



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

Level 50, 120 Collins Street
Melbourne Victoria 3000
Australia
Tel: +61 3 9225 5400
Fax: +61 3 9225 5050
admin@carnarvonpetroleum.com

2004 AGM – Chairman’s Address

MELBOURNE, AUSTRALIA (ASX: CVN), 30 November 2004

Ladies and gentlemen,

As you will be well aware, Carnarvon has faced some significant challenges over the past several months.

In February this year, the operator of the Wichian Buri Oil Field joint venture in Thailand, Pacific Tiger, drilled 2 field development wells, N7 and N8, as part of the Phase III drilling campaign.

WB-N7 was drilled as a horizontal well into exploration license L44/43 to establish the extension of the Wichian Buri Oil Field to the north outside the existing production licenses, PLs 1 and 2. The well did encounter some 105 meters of net horizontal pay along hole but production was not established. WB-N8 was also drilled as a horizontal well with two multilateral holes coming off the central spine. The spine intersected approximately 164 meters of net horizontal pay but only limited production was established from a bottom hole location within PL 1.

In June 2004, the directors and senior management of Pacific Tiger were replaced by a new board. Since June 2004, operations and direction of the operator have been conducted out of the corporate head office of Pacific Tiger in Calgary.

Carnarvon’s initial discussions with the new management team were positive. Carnarvon had planned to meet with the new management team of Pacific Tiger in Bangkok in July. However, they requested the meeting be deferred until they had completed their own internal review of the operations.

The joint venture partners agreed that an engineering review of the field be undertaken by an internationally recognized engineering firm to determine how best to remediate the wells, to both increase production and to make application for a new production licence.

Carnarvon intended that the study would form the basis to provide an overall forward plan to optimize drilling and production. In addition, the study was to provide an independent overview of the operations in Thailand, to ensure that the project is operating prudently and in accordance with acceptable industry practice.

The joint venture partners agreed in early July that Navigator Resource Management Inc. be engaged to undertake the study. Navigator is a Calgary based firm that provides engineering, technical and operating consulting services to the oil and gas industry worldwide. The firm specializes in field and well rehabilitation services.

Since late July of 2004, Pacific Tiger has failed to respond substantively to requests for financial and operational information regarding the joint venture.

Beginning in July 2004, Pacific Tiger failed to pay to Carnarvon its share of the proceeds from the sale of oil from the Oil Field.

In August 2004, Pacific Tiger announced operational changes and improvements to the joint venture operations, but Carnarvon was neither consulted on the changes nor was approval sought from Carnarvon or the Joint Venture Operating Committee. The new management terminated key employees of the operator and the parent company, hampering its ability to effect management change and control, and much corporate memory concerning the joint venture was lost.

On a number of occasions, Carnarvon requested of Pacific Tiger, as operator, the convening of Technical and Operating Committee meetings to address operational, technical and financial issues that were of concern to Carnarvon. However, Pacific Tiger failed to respond.

Carnarvon also requested on a number of occasions, a copy of the Navigator report and findings concerning the joint venture, but again no response was forthcoming from Pacific Tiger.

The relationship had deteriorated by late August to the point that Carnarvon had no choice but to seek legal redress to protect its commercial interests. Carnarvon commenced legal action in Canada, seeking, amongst other things, payment of outstanding oil proceeds revenue, the provision of financial and operational information, and a copy of the Navigator report.

On November 24, Carnarvon received a court order directing the operator, Pacific Tiger to:

- pay to Carnarvon its share of the proceeds from the sale of oil from Wichian Buri;
- provide to Carnarvon all of the required financial and operational information concerning the joint venture;
- release to Carnarvon a copy of the Navigator report with respect to the joint venture; and
- allow immediate access to all joint venture records by representatives of Carnarvon and its auditors.

Costs of C\$20,000 plus disbursements were awarded in favour of Carnarvon.

I am pleased to report that approximately US\$110,000, representing Carnarvon's share of revenue for June and July, has now been transferred by Pacific Tiger to the Company's bank account.

Senior management of Carnarvon will be in Bangkok this week to commence the financial audit and operational review of the joint venture.

In August 2004, Carnarvon also formally advised the new management team of Pacific Tiger that Carnarvon considers that the Exploration Block L33/43 licence, granted to Pacific Tiger in July 2003, forms part of the joint venture property.

Exploration Block L33/43 abuts the northern boundary of L44/43 and the Wichian Buri fault block extends into L33/43.

This matter had been under discussion with Pacific Tiger for some time.

Since we have had no response from the new management of Pacific Tiger regarding this matter, we intend to turn the matter over to our legal advisers to pursue, through the courts if necessary.

Carnarvon finished the financial year in a strong working capital position. We have continued to focus on containing costs, notwithstanding the legal action against Pacific Tiger, and our current liquidity position remains sound.

For further information, please contact:

Carnarvon Petroleum Ltd

Rick A. Pullia (Company Secretary)

+61 3 9225 5400