

Excellence in Oil and Gas Presentation

12 March 2014



Carnarvon Petroleum Limited (“Carnarvon”) (ASX:CVN) is pleased to provide shareholders with the following presentation provided today at the Excellence in Oil and Gas Conference in Sydney by Carnarvon’s Chief Executive Officer and Managing Director, Mr Adrian Cook.

Mr Cook will outline how Carnarvon, a junior ASX listed exploration and production company, was able to secure 28,000 km² of prime acreage ahead of a big exploration charge into the region by major oil and gas companies. The presentation also outlines how Carnarvon has turned around an investment into a low level producing field in Thailand into a sales agreement for up to A\$72 million, while still retaining half the remaining asset.

Carnarvon’s strategy is to use experienced people, a comprehensive information base and sound financial resources to generate value for shareholders. However by thinking and acting different, Carnarvon is able to apply those resources sometimes unconventionally to achieve the required aim of securing quality acreage, and leveraging that acreage via farm-out or sales agreement to achieve value for shareholders.

For the Thailand assets, the realisation that the unconventional fractured igneous could be a viable reservoir, has turned an overall A\$20 million investment into a sales agreement (for half of Carnarvon’s holdings) for up to A\$72 million, as was outlined in the ASX releases on 3 March 2014.

For the Phoenix blocks, the ability to see past the short term effects of the Global Financial Crisis in 2008 allowed Carnarvon to pick up interest in five blocks covering a total of 28,000 km² within the space between the Carnarvon and Browse basins. Five years later, Carnarvon and partner Finder have farmed out two of these blocks to Apache and JX Nippon. Apache have also taken an option over two more blocks, but just as importantly the majors (including Woodside and Shell) have picked up neighbouring acreage and have committed exploration spends of over \$500 million in the region.

In simple terms, upon successful completion of the sales agreement, Carnarvon will have a net cash position of over \$50 million and future earnings from the sales agreement of up to A\$35 million. Carnarvon also maintains leverage to success in Thailand by retaining a 20% interest in the production and exploration assets (with a look through consideration of up to A\$72 million).

Importantly Carnarvon is well funded through the upcoming drilling of the Phoenix South-1 and contingent Roc-1 wells.

Finally Carnarvon continues to act and think differently in order to maximise value from the remaining portfolio, and also new additions to this portfolio.

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Yours faithfully



Adrian Cook

Managing Director

Carnarvon Petroleum



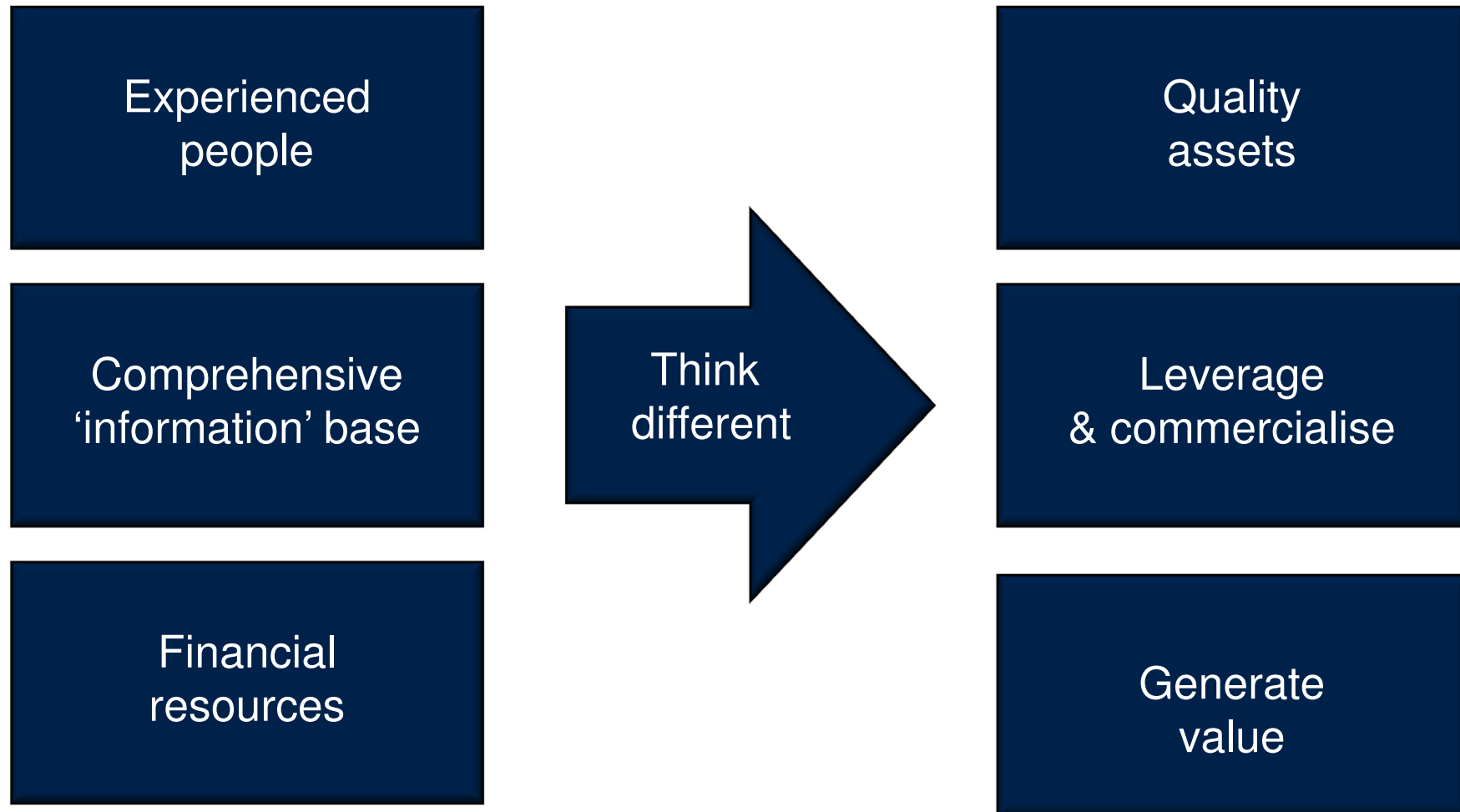
Think Different; Act Different

March 2014



Adrian Cook
Managing Director
Carnarvon Petroleum

Simplifying the story



Experienced People



Comprehensive 'information' base

Knowledge

Relationships



Western Australia

South East Asia

Financial resources

Cash of A\$20m ⁽¹⁾

Cash from asset sale proceeds of A\$33m ⁽¹⁾

Future cash from asset sale royalty of up to A\$35m

Two farmed out wells – 20% free carried to US\$70m per well

On-going cash flow from Thailand production

No debt and minimal permit commitments

(1) Includes around A\$4m in working capital and (2) excludes around \$4m in working capital

Thinking and acting differently in Thailand

**.....transformed existing sandstone field
into a high value igneous and sandstone asset**

\$20m initially invested

\$108m capex funded from operations

\$43m distributed in free cash

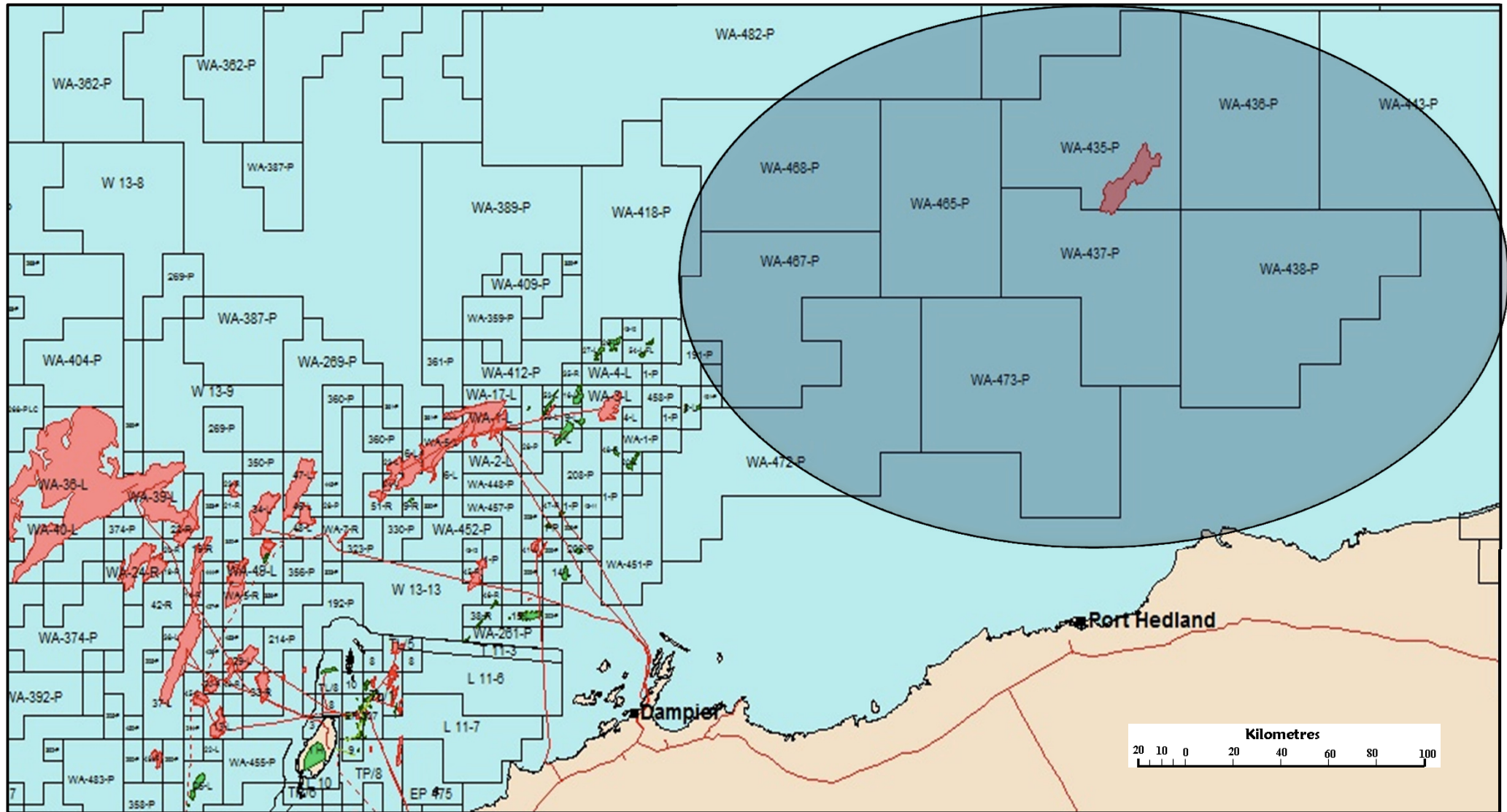
Up to \$72m sale of half interest

20% interest retained in active asset

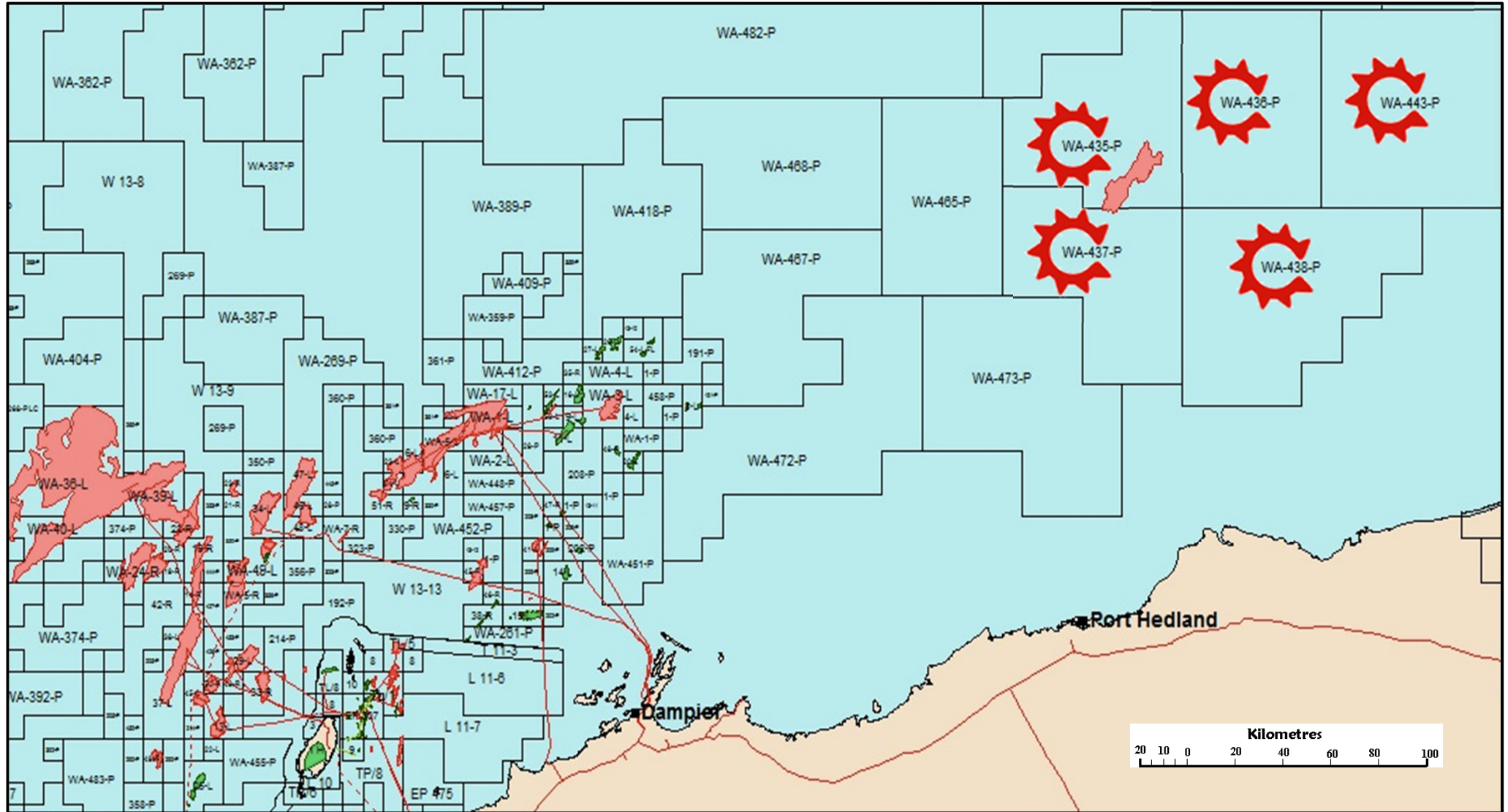


**Every producing field
starts out as an idea ...
but to get the idea you
need to think different.**

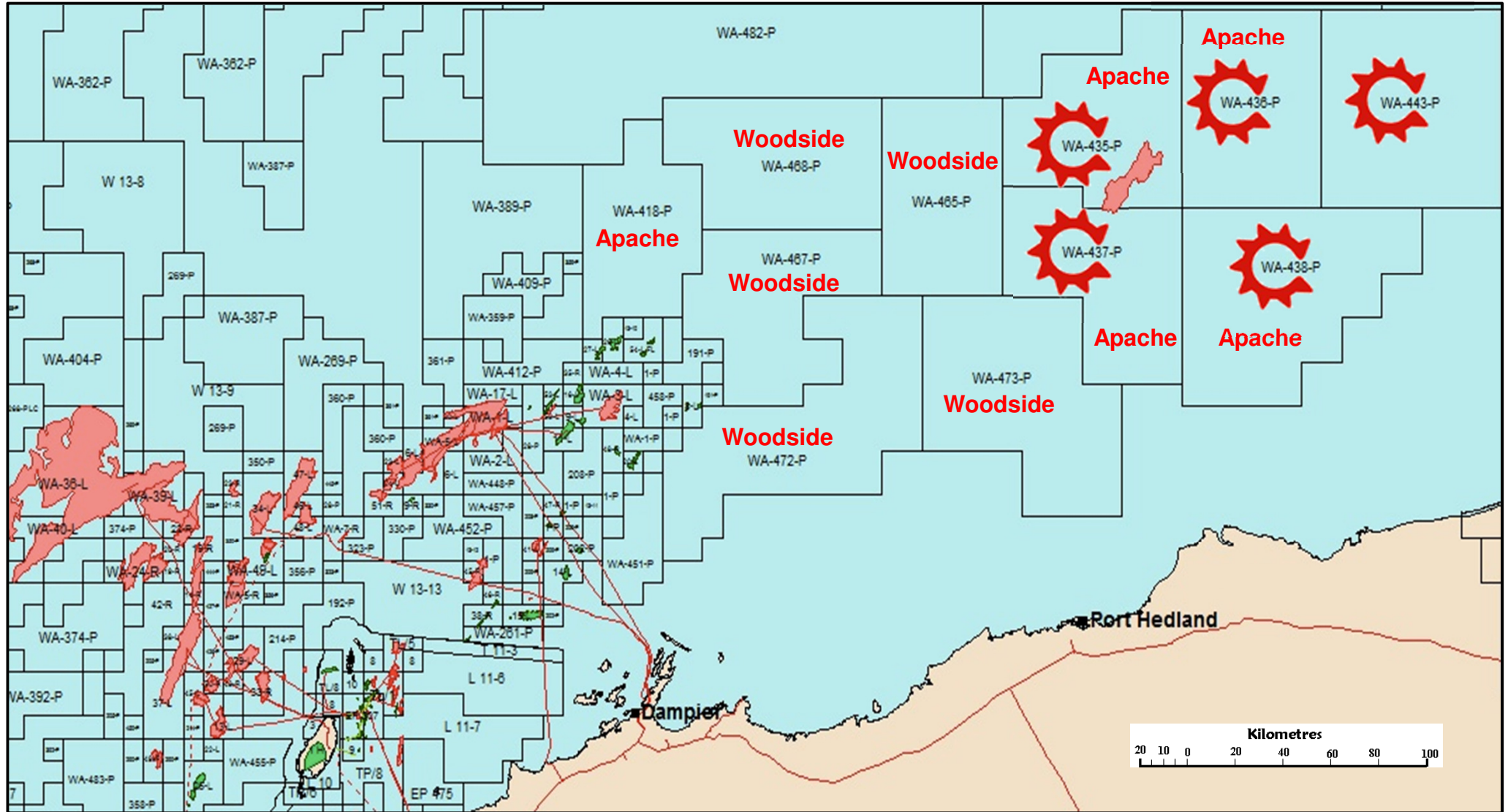
In 2008 (GFC) and acreage mostly open



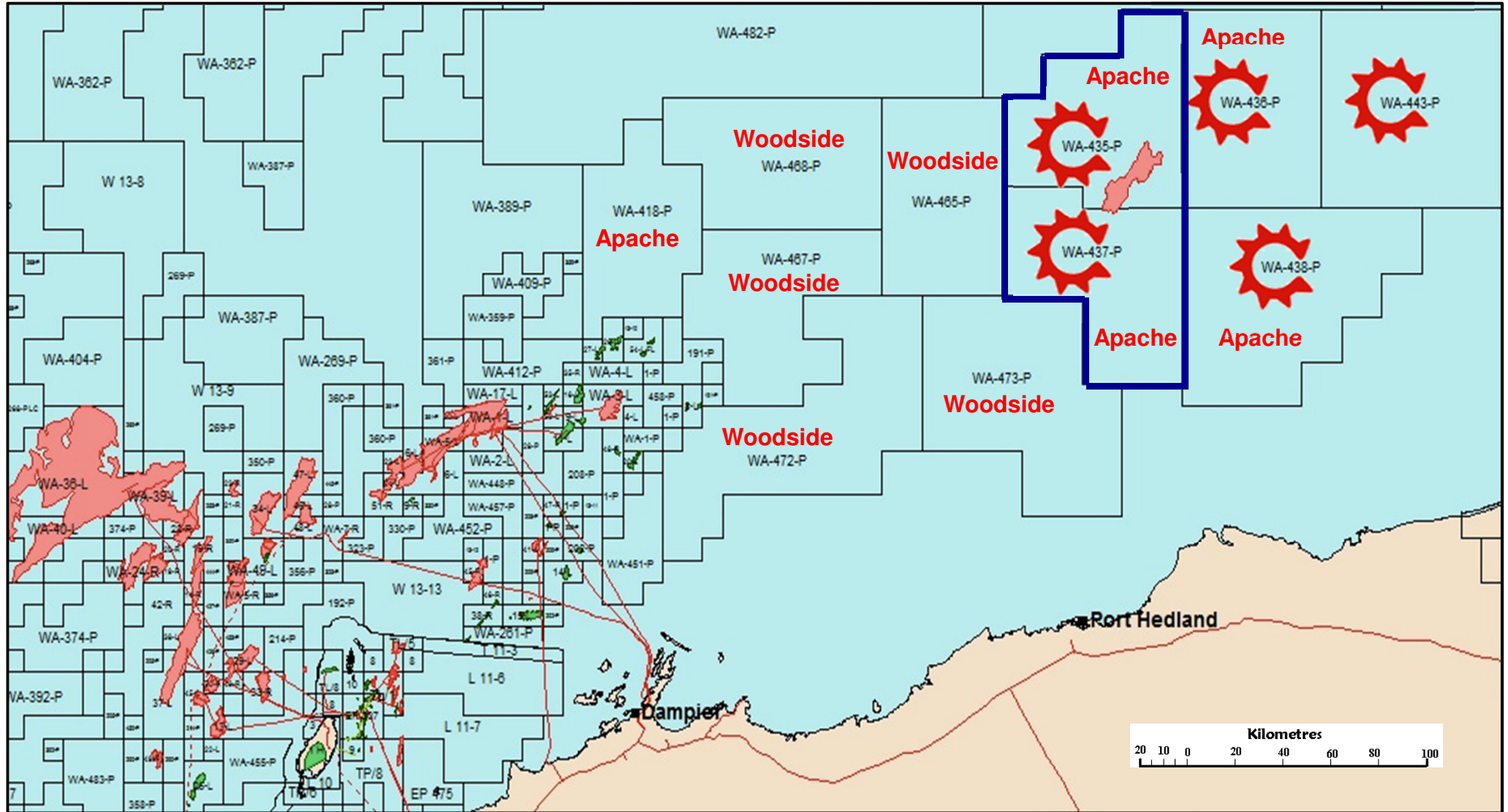
Carnarvon moved early



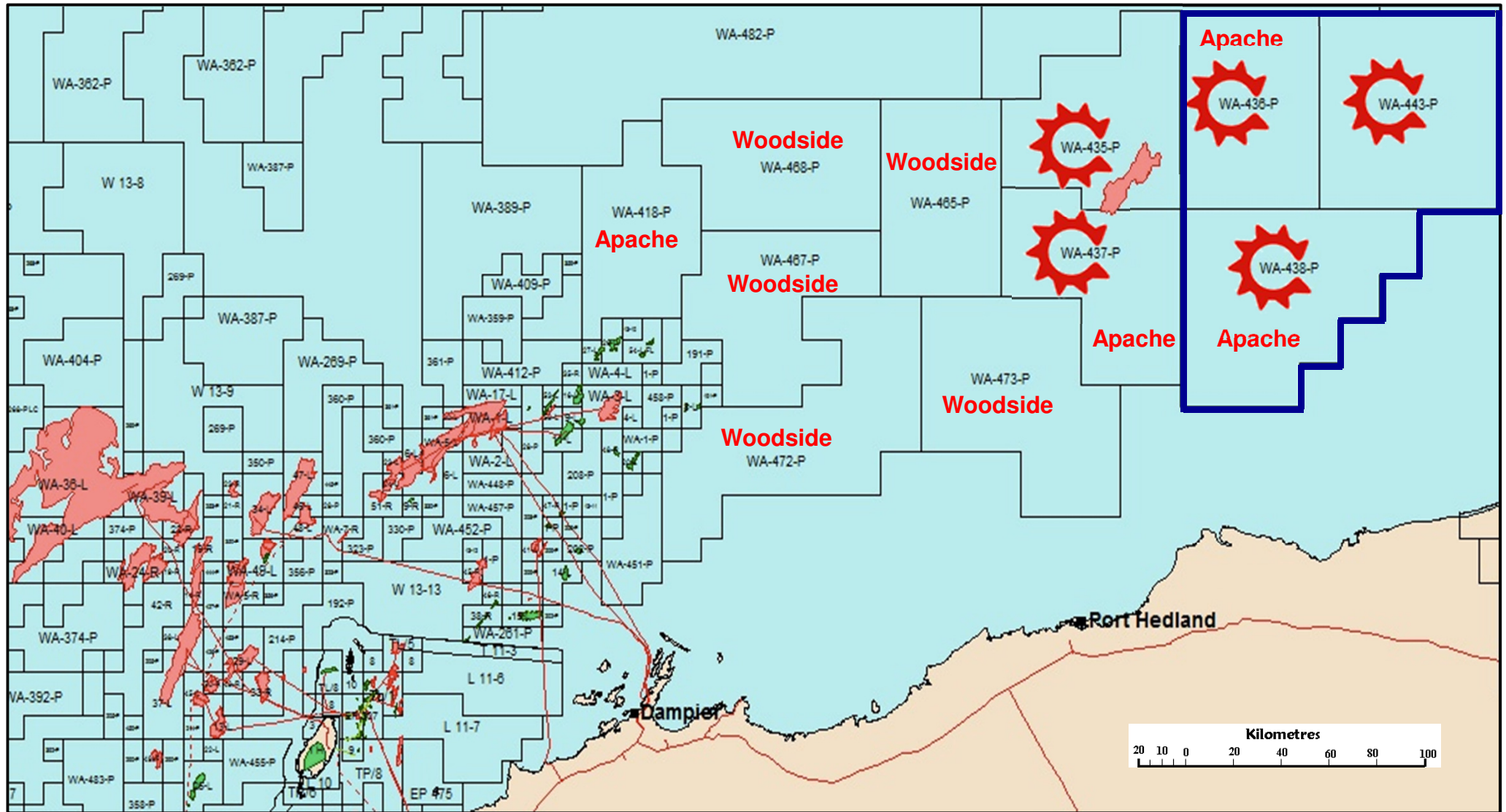
Majors joined



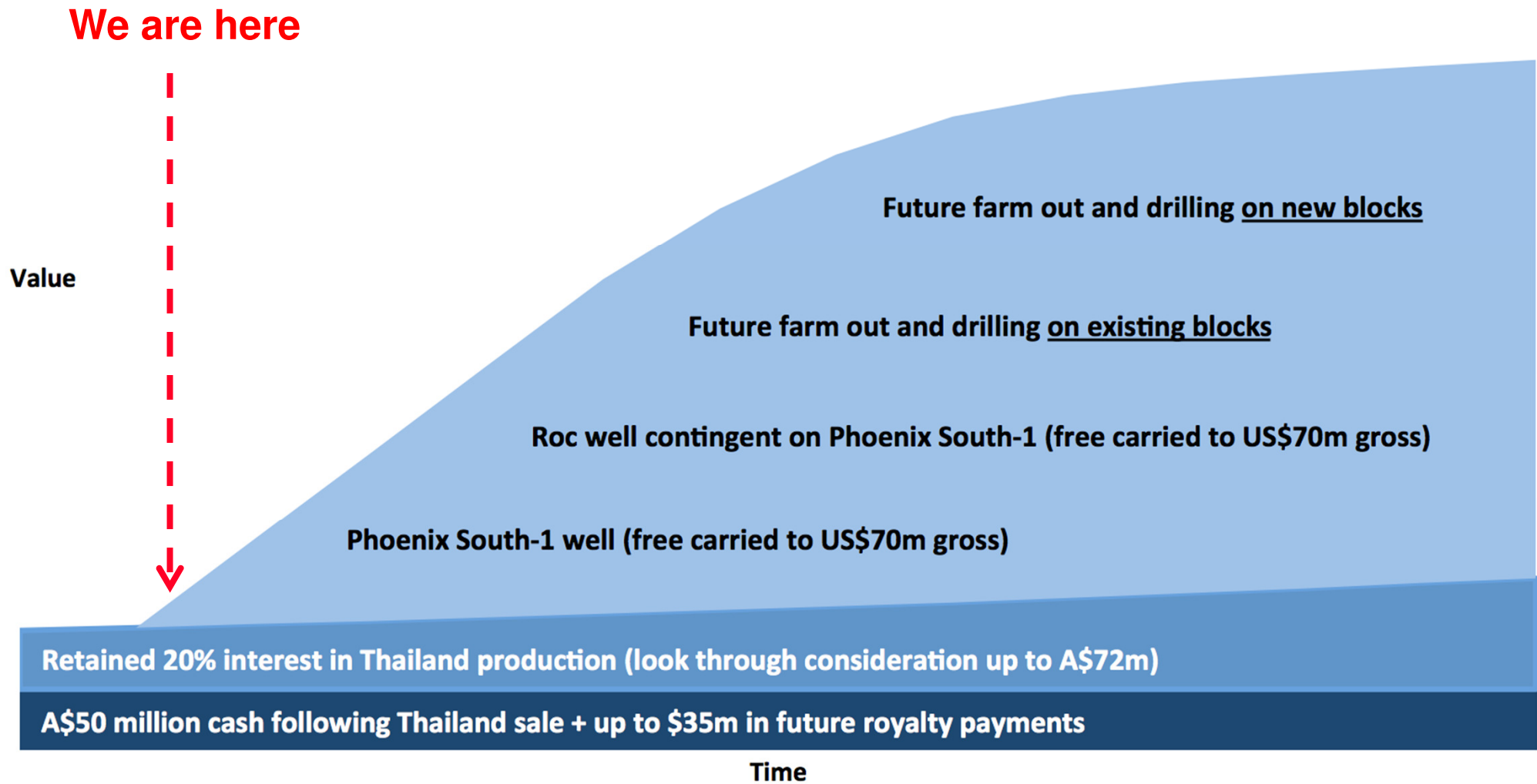
Our focus



In the pipeline



Simplifying the value proposition



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.

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