

Chairman's Address

15 November 2019



Carnarvon Petroleum Limited ("Carnarvon") (ASX: CVN) is conducting its Annual General Meeting today in Perth.

For the benefit of those shareholders and market observers who were unable to attend and listen to the meeting in person, the Chairman's Address given by Mr Peter Leonhardt is attached.

For all enquiries please contact:

Shareholder Enquiries

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Company Secretary
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Yours faithfully

A handwritten signature in black ink, appearing to read "Thomson Naude".

Thomson Naude
Company Secretary
Carnarvon Petroleum Limited

This news release contains 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 news release 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.

Before we move onto the formal proceedings, I would like to take the opportunity to share my views on what has been another incredible year for the Company. Following this we will complete the formal proceedings of the day, before Adrian Cook provides an in-depth update on the Company's activities.

A number of years ago Carnarvon set out a clear plan which focused on the highly prospective North West Shelf of Western Australia. We continued this strategy consistently and with determination despite the recent challenging industry conditions.

The highlight of this strategy so far, as you well know, has been the landmark Dorado oil and gas discovery in 2018. To date, Dorado is this century's largest liquids discovery in the North West Shelf of Western Australia. It has reinforced the exploration potential which still exists in this region and further strengthens Carnarvon's strategic focus.

The importance of the Dorado discovery led Carnarvon and its Joint Venture partner, Santos, to move quickly to confirm and appraise it in 2019.

Looking back on the previous year, we now have two successful Dorado appraisal wells and two fantastic flow tests over the Caley and Baxter reservoirs performed during the Dorado-3 well. With these results, we were extremely pleased to confirm the Dorado resource and to begin working towards the first phase of its development.

The Dorado project is a unique asset because of its scale, its jurisdiction in Australia, its location in shallow water, its proximity to supporting infrastructure and the strength of the operator in Santos. We are looking forward to providing further updates as the project progresses next year.

Carnarvon also achieved an important milestone this year in the Buffalo project. We were able to execute a Production Sharing Contract with the Government of Timor-Leste on terms similar to those enjoyed in Australia. As you may recall the governments of Australia and Timor-Leste agreed to a Maritime Boundary Treaty between the two Nations. A result of the Treaty being that the Buffalo project will be conducted under Timor-Leste jurisdiction.

I feel it is important to reinforce that a key element of the Maritime Boundary Treaty was that the affected Companies would retain fiscal equivalence. Following extensive negotiations, the Buffalo PSC achieves a similar net-back to Carnarvon after government taxes and duties when compared to Australia's offshore PRRT and income tax regimes.

With the PSC process now complete, Carnarvon has clarity on the regulatory way forward to redeveloping the Buffalo oil field. We are looking forward to working in and contributing to Timor-Leste which has been very welcoming to our Company and our people.

The Buffalo and Dorado projects highlight that the Company's success has been built upon its exploration activities. To put it simply, exploration is in our DNA and it creates opportunities to deliver further value to our shareholders. On this basis, Carnarvon continued to advance its exploration assets, particularly the numerous high value targets surrounding the Dorado discovery. Carnarvon also matured its exciting projects in the Vulcan Sub-basin and the Labyrinth project which is adjacent to Carnarvon's Dorado permit in the Bedout basin.

Whilst we have achieved significant milestones to date, our work must continue with the same enthusiasm to ensure that we maximise the value from our suite of assets.

This work is not possible without the tireless efforts of Adrian Cook and the Carnarvon team and I would like to thank them for another excellent year. As we have done at past AGM's, the Carnarvon team will be available at the end of today's proceedings and I encourage you to discuss our projects with them.

Finally, I would like to thank my fellow directors and all of our shareholders for their commitment and continued support. Your investment into our strategy has been integral to the successes that have been achieved so far. I believe the Company has a very bright future and I look forward to us all benefiting from this in future years.