

Buffalo-10 drilling update

30 June 2021



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with confirmation that a drilling rig has been selected for the Buffalo-10 well, planned to be drilled in October of this year.

- **A jack-up drilling rig ("rig") for the Buffalo-10 well has been selected**
- **A Letter of Intent ("LOI") has been signed and the formal rig contract is being finalised**
- **On the current schedule, the well is expected to commence in late October 2021**

After an Invitation to Tender process, a preferred rig for drilling the Buffalo-10 well has been selected.

Carnarvon has signed a LOI with the relevant rig contractor, and a formal rig contract, consistent with the terms of the LOI, is now being finalised.

Carnarvon is expecting to take possession of the rig upon completion of its current drilling operations, which is planned to occur around the end of October 2021.

The final well timing will be subject to securing remaining drilling support services and equipment, and joint venture and regulatory approvals, all of which are in progress.

The Buffalo-10 well is designed to test the presence of a significant attic oil accumulation remaining after the original development. This interpretation has been supported by utilising state-of-the-art full waveform inversion technology to reprocess the 3D seismic data over the field.

Following the farm-out of the Buffalo project on 20 April 2020, Carnarvon is free carried for the first US\$20m of the Buffalo-10 well costs, whilst retaining a 50% equity interest and operatorship of the project.

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

"I am pleased to announce that a rig has been selected to drill the Buffalo-10 well. This is a significant milestone towards the re-development of the Buffalo oil field.

Importantly, the project team is well advanced to start drilling the well as early as October 2021.

The Buffalo field provides an excellent opportunity to quickly deliver a low-cost oil development that is poised to take advantage of the strengthening oil market and forecasted supply shortages.

The Buffalo-10 well will commence an exciting period of highly prospective exploration activity for Carnarvon with the Pavo-1 and Apus-1 well campaign in the Bedout basin scheduled to commence soon after Buffalo-10."

Approved by



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Carnarvon Picks Jack-up Rig for Buffalo Well in Timor Sea

OE Staff • June 30, 2021



Australian oil company Carnarvon Petroleum has selected a jack-up drilling rig for the Buffalo-10 well offshore Timor-Leste, planned to be drilled in October of this year.

The company has signed a letter of intent with an undisclosed offshore drilling contractor, with a formal rig contract now being finalized.

"Carnarvon is expecting to take possession of the rig upon completion of its current drilling operations, which is planned to occur around the end of October 2021," Carnarvon said.

The final spud date, according to Carnarvon, will be subject to on securing remaining drilling support services and equipment, as well as joint venture and regulatory permits, which are all in the works. Carnarvon's partners in the project is Advance Energy, which recently paid US\$20 million to acquire a 50% interest in the Buffalo PSC.

The cash will be used for the drilling of the Buffalo-10 well, and will be at no cost to Carnarvon unless the well costs more than US\$20m.

The Buffalo-10 well is designed to test the presence of a significant attic oil accumulation remaining after the original development.

This interpretation has been supported by utilising state-of-the-art full-waveform inversion technology to reprocess the 3D seismic data over the field.

Carnarvon Managing Director and CEO, Mr Adrian Cook, said: "I am pleased to announce that a rig has been selected to drill the Buffalo-10 well. This is a significant milestone towards the re-development of the Buffalo oil field.

"Importantly, the project team is well advanced to start drilling the well as early as October 2021. The Buffalo field provides an excellent opportunity to quickly deliver a low-cost oil development that is poised to take advantage of the strengthening oil market and forecasted supply shortages.

"The Buffalo-10 well will commence an exciting period of highly prospective exploration activity for Carnarvon with the Pavo-1 and Apus-1 well campaign in the Bedout basin scheduled to commence soon after Buffalo-10."



Credit: Carnarvon Petroleum

Buffalo

Carnarvon was awarded the WA-523-P permit, which included the previously developed Buffalo field, in May 2016 for an initial six-year term. The field was discovered by BHP in 1996 and subsequently developed using four wells drilled from a small, unmanned wellhead platform installed in 25 meters water depth, tied back to an FPSO.

Production started in December 1999 at production rates up to approximately 50,000 stb/d and terminated in November 2004 after the production of 20.5 MMstb of highly-undersaturated, light oil (53°API) from the Jurassic-age Elang Formation. All existing facilities and wells were decommissioned and removed prior to Carnarvon being awarded the permit.

Carnarvon initially focused its technical efforts on reprocessing the 3D seismic dataset using full-waveform inversion (FWI) technology.

"This work supports the interpretation of a significant attic oil accumulation remaining after the original development, based on sub-optimal positioning of early wells using poorly processed seismic data. Reservoir modeling has been conducted using the latest structural interpretation and available well data, including an extensive history-matching effort to calibrate model/well performance to production rates and water-cut development (governed by strong aquifer drive) observed during the original production period," the company said previously.

Per Carnarvon, independently audited volumetric estimates of contingent resources in the Buffalo oil field are 31.1 million barrels (2C) with low estimates of 15.3 million barrels (1C) and high estimates of 47.8 million barrels (3C).

The Buffalo project was originally situated in Australian waters, but in 2018, the Australian and Timor-Leste governments signed a maritime boundary agreement that changed the maritime boundary between the two countries, affecting the WA-523-P permit that contains the Buffalo project.

The WA-523-P exploration permit has been split in two with a portion containing the Buffalo oil field changing from its Australian jurisdiction to being exclusively in the East Timor jurisdiction.

According to Advance Energy's previous statements, Buffalo PSC has the potential to deliver production of 40,000 bopd within three years of the B-10 Appraisal Well depending on the degree of success of the drilling of the well.