

AGM Presentation

18 November 2011



ASX ANNOUNCEMENT

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with the attached AGM Presentation given by Mr Adrian Cook, Carnarvon Managing Director, at Carnarvon Petroleum's Annual General Meeting, on Friday 18 November 2011 at 11.30am.

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

For all enquiries please contact:

Adrian Cook
Managing Director - Carnarvon Petroleum
08 9321 2665
Email: admin@cvn.com.au

Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook", written over a horizontal line.

Adrian Cook
Managing Director
Carnarvon Petroleum



Annual General Meeting

18 November 2011

THAILAND

INDONESIA

AUSTRALIA

L20/50 ● ● L33/43 & L44/43

L52 & L53 ●

Rangkas PSC ●

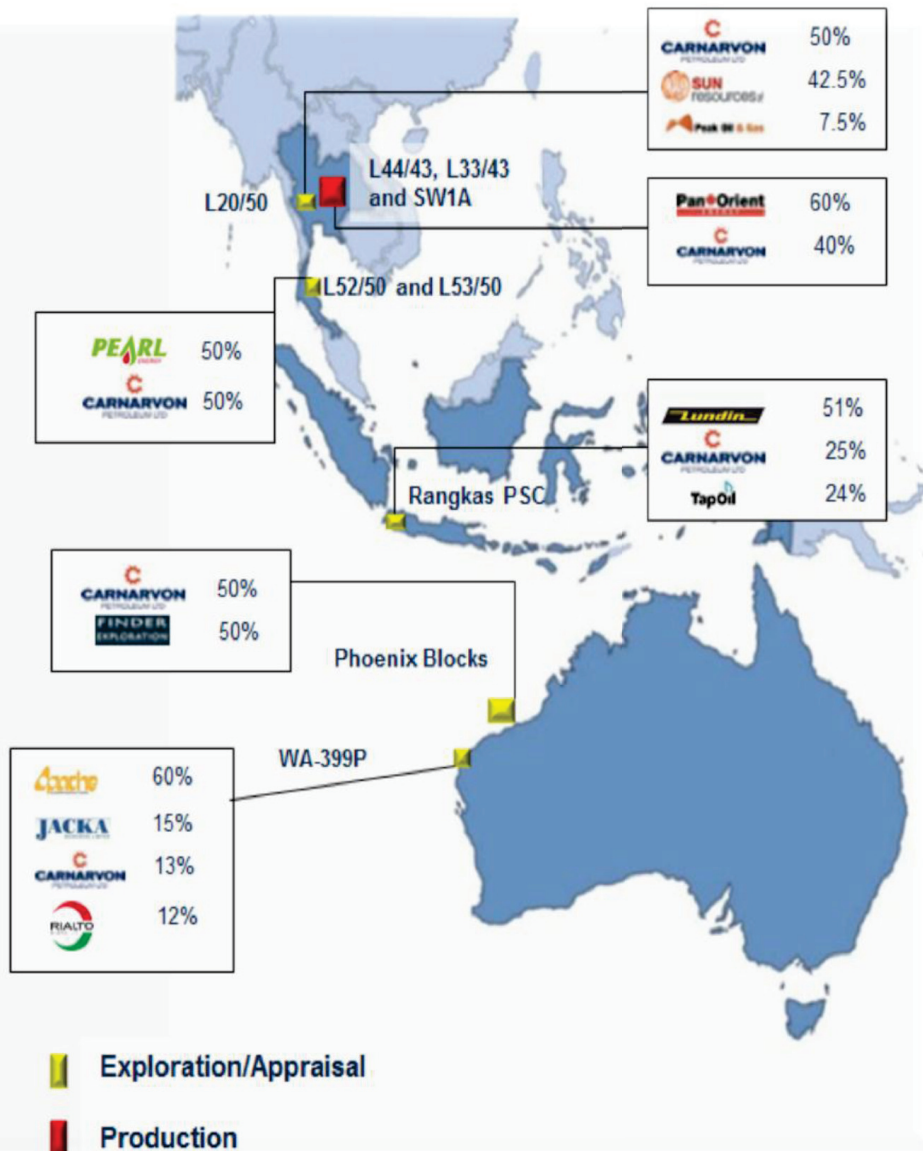
WA-435-P, WA-436-P, WA-437-P,
WA-438-P & WA-443-P ●

WA-399-P ●

Corporate Office ●

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- 1) Introduction**
 - 2) Overview of 2011 financial year (“FY”)**
 - 3) Production activities and plans**
 - 4) Other value drivers**
 - 5) Key priorities in 2012**
 - 6) Conclusion and questions**

Introduction



Asset portfolio

- ✓ High equity interests
- ✓ 10 million acres
- ✓ In three countries

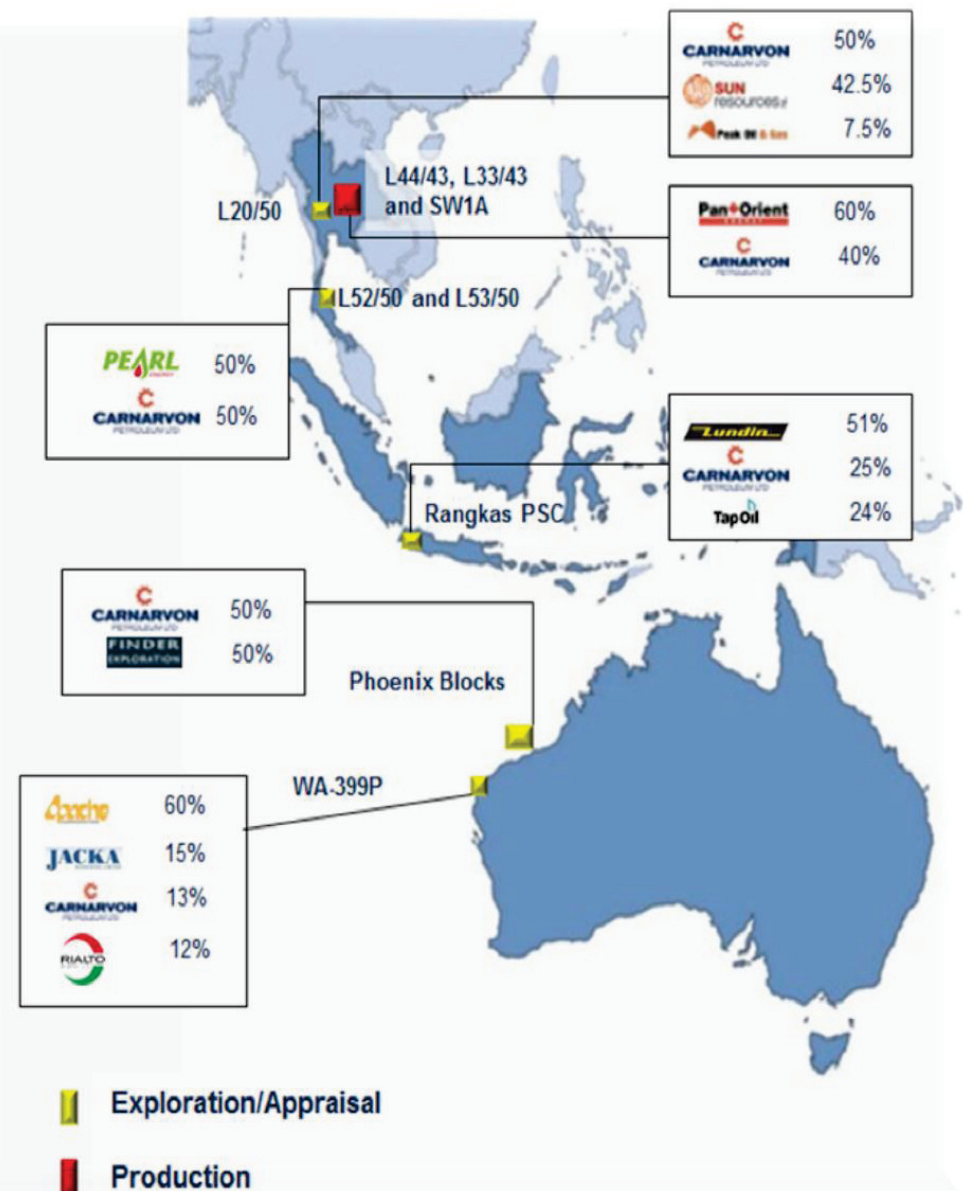
Company ownership

- ✓ 19% held by institutional shareholders
- ✓ 11% held by directors and management
- ✓ No significant holdings (namely over 5%)

Introduction

2011 FY activities

- ✓ Produced 731,544 bbls
- ✓ Drilled 2 wells in L20/50
- ✓ Drilled the Tuatara well, New Zealand
- ✓ Drilled 22 wells in L44/43 & L33/43
- ✓ Acquired seismic in Thailand, Indonesia & Australia
 - 1,290 km of 2D seismic
 - 1,160 km² of 3D seismic



2011 FY overview

	2011 FY (\$'m)	2010 FY (\$'m)
Oil sales	\$55m	\$64m
Cost of sales ("CoS")	(\$19m)	(\$21m)
Administrative costs	(\$5m)	(\$5m)
Unrealised foreign exchange losses	(\$4.5m)	(\$0.5m)
Taxes	(\$13m)	(\$23m)
Earnings before exploration costs	\$13m	\$14m
Exploration costs written off	(\$11m)	-
Net profit after tax	\$2m	\$14m

Earnings summary

- Oil price steady
- Production down 16%
- CoS carried capacity for higher production
- A\$ strengthened 24%

Comparable earnings before exploration costs

- Wrote off Tuatara well and L20/50 drilling and seismic costs

2011 FY overview

Cash flow summary

- Oil receipts impacted by production
- Field costs steady on retained capacity for higher production
- Tax payments include current year instalment and previous year final payment

Strong operating cash flows

	2011 FY (\$'m)	2010 FY (\$'m)
Oil receipts	\$62m	\$71m
Payments to suppliers & employees	(\$24m)	(\$24m)
Taxes	(\$15m)	(\$15m)
Operating cash flows ("OCF")	\$23m	\$32m



2011 FY overview

Cash flow summary (cont.)

L44 Exploration

- 22 wells, inventory and development costs

Other Exploration

- Two L20/50 wells (Thailand)
- Tuatara well (NZ)
- L52/50 Seismic (Thailand)
- Rangkas PSC Seismic (Indonesia)
- Phoenix seismic (Australia)

	2011 FY (\$'m)	2010 FY (\$'m)
OCF (from previous page)	\$23m	\$32m
L44 exploration and development	(\$20m)	(\$29m)
Other exploration costs	(\$14m)	(\$5m)
Net cash flow	(\$11m)	(\$0.5m)
Effect of exchange rate	(\$4m)	(\$0.5m)
Cash reserves	\$15m	\$30m

Production activities and plans

Positives of onshore Thailand

- Hydrocarbons present
- Low operating costs
- Low cost drilling
- Easily scalable operations
- World class operating environment
- Stable fiscal terms
- High margin operations

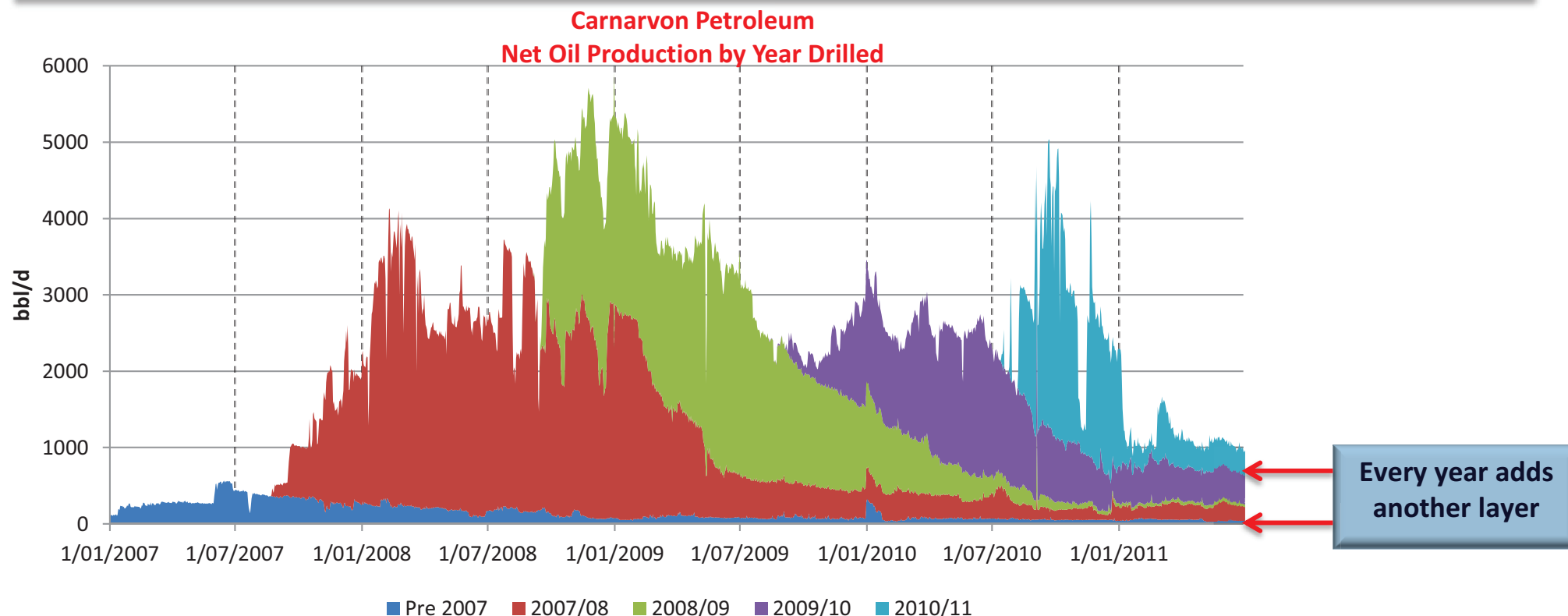
(500 bopd well pays back in ~ one month)



Production activities and plans

Natural field decline (“NFD”)

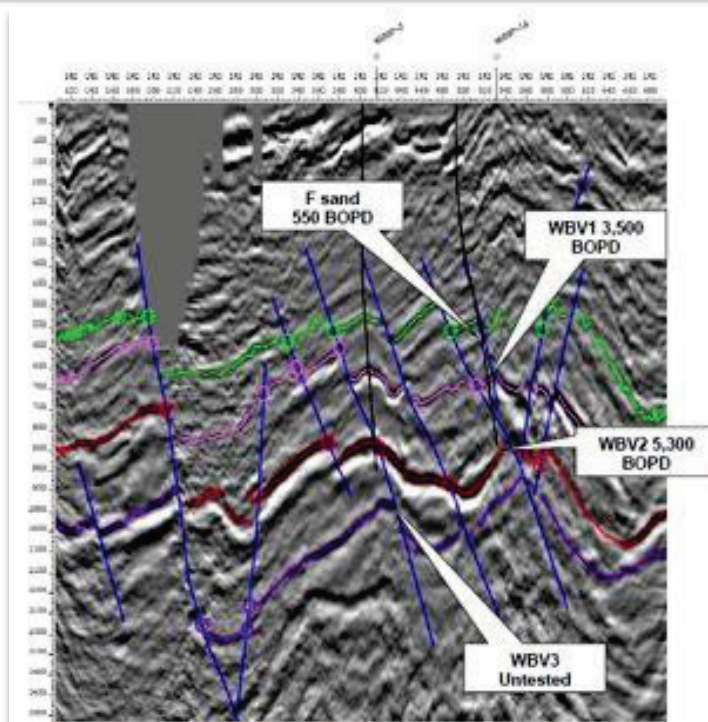
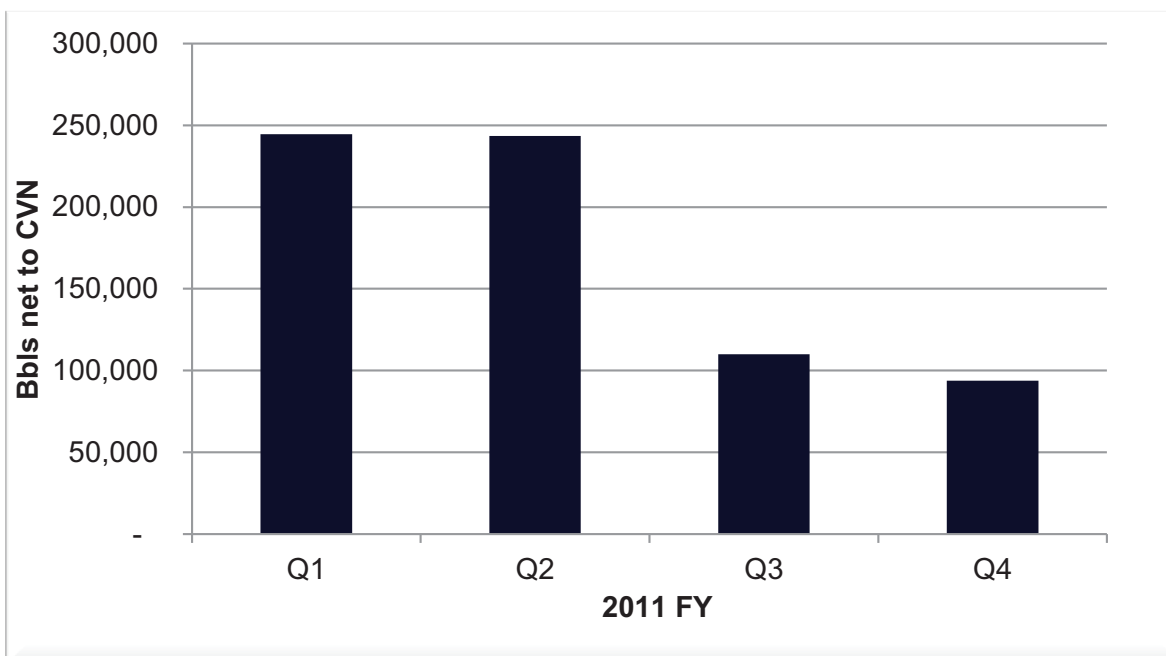
- Wells are impacted by NFD & subsequent water incursion
- Water flows preferentially to oil thereby accelerating NFD
- JV has a history of successfully replacing NFD
- 2011 drilling in the WBEXT area didn’t replicate this history



Production activities and plans

WBEXT focus in FY 2011

- In 2011 nearly 2/3 thirds of rig time was in the WBEXT region
- Why - 3 wells flowed between 3,500 & 5,300 bopd
- Two more wells in the north flowed at 1,100 & 2,300 bopd
- Discovered and appraised new sandstone oil field
- New technologies have the potential to stabilize production



Forward Plans

Sandstone – greater stability and longevity

- Drill 10-15 WBEXT dedicated sandstone wells
- Wells expected to produce ~100 to 300 bopd gross
- Preparing to commence development in Q1 of 2012

Volcanic – high flow, fast payback, high variability

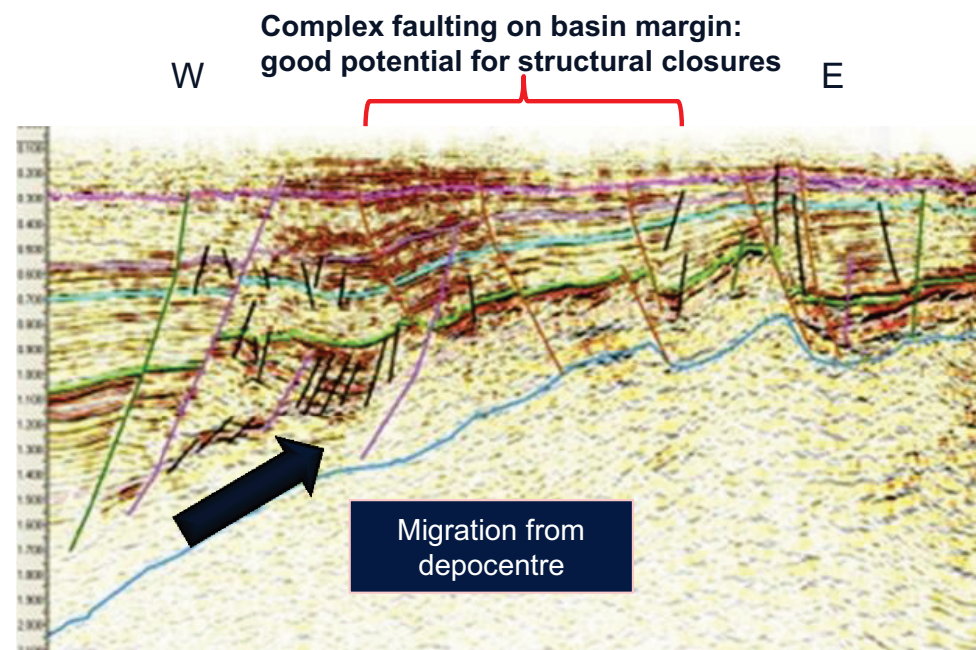
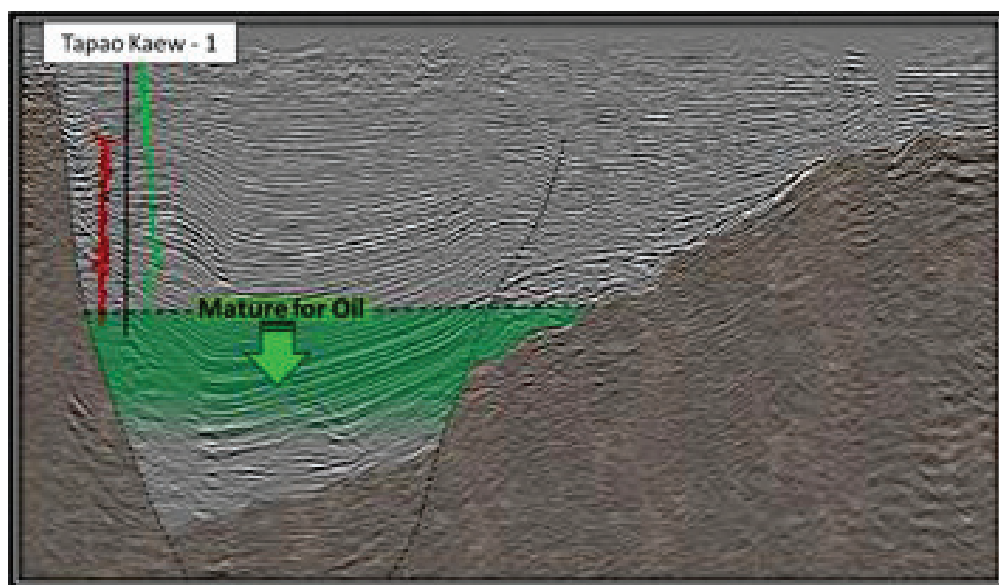
- Systematic development of 2P reserve
- Understanding fractured reservoirs remains a focus

Other - Technology and reserves

- Trial new technologies to improve production and reduce volatility
- Delineate further 3P reserves

L20/50 asset – Thailand

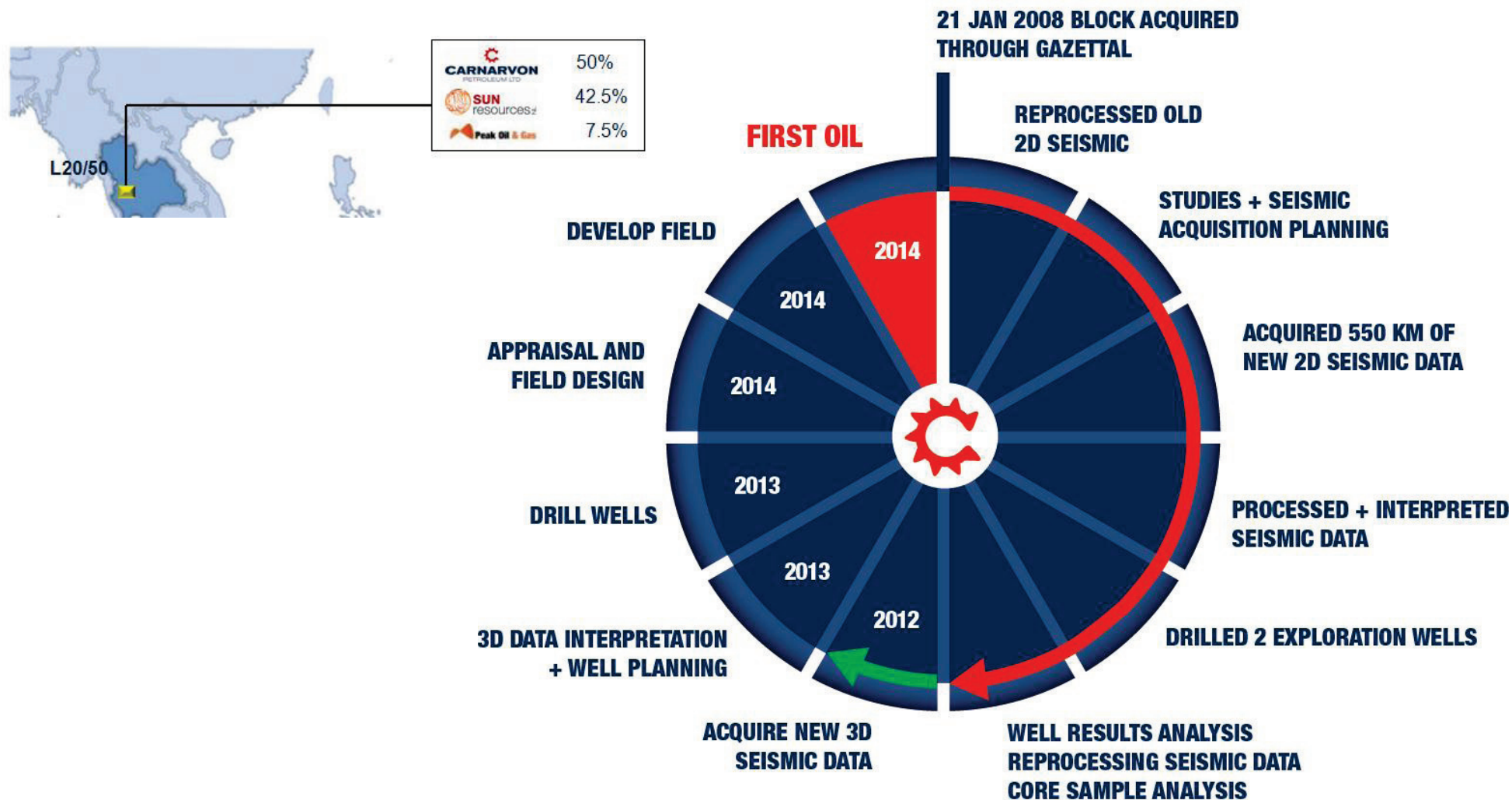
3D seismic required to better delineate fault terraces



- 2 wells drilled in 2011 achieved their minimum objectives
 - Identifying reservoir and source
- Multiple fault terraces on eastern flank of basin
- Good potential for trapping along likely migration pathways

Other value drivers

L20/50 Concession - Thailand



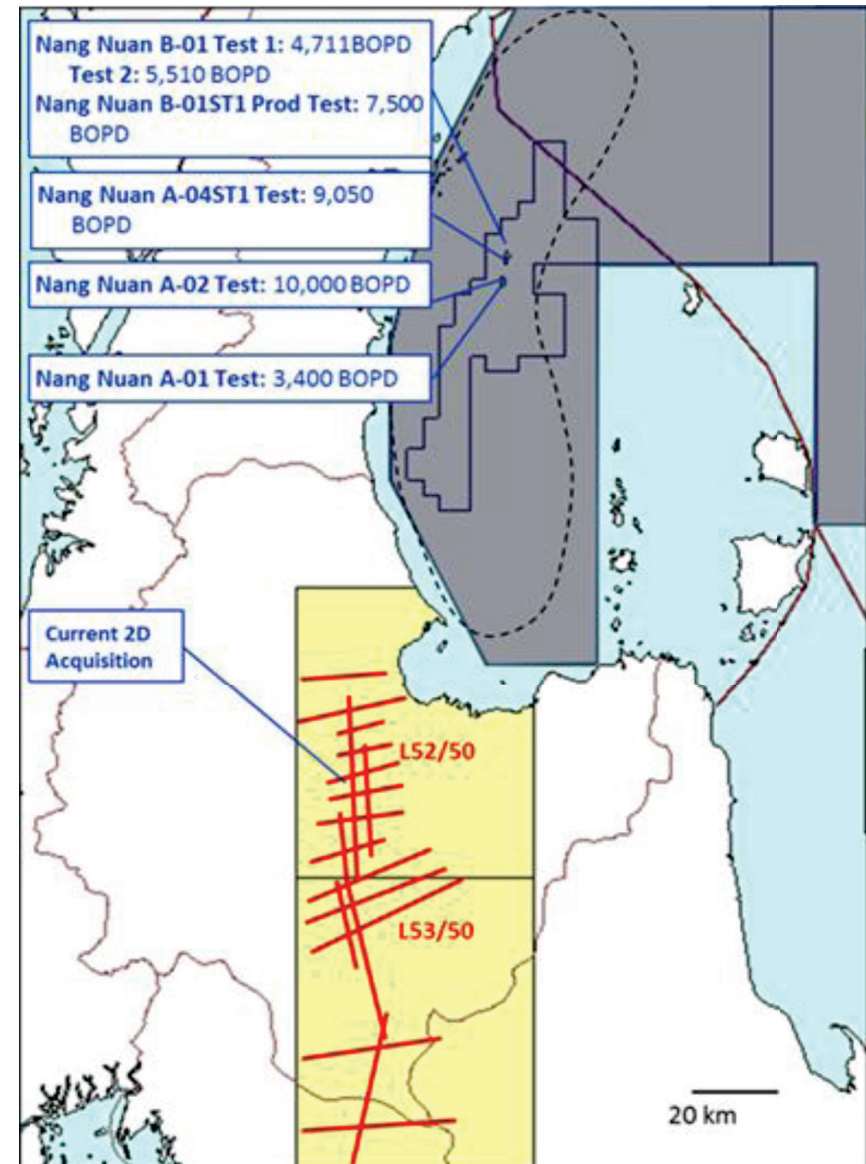
The time line above is indicative only

Other value drivers

L52/50 & L53/50 asset – Thailand

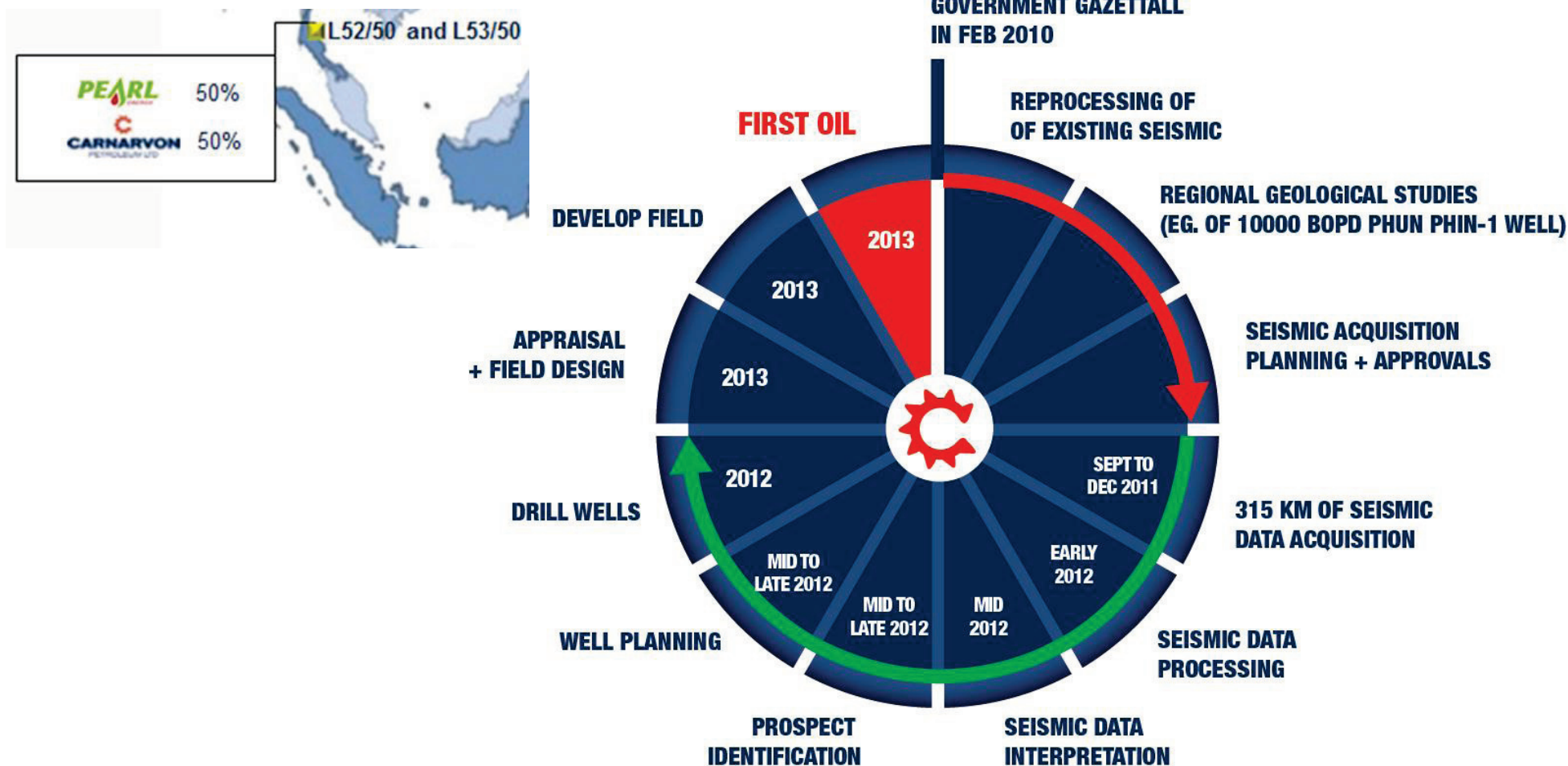
Early stage exploration

- Close proximity to prolific offshore basins in the Gulf of Thailand
- Under-explored basin
- With few valid well tests
- Surface geological and structural mapping completed in 2010
- Currently acquiring new 2D seismic to infill sparse 1988 vintage data



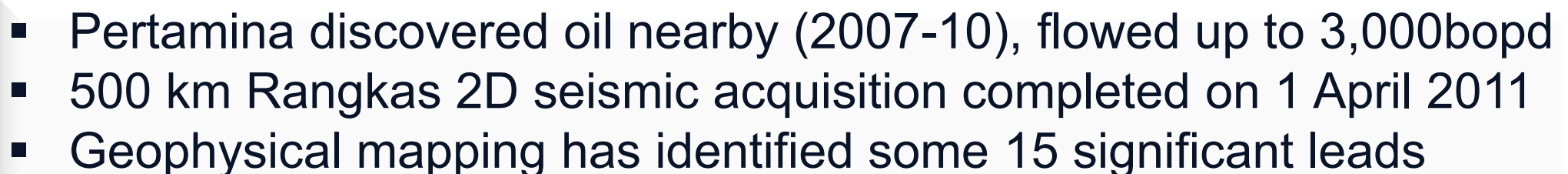
Other value drivers

L52/53 & L53/50 Concessions - Thailand



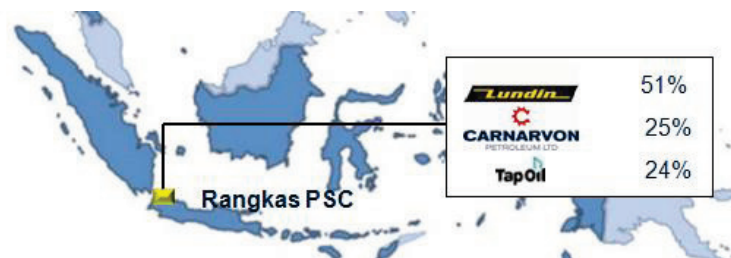
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Valid traps + good source + multiple staked play types

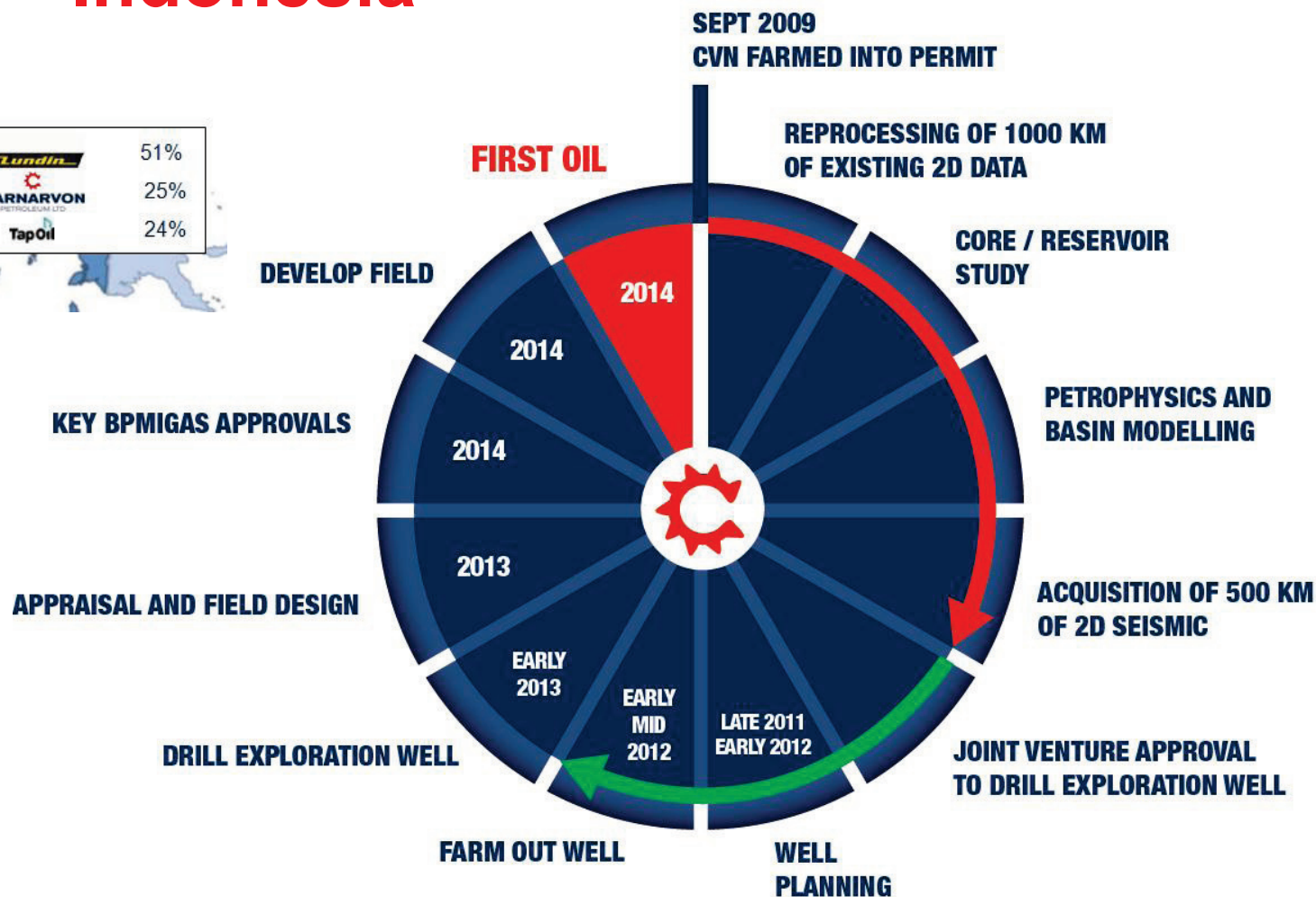


Other value drivers

Rangkas PSC - Indonesia



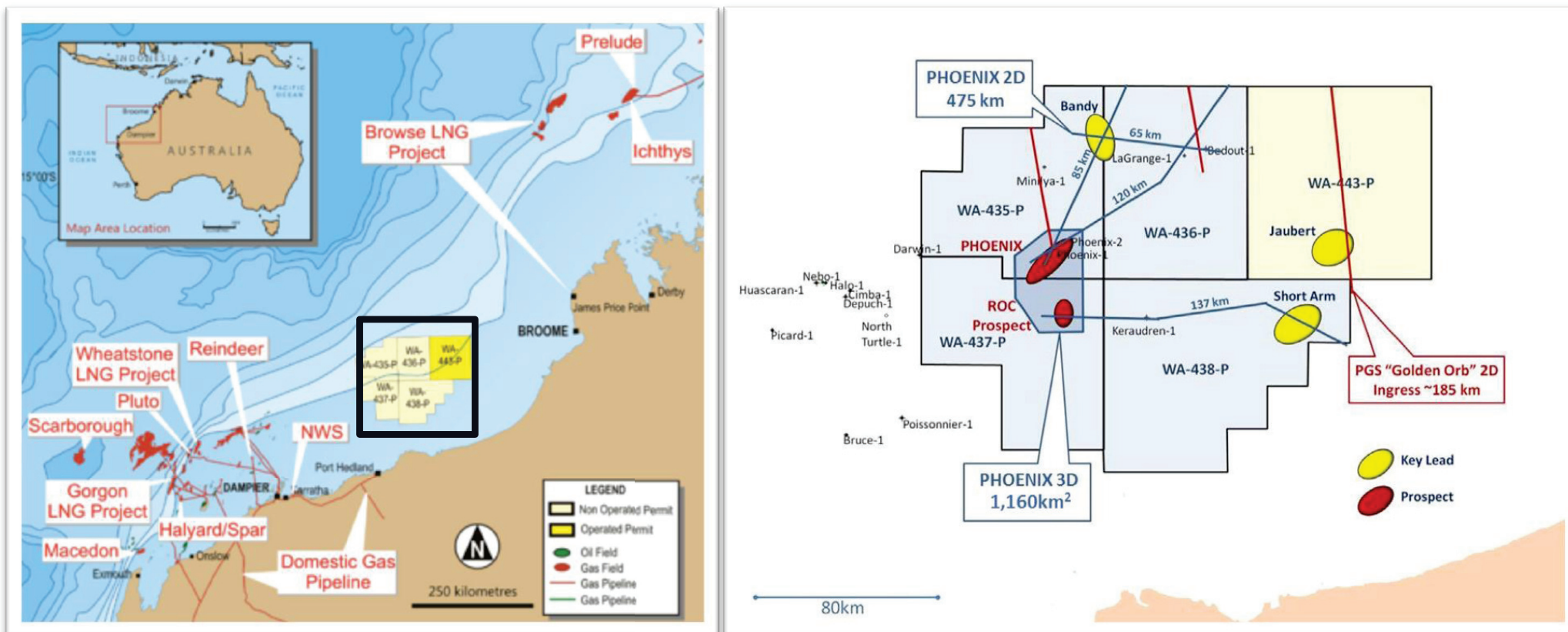
Lundin	51%
CARNARVON PETROLEUM LTD	25%
TapOil	24%



The timeline above is indicative only

Other value drivers

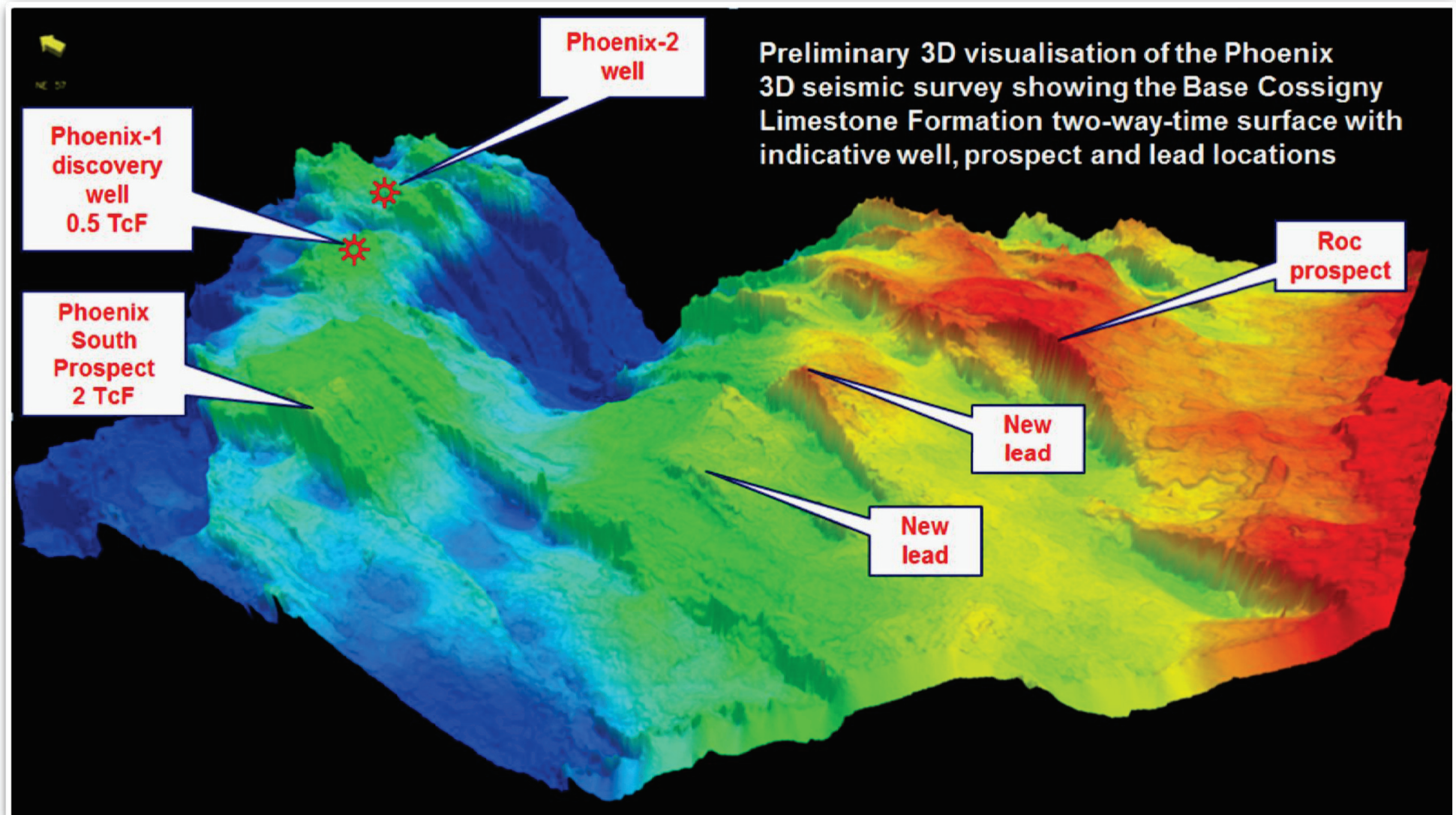
Phoenix asset – Western Australia material interests + large acreage + discovered gas



- Prospects of ~2.5 Tcf (recoverable gas)
- Water depths of ~140m
- Well depths of ~5,000m

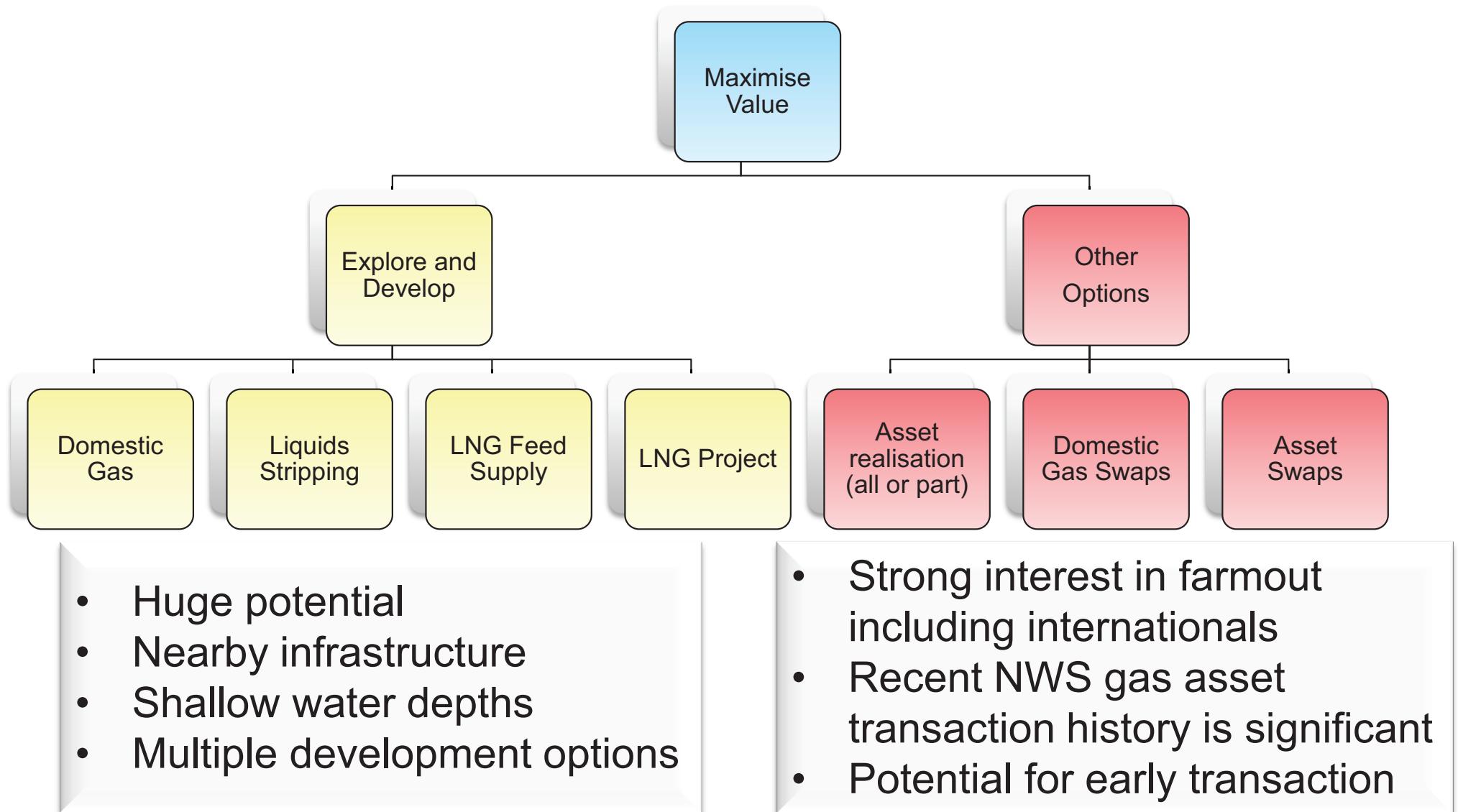
The “**Phoenix**” asset refers to Carnarvon’s 50% interest in the WA-435-P, WA-436-P, WA-437-P and WA-438-P Permits and its 100% interest in the WA-443-P Permit

Phoenix asset – Western Australia 3D seismic clearly showing key structures



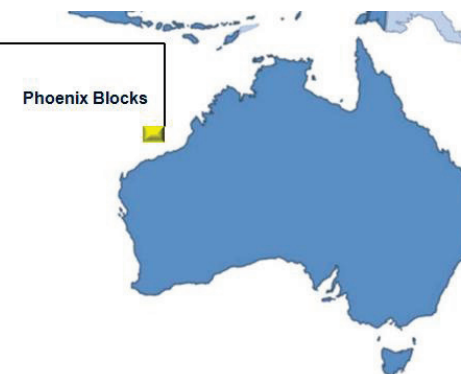
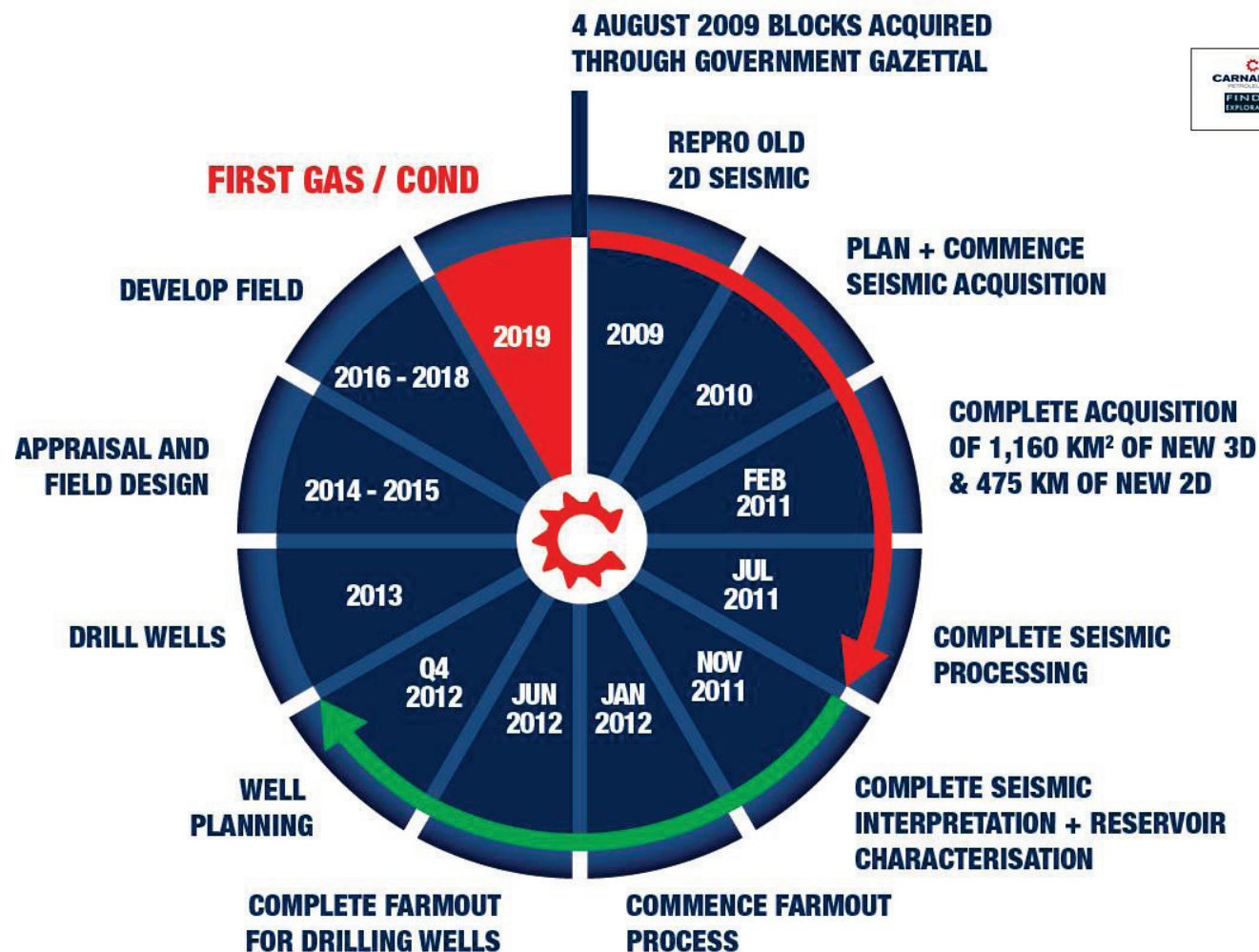
Other value drivers in the business

Phoenix asset – Maximise shareholder value



Other value drivers

Phoenix asset – Western Australia



The "Phoenix" asset refers to Carnarvon's 50% interest in the WA-435-P, WA-436-P, WA-437-P and WA-438-P Permits and its 100% interest in the WA-443-P Permit

The time line above is indicative only

Key priorities in 2012 CY

1. Drill 10-15 sandstone reservoir wells (Thailand)

- Objective – increase the level of stable production

2. Trial new production technologies (Thailand)

- Objective - improve production & reduce volatility

3. Drill high impact volcanic reservoir wells (Thailand)

- Objective – add strong cash flow generating production

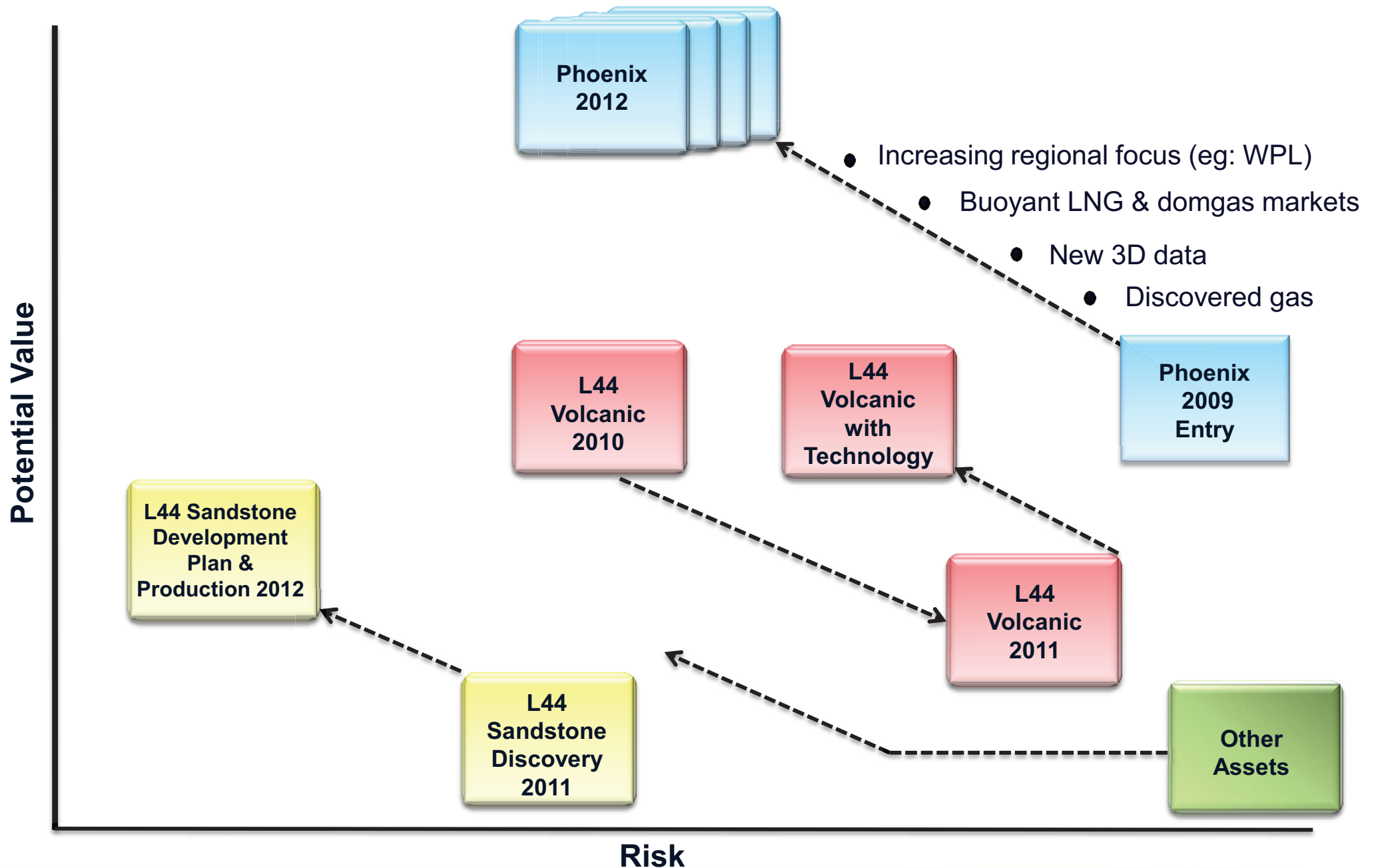
4. Farm-out Phoenix asset (Australia)

- Objective – advance drilling of significant value prospects

5. Generate other growth opportunities

- Objective – mature exploration portfolio

Conclusion and Questions





Ground Floor
1322 Hay Street
West Perth WA 6005
Telephone: +61 (8) 9321 2665
Fax: +61 (8) 9321 8867
www.carnarvon.com.au

