

Investor Presentation May 2011



Carnarvon
Petroleum
ASX code: CVN

Presented by
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CEO

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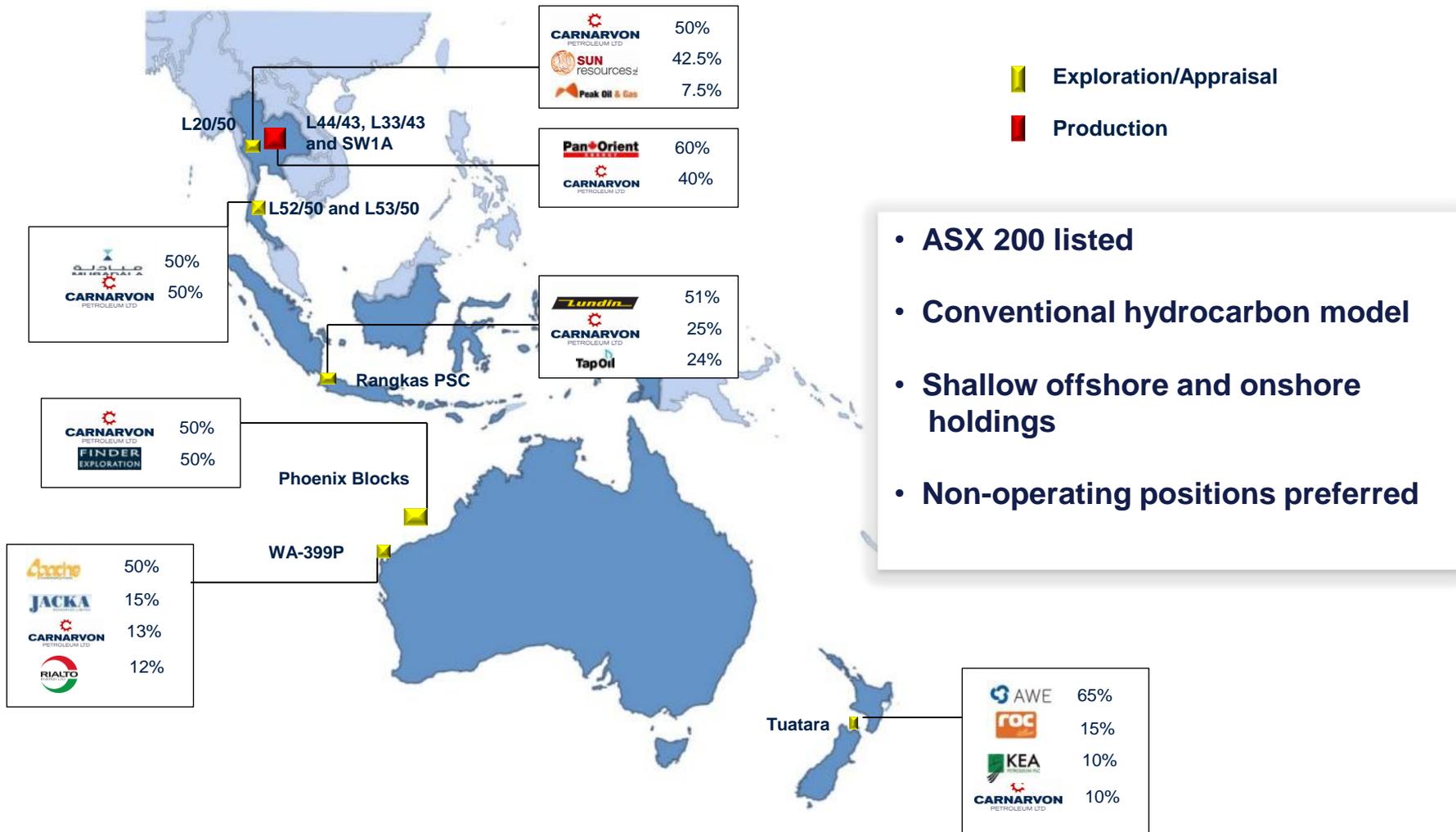
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Carnarvon is a compelling Investment proposition

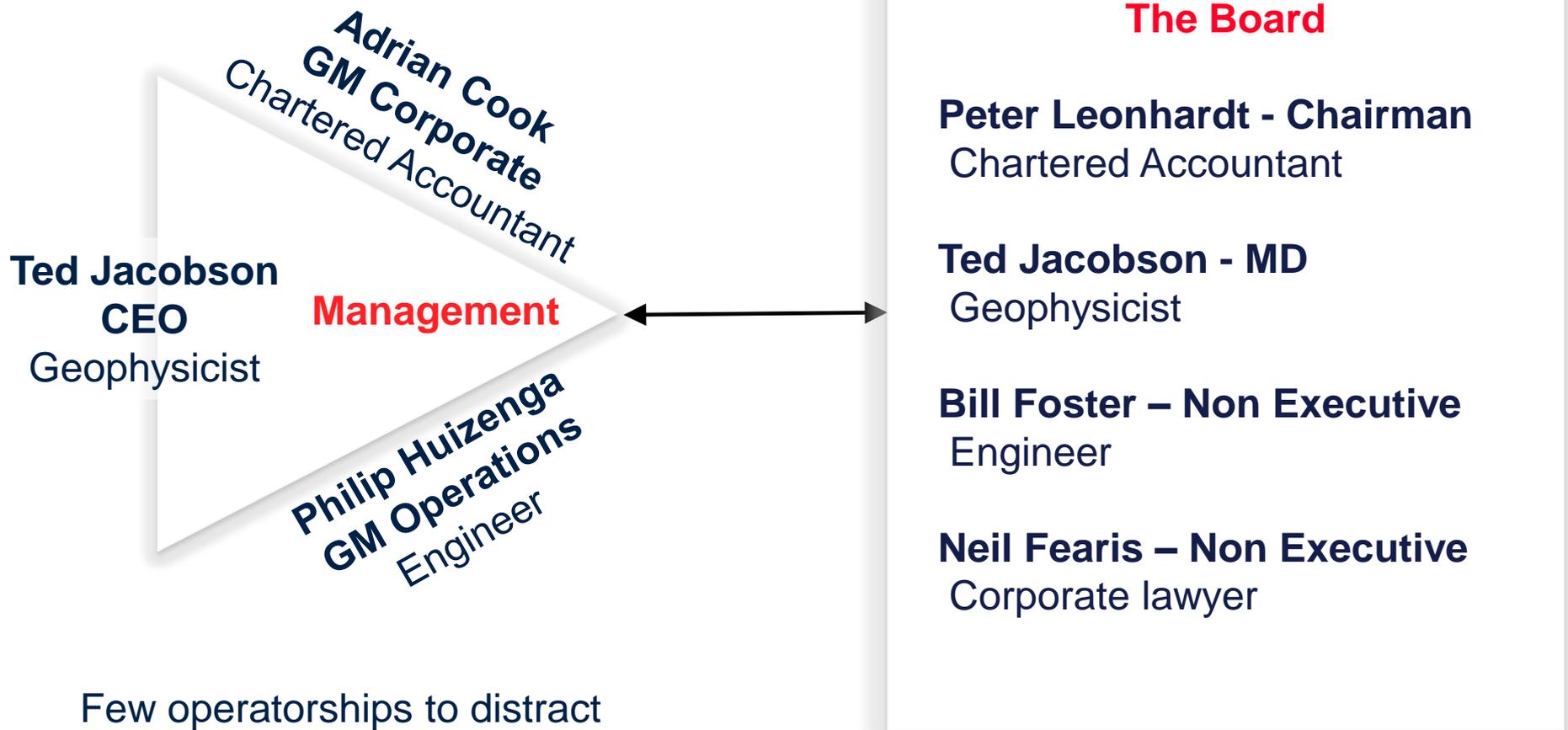
Carnarvon offers investors:

- Significant, long life **oil reserves** currently in production in Thailand
- Material **gas appraisal project** offshore Western Australia
- Continuous exploration, appraisal and development **drilling programme** in Thailand
- Pipeline of low cost **material upside exploration** in Thailand, Indonesia, Australia and New Zealand
- **Capability** to secure quality new venture opportunities

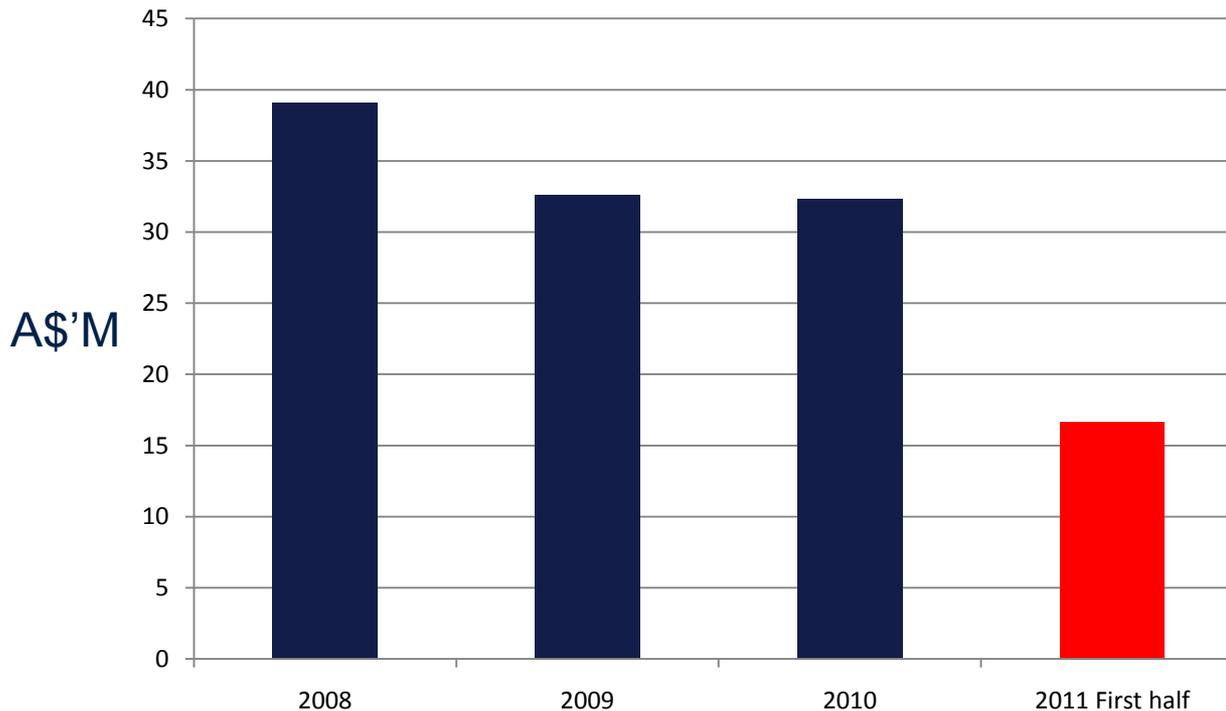
South East Asian and Australasian Focus



Experienced & responsive management team



OPERATING CASH FLOW



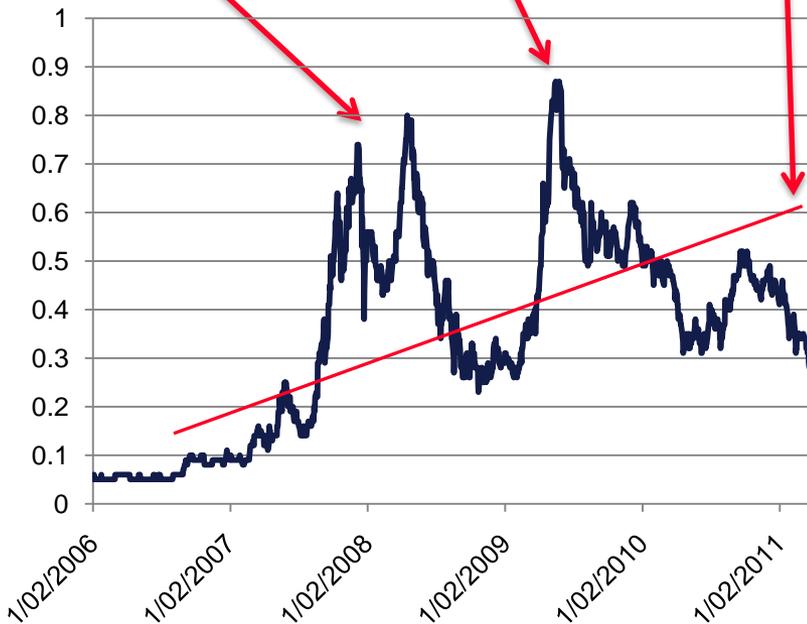
- 688m shares issued
- \$175m Market Capitalisation
- \$24m Cash (March 2011)
- No Debt (March 2011)
- 28% Institutional Shareholding
- 9% Director and Staff shareholding

CVN Share Price has increased 5 times over the past 5 years

Production at 8,000 bopd in Thailand

New oil pool discoveries in Thailand

Production at 3,000 bopd in Thailand



Historical CVN price performance

✓ Continuous Drilling in L33/43 & L44/43 and focus on increasing production

✓ Phoenix Farmout Interest in Australia for drilling of appraisal wells

✓ Rangkas Drilling exploration wells in Indonesia

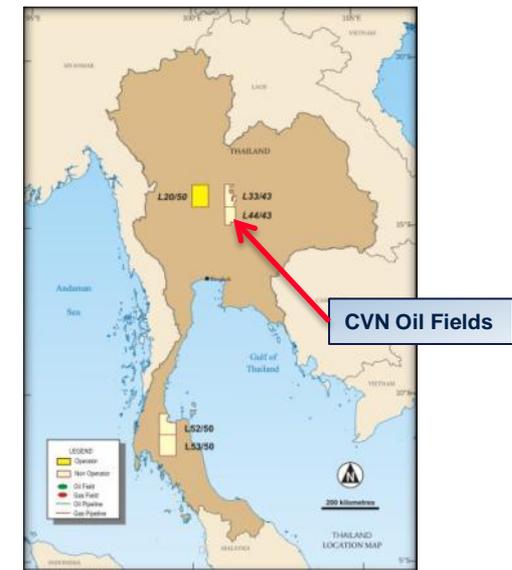
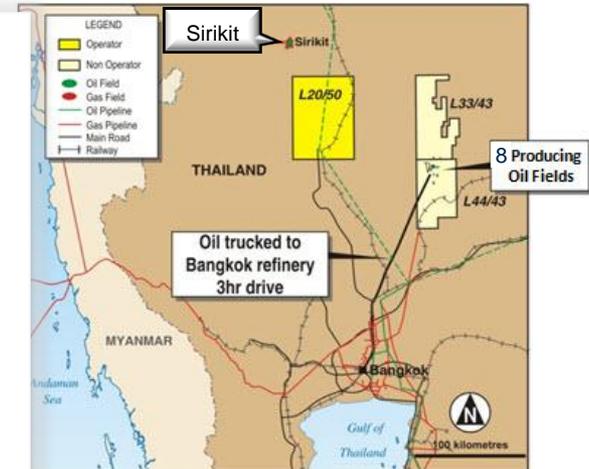
✓ Phoenix Drilling Appraisal wells in Australia

✓ L52/53 Drilling exploration wells in Thailand

Planned value generating activities

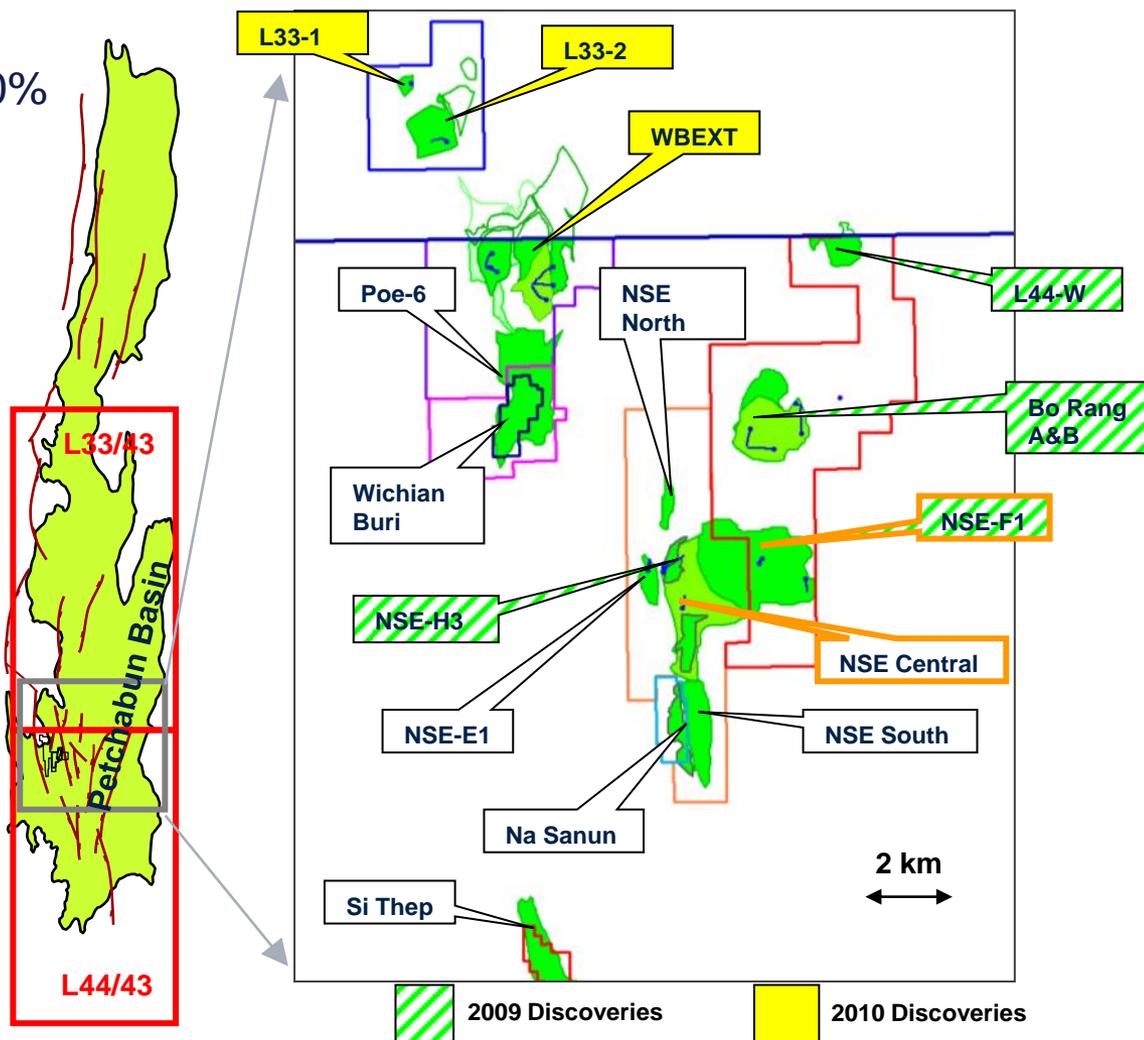
Background in Thailand

- **Hydrocarbon Presence:** Oil was being produced at ~100 bopd from the Wichian Buri Field sandstone reservoir
- **Under Appreciated Asset:** Major oil companies such as Shell, BP and Petrocorp had explored onshore Thailand discovering only one significant field at Sirikit
- **Change In Perspective:** New play concept in fractured volcanic reservoirs
- **New Information:** 3D seismic data recorded over most of the permit acreage
- **New Focus:** The joint venture pursued further exploration and appraisal activities.
- **Discovered:** 14 new oil pools generating free cash



CVN Oil Fields in Thailand

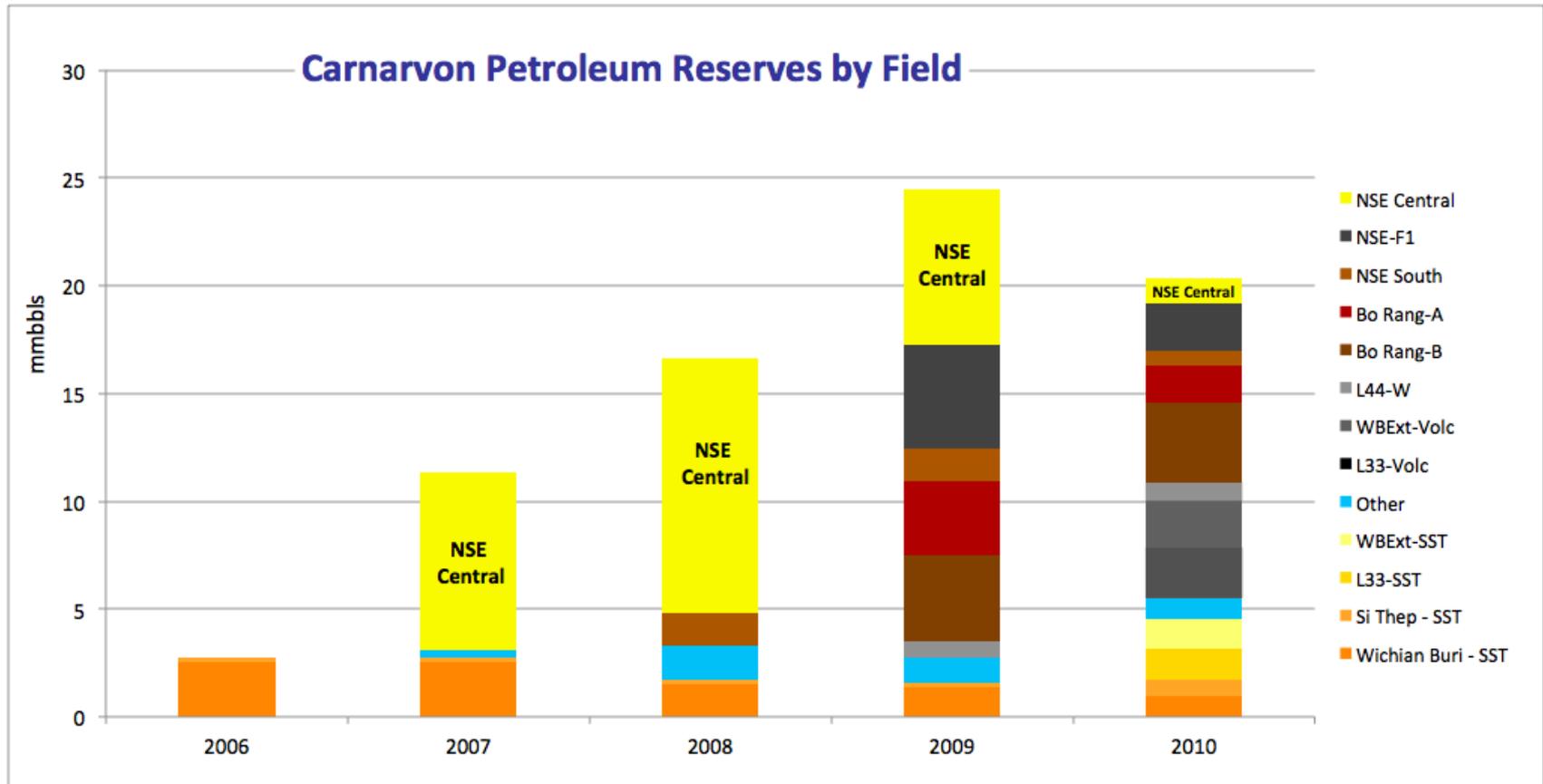
- Carnarvon has a 40% interest in L44/43, L33/43 & SW1A
- Operator - Pan Orient Energy 60%
- Since 2006 JV has Drilled 14 new oil pools
 - Wichian Buri G&H sand
 - POE-6 fault block sands
 - Na Sanun East Central
 - Na Sanun East South
 - Na Sanun East North
 - WBEXT
 - Bo Rang A&B
 - L44-W
 - NSE-F1
 - NSE-E1
 - NSE-H3
 - L33-1
 - L33-2
- Acquired 580 km² of 3D seismic
- Drilled over 140 wells



- ✓ **CVN currently produces around 700,000 to 900,000 mmbbls annually**
- ✓ **CVN generates operating cash flow in the order of \$30m annually**
- ✓ **Active exploration programme in SE Asia / Australasia**
- ✓ **Looking for more opportunities**
- ✓ **Underlying profitability provides capital management flexibility**

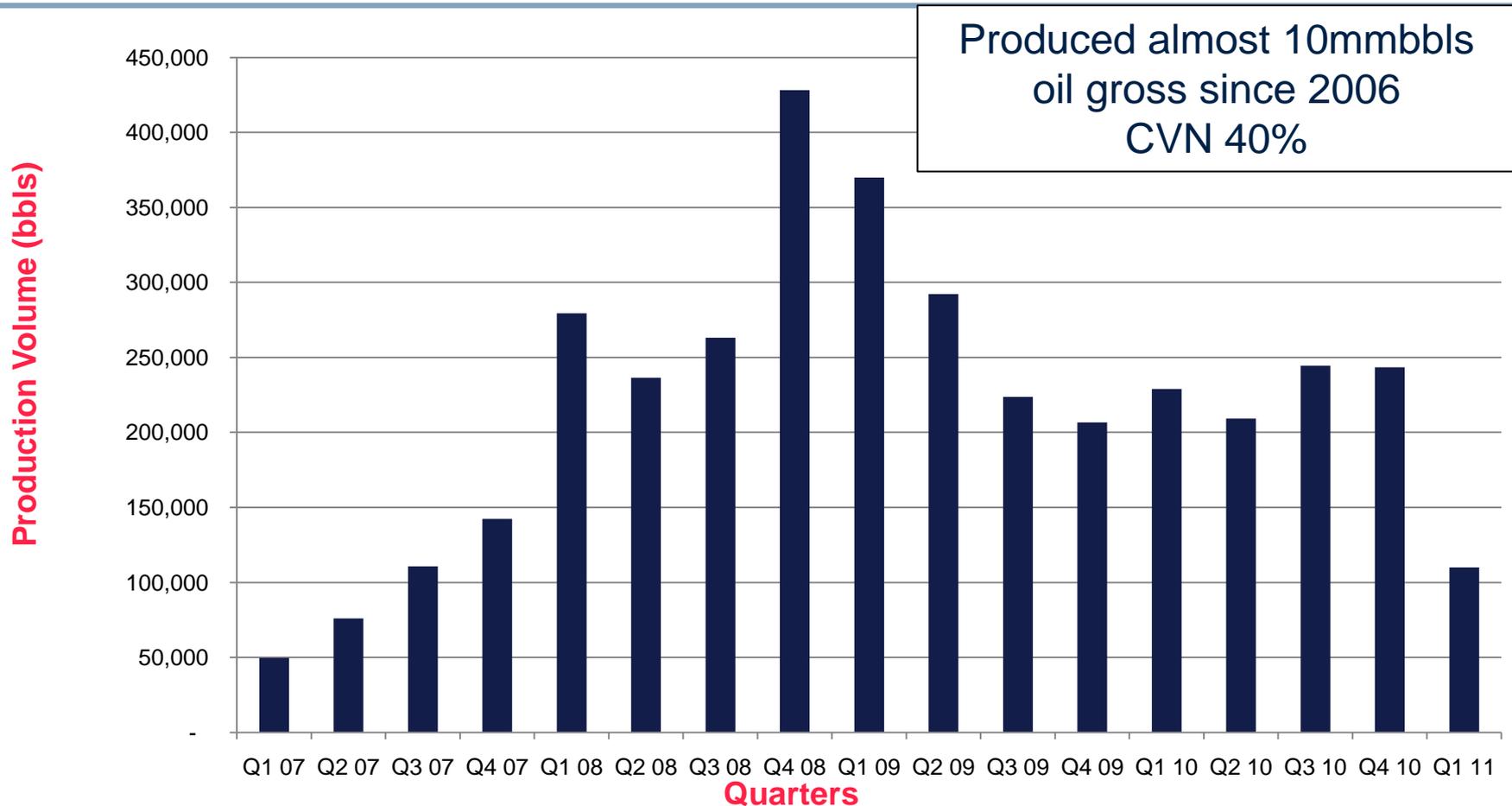
Reserves Thailand

1P Reserves of 4.7 mmbbls / 2P Reserves of 20.4 mmbbls* (*as at 31 December 2010)



Reserves diversified across 14 major producing fields

Production Thailand

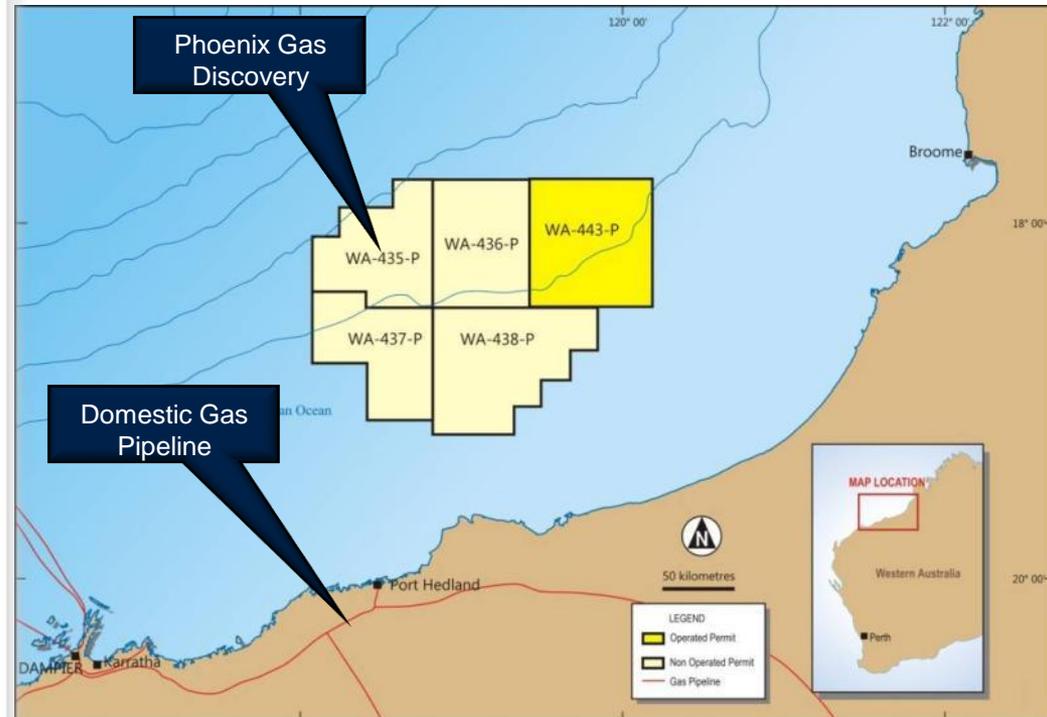


- Oil is present, it is highly profitable, it is produced from long life fields
- Production variability will always exist in fractured volcanic reservoirs
- JV is reviewing ways to improve production

Gas Discovery in Australia

- **Gas discovered** in 1980 & 1982
- **Carnarvon 50% equity**
- **Shallow water** ~100 metres deep
- **Close to coast** and gas pipelines
175 kms from Port Headland
- **Good gas prices**
- **Strong domestic demand**
- **Possible LNG** project gas
- **Well cost estimated** ~\$40mm
- **Farm-out** late 2011
- **Drill 2** appraisal wells 2012

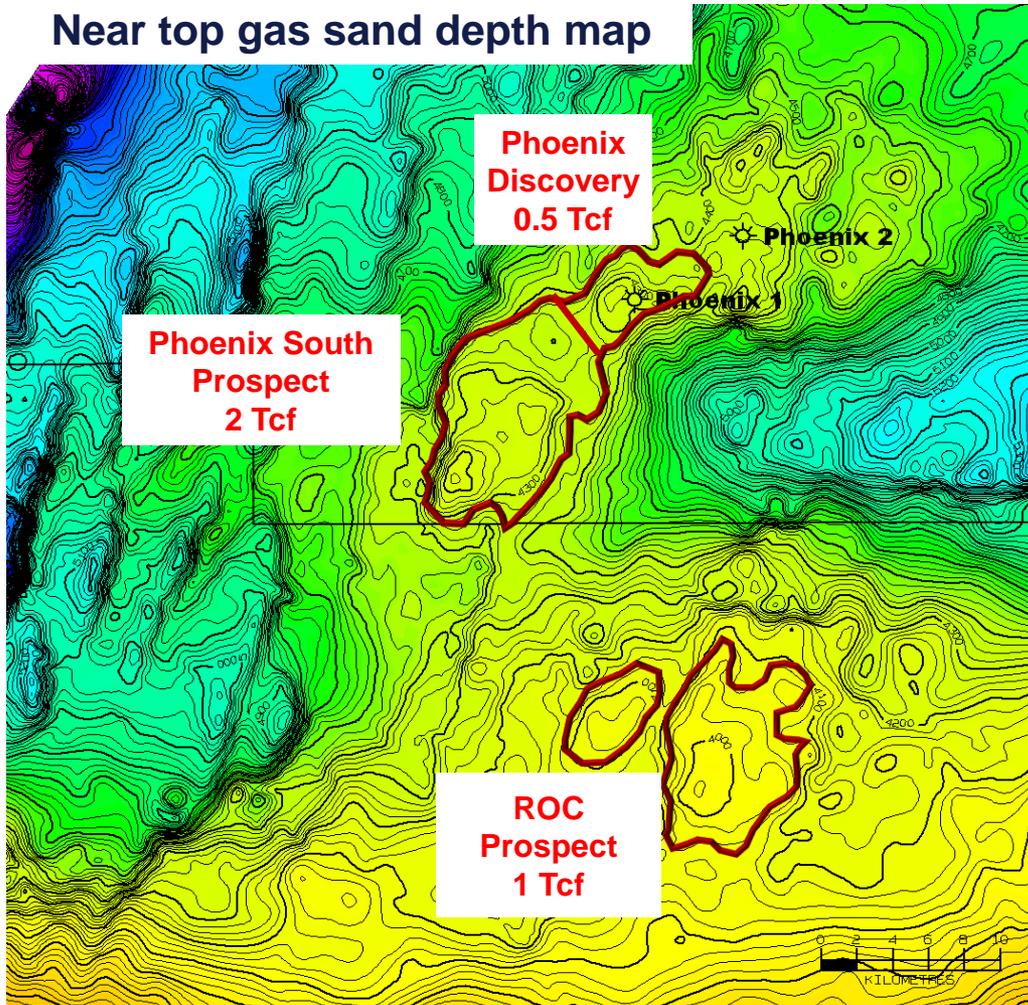
Phoenix Gas



Significant Potential

Phoenix gas resource

Near top gas sand depth map



Prospective Resource estimates shown

Phoenix 1 exploration well

- 767 metre gas column
- 110 metres net gas reservoir
- Not tested – drilling limitations
- Middle Triassic sandstone
- ~4,000 metres deep
- Porosity 4% - 15%
- Permeability ~ 5mD
- Stacked pay

Phoenix 2 appraisal well

- 678 metre gas column
- Poorly located - distal for sands
- Not tested – poor reservoir

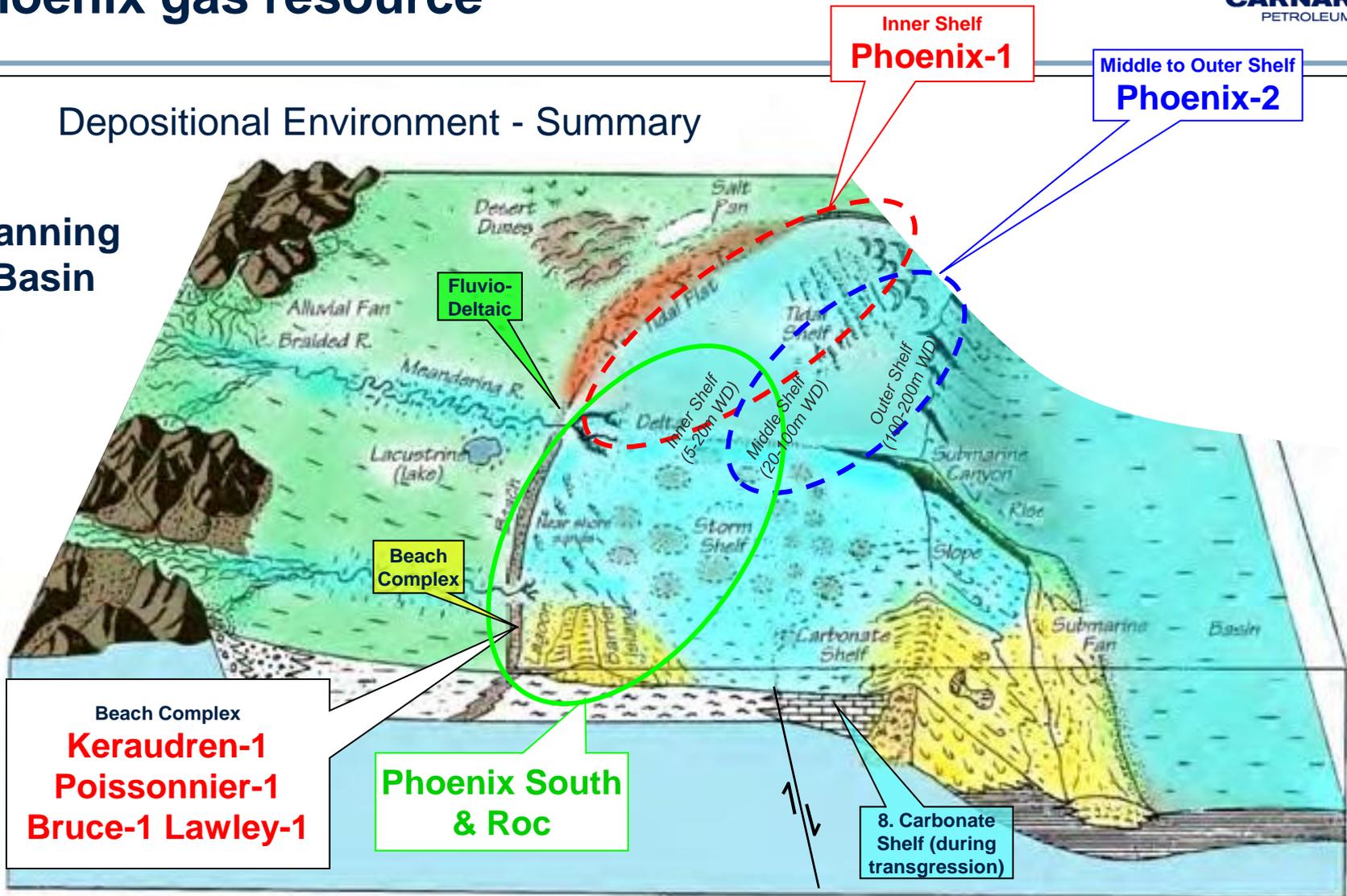
Regional well data interpreted

- reservoir improves in proximal sand direction to south towards Phoenix South and Roc prospects

Phoenix gas resource

Depositional Environment - Summary

Canning Basin

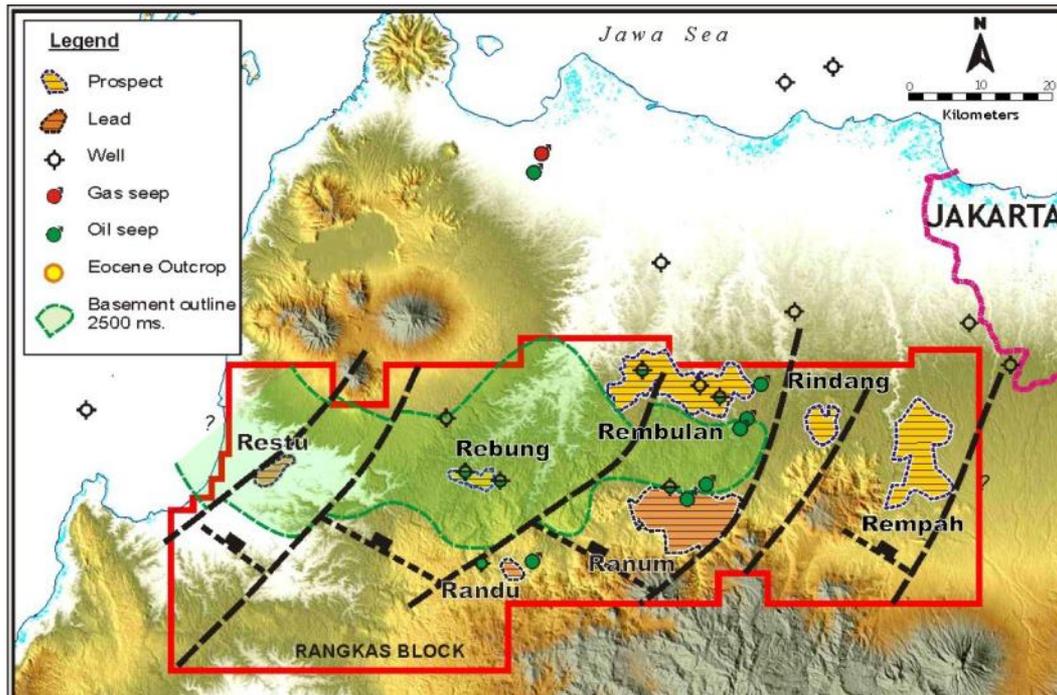


Phoenix Programme Summary

- **Phoenix structure** defined on existing 2D seismic
- **Discovery wells** not flow tested
- **Need to drill appraisal wells to:**
 - Determine if commercial flow rate possible
 - Composition of gas
 - Presence of valuable condensate
- **1,100sq kms 3D seismic was** acquired early this year to examine reservoir distribution and determine optimum drill sites
- **Processing** including seismic inversion techniques underway
- **Farm-out** late 4th Quarter 2011 after processing and interpretation of 3D seismic
- **Plan to drill 2 wells 2012** in Phoenix South and Roc prospects where better reservoir predicted
- **Many other prospects** in these large permits covering 21,700 sq kms

Rangkas oil

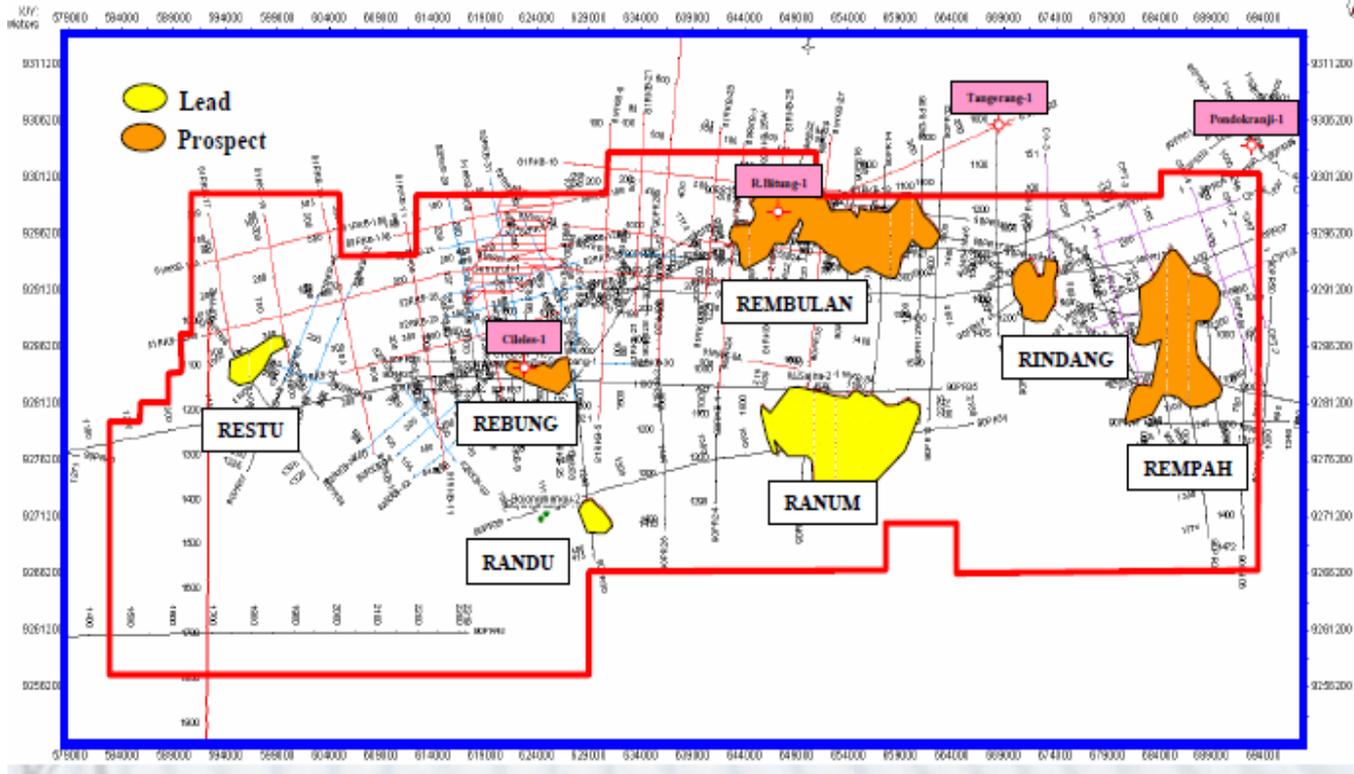
Onshore Indonesia



Significant Potential near Jakarta

- **Large permit 3,997 sq kms**
- **Onshore** adjacent to Jakarta
- **Close** to markets
- **7 Prospects & leads** highlighted by existing seismic
- **Numerous oil seeps** and oil shows in wells
- **500kms new seismic** has been acquired to delineate drill targets
- **1,000 kms existing seismic** reprocessed

NUMEROUS PROSPECTS & LEADS

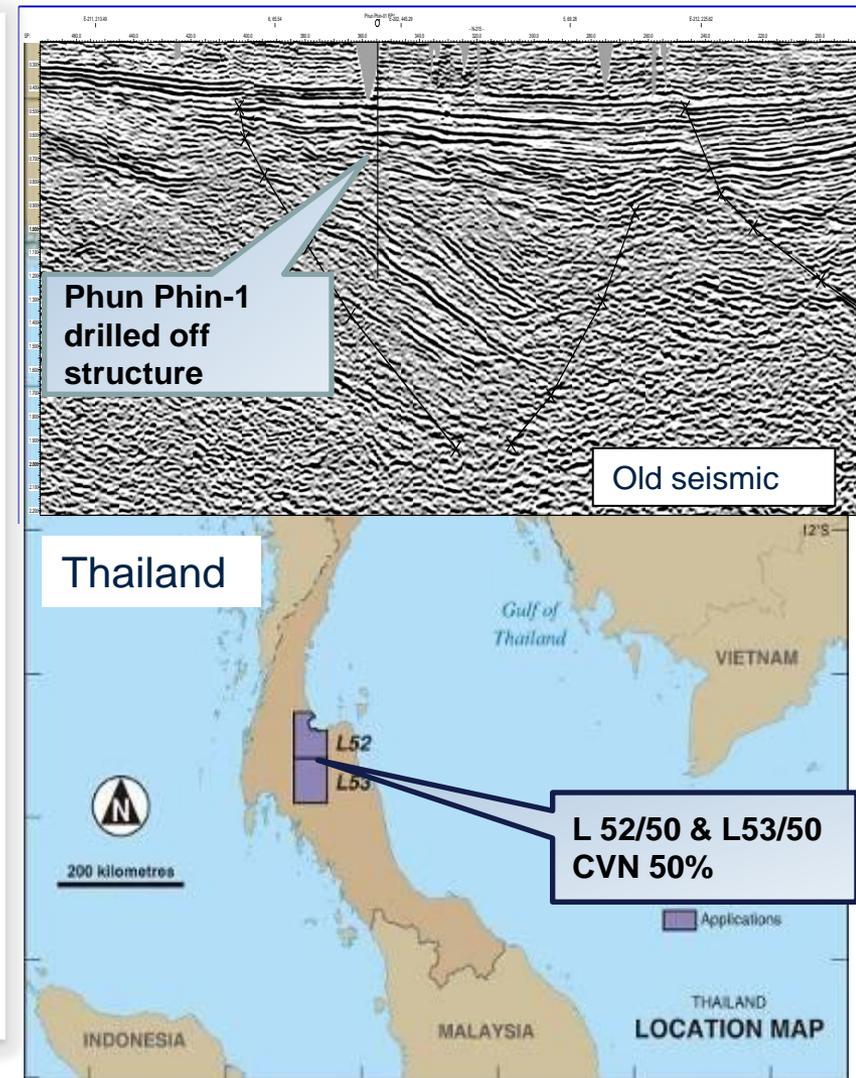


- **Prospective** resource at Paleogene level.
- **Potential** also at deeper Miocene Saraweh carbonate level
- **Numerous** prospects and leads

- Previous wells drilled for shallow target
- Numerous oil shows in wells and oil seeps at surface
- 500 kms of 2D seismic acquired earlier this year
- 1,000 kms old seismic reprocessed
- Currently processing new seismic
- Drilling plans awaiting results of new seismic interpretation

THAILAND – L52/50 & L53/50

- **Hydrocarbon Presence:** This permit sits immediately to the southwest of an offshore block that discovered and flowed oil at over 10,000 bopd
- **Under Appreciated Asset:** The focus in Thailand has traditionally been in offshore exploration blocks
- **Change In Perspective:** Carnarvon believes similar offshore geology extends onshore into these blocks
- **New Information:** A Geological field survey is completed. A new seismic survey is about to commence
- **New Focus:** New joint venture focused on the geological similarities with the offshore Thailand discoveries
- **Drilling:** 2 well commitment for 2012



Active Programme in CY 2011

THAILAND

L44/43 & L33/43	34 exploration / appraisal / development wells (2011) 25% Sandstone reservoir appraisal 50% Fractured reservoir appraisal 25% exploration
L52/50 & L53/50	Planning for new seismic data acquisition 2 wells commitment for 2012

AUSTRALIA

Phoenix Blocks	New seismic data acquired, Interpretation & Farm-out to follow in 2011 (drilling likely in 2012)
WA-399-P	3D seismic acquired over entire permit in 2011, interpret in 2011 (possible drilling 2012)

INDONESIA

Rangkas Block	Process & Interpret new 474 kms ² D seismic (exploration drilling possible 2012)
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Summary

- Over \$30mm **annual cash flow** from Thailand oil production
- Currently \$24mm **cash reserves** (March 2011)
- **No debt** (March 2011)
- More to come from **production licences** in Thailand
 - Joint Venture committed to improving production
 - More exploration
 - More appraisal
- **Gas appraisal project** underway at Phoenix offshore WA
- **Active exploration** in Thailand, Indonesia, Australia & New Zealand
- **Looking for more** good exploration & production opportunities

Carnarvon is a compelling Investment proposition

In concluding..... Carnarvon offers investors:

- Significant low cost, long life **oil reserves** currently in production in Thailand
- Material **gas appraisal project** offshore Western Australia
- Continuous exploration, appraisal and development **drilling programme** in Thailand
- Pipeline of low cost **material upside exploration** in Thailand, Indonesia, Australia and New Zealand
- **Capability** to secure quality new venture opportunities