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ASX RELEASE

Chairman's Address

MELBOURNE, AUSTRALIA (ASX: CVN), 30 November 2005

Following is the Chairman's Address presented at today's AGM.

Ladies and gentlemen,

This is my first meeting as a director and chairman of your Company having assumed both positions earlier this year. I am pleased to be able to provide an update on progress made towards optimising the potential value of our interests in Thailand and re-invigorating Carnarvon with new opportunities.

As you will be well aware, Carnarvon has faced some significant challenges over the past 12 months and it has been a frustrating period.

As advised in our recent September quarterly report, Pan Orient Energy Corp successfully completed its takeover of Tiger Petroleum Inc, Carnarvon's joint venture partner in the Wichian Buri oilfield. Extensive discussions between Carnarvon and Pan Orient to resolve the various outstanding matters between Tiger and Carnarvon have been progressed in a very constructive manner.

We are pleased that, as announced earlier today, agreement has been reached with Pan Orient on future operations of the joint venture. This agreement comprehensively deals with our past concerns and now provides a sound platform for a strong working relationship with our new partner.

The principal terms agreed by Carnarvon and Pan Orient provide for:

- Pan Orient to fund Carnarvon's share of the cost of the next two wells to be drilled in accordance with an approved work program and budget to a limit of US\$350,000
- A restructure of the joint venture to ensure that both parties' commercial interests are adequately protected
- Pan Orient to be appointed to operate the joint venture
- A new operating agreement that will incorporate terms and conditions substantially in line with industry standards
- Confirmation that Carnarvon is entitled to a 40% working interest in Exploration Block L33/43 and acknowledgement by Carnarvon that it will contribute 40% of all reasonable costs from application date

- Carnarvon discontinuing all current litigation and Pan Orient agreeing that US\$100,000 of any amounts owing in the restructure of the Joint Venture will be waived or credited as having been paid.
- Appropriate forms of indemnification and release by Carnarvon and Pan Orient.

Pan Orient is led by Mr Jeff Chisholm, a geoscientist with a great deal of experience in Asia, and has a management team and board of directors with extensive oil and gas industry experience.

Existing operations at Wichian Buri continue to be profitable and cash flow positive. The company is in active discussion with Pan Orient concerning an extensive development plan for the Field with a view to commencing as soon as possible.

It is contemplated that 2 in-fill wells in existing PLs will be drilled shortly and an extensive 3D seismic survey to define the complex structural solution and provide fluid fill estimates is anticipated to commence in February 2006. Once data has been analysed and interpreted, the joint venture will then consider embarking on a cost-effective continuous drilling program.

Carnarvon welcomes this approach which is consistent with our view of the strategic development of the Field.

The Board has recently announced that it was selling its PNG assets to New Guinea Energy Ltd. Due to the long term development timetable of its PNG assets, the Board decided that it was not consistent with the Company's focus on producing assets with development potential and therefore considered a sale appropriate.

The divestment to New Guinea Energy enables the Company to monetise this asset and reinvest the proceeds. The structure of the transaction potentially provides further upside to the Company.

As we now move into the next stage of Carnarvon's activities the Board has decided to relocate its management and administrative functions to Perth, to take advantage of the oil and gas industry's technical resources based in Perth and a more active commercial environment. Transition arrangements are in hand with the appointment of Bob Anderson as our new CFO and Company Secretary and the move should be completed early in January.

As announced yesterday Andrew Shelton advised the Board that, following settlement with Pan Orient and in view of the impending relocation to Perth, he had decided to retire as a director at the conclusion of this meeting. On behalf of the Board I wish to thank Mr Shelton for his time and commitment to the Company during a very difficult period, and his constructive contribution to achieving this outcome with Pan Orient.

The Board is pleased to announce that Mr Ted Jacobson has agreed to become a director of your Company and that it is proposed that he be appointed shortly after the AGM.

Ted is a petroleum geophysicist with 35 years experience in petroleum exploration principally in the European North Sea, South East Asia, South America and Australia. Within Australia he has been responsible for initiating a number of petroleum discoveries within the Cooper Basin, Barrow Sub Basin and Timor Sea. Ted is well known as a co-founder of Discovery Petroleum and more recently since 1996 co-founder and Technical Director of Tap Oil Ltd which grew to a market capitalisation of over \$400mm under his technical leadership.

We are confident that Ted will bring significant technical and commercial experience to Carnarvon and the Board looks forward to working with him

Your Board believes that the Company is now well positioned to move forward in a positive manner, with a focus on the operations in Thailand while at the same time actively seeking new business opportunities.

Before concluding I would like to acknowledge the efforts of our CFO and Company Secretary Rick Pullia. He has carried a heavy workload particularly over the last several months and has contributed significantly to the agreement with Pan Orient. Rick has strong ties to Melbourne and could not be persuaded to move to Perth with Carnarvon. We wish him well in the future.