



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

29 April 2005
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW
Via ASX Online

Dear Sirs,

QUARTERLY REPORT FOR MARCH 2005

Please find attached Carnarvon Petroleum Limited's Mining Exploration Entity Quarterly Report for the quarter ended 31 March 2005 incorporating:

- Report on activities for the March 2005 quarter; and
- Appendix 5B.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Rick A Pullia
COMPANY SECRETARY

REPORT FOR MARCH 2005 QUARTER

SUMMARY

Key results for the quarter were:

- The SW1A Joint Venture in Thailand had a cash operating profit of US\$176,000 for the March 2005 quarter, an increase over the previous quarter and prior year comparable quarter.
- Average oil price for the March 2005 quarter increased to US\$32 bbl compared to US\$26 bbl in the previous quarter.
- The Operator achieved an average sale price of US\$36 bbl in the last month of the quarter.
- Cash attributable to Carnarvon in the March 2005 quarter from the SW1A Joint Venture was A\$91,000.
- Consolidated cash balance at the end of the quarter is \$336,000 compared with \$401,000 at 31 December 2004.
- Net market value of shares in Ausam Energy Corporation is A\$165,000.

EXPLORATION & DEVELOPMENT ACTIVITIES

SW1A Concession – Thailand

(Carnarvon 40% / Tiger Petroleum 60%)

The SW1A Joint Venture continues to be profitable and for the March 2005 quarter earned a cash operating profit of US\$176,000 and the share attributable to Carnarvon was A\$91,000. The operating results for the March 2005 quarter, the December 2004 quarter and the comparative March 2004 quarter are shown in the following table:

SW1A Operating Results Before Gemini Royalty	Mar 2005 QTR	Dec 2004 QTR	Mar 2004 QTR
Oil production rate	163 BOPD	172 BOPD	205 BOPD
Total production	14,663 bbls	15,840 bbls	18,675 bbls
Average sale price	US\$32.05/bbl	US\$26.54/bbl	US\$22.88/bbl
Cash operating profit/(loss)	US\$176,000	US\$172,000	US\$80,000
Cash attributable to Carnarvon	A\$91,000	A\$88,000	A\$55,000

Total production for the quarter decreased to 14,663 barrels, compared to 15,840 in the previous quarter, at an average of 163 BOPD, which is in line with the normal decline profile of existing wells. Cash operating profit increased marginally in the current quarter to US\$176,000 compared to US\$172,000 in the previous quarter. This increase was due to higher margins obtained because of the increase in oil prices, which offset the decrease in barrels of oil sold and a small increase in cash operating expenses in the quarter.

During the quarter Carnarvon, through its wholly-owned subsidiary, Strategic Exploration (Asia) Limited (“SEAL”), issued a claim for US\$107,000 against the Operator, Pacific Tiger Energy (Thailand) Limited (“PTET”) and Tiger Petroleum Inc. in respect of the unauthorized use of funds which had been contributed by SEAL to the joint venture for approved seismic acquisition purposes only. As at 31 March 2005 a portion of this claim had been repaid to SEAL. Tiger has undertaken to repay the outstanding balance. This matter is currently before the Canadian courts.

Carnarvon, through SEAL, has provided notice to PTET that PTET is in default of the Joint Operating Agreement (“JOA”) for underfunding its share of joint venture expenditure. That default continued for a period of 90 days, and accordingly SEAL gave notice to PTET under the JOA requiring PTET to withdraw from the JOA and the Farmin Agreement and transfer its joint venture interest to SEAL. PTET does not accept this position.

Carnarvon is in discussion with Tiger Petroleum with a view to reaching a commercial settlement of these matters. In the event that a commercial settlement is not reached in a timely manner, Carnarvon will immediately move to enforce its rights in the Canadian courts.

During the quarter Tiger Petroleum announced that it was evaluating potential opportunities and strategic alternatives and opened a data room for qualified parties to investigate the opportunity of entering into a commercial transaction with Tiger Petroleum Inc.

As a result of the potential restructure of Tiger Petroleum, the Operator has not put forward a formal Work Program and Budget for the current year for further exploration and development of the Wichian Buri field. The Operator has continued with normal operations at Wichian Buri, including workovers, with Carnarvon’s agreement. Oil production from pre-Phase III wells continued to decline at expected rates, and additional in-fill drilling would be required to increase production.

It is anticipated that Technical and Operational Meetings will be held between the joint venture partners in the June quarter to commence planning on a Work Program & Budget for 2005-06.

Carnarvon Basin (Western Australia)

EP 110 and EP 424

(Carnarvon Petroleum 35% / Strike Oil 40% / Pancontinental Oil & Gas 25%)

Carnarvon has a 35% interest in the consolidated permits EP 110 and EP 424 in the Carnarvon Basin. Strike Oil is the operator of both permits and the joint venture partners have approved a work programme for 2005-06 to continue activities, including a planned seismic program within EP 424 to delineate identified leads and prospects.

A good lead at the Birdrong Sandstone level has been mapped within EP 424 and will be delineated with the acquisition of some 100 km of new seismic data as part of a larger program being conducted in the area. The timing of the survey will be dependent on other operators in the area with a view to saving costs on mobilization/demobilization.

The onshore portion of the EP110 permit is adjacent to the producing Tubridgi Gas Field. Evaluations suggest that some topographic highs may overlie subsurface structuring. This concept will be further examined by making use of digital elevation modeling and, if successful, will guide future assessments of the block.

Carnarvon's contribution to expenditure on the work programme in 2005-06 financial year is likely to be in the order of \$130,000.

Papuan Basin (Papua New Guinea)

PRL 4 and PRL 5 including the Stanley, Elevala, and Ketu discoveries

(Carnarvon Petroleum 15% / Santos 35% / InterOil 20% / AWE 15% / TransOrient 7.5% / Horizon Oil 7.5%)

Petroleum Retention Licences 4 and 5, operated by Santos, are located in the foreland of the Papuan Basin adjacent to the Irian Jayan border in western PNG. The permits contain three gas/condensate discoveries, Elevala-1, Ketu-1 and Stanley-1. The joint venture is considering a condensate stripping and gas re-injection project to develop the Elevala field. Apart from the known fields, as established by the gas-condensate discovery wells, there are several other large targets in the areas. Both permits have been renewed for a further five years with work commitments tailored to monetizing the hydrocarbon accumulations in the future.

Ausam Energy Corporation

Carnarvon is a shareholder in Ausam Energy Corporation, a company listed on the Canadian TSX Venture Exchange. During the March 2005 quarter, Carnarvon realized a portion of its investment in Ausam at prices ranging from C\$1.10 to C\$1.50 per share, raising a total of A\$133,000 net of selling costs. The value of Carnarvon's remaining investment, based on the latest Ausam closing price of C\$0.90 per share, is approximately A\$165,000.

CORPORATE ACTIVITIES

The Company's consolidated cash balance at the end of the quarter is \$336,000.

Payments for corporate administration costs in the March quarter totalled \$290,000, consistent with the December 2004 quarter amount of \$295,000. After allowing for cash payments of \$114,000 for increased costs associated with the Tiger Petroleum litigation, the Company's normal corporate overhead cost for the quarter was \$176,000, a reduction of \$144,000 when compared with the prior year comparable quarter. This reflects the Company's continued focus on cost management and reduction.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CARNARVON PETROLEUM LIMITED

ABN

60 002 688 851

Quarter ended ("current quarter")

31 MARCH 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	182	639
1.2 Payments for (a) exploration and evaluation	(10)	(31)
(b) development	(1)	(32)
(c) production	(143)	(471)
(d) administration	(290)	(739)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(260)	(626)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(24)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	133	394
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Cash Call refund from SW1A JV	66	66
Net investing cash flows	195	436
1.13 Total operating and investing cash flows (carried forward)	(65)	(190)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(65)	(190)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(65)	(190)
1.20	Cash at beginning of quarter/year to date	401	528
1.21	Exchange rate adjustments to item 1.20	-	(2)
1.22	Cash at end of quarter	336	336

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, including superannuation	52
Fees for strategic and corporate finance consulting services provided by a director-related entity	21

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements Bank overdraft	30	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	163	185
5.2 Deposits at call	173	216
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	336	401

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	272,312,513	272,312,513		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	38,492,101	38,492,101	<i>Exercise price</i> 6 cents	<i>Expiry date</i> 31 December 2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Print name: Rick A. Pullia
COMPANY SECRETARY

Date: 29 April 2005

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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