

Investor presentation

17 June 2014



Carnarvon Petroleum Limited (“Carnarvon”, or “the Company”) (ASX:CVN) is pleased to provide shareholders with the following presentation provided today at the Resourceful Events’ Oil and Gas Investment Summit in London.

Carnarvon’s strategy is to use experienced people, a comprehensive regional database and sound financial resources to generate value for shareholders. By thinking and acting different, Carnarvon is able to apply those resources, at times unconventionally, to achieve the aim of securing quality acreage, and leveraging that position to achieve value for shareholders. Board and management are significant shareholders and hence have ‘skin in the game’, ensuring the interests of shareholders, the board and management are aligned.

Mr Cook explained how the process of thinking and acting different was brought to fruition through the Company’s investment in Thailand. Carnarvon acquired an underperforming sandstone oil field and transformed it into a valuable, earnings generating asset, which is currently producing at 4,000 barrels of oil per day. Carnarvon’s initial investment of A\$20 million has generated over A\$43 million in free cash flows and enabled the company to divest half of its 40% interest for up to A\$73 million (as announced to the ASX 3 March 2014).

The presentation by Mr Cook also focused on the North West Shelf assets and in particular the drilling of Carnarvon’s Phoenix South-1 well; a joint venture on the Company’s North West Shelf blocks in Western Australia with Apache Energy, JX Nippon and Finder Exploration. The Phoenix South-1 well is an important new well in the region particularly in terms of its location to major players’ acreage and a positive result in this well could significantly contribute to alleviating a threatening Western Australian gas supply short fall. Future drilling at the Roc prospect with the joint venture partners, after drilling and assessing the Phoenix South-1 result, was also discussed as a future highlight.

Mr Cook also spoke about the recent award of 3,200km² of new exploration blocks, named the Cerebrus project, in the Carnarvon Basin of the North West Shelf. Carnarvon has minimal commitments within the first three year period and the combination of sizable targets and comparably low future exploration costs is expected to make this an attractive addition to Carnarvon’s portfolio. These block awards are an exciting development that demonstrate Carnarvon’s evolution in leading edge exploration in the oil and gas industry.

Carnarvon has a strong balance sheet with \$50 million in cash and no debt. The company is well positioned for exploration success in the near term and the next platform for growth from its new blocks on the North West Shelf. The company is in a strong position with a clear strategy to convert this success into value for our shareholders whilst endeavouring to protect the downside to the extent reasonably possible.

By thinking and acting differently, Carnarvon Petroleum continues to maximise value from its continually developing portfolio of exploration, appraisal and production assets.

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Yours faithfully



Adrian Cook
Managing Director
Carnarvon Petroleum



CARNARVON
PETROLEUM LTD

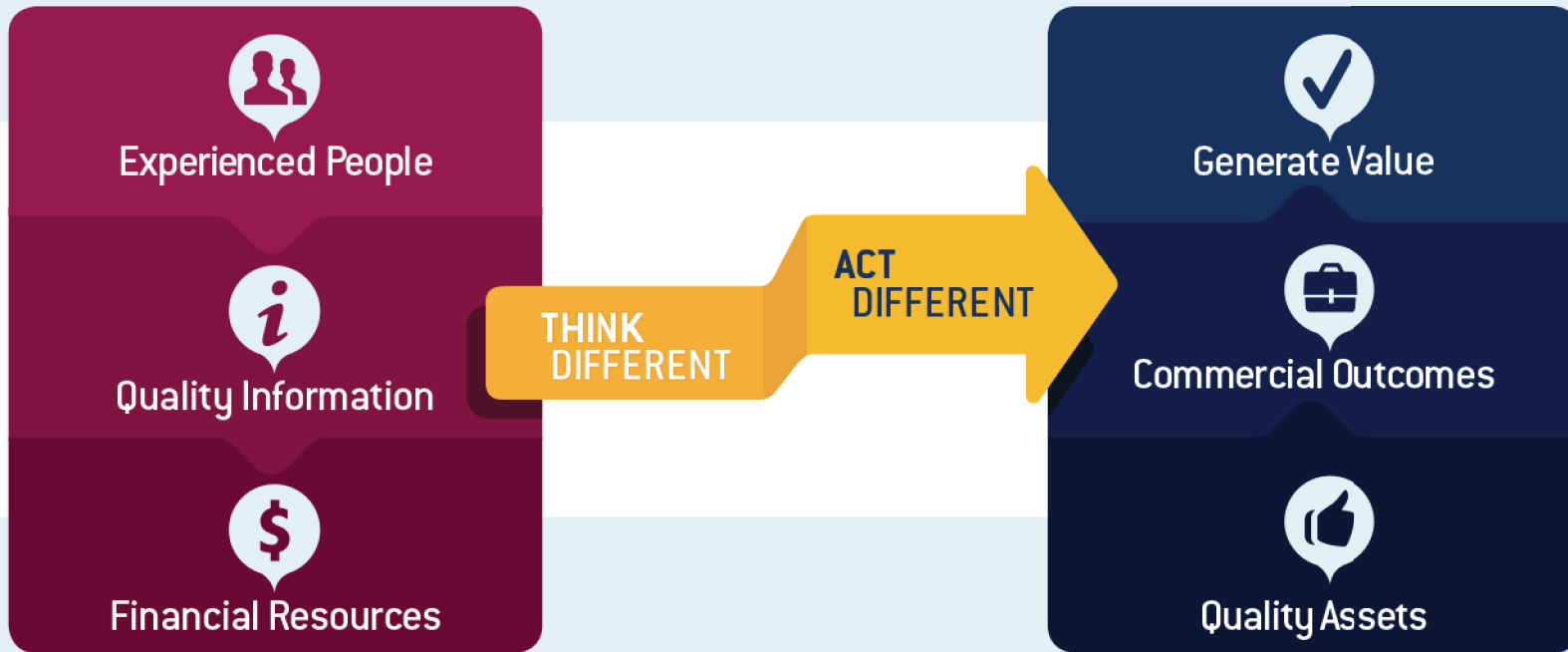
ASX: CVN

“ **Think** Different;
Act Different ”

Adrian Cook
Managing Director
Carnarvon Petroleum
London Oil & Gas Investment Summit

June 2014

Create Something Remarkable



Experienced People



Financial Resources

\$





Onshore Thailand:
Oil Production Assets

Thailand – Onshore Assets



Oil production recently increased 200% to ~4,000 bopd gross

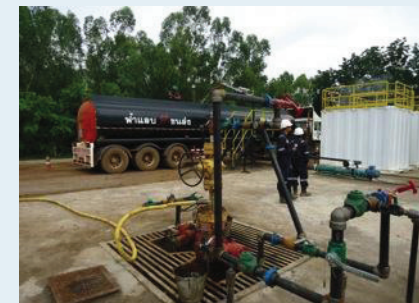
100 km² under production license in 1,100km² permits

Low-cost onshore operating environment

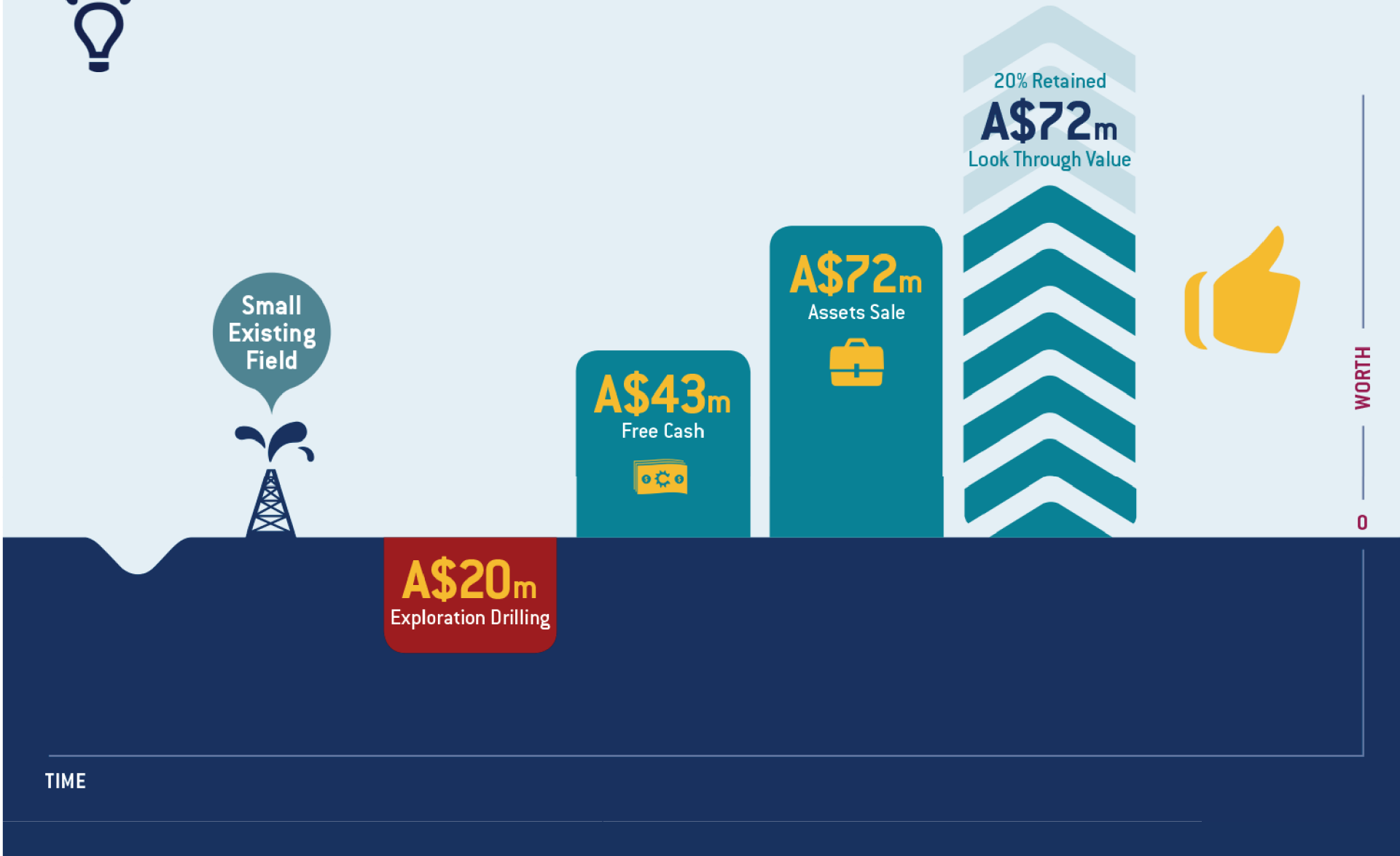
6 million barrels in net 2P oil reserves

Ongoing development program funded by cash flow

20% interest in the assets



Thinking Differently in Thailand



TIME

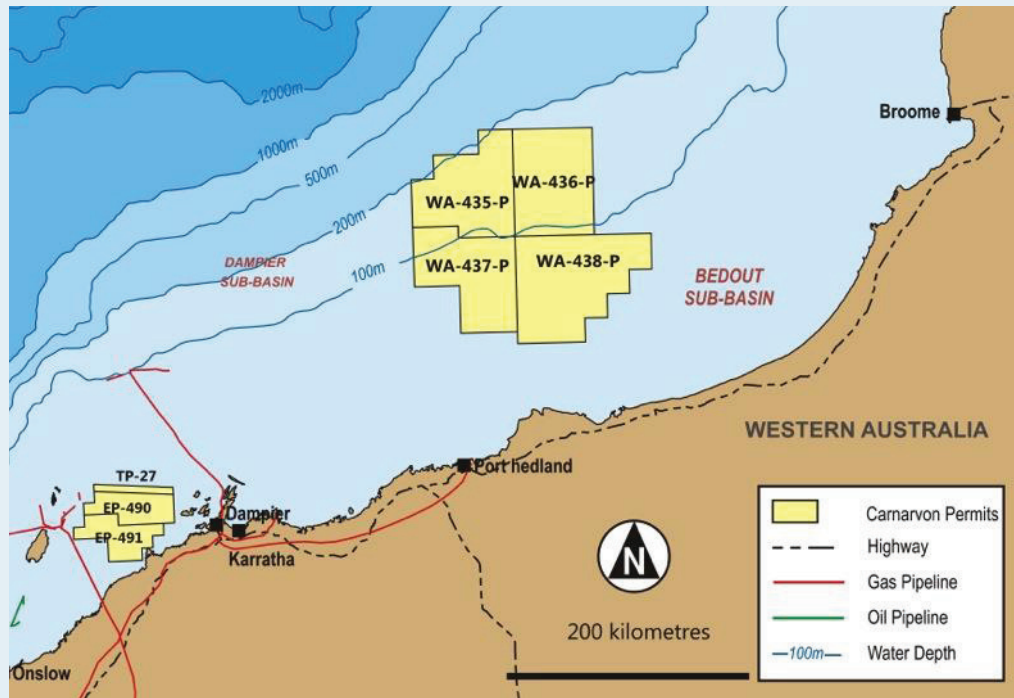
WORTH

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Western Australia:
The North West Shelf

Carnarvon's position in the North West Shelf



Area held ~23,000 km²

7 blocks, material equities

Oil & gas plays

Substantial 3D coverage

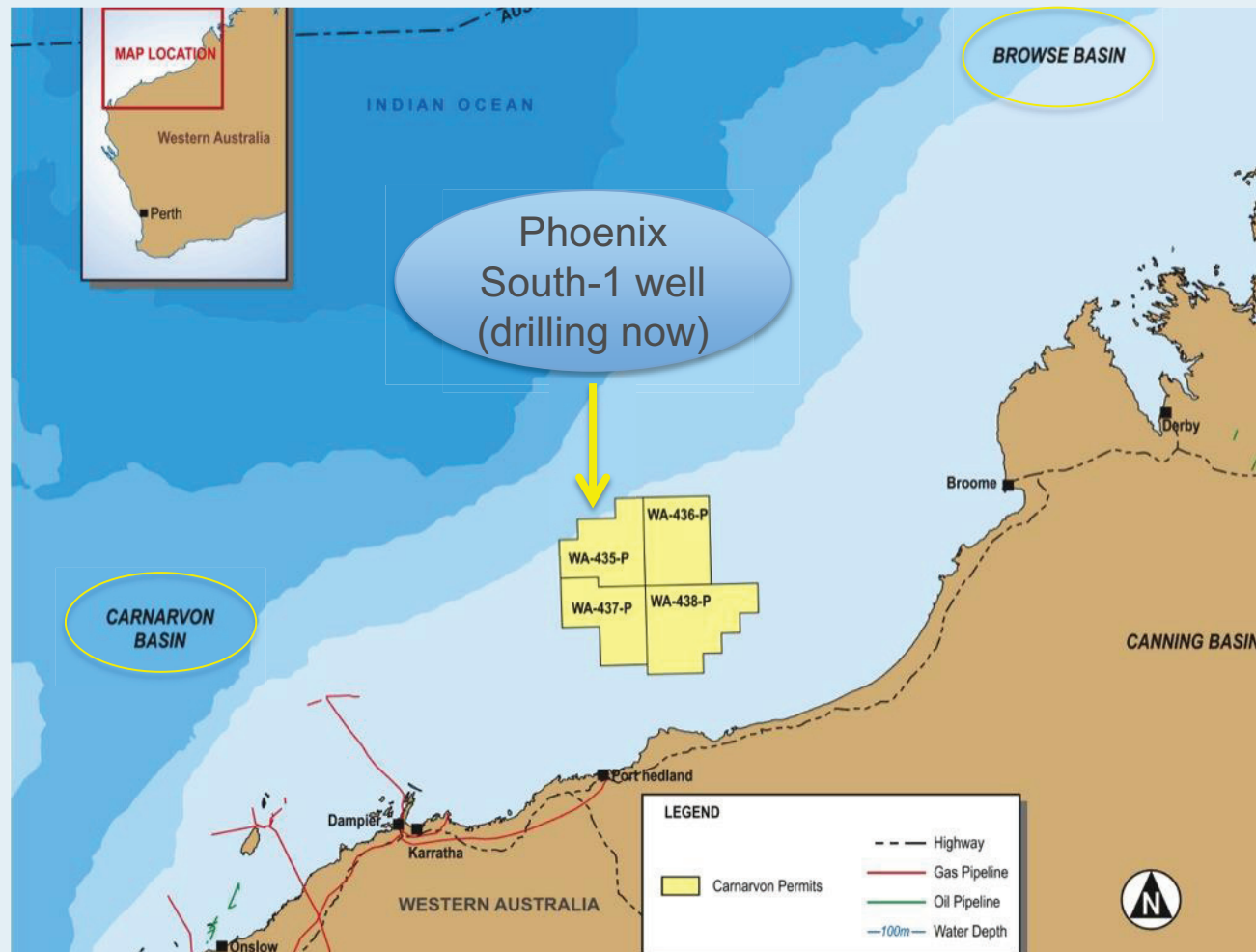
Shallow water depth

Line of sight to commercialisation

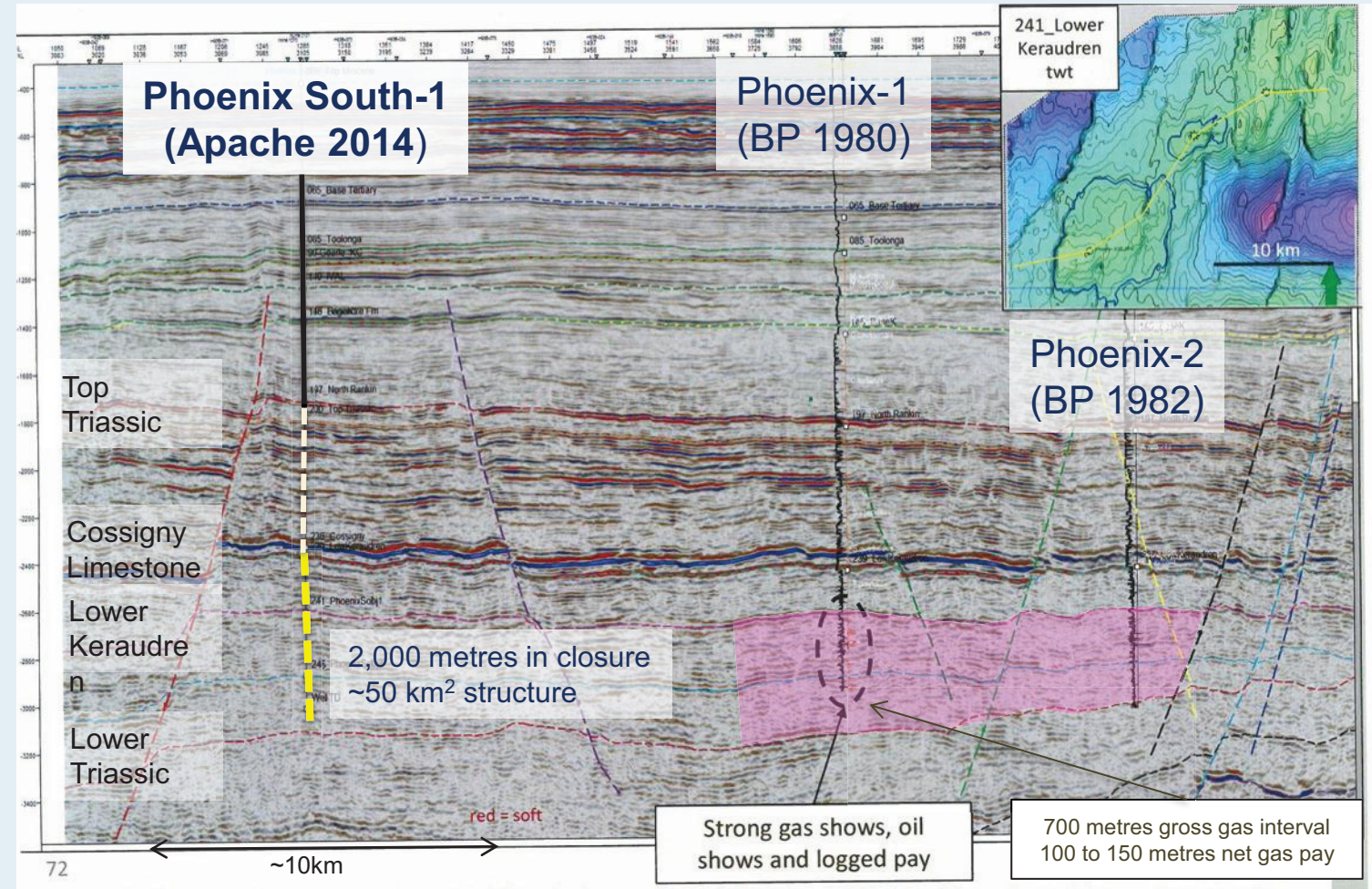


Introducing the Phoenix Blocks:
Bedout Sub-Basin,
Western Australia

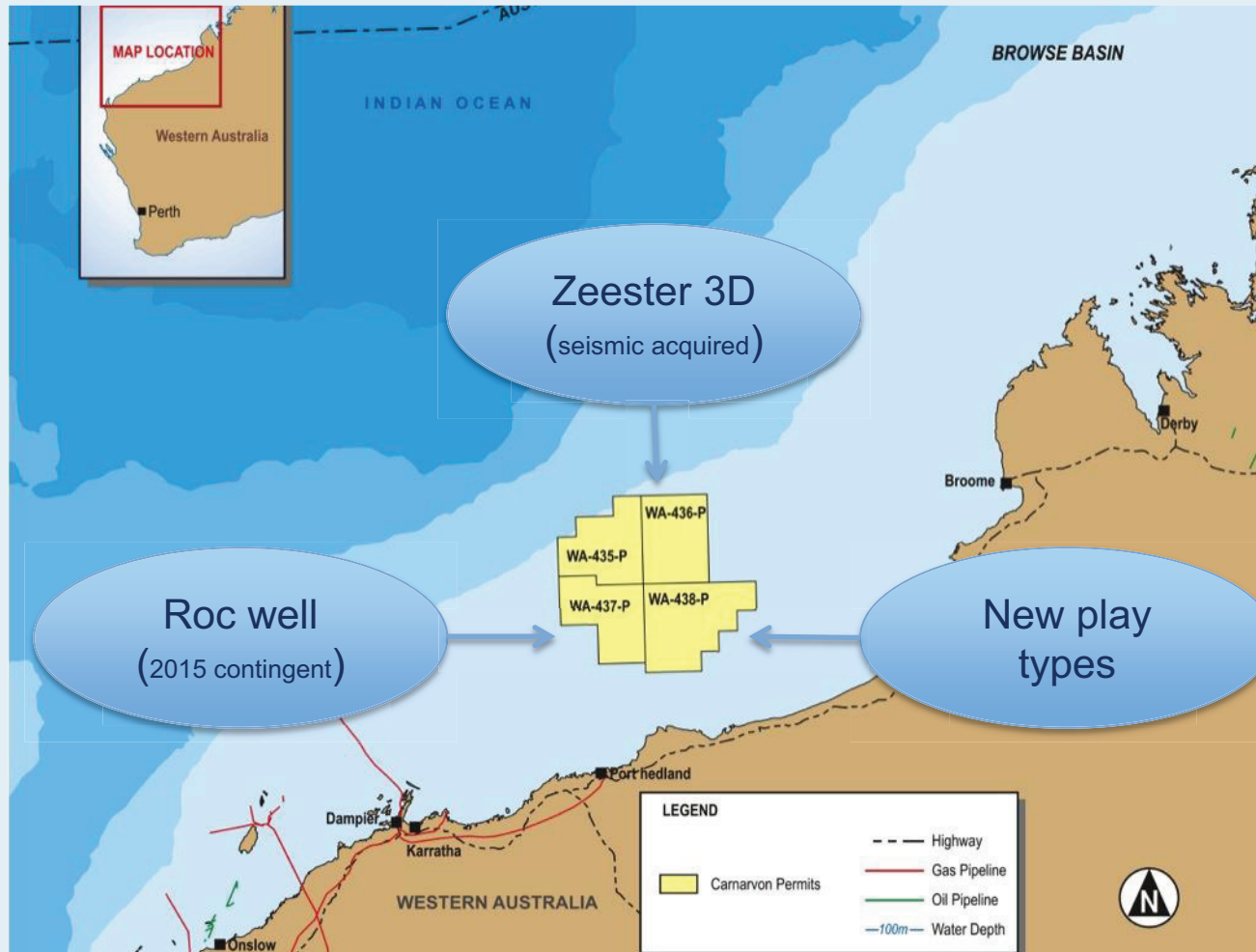
The opportunity starts with the Phoenix South-1 well



Phoenix South-1 well steps out from Phoenix-1 well



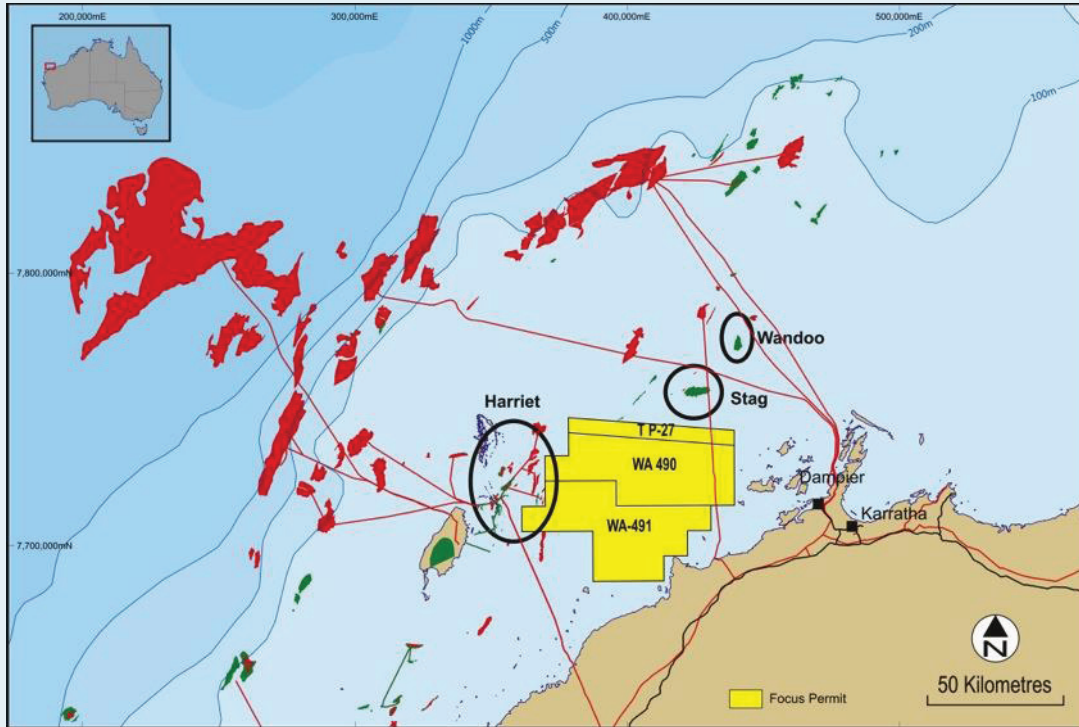
Future Regional Focus: Roc and beyond





Introducing New Cerberus Blocks:
Carnarvon Basin,
Western Australia

New Blocks: Cerberus



On trend with major oil fields

Area held ~3,200 km²

Substantially covered by quality 3D seismic data

Shallow water & targets

- <70m water depth
- jack-up rig drilling

Currently reprocessing 3D seismic and undertaking geological studies

Simplifying the Value Proposition



**WE ARE
HERE**

Future Farm Out and Drilling on New Blocks

Roc Well Contingent on Phoenix South-1 (free carried to US\$70m gross)

Phoenix South-1 Well (free carried to US\$70m gross)

20% interest in Thailand production (look through consideration up to A\$72m)

A\$50 million cash + up to \$35m in future royalty payments

VALUE



TIME

Disclaimer



The information in this document, that relates to oil exploration results and reserves, is based on information compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga consents to the inclusion of the reserves and resource statements in the form and context in which they appear.

This presentation contains forward looking statements which involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the oil and gas industry, many of which are outside the control of and may be unknown to Carnarvon Petroleum Limited.

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Think different
Act different

Addendum

May 2014

Addendum 1: Key Achievements



- Farmed out two North West Shelf exploration wells (Phoenix South-1 and Roc) to Apache and JX Nippon in which all past costs recovered and Carnarvon retained a 20% free carried interest through the wells;
- Increased well cost caps to cover the projected success case outcomes, meaning we expect to be prudently covered financially for success case outcomes in the upcoming drilling program;
- Materially increased oil production in Thailand in the recent drilling program with the next program to commence in July 2014;
- Divested half of our Thai oil production asset for US\$33m in cash to strengthen our financial position in preparation for success in the next North West Shelf well (Phoenix South-1 well);
- Retained upside exposure in the divested assets (in addition to retaining 20% interest in the asset) with up to US\$32m in future payments linked very simply to a percentage of field revenue; and
- Secured ~3,200km² of new exploration permits in the heart of the Carnarvon Basin on the North West Shelf, Western Australia.

Addendum 2: Business snapshot



- Positioned to capitalize on Phoenix South-1 well success
- New opportunities secured and capable of replicating the Phoenix model (CVN: 100%);
- A\$50 million in cash;
- US\$32 million deferred consideration receivable from asset sale
- No debt and minimal commitments;
- Phoenix South-1 well, CVN 20% interest free carried, is drilling to target zone;
- Plans are in progress for the Roc well, CVN 20% interest also free carried, to spud in 2015 if the Phoenix South-1 well is successful;
- Thailand oil production ~4,000 bopd gross (CVN 20% interest); and
- Further drilling in Thailand oil fields is planned Q3, 2014 following completion of technical work.

Addendum 3: Corporate snapshot



Closing share price and volume over 12 months for ASX:CVN

- Issued shares 987m
- Share price (ASX:CVN) 8.9c
- Issued options (10c) 49m
- Option price (ASX:CVNO) 3.6c

- Market Cap A\$88m
- Cash A\$50m
- Debt nil
- Hedging nil
- Enterprise value A\$38m