

**CARNARVON PETROLEUM LIMITED
27 NOVEMBER 2008 ANNUAL GENERAL MEETING**



CARNARVON
PETROLEUM LTD

AGM Presentation

November 2008



CARNARVON
PETROLEUM LTD





Investment Highlights

- Rapidly growing low cost Thailand oil production
 - Currently ~ 5,000 bopd net sales
 - On track for 6,000 bopd net sales before end 2008 as promised
- Rapidly growing Thailand oil reserves
 - Audited at 31 Dec 2007
 - 11.4mmbo 2P net recoverable reserves
 - 45.7mmbo 3P net recoverable reserves
- 2 rigs under long term contract and currently operating in Thailand by Joint Venture
 - Targeting 4 wells for remainder 2008 (including 2 wells currently drilling)
- \$41million net cash at 30 September 2008, debt and oil hedge free
- Strong, growing cashflow



Corporate Snapshot

<u>Capital Structure</u>	
Ordinary Shares	673 million
Options (ex @ 10c)	10 million
Market Capitalisation: (fully diluted @ 29 cents)	\$198 million
Cash on hand (30 September 2008)	\$41 million
Debt	nil
Top 20	~ 33.6%
Directors and Management	~11%

<u>Directors & Management</u>	
Chairman:	Peter Leonhardt
Managing Director:	Ted Jacobson
Non Exec Directors:	Neil Fearis & Ken Judge
Company Sec & CFO:	Bob Anderson
COO:	Philip Huizenga
New Ventures Manager:	Dr Robert Bird





Corporate Management



Peter Leonhard – Non Exec. Chairman

- Chartered Accountant
- Previously Chairman of Voyager Energy
- Extensive business, financial & corporate experience
- Provides sound commercial advice and guidance

Ted Jacobson – Exec Director & Chief Executive Officer

- Geophysicist – 37 years international oil and gas experience
- Discoveries in NW Shelf, Cooper Basin, Timor Sea, Thailand
- Co-founder of Discovery Petroleum and Tap Oil Ltd
- Chairman of Board of Rialto Energy Ltd



Bob Anderson– Company Secretary & CFO

- Chartered Accountant
- 15 years experience as CFO
- Manages company finances & commercial activities
- Provides support to CEO and Board



Technical Management



Philip Huizenga – Chief Operating Officer

- 18 years international oil and gas experience
- Management roles in South America and South East Asia
- Petroleum and Drilling Engineering experience
- Development and Production expertise

Dr Robert Bird – New Ventures Manager

- Geophysicist – 25 years international oil and gas experience
- Broad experience with operating companies, consultancies and research laboratories
- Recently started with Carnarvon after several years in Jakarta



Ian McClure – Technical Manager

- Geologist – 35 years experience with major oil companies in Europe, Africa and Asia
- Petroleum Geology and Formation Evaluation Specialist
- Numerous Australian and international discoveries



Technical Management



Tara Reilly – Senior Geologist

- International experience in seismic acquisition and interpretation
- Regional geologist – basin modeling specialist
- New Venture scoping experience – successful oil finder

Graham Chapman– IT Manager

- New hire
- Past military experience – organised and dependable
- Keep office functioning
- Assist with Corporate Governance



Niwattana Kongchatthai – Thailand Branch Manager

- Consulting Petroleum Engineer
- International experience in downstream refineries
- International exposure to various oil and gas fiscal and political regimes



Technical Assistance



Jackie Sutherland – Database Manager and Technical Assistant

- 14 years oil and gas experience in permit administration and software / hardware maintenance
- Maintains technical database incorporating several continents and numerous basins

Suthas Uamchan – Petroleum Engineer & Supaporn Ittasakul – Petroleum Engineer

- Thailand production and petroleum engineering experience
- Post graduate education



Keira Huizenga – Technical Secretary

- Receptionist / Personal Assistant



Business Plan

Carnarvon in strong financial position

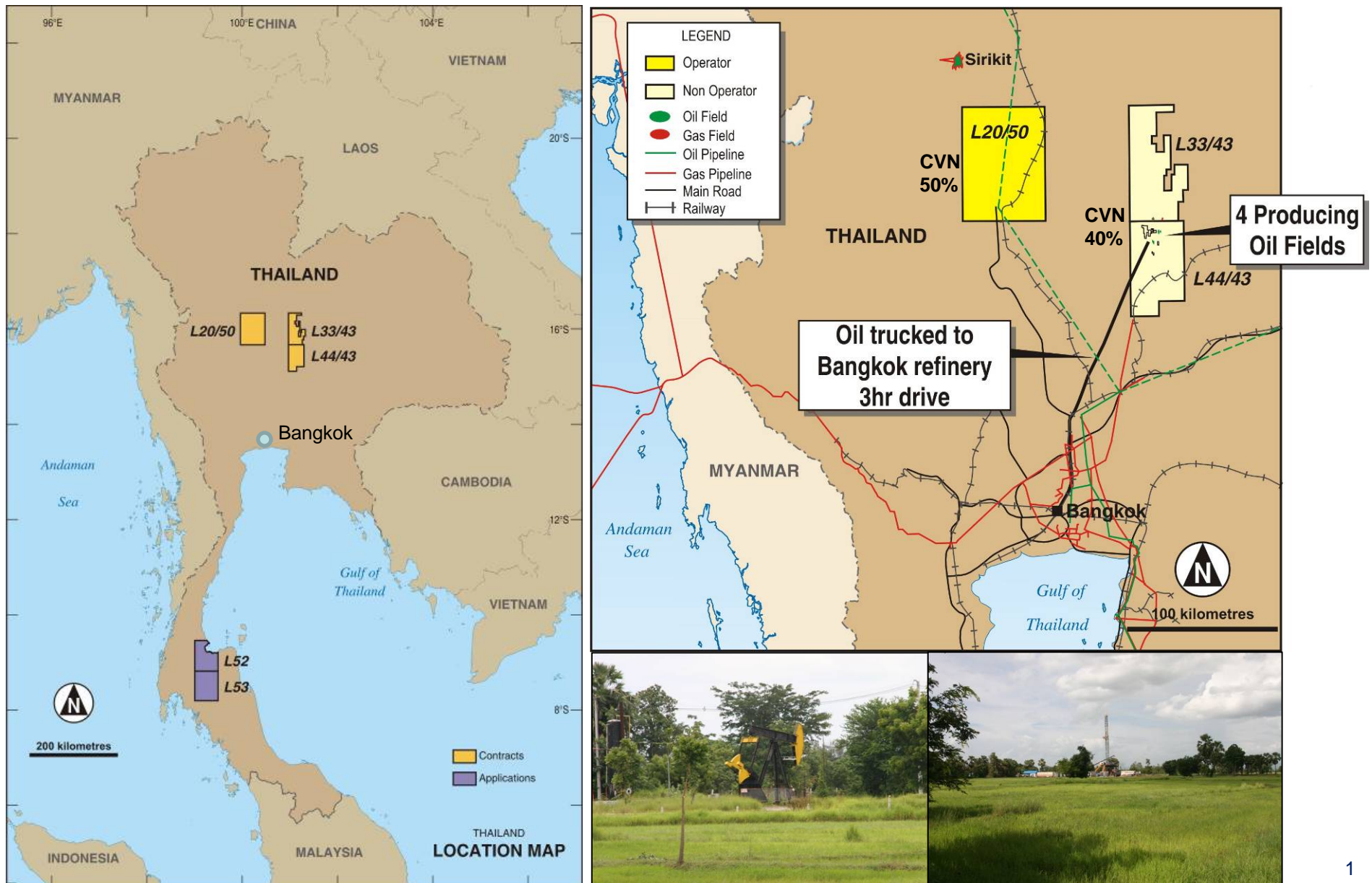
- Nil debt
- Minimal exploration expenditure
- Steady income stream from Thailand
- Money building in bank
- Considerable upside from current permits
- Few companies in our position

Simple Plan

- Accumulate war chest
- Build our staff & technical advantage in the SE Asian region
- Identify distressed assets
- Take advantage of global financial crisis
- Grow company substantially over next 2 to 5 years
- Establish steady production to support dividends



Thailand Permits and Infrastructure





Thailand Involvement

- Carnarvon established Thailand Branch Office in 2007
 - Branch manager Khun Niwattana Kongchatthai



- Carnarvon sponsored Chang Mai university and DMF (Govt) personnel on a two day geological field trip around Phitsanulok and Phetchabun basins



Thailand Involvement cont.

- Briefed local provinces on planned exploration



- Financial contributions to local schools, temples and the community



- Active member of the local Wichian Buri community,
- a significant local employer, with nearly 100 local employees and
- a significant purchaser of local goods and services



Thailand Involvement cont.

- This year Carnarvon hosted delegation of 30 Thai Govt. officials to visit Perth
- Introduced them to Aus. officials and other explorers
- Good Govt. relations are vital to continued success





2008 Progress

- 17 wells drilled, completed & successfully tested for 2008 to date

- Development wells**

- 100% success

- Appraisal wells**

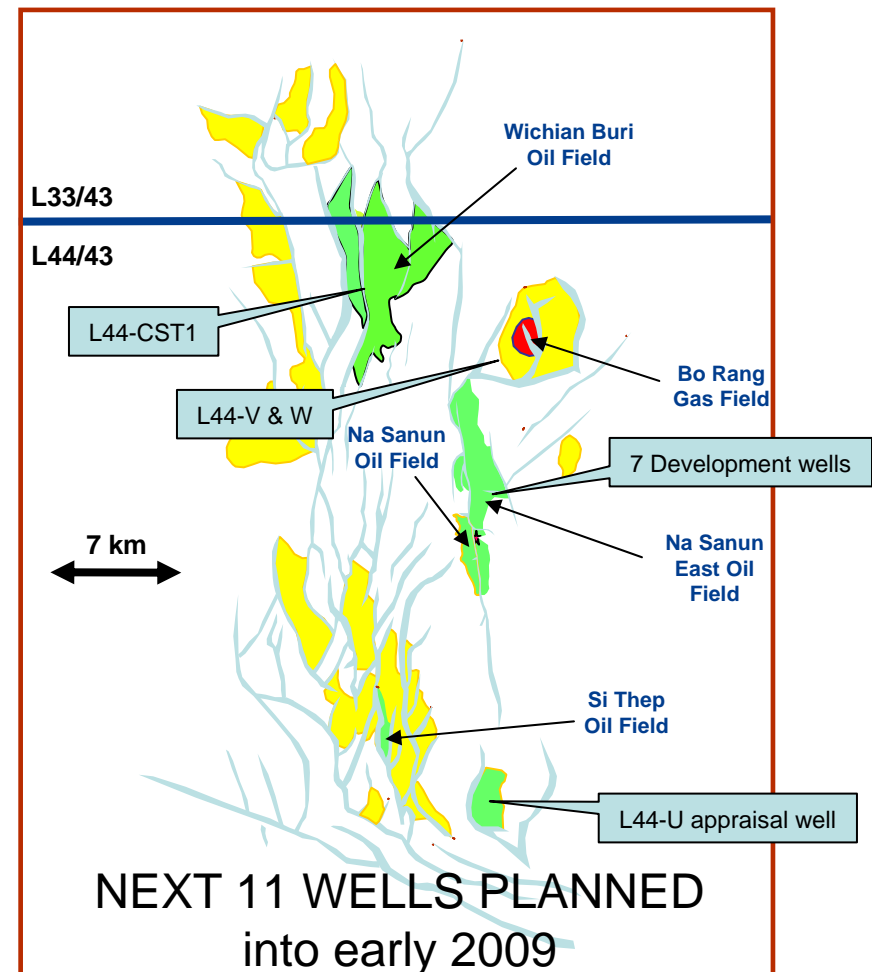
- 67% success

- Exploration wells**

- 33% success

- Development drilling of NSE underway

- 6 exploration and appraisal wells drilled
 - 8 development wells completed
 - 2 development wells currently drilling
 - Additional 2 development wells planned for 2008
 - 2 wells testing in next 2+ weeks





Strong Reserve Position

Rapidly growing Thailand oil reserves

- **11.4mmbbls 2P** net recoverable reserves under development
 - Around 1 mm bbls anticipated to be produced and sold in 2008
- **45.7mmbbls 3P** net recoverable reserves - large upside
- Doesn't include recent new shallow oil discovery at Na Sanun East – producing from NSE-A1 and NSE-A4
- Doesn't include 2008 oil discovery at L44-R
- Doesn't include NSE-C1 and NSE-C2 to be drilled by end 2008

Considerable additional contingent resources

- Additional **31 mmbbls 2C** net recoverable contingent resources

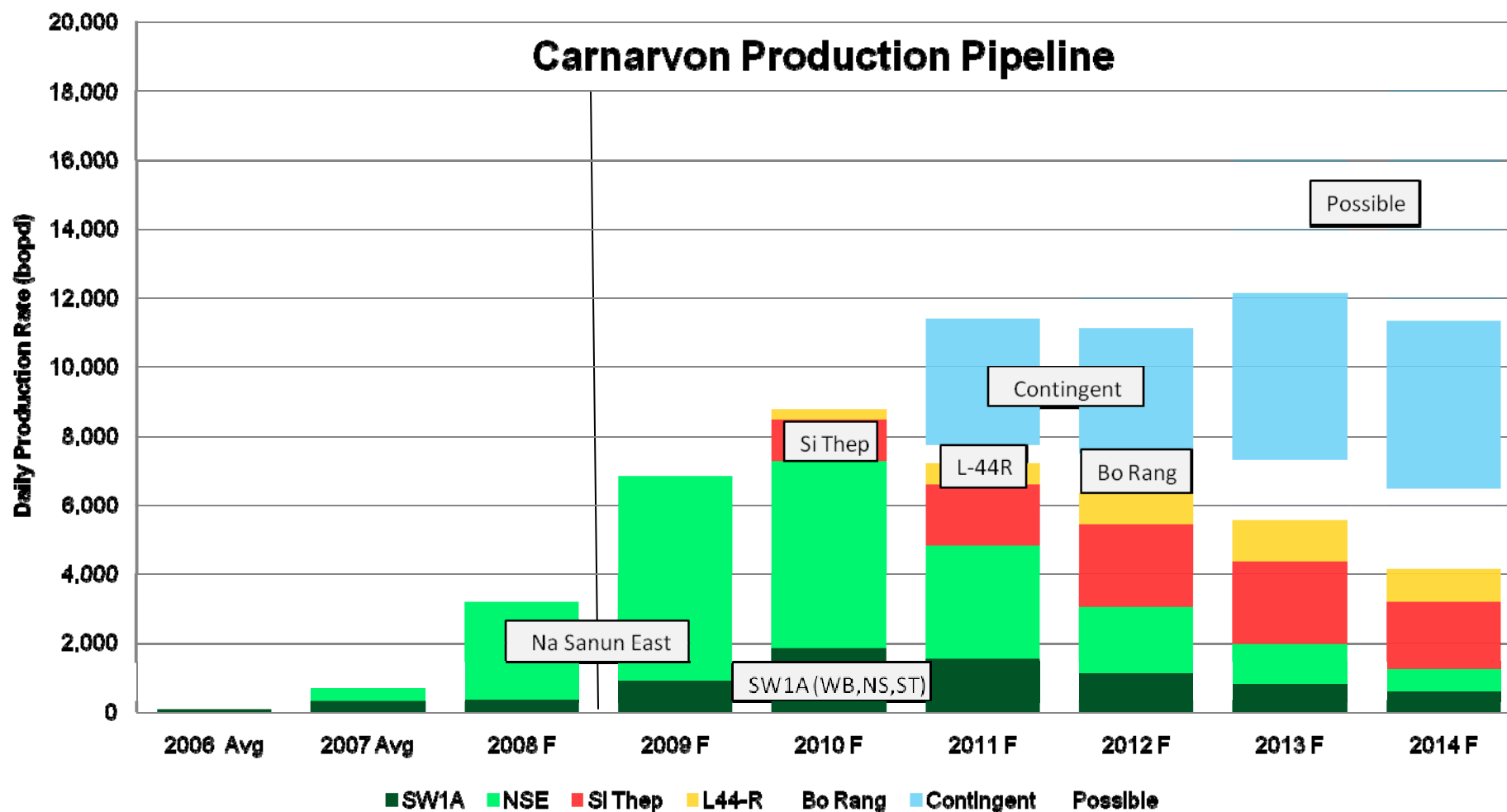




Strong Production

Rapidly growing oil production

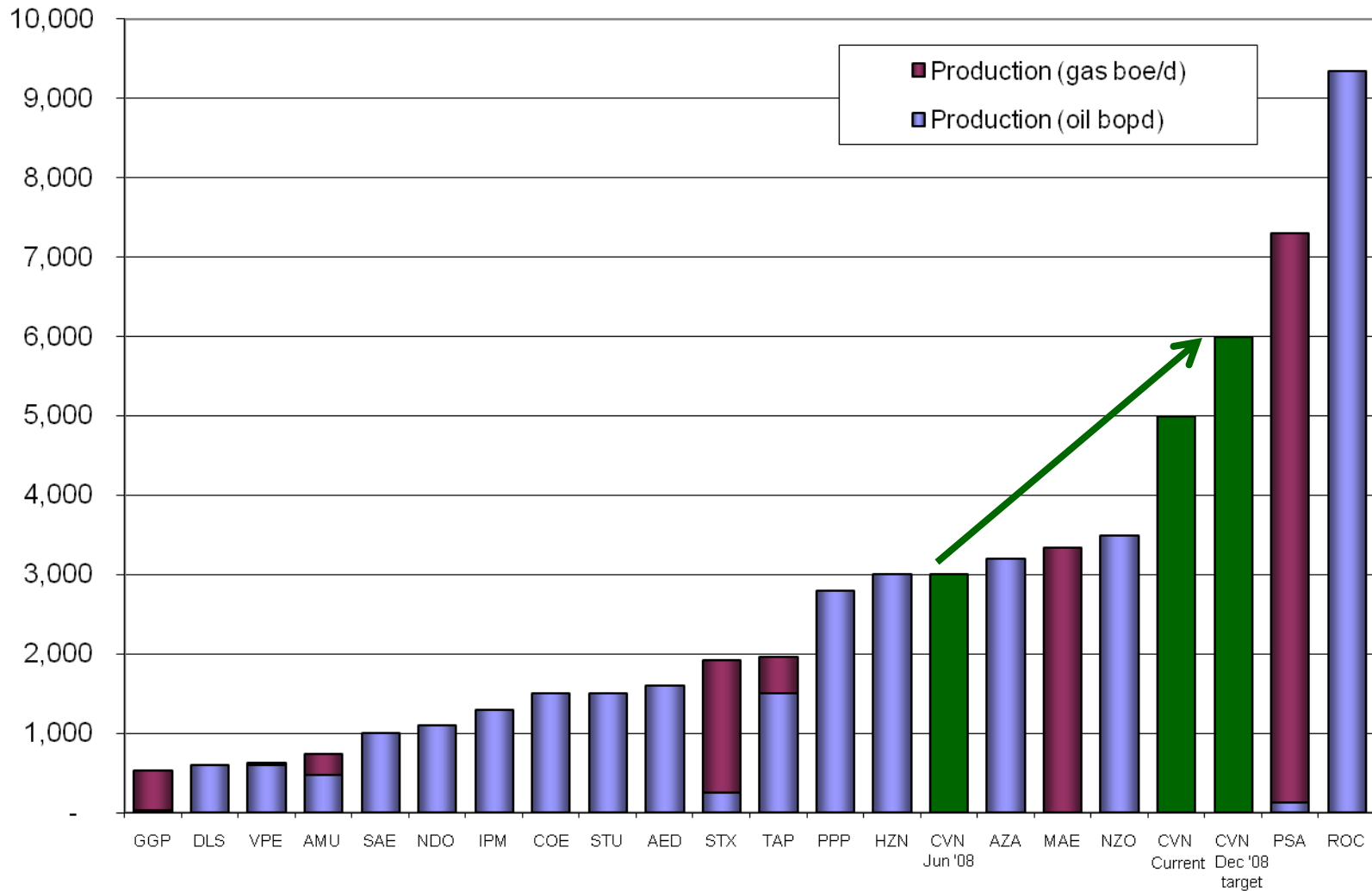
- Well placed to achieve year end targeted production of 6,000 bopd net sales before year end with significant growth pipeline





Overtaking Peer Companies

One of the best oil producers on the ASX with growing production profile





Na Sanun East - Appraisal Upside

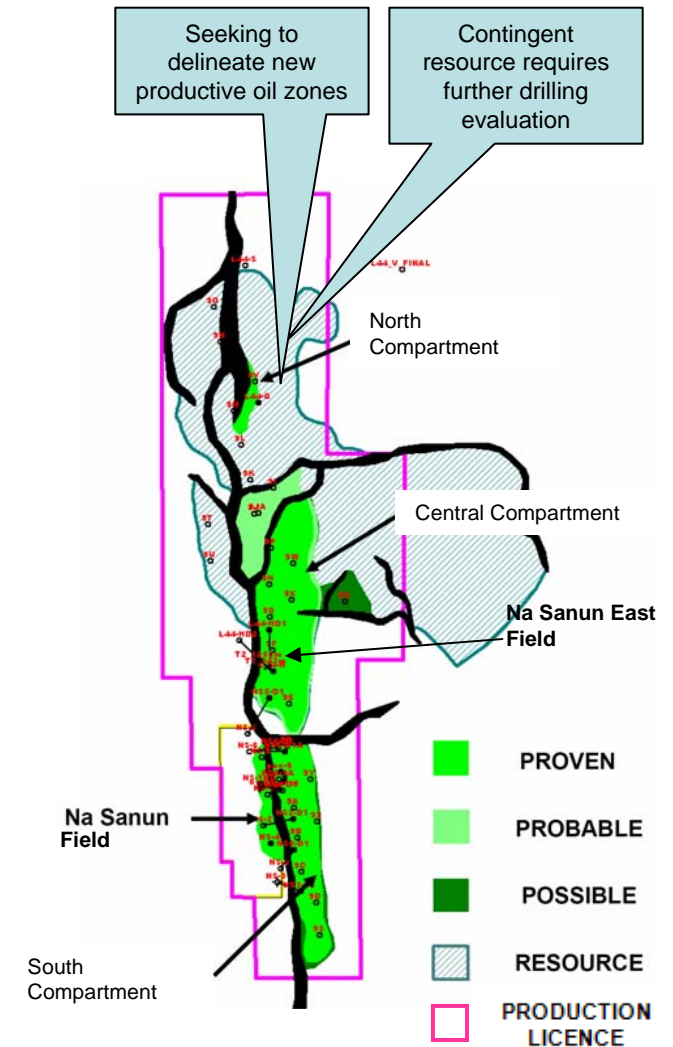
Na Sanun East Other Reservoirs

- Current Na Sanun East production is primarily from only 2 of 5 potential volcanic reservoirs – significant reserve and production upside exists
- Recently drilled development well tested at 1,245 bopd oil from a newly discovered 17 metre thick reservoir
- Potential for increased production and reserves from other reservoirs

Na Sanun East Contingent Resource

- Due to focus on immediate production and cashflow, a large part of the NSE structure remains untested
- Contingent resource requires further drilling appraisal to be reclassified to reserves
- 2 wells planned (NSE-C1 & C2) for late in 2008 to test some possible reserves in time to incorporate in 31 December 2008 reserve statement

OIL FIELD	Low Case	Mid Case	High Case
	1C	2C	3C
Total Net Carnarvon	9 mmbbls	14 mmbbls	46 mmbbls





L33/43 & L44/43 - Appraisal Upside

Bo Rang – Targeting drilling early 2009

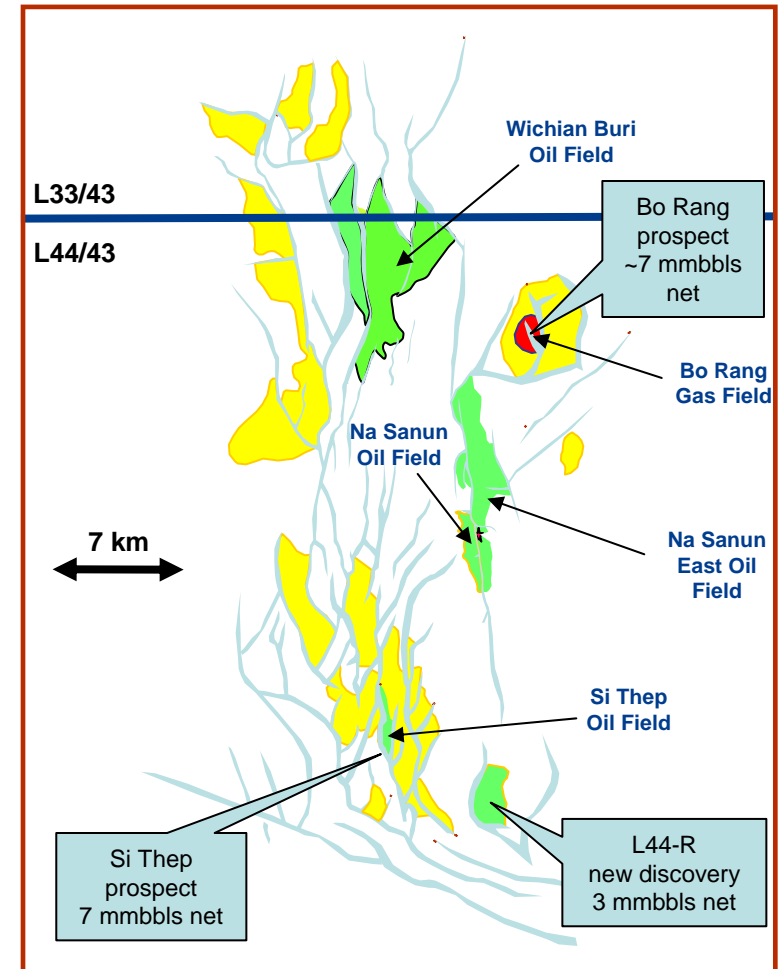
- Bo Rang-1 intersected 6 fractured volcanic zones – only upper zone tested
- Flowed gas @ 5.6 mmcf/d from upper volcanic interval
- Potential oil resource from only one deeper volcanic reservoir not previously tested of **7mmbbls (2C) net recoverable**

Si Thep – Targeting drilling early 2009

- Si Thep-1 intersected 4 fractured volcanic zones – not tested
- Currently producing from sandstone reservoir ~ 10 bopd
- Complex faulting and lost circulation indicates good fractured reservoirs
- Potential oil resource estimate of **7 mmbbls (2C) net recoverable**

L44-R – to be appraised end of 2008

- New volcanic reservoir discovery drilled in March 2008, 10 kms south and separate structure from Na Sanun East
- Flowed 29 bopd from volcanic reservoir
- Will potentially add new reserves to 31/12/08 reserve statement
- Reservoir not fractured in wellbore – oil flow potentially from volcanic matrix
- Hopeful further wells may intersect fracturing
- Potential oil resource estimate of **3 mmbbls (2C) net recoverable**

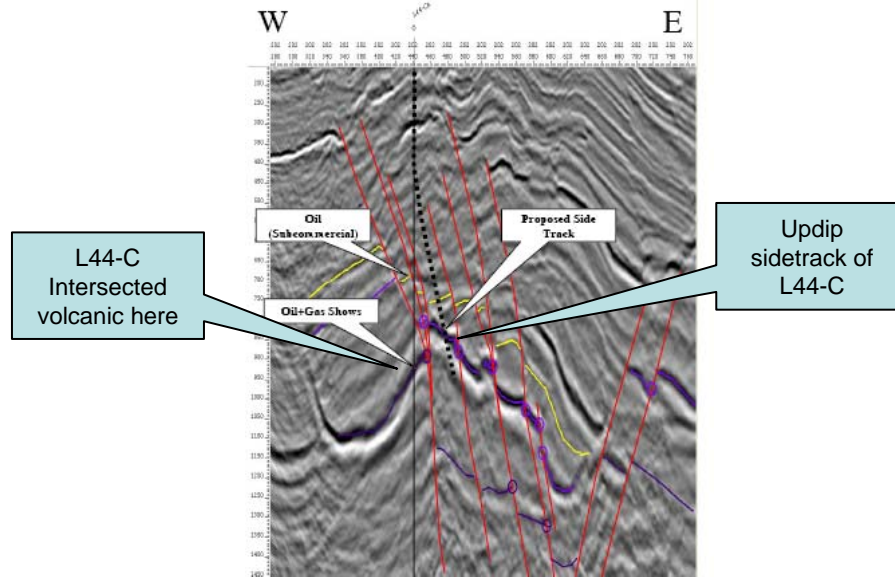




L33/43 & L44/43 - Exploration Upside

Wichian Buri Deep

- L44-C sidetrack planned early 2009

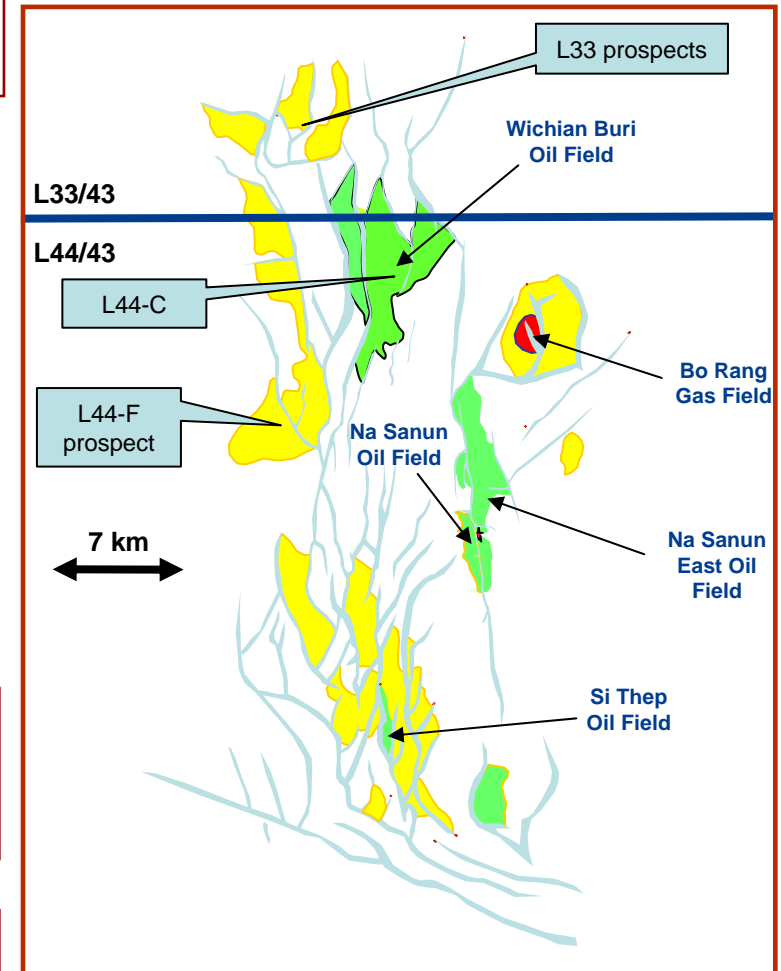


L44-F

- Exploration well being planned
- Significant prospect with several fault compartments

L33/43

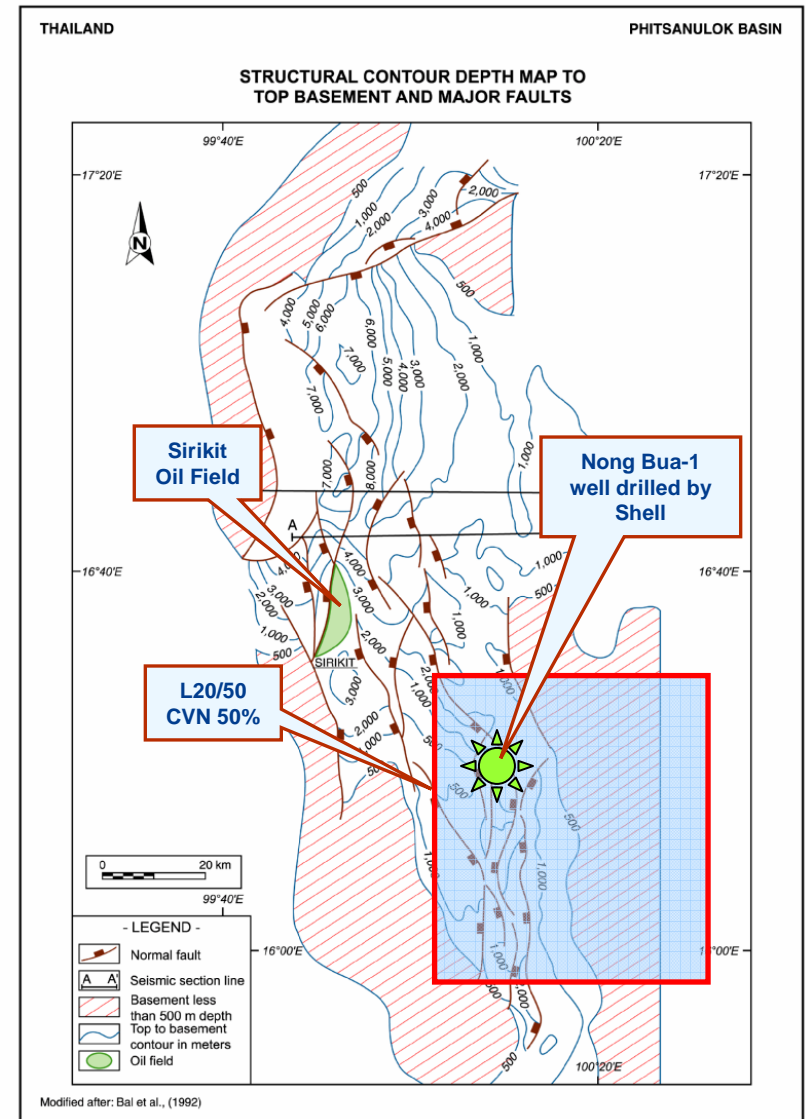
- Mapped on existing 2D seismic with several prospects mapped
- 2 wells planned here for 2009





L20/50

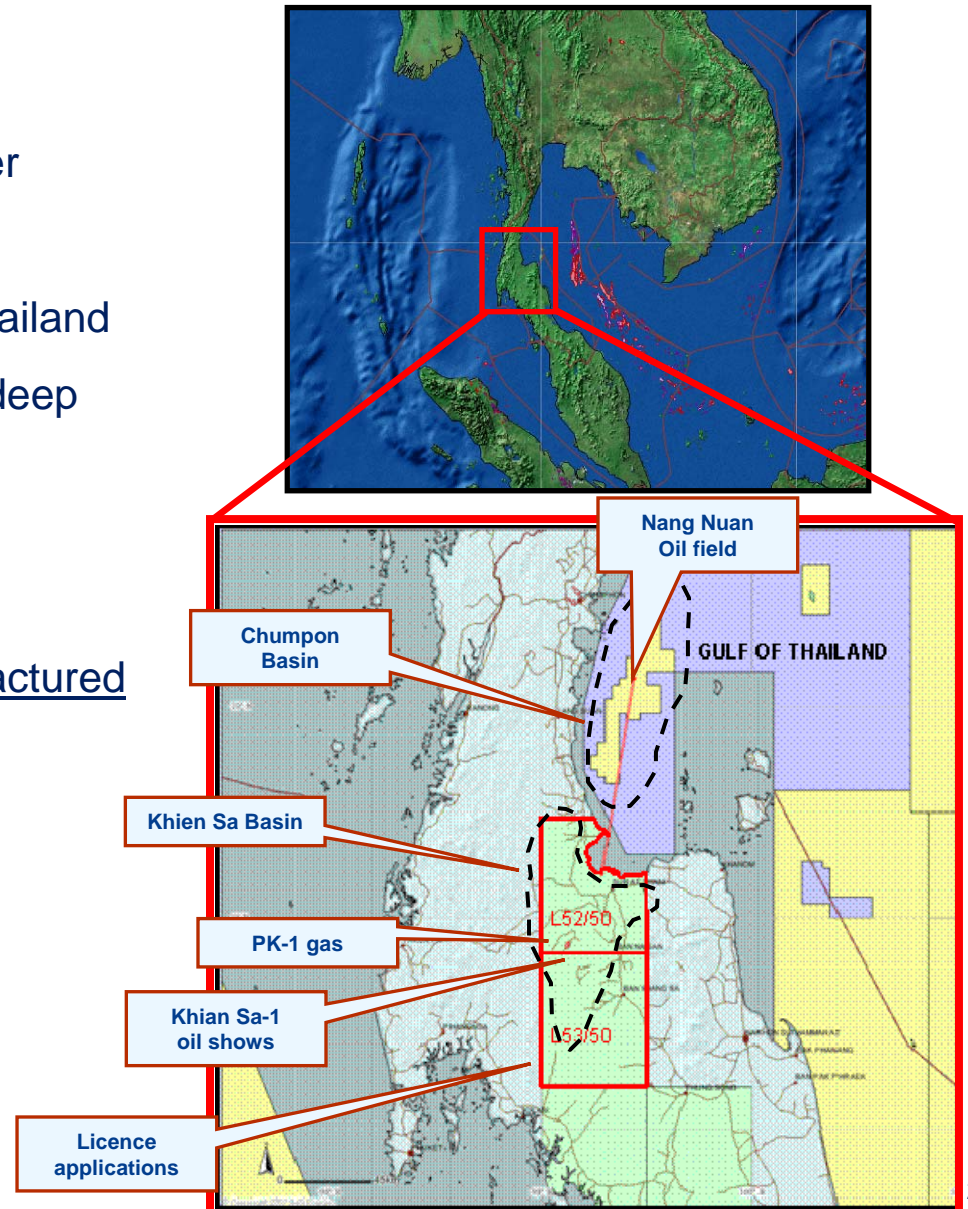
- Carnarvon 50% interest and operator, Sun Resources (ASX: SUR) 50%
- Southeast and on trend of large, 200 million barrel Sirikit Oil Field (produced over 150 mmbbls and still producing ~20,000bopd)
- ~1,000km 80's vintage 2D seismic interpreted
- Nong Bua-1 drilled by Shell with excellent oil shows & potential oil column in sandstone
- Existing infrastructure allows quick tie-in
- Analysis suggests potential for fractured volcanics similar to L44/43
- Aeromag survey delayed, however, seismic programme planning underway – targeting mid-2009
- Timing of redrill of historic well being assessed





L52 & L53 Applications

- Carnarvon 50% - Pearl Oil operator
- Carnarvon/Pearl Joint Venture only bidder
- 2 large onshore permits – 6,950 sq kms
- Onshore extension of offshore Gulf of Thailand
- 6 wells drilled (4 shallow for CBM and 2 deep for oil)
- Oil shows in Khian Sa-1
- Small gas discovery at PK-1
- Nearby Nang Nuan oil field offshore in fractured carbonates
 - Approx 5 mmbbls recovered
 - Max flow 10,540 bopd from 1 well
- Licences award anticipated early 2009
- Seismic planned for 2009





Australia

WA-399-P

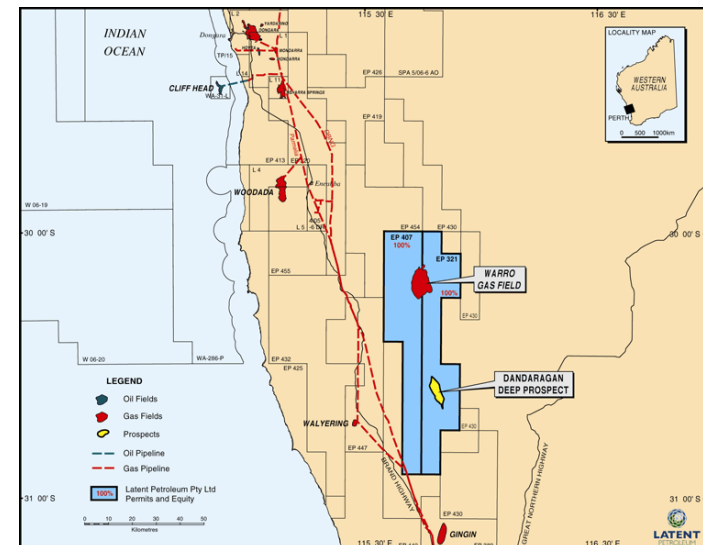
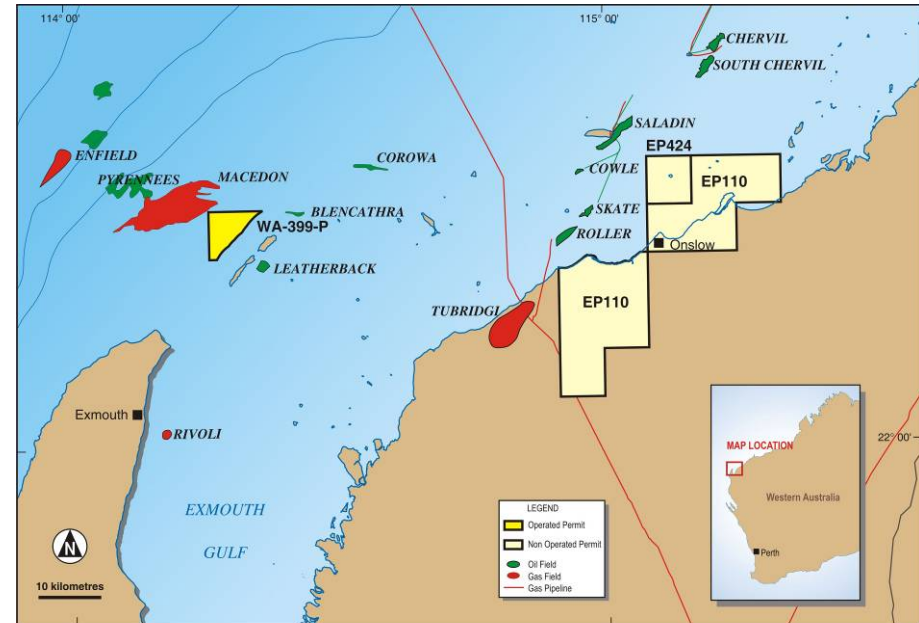
- Offshore Carnarvon Basin
- Carnarvon 50% and operator
- Seismic reprocessing just completed

EP110 & EP 424

- Offshore Carnarvon Basin
- Carnarvon 35%
- Finalising seismic reprocessing

EP 321, EP 407

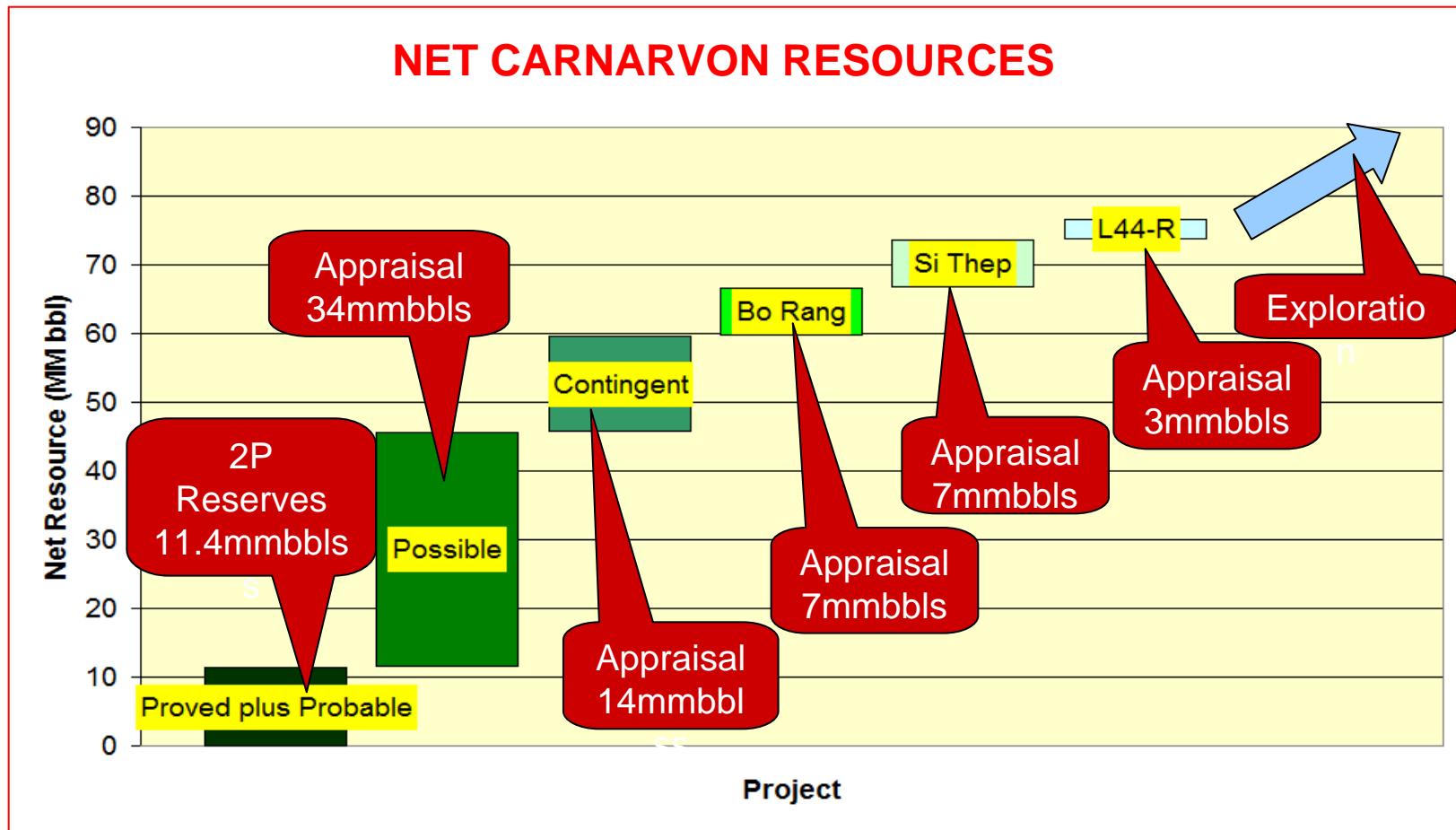
- Perth Basin
- ORRI 2.5% net wellhead value at Warro Gas Field
 - ~ 7 Tcf in place
 - Requires fracking of reservoir
 - If successful first gas planned for 2009
 - Initial rate 20 mmcf/d, increasing to 100 mmcf/d
 - Alcoa & Latent formed partnership
 - Drilling to start December 2008
 - Peak rate value to Carnarvon of ~\$5mm/year pre tax





Significant Reserves Upside

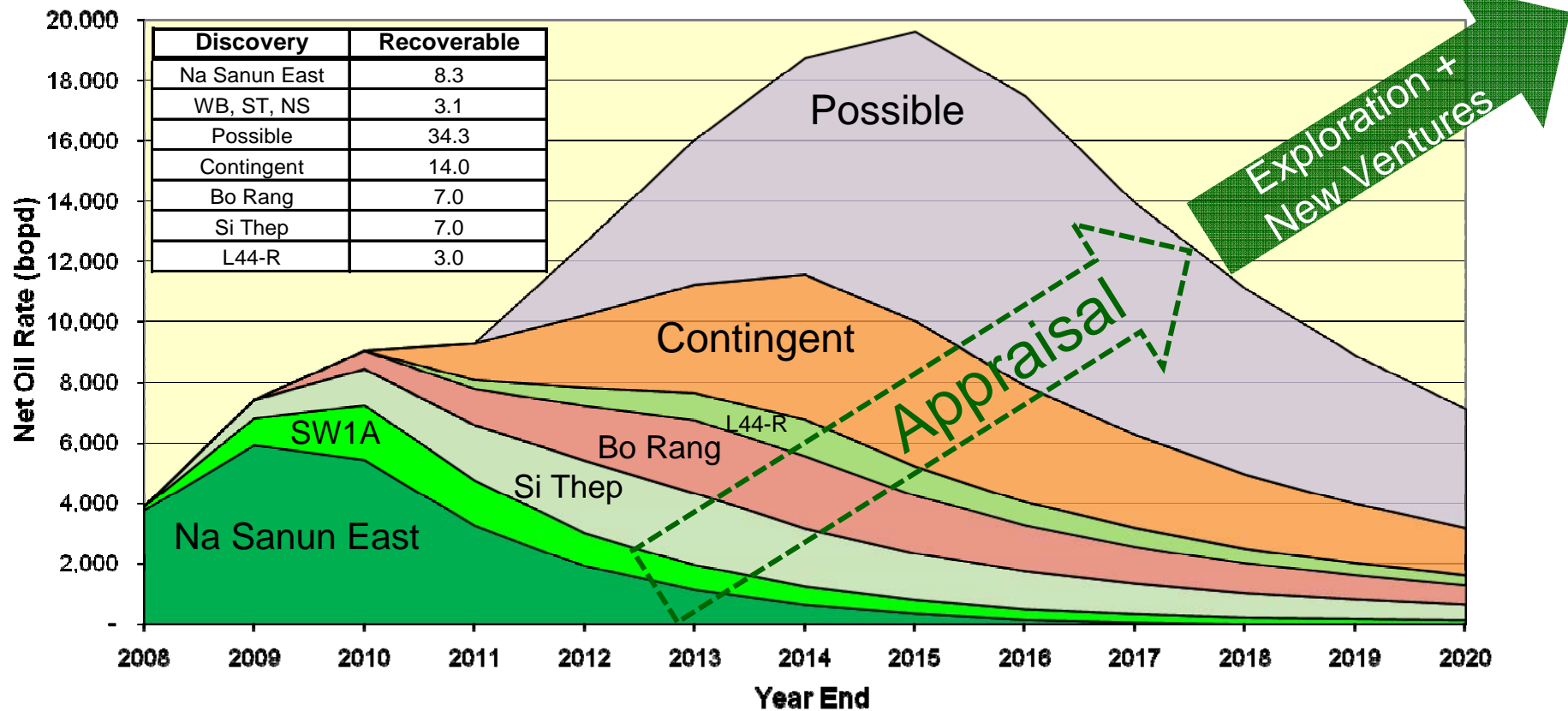
Over next 12 -24 months Carnarvon is appraising 31 mmbbls 2C net oil resource





Significant Production Upside

CVN Production Pipeline





Summary

- Poised to deliver stated year end objective of 6,000 bopd net to Carnarvon before year end 2008
- 2 rigs under long-term contract with 4 wells planned for remainder 2008 with 2 currently drilling
- Mix of development, appraisal and exploration wells across a portfolio of projects
 - Development drilling of NSE underway
 - Appraisal of further 31 mmbbls net recoverable oil resources
- Excellent infrastructure in place
- Many large prospects with significant oil potential
- \$41 million net cash and significant, growing cashflow ensure Carnarvon's current projects are fully funded for 2008 and beyond



Industry Award

Carnarvon was awarded the 2008 Explorer of the Year
at Good Oil Conference in Perth



RIU Good Oil 2008 Explorer Award

Awarded at the RIU Good Oil Conference 2008 to

Carnarvon Petroleum

*Awarded for the firm's stunning successes in defining
new play types and production from the L44/43 licence,
onshore Thailand.*

This award is made by Resource Information Unit and designed
to help and encourage new producers in the Australian petroleum industry.



Disclaimer

The information in this document, that relates to oil exploration results and reserves, is based on information compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga consents to the inclusion of the reserves and resource statements in the form and context in which they appear.

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