

2013 Financial Results Presentation

30 August 2013



ASX ANNOUNCEMENT

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with the attached 2013 Financial Results Presentation.

For this presentation and further information on the Company please visit the CVN website at: www.carnarvon.com.au

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Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook", is positioned above the printed name.

Adrian Cook
Managing Director
Carnarvon Petroleum



CARNARVON
PETROLEUM LTD

2013 Year End Results Presentation

30 August 2013



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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.

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Key Highlights

Production	Production in Thailand averaged 1,370 bopd gross (550 bopd net to Carnarvon) Generating \$18 million in cash receipts for Carnarvon
Development	First WBEXT sandstone development commenced during the financial year Water injection preparations, key for the development, were in an advance state at year end
Exploration - Thailand	New 3D seismic was acquired in Thailand over proven production area during the year Drilling on this seismic is planned to commence in the December 2013 quarter
Exploration - WA	Two permits were farmed out during the year to Apache and JX Nippon The first well is expected to spud between November 2013 and January 2014
Health Safety & Environment	Drilling of 16 wells during the year were completed without incident Acquisition of 3D seismic data was similarly completed incident free

Portfolio Snapshot

L44/43 & L33/43 (Thailand)	40% interest Oil produced from sandstone and igneous reservoirs
L52/50 & L53/50 (Thailand)	100% interest Oil exploration permits, available for farmin
L20/50 (Thailand)	0% interest (commercial entitlement on discovery and production)
Phoenix blocks (Australia)	Interests range from 20% to 100% across 5 exploration permits Phoenix South well is in WA-435-P
WA-399-P (Australia)	13% interest Apache operator, early stage exploration



 Exploration/Appraisal
  Production



2013 Year End Financial Results in Review

Income Statement

Operating analysis	A\$m	Comments
Sales Revenue	\$18.3m	Produced 200,147 bbls at average realised oil price of \$91.50 Average gross production of 1,370 bopd
Cost of sales	(\$13.0m)	Production expenses of \$4.4 million (\$22.0/bbl) Depreciation of \$5.1 million (\$25.5/bbl) Selling, general and administration of \$1.9 million (\$9.5/bbl) Royalties and other of \$1.6 million (\$8.0/bbl)
Operating margin	\$5.3m	Net operating margin of \$26.5/bbl
Other income and gains	\$2.3m	Gain on asset transaction (Phoenix) of \$0.6m Finance income of \$0.2m Unrealised foreign exchange gain of \$1.5m
Other expenses	(\$6.1m)	New venture and advisory expenses of \$2.3m Administrative expenses of \$1.2m Exploration expenses written off (L20/50) of \$1.1m Employee expenses of \$0.9m Other expenses of \$0.6m
Profit before income tax	\$1.5m	

Income Statement

Tax analysis	A\$m	Comments
Prima facie tax on pre tax profit	\$0.5m	Pre-tax profit of \$1.5m x 30% tax rate
Effect of higher overseas tax rates	\$1.0m	Thailand has higher tax rates compared to Australia
Effect of foreign exchange	\$6.2m	Tax effect of changes in exchange rates on the translation of Balance Sheet items. The translation of the balance sheet resulted in a gain of \$18.1m as recorded in the Comprehensive Income Statement
Non-deductible expenditure	\$0.6m	The tax effect of expenditure that is not available for tax deduction
Prior year temporary differences recognised	(\$0.3m)	Timing differences between tax and accounting recognition
Current year tax benefit not brought to account	\$1.9m	The tax effect of Australian based expenditure not available for tax deduction in Thailand
Income tax expense	\$9.9m	

Balance Sheet

Extract of key items	A\$m	Comments
Cash	\$19.5m	Excludes restricted cash of \$1.4m included in receivables
Receivables	\$5.1m	Includes oil sales owing of \$2.8m and restricted cash of \$1.4m
Inventories	\$7.0m	Thailand field inventories including those for future drilling
Capitalised exploration expenditure	\$3.4m	Primarily related to the L52/50 concession in Thailand
Oil and gas assets	\$108.4m	Carnarvon's investment in its Thai producing concessions
Interest bearing debts	-	Carnarvon has no debt
Trade and other payables	(\$3.2m)	Primarily drilling expenses accrued for WBEXT-2C well and operating trade payables
Deferred Tax Liability	(\$43.2m)	Temporary differences between income tax deductions and accounting depreciation of the Company's oil and gas assets
Total Equity	\$96.8m	

Cash Flow

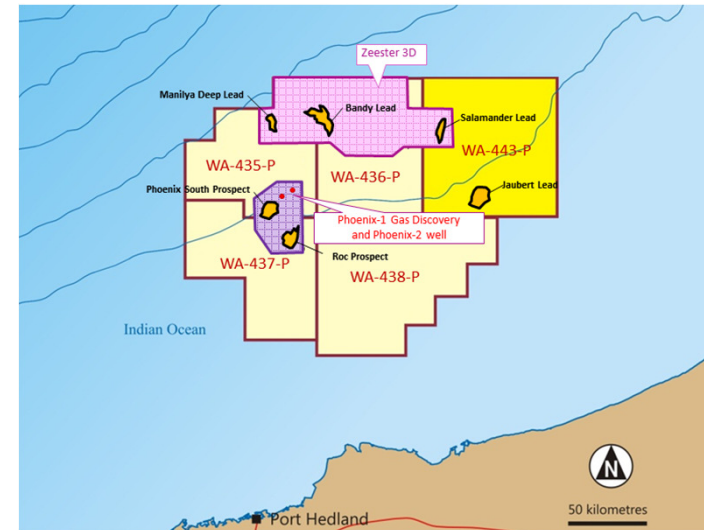
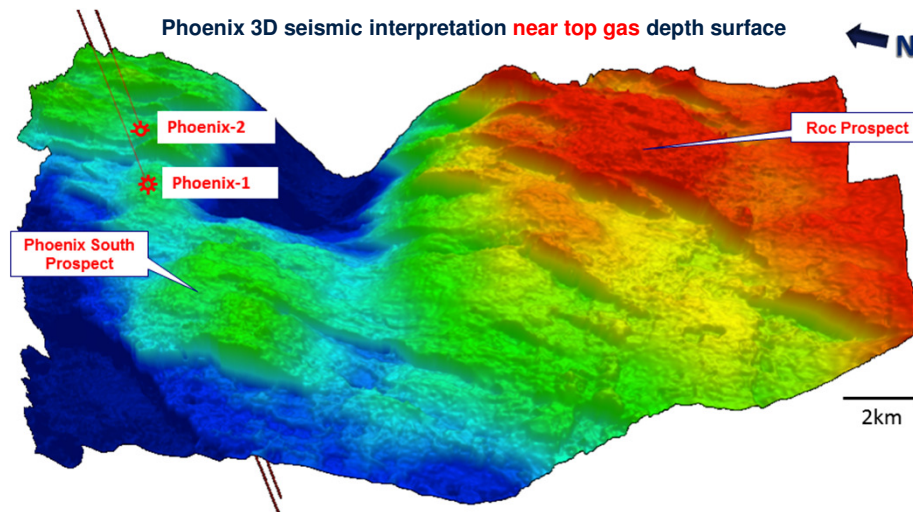
Extract of key items	A\$m	Comments
Receipts	\$18.4m	Receipts from Thailand oil sales
Payments	(\$15.8m)	Predominantly Thailand operations and Perth office
Taxes	(\$1.5m)	Thailand income tax paid
Exploration & development *	(\$12.5m)	Thailand development costs and exploration activities in L52/50 and the North West Shelf, Western Australia.
Farmout Proceeds	\$4.5m	Proceeds of farmout of Phoenix blocks to Apache and JX Nippon and concession exit payment from Mubadala
Capital Raise	\$18.8m	Proceeds of placement and share purchase plan
Exchange rate effects	\$1.5m	Effect of the strengthening of the US dollar against the Australian dollar in translation of foreign currency cash balances
Net increase in cash	\$10.9m	
Closing Cash	\$19.5m	

* Commitments during the next 12 months are \$3.1 million and \$3.7 million for the following four years



Key Asset Highlights

Phoenix



Phoenix-1 discovery	Phoenix-1 discovered gas in 1980 when gas prices meant the discovery was not economic
Phoenix 3D seismic	This was the first 3D seismic ever acquired over these permits and facilitated the 2012 farmout
Successful farm out	Apache and JX Nippon farmed into WA-435-P and WA-437-P in October 2012 committing to drill the Phoenix South well and a contingent well covering the Roc prospect
Phoenix South well	This large four way closure, on trend with the Phoenix-1 discovery, is scheduled to spud between November 2013 and January 2014
Forward plans	The farmed out Roc prospect in WA-437-P is expected to be drilled following success in the Phoenix South well The farmout of WA-436-P, that contains the new Zeester 3D seismic, is also expected to commence following a successfully Phoenix South well

Thailand Production

Producing oil fields with unhedged exposure to strong oil price	200,000 bbl (net) produced in 2013 FY Production set to increase late 2013 and into 2014
Undeveloped reserves can be brought on-stream in a cost effective manner	2.4 MMbbl (net) in proved undeveloped reserves Drilling costs between US\$1.0 and US\$1.5m gross each well
Significant potential for further exploration and Enhanced Oil Recovery projects	Water flood project commenced August 2013, other projects in concept stage ~600km ² considered for future seismic acquisition
Established infrastructure and access to end-markets	Four lane highway – truck to refinery at \$2.20 / bbl (gross) Oil sold to PTT, contract renewed July 2013
Active drilling program planned for late 2013	Drilling on new 3D seismic data (first since 2007) Planned 5 to 8 well program





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