

9 Million Barrel Reserves Upgrade

31 March 2010



Record 2P Reserves Increase

Carnarvon Petroleum Limited ("Carnarvon") (ASX: CVN) is pleased to advise that its net 2P oil reserves have increased by 9.0 million barrels (before allowing for calendar year 2009 production) to 24.5 million barrels as at 31 December 2009, an increase of 48%.

The annual reserves audit was conducted by Gaffney, Cline & Associates (Consultants) Pte. Ltd. of Singapore ("GCA") and was prepared in accordance with the Operator's requirement for National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Summary of Thailand Crude Reserves

as at 31 Dec 2009

Net Carnarvon Reserves		
Proved	Proved + Probable	Proved + Probable + Possible
1P	2P	3P
(million bbls)	(million bbls)	(million bbls)

GCA 31 Dec 2009	6.4	24.5	57.0
12 Month % Increase	73%	48%	55%

Comment from Carnarvon CEO Ted Jacobson

"The 2P reserves increase of 9.0 million barrels is the direct outcome of a successful 2009 exploration program which resulted in the discovery of the Bo Rang North oil fields (L44-W, Bo Rang North "A" and "B") in March 2009.

This increase in oil reserves is clearly material in the context of the company's 31 December 2008 reserve levels. It is also important to remember that whilst increasing reserves the company also produced a net 1.1 million barrels of oil in calendar year 2009 with very strong associated cash flows."

2P reserves net to CVN increased:-

- by 9.0 million barrels before 2009 production
- 48% from 16.6 million barrels reported in the previous year
- to 24.5 million barrels at 31 December 2009

3P net reserves increased to 57.0 million barrels

Registered Office

Ground Floor
1322 Hay Street
West Perth WA 6005

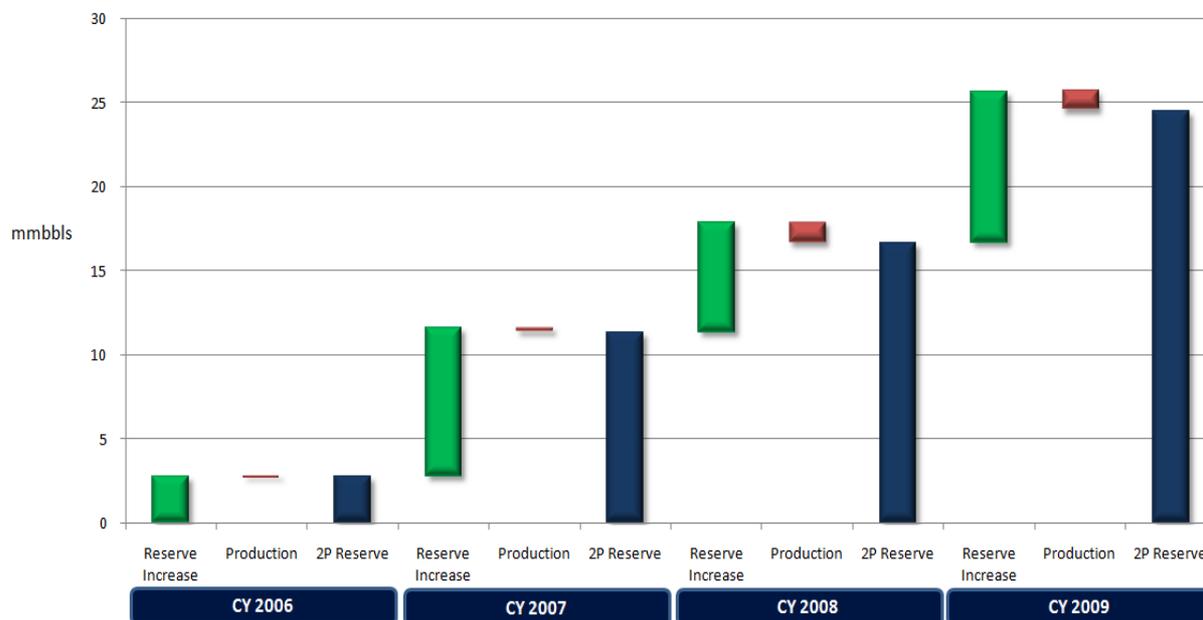
PO Box 99
West Perth WA 6872

Telephone: 08 9321 2665
Fax: 08 9321 8867
Email: admin@cvn.com.au

ASX Code: CVN

www.carnarvon.com.au

Annual Net Reserves Increases



After allowing for production in the 2009 calendar year of 1.1 million barrels net to Carnarvon, the net increase in oil reserves was 2.7 million barrels (1P), 7.9million barrels (2P) and 20.2 million barrels (3P).

Reserves replacement was 3.4 times on 1P reserves and 8.1 times on 2P reserves based on Carnarvon's 2009 calendar year oil sales of approximately 3,000 barrels per day net.

Production and Operations Update

Pan Orient Energy Corporation, the Operator of the L44 concession, has completed the drilling and testing of two new horizontal development wells at the Bo Rang B field. Testing will commence within the next 24 hours of a third horizontal well drilled on the NSE-E1 structure. A fourth horizontal development well is currently drilling on the NSE Central field.

The two Bo Rang B horizontal wells have been put on production at over 600 gross barrels of oil per day each (240 bopd net to Carnarvon each). Current production is approximately 7,500 gross barrels of oil per day (approximately 3,000 bopd net to Carnarvon).

Full scale development of the Bo Rang B, Bo Rang A, L44-W and NSE-F1 discoveries made in 2009 will commence towards the end of April 2010 when four surface pads, capable of handling three wells per pad, are completed. This drilling activity is part of the 2010 calendar year development well program, comprising up to 27 development wells for the year.

Information regarding the preparation of this reserves statement

The information in this Reserves Statement has been compiled by Philip Huizenga, a full-time employee of Carnarvon Petroleum Ltd. Philip Huizenga is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.