

Buffalo-10 drilling update

11 May 2021



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with an update on the preparation for drilling the Buffalo-10 well.

- **Buffalo-10 well is planned to be drilled in the fourth quarter of 2021**
- **US\$20 million received from Advance Energy Plc for the drilling of the well**
- **Procurement of long lead equipment has commenced and is progressing well**
- **The tender process for a drilling rig is nearing completion**

Petrofac, who are undertaking the drilling management services for this well, have identified the necessary long lead equipment to ensure the Buffalo-10 well is able to be drilled prior to the end of this year.

Following completion of the farmout to Advance Energy Plc, as was announced 20 April 2021, Carnarvon received US\$20 million to fund the drilling of the Buffalo-10 well. This means the drilling will be at no cost to Carnarvon unless the well costs more than US\$20m.

The procurement of long lead equipment has commenced, with orders placed for the supply of conductor pipe, well head, liner hanger and associated services. This long lead equipment is planned to be available before the end of the third quarter of 2021.

A tender process for the drilling rig is nearing completion, with the requirement for a suitable jack-up rig to be available in the fourth quarter of this year.

Carnarvon has also commenced the process of securing the necessary Timor-Leste Government approvals for drilling the well.

Carnarvon Managing Director and CEO, Mr Adrian Cook, said:

"I'm pleased to be able to report that the Carnarvon and Petrofac teams are making clear progress in our preparations to drill the Buffalo-10 well this year.

A drilling result that meets pre-drill expectations will provide a material value catalyst for Carnarvon and its partner, particularly given the low capital and operating costs per barrel that are expected to arise from production operations.

The nature of the field, particularly in terms of it being in shallow water, also enables a development facility to be installed in a timeframe that has the potential to result in the generation of earnings and cash flows well ahead of that arising from our larger Dorado development.

The consequence of these outcomes is important in terms of its value generation and strategic optionality for the Company."

Approved by



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