

Shareholder update

24 March 2020



- Dorado development work is advancing around the engineering and pre-FEED work streams
- Some exploration initiatives are to be deferred on account of current market conditions
- Carnarvon has a strong cash balance of A\$119 million, and no debt, as at 31 December 2019

Dear shareholders,

Carnarvon provides its shareholders and other interested parties with the following update.

Current market conditions associated with the COVID-19 virus and lower oil price environment are providing challenging business conditions. The operator of the Dorado field, in which Carnarvon holds an interest, provided the market with an update yesterday.

In relation the Dorado project, Carnarvon provides the following clarifying information:

1. The Dorado development work is continuing as planned with engineering and pre-FEED work streams being advanced, broadly to plan timing wise. The cost of this work is minimal relative to the overall cost of the field development;
2. Planned seismic acquisition programs in the 2020 calendar year are expected to be deferred until market conditions improve and vessel logistics are not constrained by health issues; and
3. Work on the refinement of prospects for exploration drilling within the Keraudren 3D seismic area is also continuing. The drilling of these wells in 2021 will be dependent on improving market conditions.

Carnarvon's Managing Director and Chief Executive Officer, Adrian Cook said:

"The Dorado field is a high quality asset that is expected to have a low cost of production. So while the current market conditions provide challenges for business, progressing key assets like the Dorado field ensures Carnarvon and the operator have important options for a timely development in the future.

Carnarvon's very strong financial position, with A\$119 million in cash at 31 December 2019, ensures it is well placed to progress and support the operator of the Dorado development."

Approved by

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

Adrian Cook
Managing Director

Investor inquiries:

Thomson Naude

Company Secretary

Phone: (08) 9321 2665

Email: investor.relations@cvn.com.au

Media inquiries:

Luke Derbyshire

Managing Director, Spoke Corporate

Phone: 0488 664 246

Email: luke@spokecorporate.com