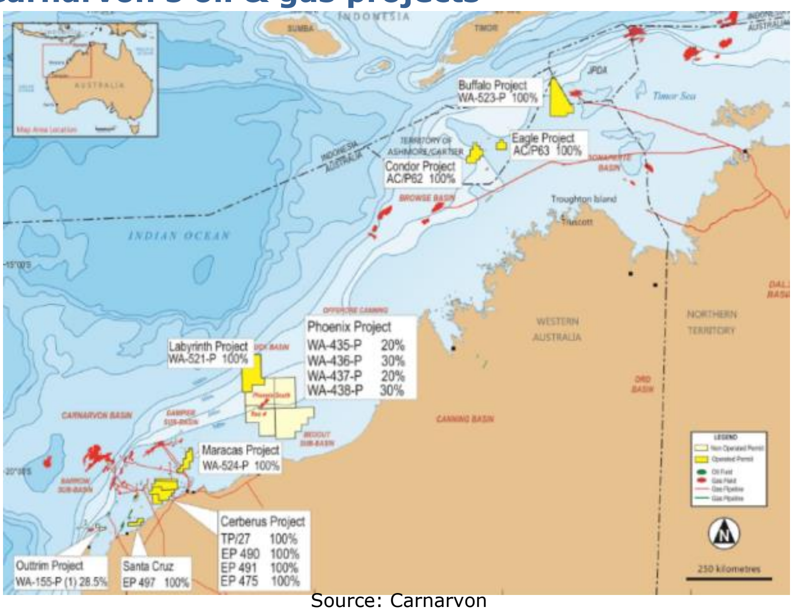
The company is well placed to achieve exploration and development success in gas and condensate discoveries made in the Bedout Sub-basin.

Peter Strachan

Investment Drivers

- **BUFFALO OILFIELD REDEVELOPMENT TARGETS 31 MMBBLS OF 2C OIL**: Application of modern technology to seismic data reveals 31 mmbbls of 2C Contingent attic oil at Buffalo. Low cost redevelopment is possible in shallow water at an initial CAPEX of ~US$5/bbl of 2C. Strachan Corporate sees successful appraisal supporting development where Carnarvon could either retain a 100% interest in the project, funded through debt/equity, or farm-down 40% to achieve a value of 31 cps or 21 cps respectively.
- **FARM-OUT SUPPORT SOUGHT**: The company has raised $20 million to support an appraisal well at the 100% held Buffalo oilfield. A positive result would de-risk the project and materially add value for this redevelopment project. Funding support is also being sought for exploration on 100% held Labyrinth, Condor, Maracas and Santa Cruz projects and the 28.5% held Outtrim projects.
- **UNDERVALUED FOR DEVELOPMENT OR APPRAISAL**: Carnarvon trades with an EV of $2.28 per BOE of 2C Resources, which could prove to be 25% to 30% of fair value.
- **BEDOUT/ROWLEY BASIN GAS TO FUEL MINING?** Bids for AWE Ltd and now Atlas Iron Ltd, present a possible road map for domestic gas demand to lower power and transport costs for the mining industry. Carnarvon's Bedout Sub-Basin gas could find markets as merchant gas into existing NWS LNG plants post 2023 or sooner, into emerging domestic markets.
- **NET 2C 260 BCF GAS & 22 MMBBLS CONDENSATE TARGETED POST PHOENIX SOUTH-3 & DORADO**: Results due by July '18 hold potential to substantially lift Carnarvon's estimated net 2C gas to ~260 Bcf & boost liquids to over 22 mmbbls, which Strachan Corporate values at over A$460 million.
- **SKILLED MANAGEMENT TEAM**: Carnarvon has attracted a team of skilled geoscientists and corporate executives with proven track records in the industry.
- **BUSINESS DEVELOPMENT**: Over the past four years, the company has applied a strong balance sheet to acquire projects where it can add value through careful application of advances in exploration technology.

Carnarvon's oil & gas projects

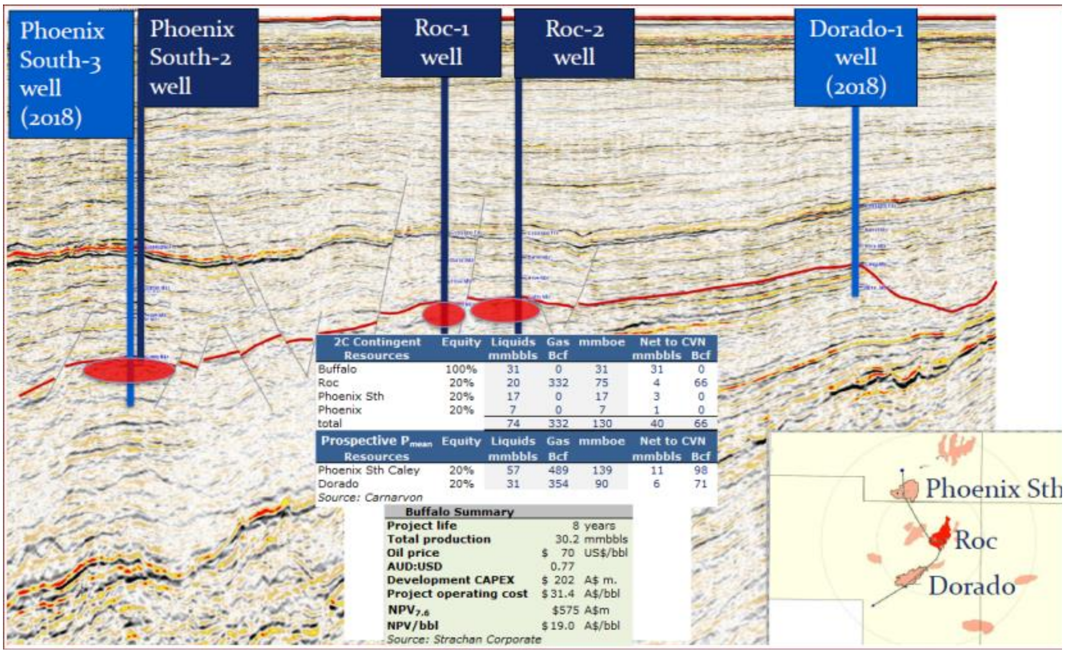


Source: Carnarvon

Strategic positioning with cash in a buyer's market

Summary

Carnarvon Petroleum built a portfolio of appraisal/development and exploration assets at a relatively modest cost during a period of oil price and thus industry weakness. It has spent about $50 million to accumulate permits at the same time as making and appraising the Phoenix South and Roc gas and condensate discoveries.



2C Contingent Resources	Equity	Liquids mmbbls	Gas Bcf	mmboe	Net to CVN mmbbls	Net to CVN Bcf
Buffalo	100%	31	0	31	31	0
Roc	20%	20	332	75	4	66
Phoenix Sth	20%	17	0	17	3	0
Phoenix	20%	7	0	7	1	0
total		74	332	130	40	66

Prospective P_{mean} Resources	Equity	Liquids mmbbls	Gas Bcf	mmboe	Net to CVN mmbbls	Net to CVN Bcf
Phoenix Sth Caley	20%	57	489	139	11	98
Dorado	20%	31	354	90	6	71

Source: Carnarvon

Buffalo Summary		
Project life	8	years
Total production	30.2	mmbbls
Oil price	$ 70	US$/bbl
AUD:USD	0.77	
Development CAPEX	$ 202	A$ m.
Project operating cost	$ 31.4	A$/bbl
$NPV_{7.6}$	$575	A$m
NPV/bbl	$ 19.0	A$/bbl

Source: Strachan Corporate

. . .Recent discovery lowers exploration risk for several follow-on targets

The company is now appraising a deep gas target at the Phoenix South structure and is testing the large, Dorado stratigraphic gas target though June '18.

Summary of asset portfolio

Permits	Equity	Comment
WA-523-P	100%	Buffalo oilfield redevelopment
WA-521-P	100%	Ivory prospect for 3D, plus 12 leads
WA-524-P	100%	Maracas project
WA-435-P	20%	Phoenix South oil discovery Aug '14
WA-437-P	20%	Roc gas-condensate discovery 2016
WA-438-P	30%	Contains Short Arm lead
WA-436-P	30%	Zeester seismic survey acquired, Bandy oil lead extends prospectivity
AC-P-62	100%	Condor exploration
EP-497	100%	Santa Cruz exploration
WA-155-P(1)	**28.5%**	**Outtrim gas prospect**
AC-P-63	100%	Eagle exploration
TP-27	100%	Cerberus permits. Central to Harriet, Stag and Wandoo oilfields. Permit extended
WA-490	100%	
WA-491	100%	

Source: Carnarvon

Buffalo Oilfield, Timor-Leste PSC - 100% WI

Low cost, 31 mmbbl 2C oil redevelopment opportunity

Since acquiring permit WA-523-P in November 2016, Carnarvon has worked with Down Under Geosolutions (DUG) to resolve time-depth calibration anomalies caused by variable water depths that resulted in a miss-interpretation of the geometry of the structure by its original discoverer BHP. Carnarvon has reprocessed 3D seismic using a number of modern processes, including full waveform inversion (FWI) technology to reinterpret the field. Early attempts to calibrate seismic data were hampered by significant variation in water depth from around 25-50 metres over the structure, to depths of over 300 metres off its flank. Reinterpretation has led to identification of a significant unproduced attic oil accumulation, arising from sub-optimal positioning of BHP's early production wells.

Equivalent fiscal terms to apply under Timor-Leste jurisdiction

After resolution of the sea-floor boundary location between Australia and Timor-Leste, the permit now comes under Timor-Leste jurisdiction. The company is assured that fiscal terms for an eventual PSC over the permit will be equivalent to those that operated under Australia's PRRT and corporate tax regime.

Data now ready to lead project towards development

As a study of Buffalo's seismic data evolved, Carnarvon has sought independent verification of its interpretation of initial reprocessing work. This work has now been distilled into a third reprocessing iteration and interpretation. The company believes that its current seismic data base represents a massive improvement on the historic data that was available when the field was last in production. The Carnarvon team believes that the current data set is sufficient to take this project forward to drilling and development.

Production history reveals high porosity/permeability with initial flows of over 20K BOPD/ well

BHP's Buffalo discovery led to production in December 1999 at rates of up to approximately 50,000 bbls per day from two wells. Development involved an eventual four wells connected to an unmanned wellhead platform installed in a water depth of 25 metres and tied back to an FPSO. By the time production terminated in November 2004, the project had produced 20.5 mmbbls of under-saturated, light oil (53°API) from the Jurassic-age Elang Formation and was still producing at ~4,000 BOPD.

Development concept

Up to US$160 CAPEX & <US$80m pa OPEX

In May '18, the company raised $20 million to support drilling at a planned Buffalo-10 well in early 2019. The well, expected to cost A$27 million, will be optimally located in an identified attic oil trap. Testing of this well should support full field development through 2019 and 2020.

The company estimates base case for capital spending (CAPEX) of US$150 million, with potential to rise to US$160 million depending on drilling logistics. This includes Buffalo-10, which will be completed as a producer.

2C Resource estimate based on 50% recovery, but experience shows 60% is achievable, so ultimate 2P Reserve could be higher

Development is set to include 3 wells, a well-head platform, hoses and umbilicals to a leased floating production, storage and off-take vessel (FPSO) and necessary project management and contingencies. Modelling of the field, based on past production data and experience in the Basin more generally, suggests recovering of 31 million barrels of 2C Contingent oil Resource with just 2 wells, but for certainty the programme includes three production wells in a base case.

The estimated 2C Buffalo oil Resource is based on achieving an ultimate 50% recovery from the pool. Production experience from the high quality reservoirs in the basin suggests that recovery of over 60% of original oil in place is possible.

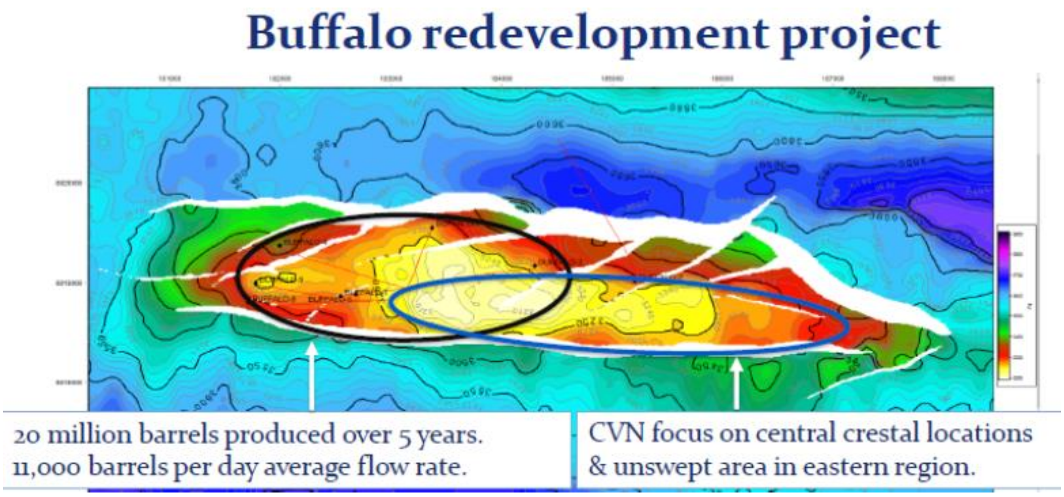
Strachan Corporate assumes operating costs of A$101m pa

The company has examined technical specifications and costs for a range of FPSO vessels that are currently being offered in the market or soon to be released from duty. At current market rates, these appliances should be available to lease for ~US$30 million per annum. Under conditions common in Australian waters, operating costs are estimated at US$50 million per annum, but under conditions available for projects offshore Timor-Leste, some reduction in operating costs are probable as labour, servicing and provisioning costs will be significantly reduced. Operating cost reductions associated with a switch to Timor-Leste/Asian conditions and cost base will be partially offset by a need to establish a corporate presence in Dili.

Buffalo oil is fairly flat with a low gas to oil ratio, but at high production rates it will produce sufficient gas for fuel and power, keeping other variable costs to a negligible minimum. After three years of operation, as field production rates decrease, some oil from the field will be consumed to power the project at rates of up to 500 bbls per day.

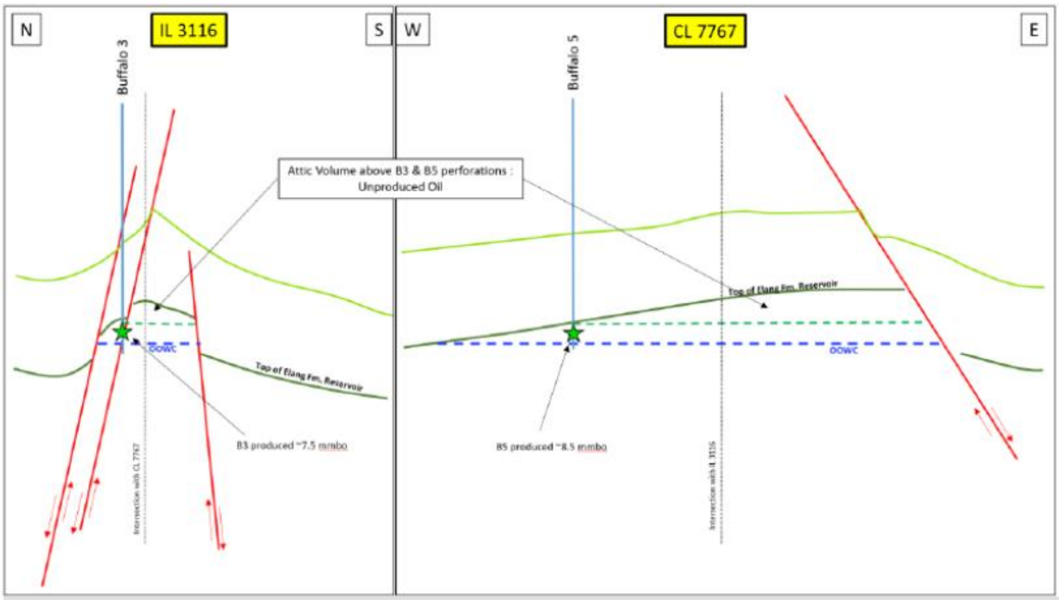
US$20 million to drill & test Buffalo-10

Carnarvon's scoping studies reveal a low risk redevelopment opportunity at Buffalo, targeting a **2C Resource of ~31 mmbbls of recoverable oil** at an initial capital cost of ~US$150 million, or US$5/bbl of estimated 2C and US$10/bbl for 1C Resources. The company envisages an initial two well start-up targeting estimated 1P Resources of 15.3 mmbbls, using a leased FPSO with further development potential to target **3P Resources of 47.8 mmbbls**, with a third well in the budget.



Source: Carnarvon

Allowing for a higher recovery factor, Strachan Corporate models total recovery from Buffalo of 34.5 mmbbls of oil and sale of 33.8 mmbbls of oil post fuel oil consumption.



Source: Carnarvon

Carnarvon's rights over the permit area are preserved under Timor-Leste jurisdiction

Recent renegotiation of a treaty concerning seabed boundaries between Australia and Timor-Leste sees the northern portion of WA-523-P fall under Timor-Leste's jurisdiction. The new treaty provides that security of title and legal rights currently held by Carnarvon will be preserved through conditions equivalent to those already in place under Australian domestic law. Special legislation will also be enacted by Timor-Leste to ensure that a Buffalo oil field redevelopment will operate under equivalent fiscal terms to those in place under Australian domestic law.

Buffalo Valuation

Strachan Corporate assesses a project at Buffalo as outlined in the adjacent table.

Production is optimistically modelled as commencing part way through FY 2021, peaking at 35,000 BOPD and declining by about 30% pa to average 4,118 BOPD in the 7th and final year of operation.

Given earlier operating evidence, flow rates of up to 20,000 BOPD may be possible for each well. Drilling of a third well in year three might enhance economics by bringing forward production to enhance cash flow.

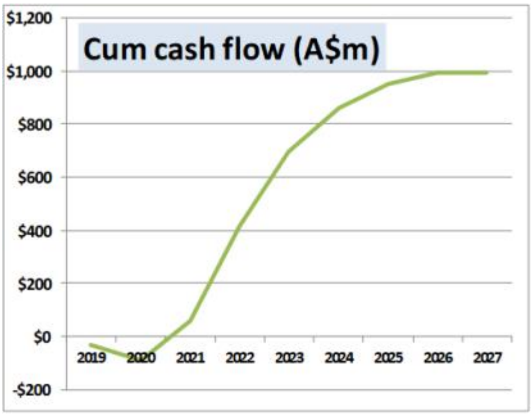
Buffalo Summary			
Project life		6	years
Total production		33.8	mmbbls
Oil price	$	70	US$/bbl
AUD:USD		0.745	
Development CAPEX	$	215	A$ m.
Project operating cost	$	21	A$/bbl
$NPV_{7.6}$	$	682	A$m
NPV/bbl	$	20	A$/bbl
Contractor take		44%	
Government share		56%	

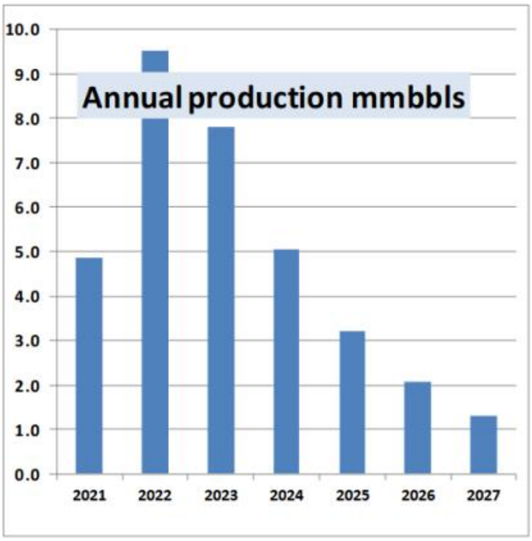
Source: Strachan Corporate

Fiscal terms under a Timor-Leste PSC are assumed to mirror those under Australian PRRT and corporate tax.

This high level model, assuming funding is supplied from a 3rd party, finds oil to have an NPV of A$20/bbl at a WACC discount rate of 7.6% pa.

- Low risk project
- Low CAPEX to fund
- ~$1 bn cash flow, ~80% in first 30 months

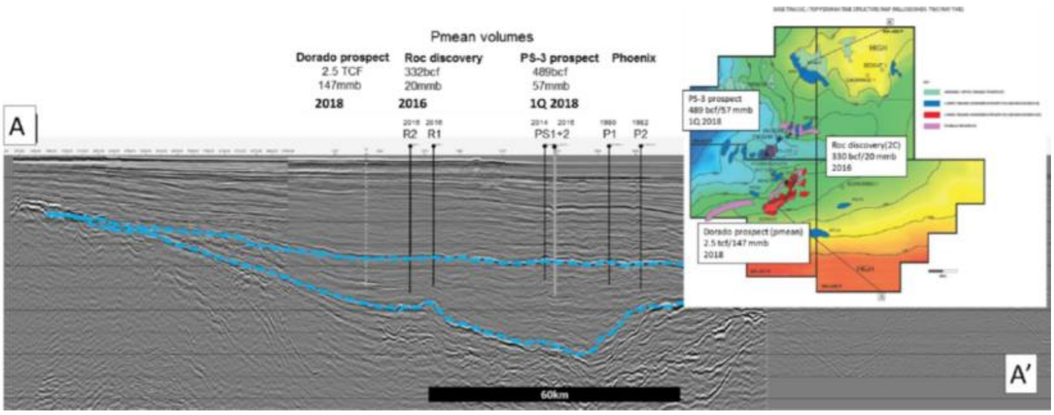




Building strategic gas/ condensate assets

Bedout Sub-Basin Projects

Phoenix South - Roc - WA-435-P, WA-437-P, WA-436-P & WA-438-P



Source: Carnarvon

The current state of play in Carnarvon's Bedout sub-basin projects is best outlined by the above graphic.

Carnarvon has a 20% interest in WA-435-P & 437-P and a 30% interest in WA's 436-P and 438-P. Drilling in the project area has confirmed the Cossigny limestone as an effective barrier to hydrocarbon migration into younger and more porous sediments overlying the petroleum filled Lower Triassic reservoirs seen at Phoenix, Phoenix South and Roc. While the Cossigny may restrict discovery of younger, shallower reservoirs, it is also favourable for long range oil migration within the permits.

Phoenix & Phoenix South could be commercial in conjunction with gas discoveries

Phoenix and Phoenix South discoveries are estimated to hold non-commercial, gross 2C Resources of 7 mmbbls and 16.7 mmbbls respectively, which must be considered as non-commercial on a standalone basis.

2C Contingent Resources	Equity	Liquids mmbbls	Gas Bcf	mmboe	Net to CVN mmbbls	Bcf
Buffalo	100%	31	0	31	31	0
Roc	20%	20	332	75	4	66
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Total		74	332	130	40	66
Prospective P_{mean} Resources	**Equity**	**Liquids mmbbls**	**Gas Bcf**	**mmboe**	**Net to CVN mmbbls**	**Bcf**
Phoenix Sth Caley	20%	57	489	139	11	98

Source: Carnarvon

The Phoenix South-1 well found petroleum below impermeable Cossigny Limestone within 340 metres of inter-bedded sandstones, siltstones and claystones of the Middle Triassic, Lower Karaudren Formation. The well intersected about 66 net metres of moderate quality reservoir in four separate 'clean' sand packages between 4,160 and 4,500 metres. While porosity is low at 6-8%, permeability of 25 to 500 millidarcies is high enough to ensure commercial gas flow. Well logs show 'clean looking' sands that should exhibit good flow characteristics, especially if developed with horizontal completions through each sand package. Oil quality is likely to be at high value Tapis grade as it appears to be a very light, 46-480 API grade with an associated gas content of 300 to 700 cuft per barrel. Insitu volume is estimated with a range from 60 to 300 million barrels of oil in place.

51 mmcuft/d +2,943 BCPD Roc flow test supports commercial outcome

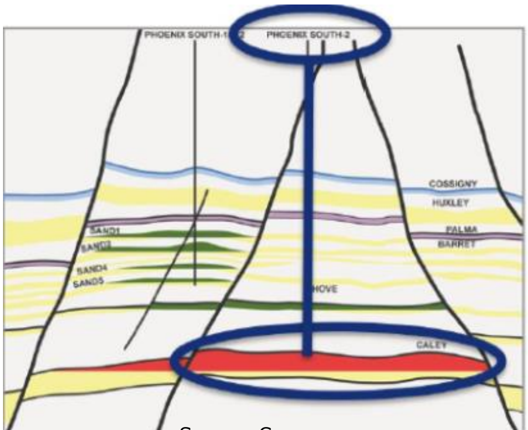
Roc is estimated to hold a gross 2C Resource of 19.6 mmbbls plus 332 Bcf of gas. **Flow testing of Roc through a 1½ inch choke recorded a peak flow rate of 51 mmcuft per day plus 2,943 barrels of associated condensate per day**. Further testing will be required to determine a sustainable flow rate.

The primary target of current work at the Phoenix South-3 well is the Caley sandstone interval. The Phoenix South-2 well just 550 metres west, found that the Caley contains over-pressured oil and gas. Phoenix Sth-3 has been engineered to manage the over-pressured Caley zone, which is estimated to contain a gross mean recoverable prospective Resource of 489 Bcf of gas and 57 million barrels of associated condensate.

Roc is shallower & mapped with a larger closure than Phoenix Sth

Quadrant Energy is drilling below 1,400 metres in the Dorado-1 exploration well, heading to the Caley unit at about 3,800 metres. The well is expected reach total depth of approximately 4,400 metres in mid July '18.

The Roc discovery sits about 14 to 20 kilometres away from the petroleum source kitchen and seems to have better quality reservoirs at shallower depths than were found at the Phoenix discoveries, and the same logic rolls on for Dorado, where better quality sandstone is expected.



Source: Carnarvon

Low cost jack-up drilling reduces exploration costs

Small volumes of associated gas at the Phoenix South location will lower operating cost by providing free fuel for an FPSO operating on an oil discovery.

Dorado WA-437-P 20%

Drilling result due by early July '18

The primary target of the Dorado-1 well is also the Caley interval at around 3,760 metres, which has shown to be productive at the Roc and Phoenix South locations. The well is also designed to evaluate a number of secondary targets beneath the Caley Formation.

Seismic data shows a compelling target at Dorado

The primary target is the proven Caley Sandstone which **Carnarvon estimates to contain a mean prospective resource of 545 Bcf 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.

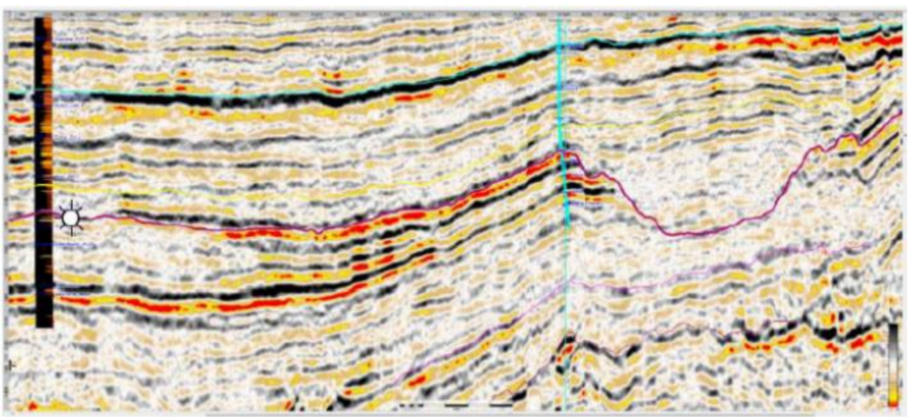
Dorado-1 targets gas and condensate volumes over multiple reservoir sands within a tieback distance of 15 kilometres from the Roc petroleum discovery.

. . . project delivery & commercial considerations still need to be determined

Encouragement at Dorado would high-grade smaller targets at Peng, Bewdi and Botler as well as Bandy to the north.

A pattern of discovery is unfolding in Bedout sub-basin . . .

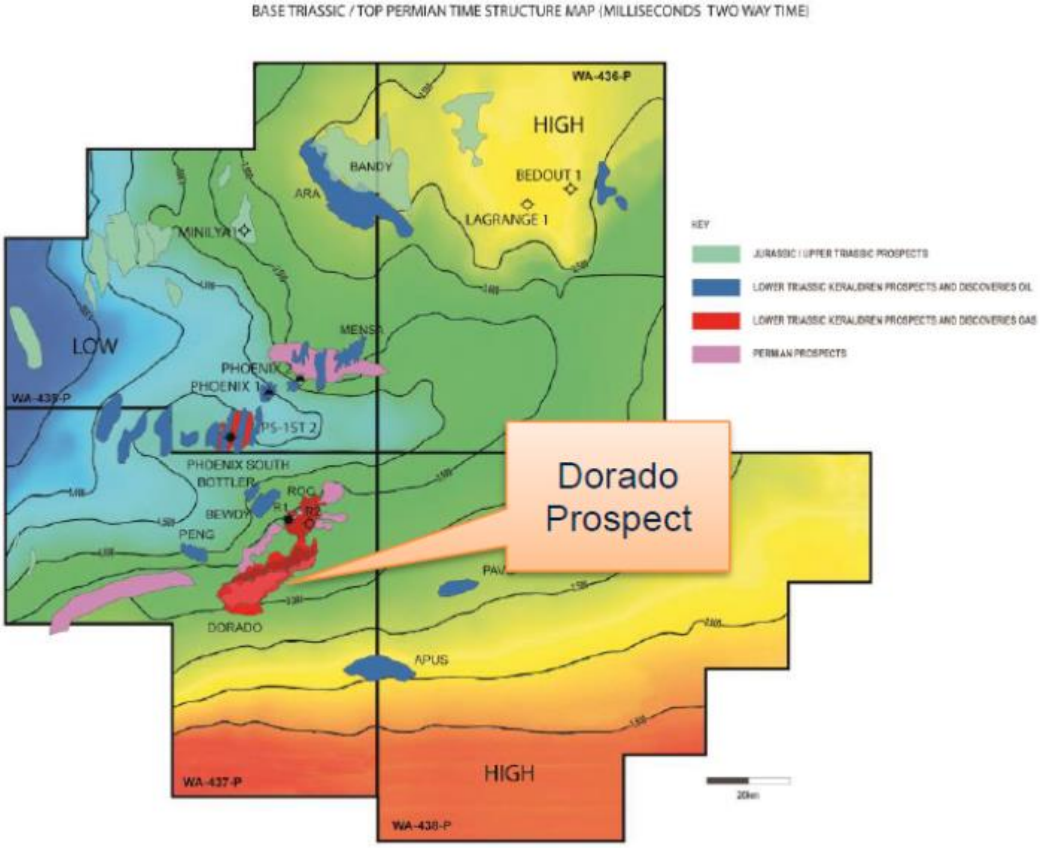
Seismic section showing Roc-1 well (left) and projected Dorado-1 well (blue)



Source: Carnarvon

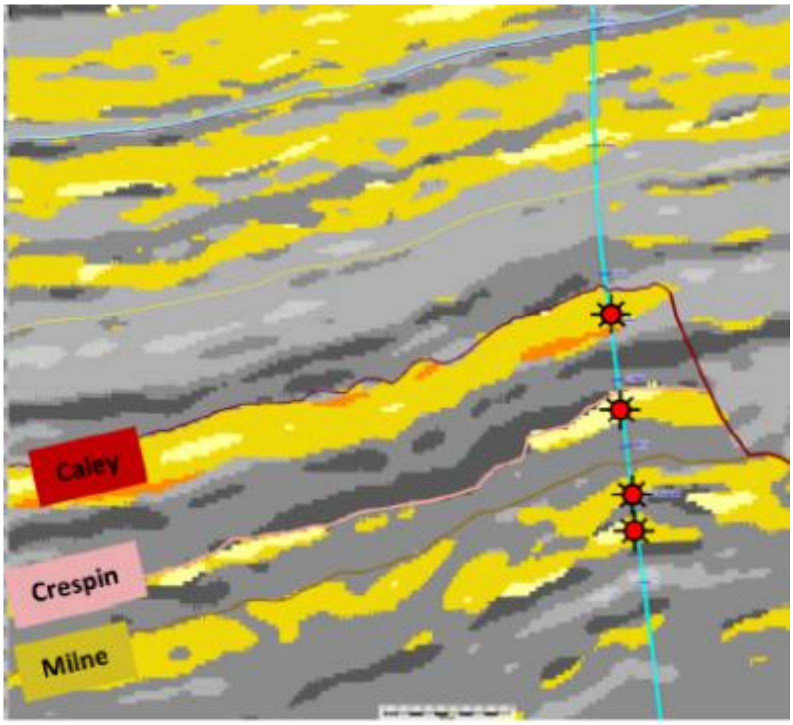
Bedout Sub-basin Leads & Prospects

Multiple drilling horizons targeted at Dorado



Source: Carnarvon

Seismic with Lithology indicators showing 5 potential sands targeted by Dorado-1



Source: Carnarvon

The Bandy, Bedout and Salamander leads outlined by Zeester 3D seismic, have been high-graded by the Phoenix South discovery, improving chances for stratigraphic plays, along the margins.

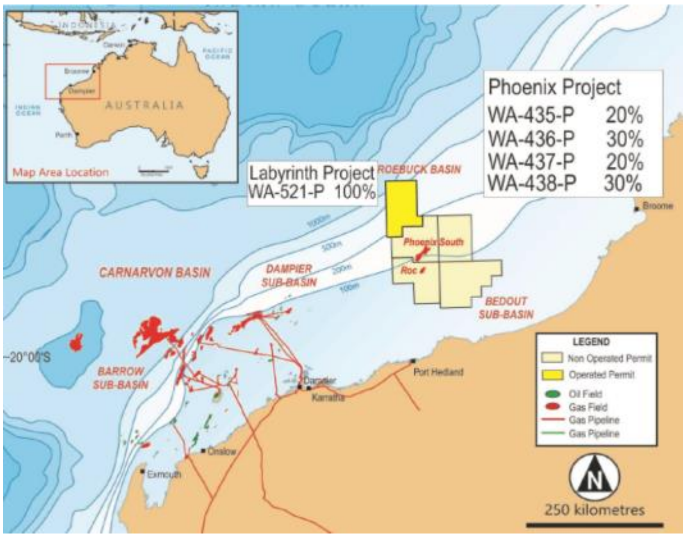
Labyrinth WA-521-P 100%

Regional exploration appeal

Carnarvon identifies eight leading prospects within its Labyrinth project area with an estimated combined Prospective P_{mean} target for 1.58 billion barrels in the Rowley Sub-basin, each with estimated probabilities of success of between 13% and 18%. Additional leads have also been identified. The company has been able to apply knowledge of the basin gained from the Phoenix and Roc discoveries to better understand opportunities in WA-521-P.

The Ivory prospect is the permit's leading target, estimated to hold P_{mean} of 322 mmbbls in the Lower Depuch Formation plus 99 mmbbls in the deeper Bedout Formation.

Encouragingly, success at the P90 level of estimate for the **Ivory prospect** would support standalone development.



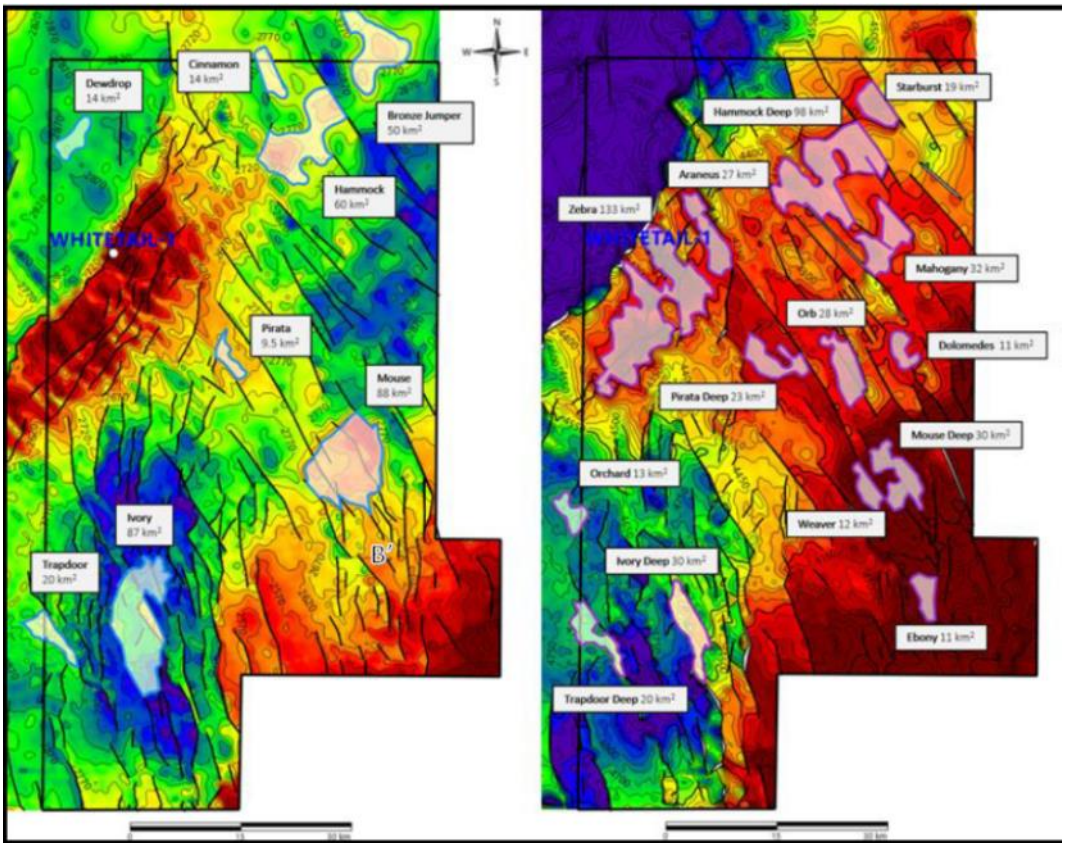
Source: Carnarvon

Prospective sediments in the permit are overlain by thick, Mid-Jurassic to Cretaceous sealing Muderong shale that was in-place prior to hydrocarbon charge in the sub-basin. Source rocks are found in the Upper and Lower Bedout mixed carbonate – clastic formations that are currently in the oil window.

Reconstructions based on well data and seismic facies interpretations confirm the project's reservoir and seal intervals.

Carnarvon plans to acquire and process 300 km2 of 3D seismic at an estimated cost of $3.4 million by 2021.

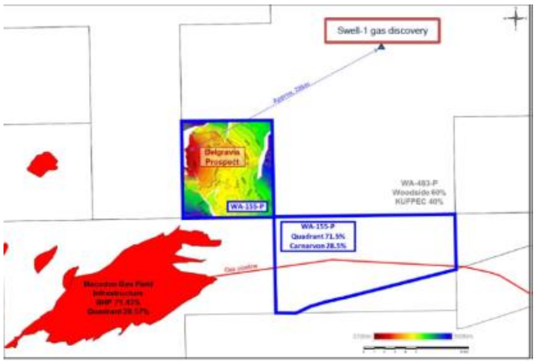
Ivory Prospect



Source: Carnarvon

Outtrim Project - Belgravia WA-155-P(1), 28.5%

The Belgravia prospect sits to the north-east of the Macedon gas field and is about 20 kilometres SE of Woodside's recent Swell gas discovery.



The Swell-1 well intersected interpreted tight gas sands across a large gross interval of approximately 450 metres down to 5,006 metres measured depth.

Woodside's work at Swell-1 confirms the presence of a working petroleum system and a larger gas column than Carnarvon had expected.

Carnarvon's mapping indicates the crest of the Belgravia structure is up-dip of the Swell gas discovery and around 650 metres shallower than the Swell-1 structure. Carnarvon expects that the Belgravia target could contain better reservoir quality compared to that reported at Swell.

Santa Cruz EP-497100%

Carnarvon recently acquired this permit containing the Santa Cruz oil discovery. The company will perform geological studies over an initial 2 years followed by an optional 4-year programme including an offshore geochemistry survey to define the extent of the oil discovery before committing to acquire new 3D seismic or drill a well within the permit in year 6.

The permit has shallow water depths of between 10-20 metres making jack up drilling and low-cost development is possible.

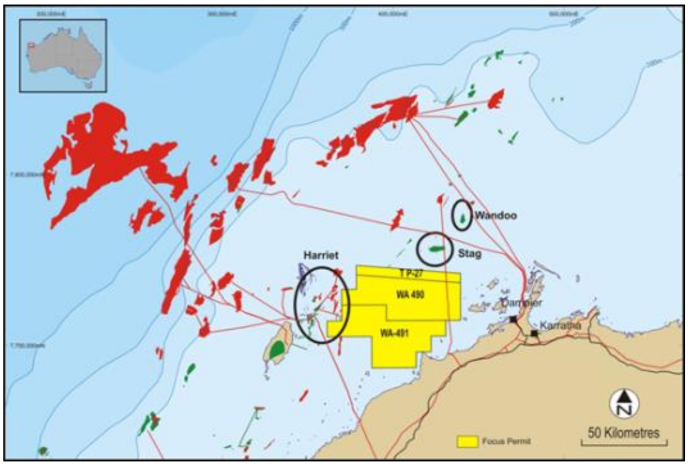
Cerberus Leases 100%

Farm-out focus for Cerberus permits. Increasing market interest at oil price of +US$70/bbl

Carnarvon has reprocessed seismic data and carried out geological studies targeting new play types in this shallow-water environment. The permits are prospective for migrating oil, similar to that seen in Wandoo, Stag and Harriet which have oil reserves estimated to total 199 mmbbls.

The company is targeting Triassic sediments at depths of 1,200 to 2,000 metres in water depths that are typically 70 metres, well within the reach of lower cost Jack-up drilling rigs.

Location of Cerberus Permits



Source: Carnarvon

The company has been able to extend its tenure and will continue to offer an opportunity to potential farminees.

Condor Project, AC-P-62 100%

The 1,512 km² permit sits over shallow water to the south and west of the Puffin and Skua oilfields.

Grass roots exploration, guided by new technologies applied to recent 3D seismic data

The company will employ a satellite seep survey, high-resolution biostratigraphy, fluid inclusion analysis, petrophysical reviews, burial modelling, fault seal analysis, rock physics analysis and seismic inversion of the recently acquired Cygnus 3D over 682 km² of the recently awarded AC-P-62 acreage to improve interpretation of the prospectivity in the Vulcan Sub-basin.

The permit shows Jurassic leads, over multiple reservoir levels plus potential for secondary plays in the shallower, Late Cretaceous stratigraphy that will be the focus of Carnarvon's ongoing technical investigations.

Risked target value of 44-51 cps

Valuation

Cash is a depleting asset in Carnarvon's case.

Valuation	$m.		$/ share	Dil/ shr
Cash (est)	53	53	0.045	0.029
New equity		77		0.043
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The stock traded near cash asset backing when it had +$100 million of net cash and now trades with a market capitalisation of $169 million after making two significant oil & gas discoveries and a recent $20 new issue.

Strachan Corporate assumes that Carnarvon will either fund Buffalo development with US$100 million of project debt plus +A$80 million of new equity, or it will farm-down to retain 60% for project funding.

Success at the 100% owned Buffalo-10 would significantly de-risk the project, allowing either a well priced farm-down or a move to develop the project as 100% owner.

Buffalo worth 20-31 cents per share depending on final ownership structure

Assuming that Carnarvon is able to sell a 40% interest in Buffalo for ~A$10 per barrel of Reserves, post Buffalo-10 and that the project is then ascribed a 75% POS, Strachan Corporate finds a risked value of $243 million or 20.5 cents per share for Carnarvon's assumed retained 60% interest the project.

Should Carnarvon push ahead with 100% equity at Buffalo by raising net A$77 million of additional equity at current market pricing with remaining capital project funded with debt, Strachan Corporate finds a valuation of $546 million or 31 cents per share on an expanded capital base.

Success at the Dorado Caley zone alone would underpin the company's current market capitalisation while the Caley at Phoenix South could be worth $126 million if gas is valued at A$0.60 per Mcf. By comparison, Woodside recently paid about 20 cents per Gj of dry gas to increase its stake in the large Scarborough dry gas field. The Scarborough gas is deep, distant, dirty and dry. It will require massive capital support to develop and Woodside is able to make that work because it has existing, downstream processing infrastructure from which it can leverage.

By comparison, Bedout Sub-basin gas is only 180 kilometres from gas transport facilities at Port Hedland. It is high quality gas with low impurities and has support from high condensate content. Development into a A$6/Gj domestic market is likely to support an NPV of over A$1/Gj so applying an insitu value of A$0.6/Mcf of gas and A$14/bbl of liquids seems reasonable.

Significant un-risked upside for exploration success

CARNARVON – RISKED EXPLORATION

Prospect	Equity %		Target		Insitu Value		Value	Success	POS	Cost	Risked
	Now	Ret *	Gas Bcf	Oil mmbbl	Gas	Oil	$m	Value $/shr	%	$m	Value $/shr
Phoenix Sth	20%	20%	0	7	0.00	8	$ 56	0.01	70%	6	0.00
Phoenix Sth Caley	20%	20%	489	57	0.60	10	$ 863	0.10	70%	6	0.06
Phoenix Regional	20%	20%	664	36	0.60	14	$ 902	0.10	15%	30	0.00
Phoenix Hove	20%	20%	135	11	0.60	10	$ 191	0.02	35%	30	-0.01
Roc	20%	20%	332	19.6	0.60	14	$ 473	0.05	90%	4	0.05
Roc-2	20%	20%	120	7.1	0.60	14	$ 171	0.02	30%	4	0.00
Dorado - Caley	20%	20%	545	31	0.60	14	$ 754	0.08	35%	10	0.02
Dorado Milne	20%	20%	1386	69	0.60	14	$ 1,802	0.20	11%	16	0.01
Bewdy	20%	20%	27	28	0.60	14	$ 408	0.05	20%	10	0.00
Bottler	20%	20%	0	31	0.60	14	$ 434	0.05	20%	10	0.00
Peng	25%	25%	22	10	0.60	10	$ 113	0.02	6%	16	-0.01
Buffalo	100%	60%		31	0.60	20	$ 620	0.21	75%	44	0.13
Buffalo upside	100%	60%		3	0.60	20	$ 60	0.02	35%	5	0.00
WA-521-P Ivory	100%	40%		200	0.60	14	$ 2,800	0.62	12%	26	0.06
WA-521-P	100%	20%		300	0.60	14	$ 4,200	0.47	10%	21	0.03
Outtrim-East	28.5%	28.5%		9	0.60	14	$ 126	0.02	30%	9	0.00

*Source: Strachan Corporate: * Post farm-out*

Strachan Corporate finds significant risked value upside for the current drilling programmes at Phoenix South and Dorado as well as the Ivory prospect, where Prospective Resources of 200 mmbbls are assumed, well below the 421 mmbbls estimated by the company.

Experienced team

Board & Management

Chairman
Mr Peter Leonhardt
Peter is a Chartered Accountant, former Senior Partner with Price Waterhouse Coopers and Managing Partner of Coopers & Lybrand in Western Australia. He has extensive business, financial and corporate experience. He was Chairman of Voyager Energy Ltd prior to its merger with ARC Energy Ltd and is a director of CTI Logistics Ltd. He is also a director of the Western Australian Institute for Medical Research and the Cancer Research Trust.

Managing Director
Mr Adrian Cook
Adrian has 25 years experience in commercial and financial management, primarily in the petroleum industry. Prior to joining Carnarvon, Adrian was the Managing Director of ASX listed oil and gas exploration and production company Buru Energy Limited. He has also held senior executive positions within Clough Limited's oil and gas construction business and was on the executive committee at ARC Energy Limited, an ASX listed mid cap oil and gas exploration and production company.

Non-executive Director
Mr Bill Foster
Bill is an engineer with extensive technical, commercial and managerial experience in the energy industry over a 40 year period. He has been an advisor to a major Japanese trading company for the last 20 years in the development of its global E&P and LNG activities and has spent time prior to this working internationally in the development of a number of energy companies.

Bill was a former independent director of Tap Oil Ltd and of the E&P companies that were formed through his advisory services to the Japanese trading company.

Non-executive Director
Dr Peter Moore
Peter led Woodside's worldwide exploration efforts as the Executive Vice President Exploration, and was the Head of the Geoscience function (Exploration, Development, Production, M&A).

Chief Operating Officer
Philip Huizenga
Philip has an extensive engineering background with nearly 20 years in the oil and gas industry working on drilling rigs in offshore and remote locations and has several years of reservoir engineering experience. Philip has worked in Asia and the Americas in a number of engineering and management roles.

Exploration Manager
Dr Stephen Molyneux
Stephen is a geologist with 20 years experience in seismic data interpretation and development geology. Most recently he worked for Origin Energy securing new ventures internationally. Previously he worked for Premier Oil Norway as Lead Geoscientist, Oilexco North Sea as Chief Geologist, PanCanadian and Enterprise Oil as an explorationist. During his career Dr Molyneux has played a part in discovery and development of more than 5 billion barrels of oil.

Exploration Advisor, new business development
Andrew Padman
Andrew is a geophysicist with 36 years experience in the upstream petroleum exploration & production industry, working on new venture, exploration and exploitation projects in the sedimentary basins of South East Asia for organisations including Exxon, Woodside Petroleum, Premier Oil, Newfield and ARC Energy.