

Dorado field development update

13 May 2020



- **Competitive FPSO pre-FEED design competition has commenced**
- **Expressions of interest received for the wellhead platform reflect positive industry interest**
- **The Field Development Plan and Offshore Project Plan are also progressing to schedule**
- **Subject to market conditions, a final investment decision ("FID") on the project is targeted for 2021**

Carnarvon Petroleum Limited ("Carnarvon" or "the Company") advises that important progress has been made with the Dorado field development in relation to advancing work on the Floating Production Storage and Offtake ("FPSO") vessel and the well head platform ("WHP").

Pre-Front End Engineering Design ("pre-FEED") contracts were recently awarded to three leading contractors. Under the terms of the contracts the parties will work independently to advance their FPSO designs and mature their vessel construction plans and supply terms. The award of these contracts enables the Joint Venture to maintain its project schedule.

One of the pre-FEED contractors will be selected at the end of the pre-FEED stage to commence the formal FEED work. The award of the FEED contract is expected to occur later this calendar year. The pre-FEED process will also determine the contracting strategy for the FPSO.

By appointing three contractors to separately undertake this engineering and design work, the Joint Venture will be able to consider the optimal technical design, cost and schedule for the provision of the FPSO.

Expressions of Interest ("EOI") have now been received from a significant number of companies for the fixed well head platform ("WHP") that will support the production and ancillary wells and connect to and supply the FPSO. A short list of contractors will shortly be invited to tender for all or relevant parts of the WHP work including engineering and design, fabrication of jacket and topsides, and transport & installation into the field.

Additional work for this project, including the preparation of the Field Development Plan and Offshore Project Plan, are also progressing on schedule.

As outlined in previous updates, the FEED process for the Dorado field development is a relatively low cost phase within the total field development. The Joint Venture intends to progress this phase broadly as scheduled (subject to operational impacts associated with COVID-19 restrictions). The current schedule has the Final Investment Decision ("FID") slated for 2021, however this will be subject to market conditions at the relevant time.

Carnarvon's Managing Director, Adrian Cook said:

"The award of the pre-FEED contracts for the supply of an FPSO is a significant step and demonstrates the momentum which is building within the Dorado development project. This is testament to the quality of the project as we have the confidence to enter the next phase of development during this short period of uncertainty."

It is pleasing to have experienced, world class FPSO contractors appointed to the Dorado project. The short listed organisations have supplied excellent vessels in recent times and Carnarvon looks forward to working with them during the next phase of the project to ensure we have an optimised technical and financial solution.

Along with the great industry response to the expressions of interest for the supply and installation of a well head platform, Carnarvon is looking forward to all the necessary items being in place for a final investment decision on the Dorado project in 2021. Progressing the project now provides the Joint Venture with the greatest case to make the final investment decision next year if, as we expect, market conditions have improved.

I would like to thank the Carnarvon team, the operator, and our suppliers for working diligently and safely in these challenging conditions to ensure we progress this fantastic project."

Carnarvon has a 20% interest in the Dorado Project that resides within WA-437-P.

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