

29 November 2007

Company Announcements Office
Australian Stock Exchange Limited

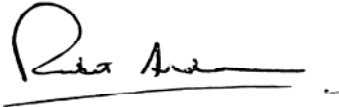
Via ASX Online

Dear Sirs

ANNUAL GENERAL MEETING 29 NOVEMBER 2007

Please find attached the Chairman's address and CEO presentation at today's Annual General Meeting.

Yours faithfully
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

ANNUAL GENERAL MEETING 29 NOVEMBER 2007
CHAIRMAN'S ADDRESS

“Carnarvon Petroleum achieves significant producer status”

The two years since I first addressed shareholders at an AGM and Ted Jacobson was appointed to lead the Company has been a period of exciting transformation and significant achievements.

The groundwork undertaken to establish a sound platform for future growth and the exploration plans that I outlined to you last year have, over the last twelve months, delivered outstanding results in the field. The following operating highlights illustrate Carnarvon Petroleum's strong position for further development and growth.

- Current well deliverability now totals about 6000 bopd and growing.
- Field infrastructure is being rapidly developed to expand production from the current level of about 4500 bopd through to an expected 6000 bopd by the end of January 2008.
- Two rigs are under contract for continuous drilling with 20 to 30 wells to be drilled over the next year.
- The current drilling programme is self-funded from existing cash flow.
- Significant reserves development is in progress.
- A strong, proven and value-adding management and technical team has been established.
- Major exploration upside has been identified in our properties.

Ted Jacobson will expand on these points in his presentation.

It is my belief that a company's future is very largely dependent upon the quality of its people. Under Ted's leadership we have continued to build on our high quality team with excellent new technical appointments at a senior level. The team's skill sets and experience provide a company of our size with strong capabilities to assess new ventures and make us a desirable joint venture partner.

At the same time the strong working relationship with our joint venture partner in Thailand, Pan Orient Energy Corp., a Canadian company listed on the TSX exchange, has been an important element of our success in the field. I would like to acknowledge the achievements of all of the Pan Orient team in delivering the extensive exploration and development programme within such short timeframes.

Since the end of the 2006 financial year the Company has raised about \$16 million of new equity by way of placements and a share purchase plan, principally to fund the ongoing exploration and development programme in Thailand. The manner in which we have progressively achieved planned development milestones has enabled us to strengthen our institutional shareholder base in this process.

It is particularly pleasing to see that the investment of these funds has been translated into a very significant increase in the Company's share price and market capitalisation to around \$340 million.

On behalf of shareholders I thank the Company's team and my fellow directors for their much appreciated contributions and support during the year.

I am sure you will also join with me in acknowledging the outstanding leadership role played by Ted Jacobson in leading the development of the Company to its current strong position during the action-packed two years since his appointment.

In conclusion I and my fellow directors look forward to another exciting and productive year in 2008.

Peter Leonhardt
Chairman



CARNARVON
PETROLEUM LTD

AGM - November 2007

A New Production Story

Phetchabun Basin

Thailand



Key Investment Highlights

- **Current well deliverability of ~6,000 bopd and growing rapidly.**
- **Field infrastructure being improved rapidly to expand production capacity from current level of ~4,500 bopd – expect 5,000 bopd December; 6,000 bopd January.**
- **2 rigs operating continuously for the remainder of 2007 and through 2008 providing constant drilling activity and news flow:
 ~20 - 30 wells to be drilled over coming 12 months.**
- **Current drilling programme self-funded by existing cashflow.**
- **Value underpinned by 2P and 3P net reserves of 2.83 mmbo and 30.4mmbo respectively.**
- **Significant reserve upgrade likely from Na Sanun Oil Fields, where JV is producing ~4,000 bopd and contingent 2C recoverable resource of 29.5mmbo (12 mmbo net Carnarvon) has been estimated by Carnarvon – Preparation for new reserves review commenced.**
- **Strong, proven and value-adding management supported by a strong technical team.**
- **New permit application in Thailand for Phetchabun Basin look-a-like.**
- **Major exploration upside.**
- **Active New Ventures team.**





Corporate Overview

Capital Structure

Shares on issue	662.5 million
Options on issue (7 & 10c)	20 million
Market Cap @ 50c	\$341 million
Cash on hand	\$5 million (30 Sep 2007)
Average daily volume	~6.5 million shares (~1%)
Top 20	30%

Directors and Management

Chairman/Non Exec Dir: Peter Leonhardt

- Chartered Accountant (previous Managing Partner of Coopers and Lybrand, Perth)

CEO/Exec Director: Ted Jacobson

- Petroleum geologist/geophysicist with 37 yrs oil experience
- Co-founder of Discovery Petroleum, founder and former technical director of Tap Oil

Company Secretary & CFO: Bob Anderson

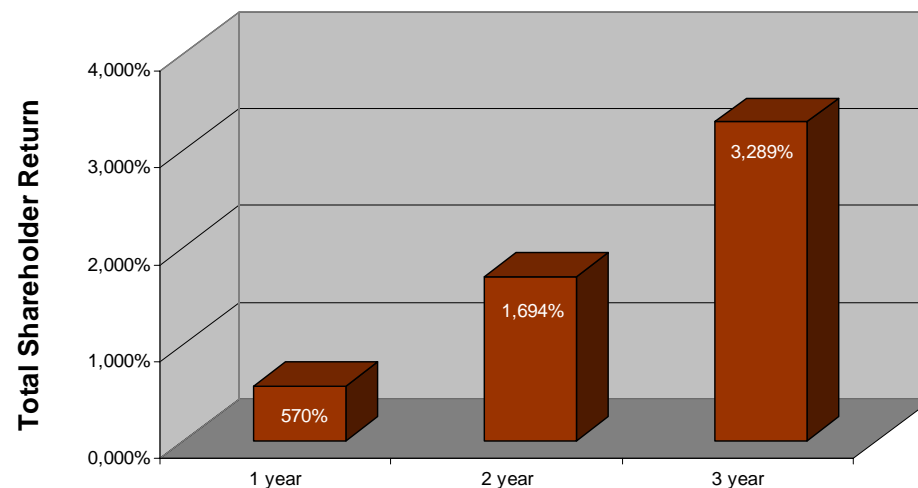
Non Exec Directors: Neil Fearis & Ken Judge

COO: Philip Huizenga

Share Price

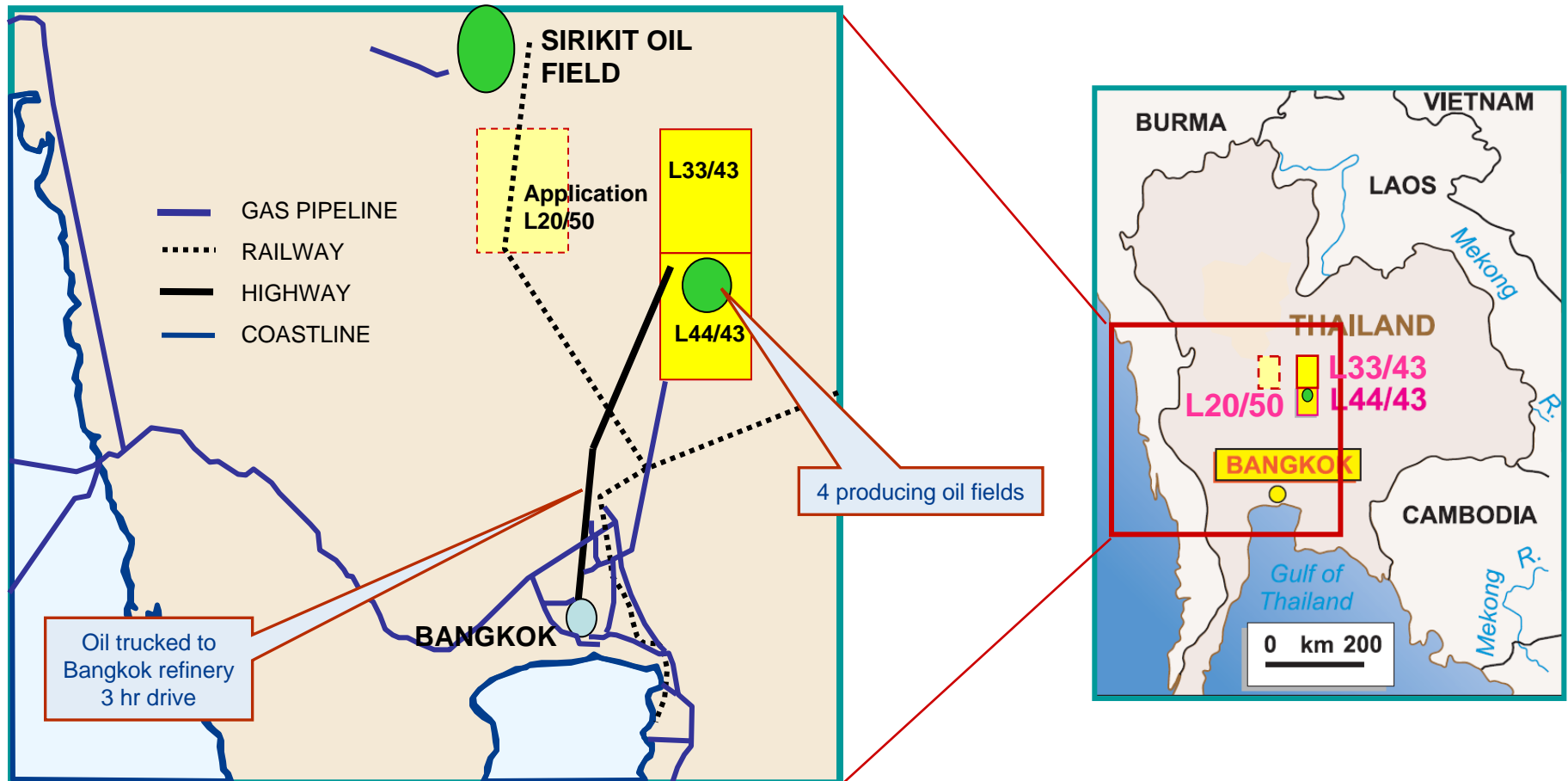


Shareholder Return





Thailand Permits



- Thailand is a net importer of ~600,000 bopd oil
- Thailand has a supportive Government with a favourable fiscal regime



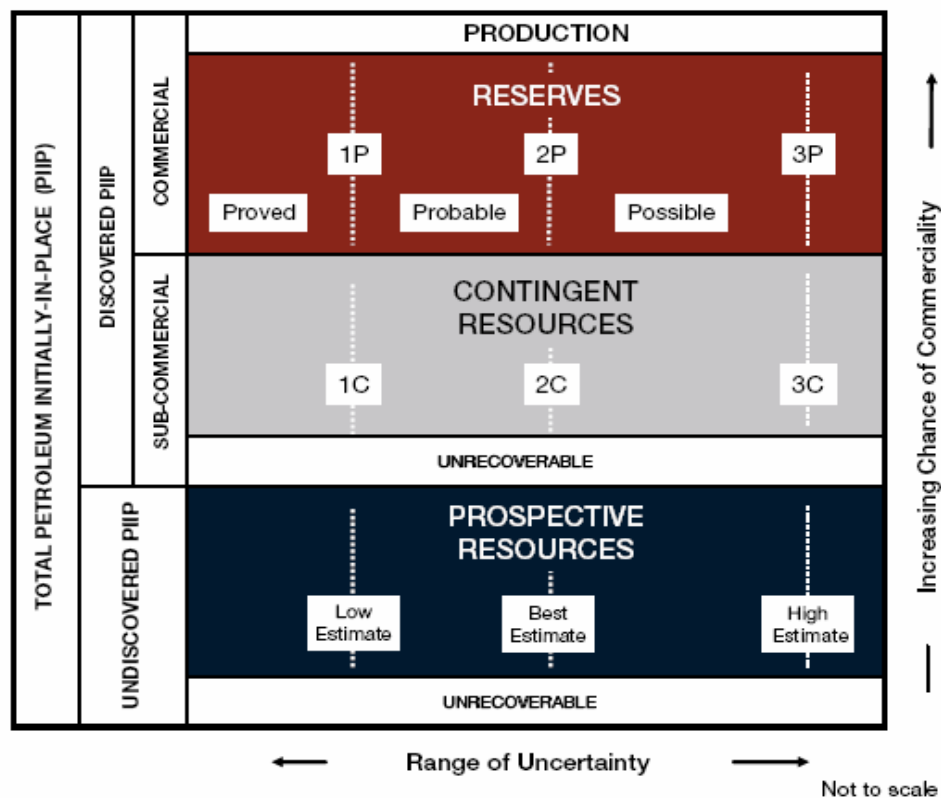
Reserves

- An annual independent reserve certificate is required for Thai Govt regulations and POE TSX requirements.
- A 31 December 2006 assessment of reserves for the L33/43 and L44/43 permits was prepared for the Joint Venture by Gaffney, Cline and Associates, an independent petroleum consultant who follows the SPE/WPC classifications and definitions for the reporting of Petroleum Reserves and Resources.
- **Current certificate was issued as of 31 December 2006;**
 - it does not take into account successful drilling and well testing since that date, particularly in the Na Sanun and Na Sanun East structures.
- Carnarvon has calculated a contingent resource estimate in addition to the independent reserves estimate.



Reserves

- Carnarvon adopts the SPE/WPC/AAPG/SPEE Petroleum Resource Management System
- The SPE-PRMS uses the SPE/WPC reserves categorisation systems that have been developed over many years
- The system categorises reserves according to the reserves commerciality (or maturity) and uncertainty and is shown below:



Reserves / Resources classification framework

Net Carnarvon Reserves			
Proved	Proved + Probable	Proved + Probable + Possible	
1P (million bbls)	2P (million bbls)	3P (million bbls)	
GCA 31 Dec 2006	0.34	2.83	30.40

Net Carnarvon Contingent Resource			
Proved	Proved + Probable	Proved + Probable + Possible	
1C (million bbls)	2C (million bbls)	3C (million bbls)	
CVN 30 June 2007	8.12	11.68	16.12





Na Sanun Oil Fields

Current well productivity of ~5,850 bopd from fractured volcanic reservoir:

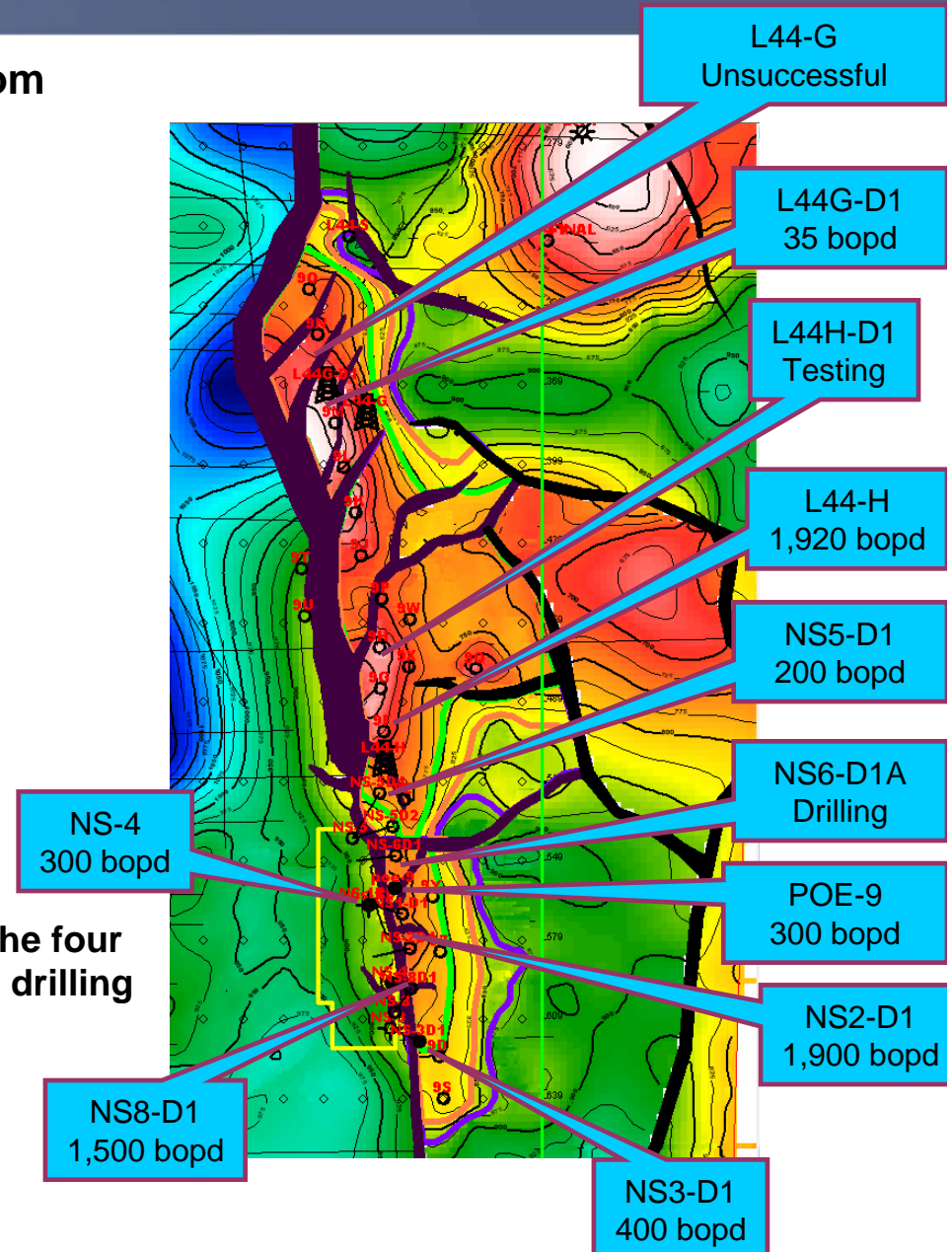
Na Sanun East

- Main higher structural compartment
- Contingent Resources (gross recoverable):
 - 20.3MM bbls (1C)
 - 29.2MM bbls (2C)
 - 40.3MM bbls (3C)

Na Sanun

- Western lower structural compartment
- Contingent Resources (gross recoverable)
 - 0.2MM bbls (1C)
 - 0.3MM bbls (2C)
 - 0.4MM bbls (3C)

These contingent resources are from only one of the four potential volcanic zones intersected by Carnarvon drilling





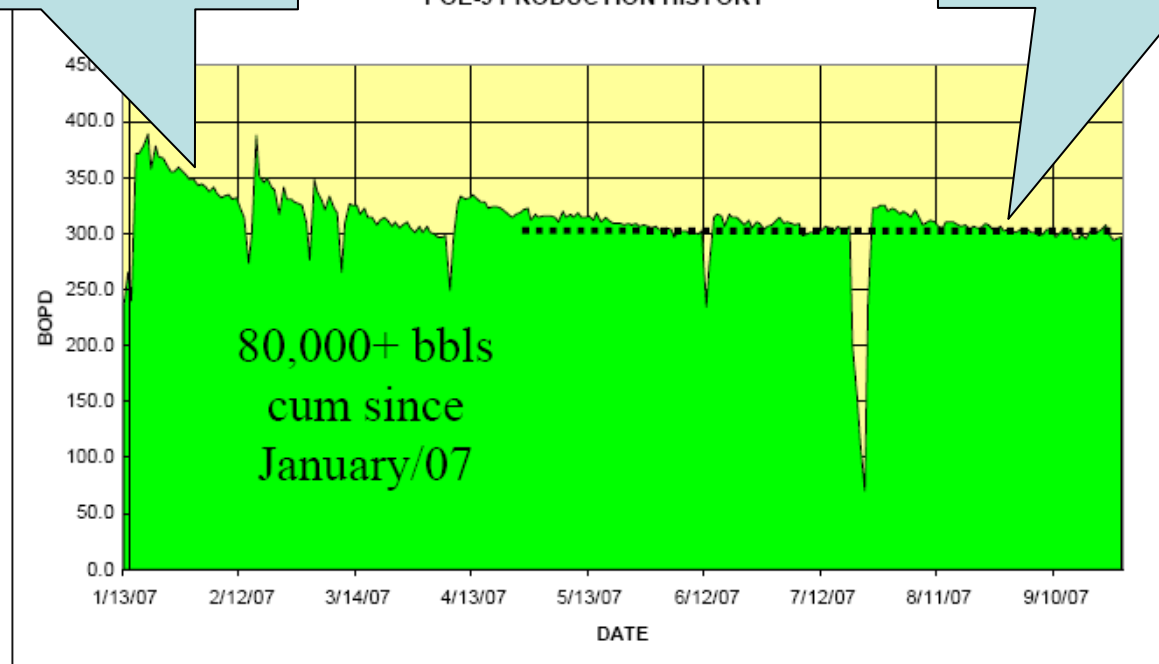
Na Sanun Oil Fields

- POE-9 gives long production history
- Some early decline as fractures are accessed
- Longer term stable production as matrix recharges the fractures
- Saw tooth shape due to wax build up and subsequent cleaning (hot oil flushing)

Accessing fracture porosity

POE-9 PRODUCTION HISTORY

Accessing matrix porosity

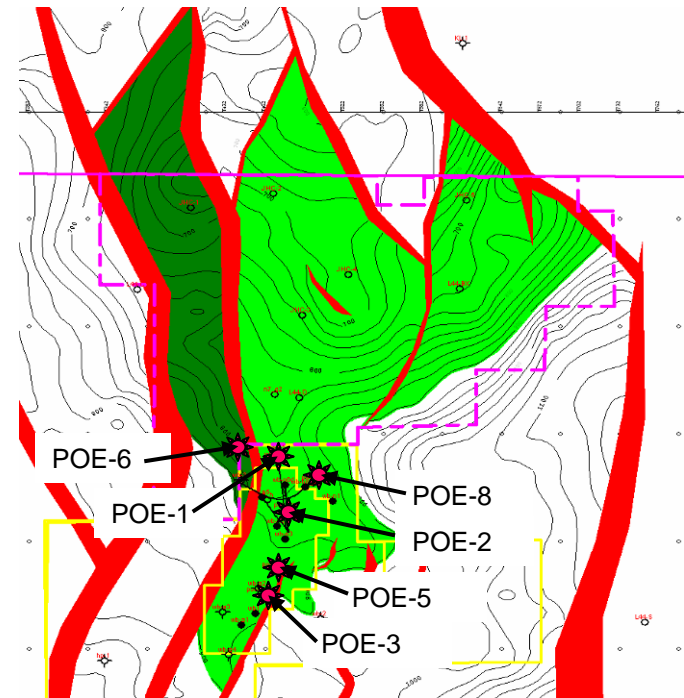




Wichian Buri Oil Field

Current well productivity of ~350 bopd from sandstone reservoir:

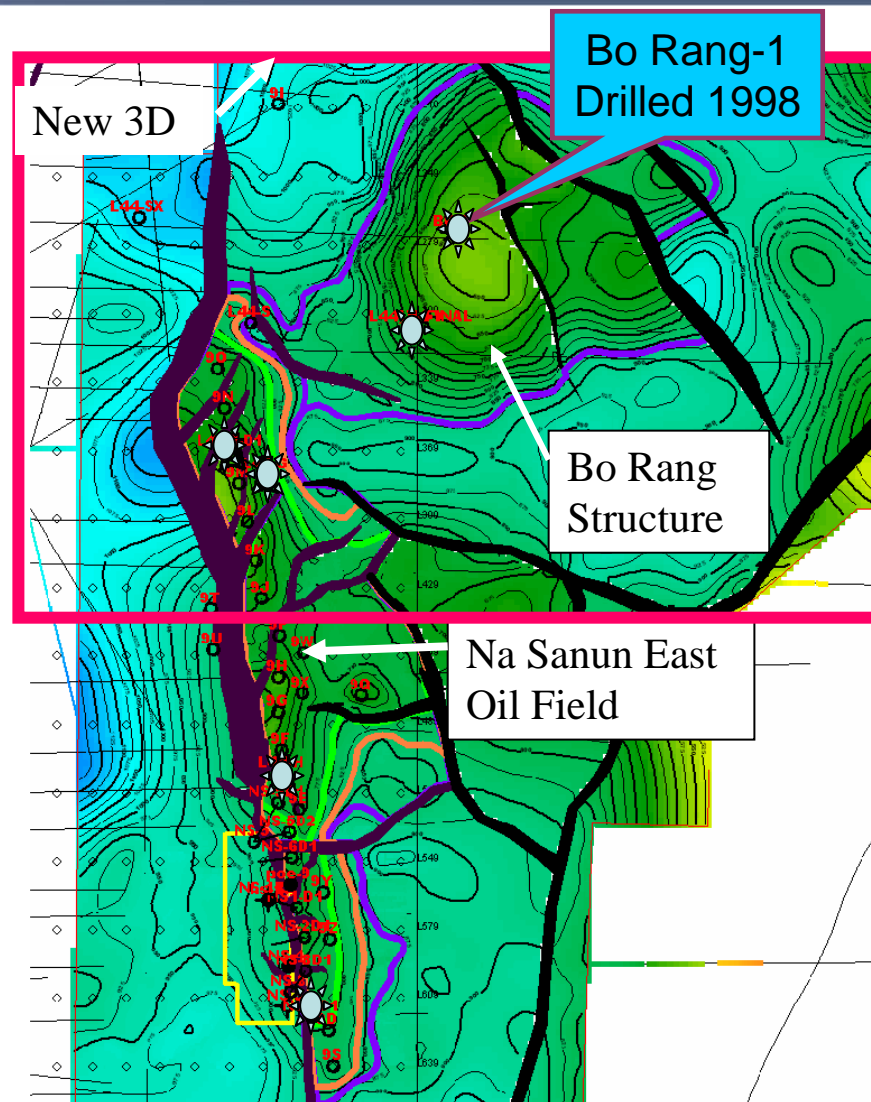
- Producing field since 1995
- Quality 3D seismic coverage
- 7 wells drilled during 2006 - 6 wells flowed oil, with 5 current production wells
- New production and reserves established in additional sands and in the POE-6 fault block
- Discovery well WB-1 drilled in 1995 and deliverability ~40 bopd
 - Massive lost circulation at TD – oil shows
 - Currently preparing pad to re-drill WB-1 for fractured volcanic reservoir





Exploration Upside – Bo Rang

- Bo Rang-1 flowed gas @ 5.6 mmcf/d from an upper volcanic zone
- 6 volcanic zones with good reservoir indications in all
- Deeper zones may be oil bearing – oil shows were reported in Bo Rang-1 [and very similar geology to Na Sanun Oil Fields]
- Na Sanun East potentially full to spill – into Bo Rang
- Potential resources (gross recoverable) from only one of the six potential volcanic zones*:
 - 9.0MM bbls (1C)
 - 17.1MM bbls (2C)
 - 29.6MM bbls (3C)





Key Exploration Targets

Wichian Buri Deep

- Fractured Volcanic reservoir
- WB-1 encountered massive lost circulation & oil shows at TD.
- Adjacent to WB production facilities
- Re-drill late 2007/early 2008

Bo Rang

- Fractured Volcanic reservoir
- Bo Rang-1 encountered massive lost circulation & oil shows at 4 levels
- Produced gas at shallowest volcanic reservoir
- Drill early 2008

Si Thep

- Fractured Volcanic reservoir
- Si Thep-1 encountered massive lost circulation & oil shows at 4 levels.
- Drill mid 2008

Deeper levels

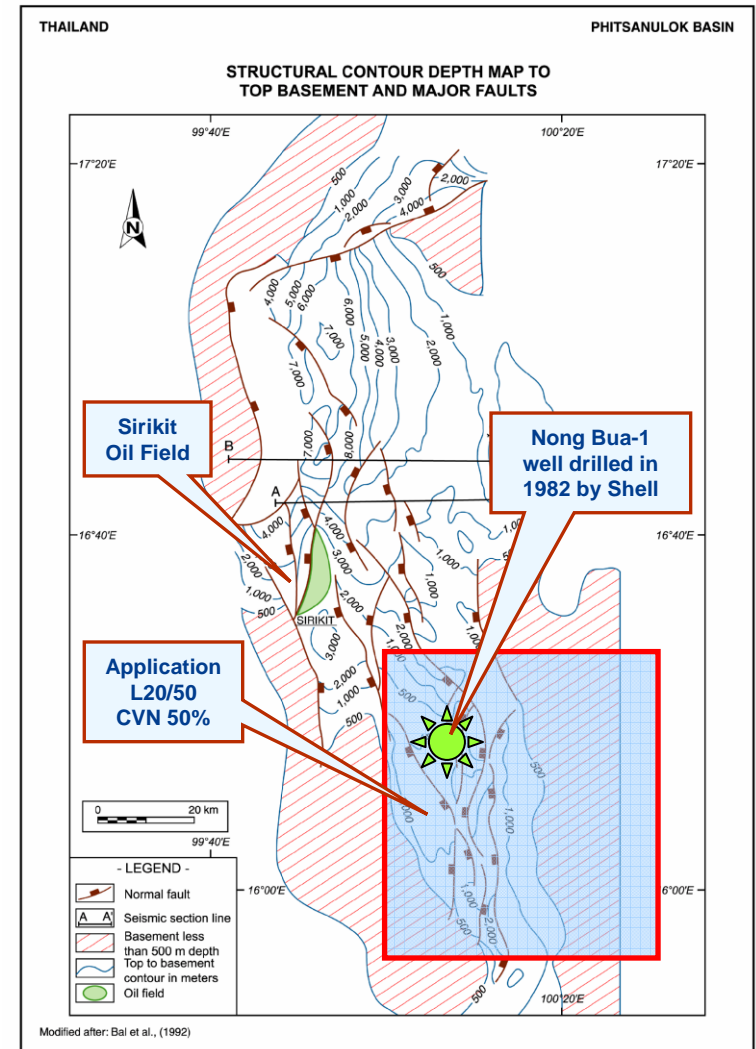
- Fractured Volcanic reservoir
- POE-9 encountered 4 volcanic reservoirs
- Only one tested at Na Sanun oil fields

IN COMMON – DISCOVERY WELLS ALREADY DRILLED



New Permit Upside

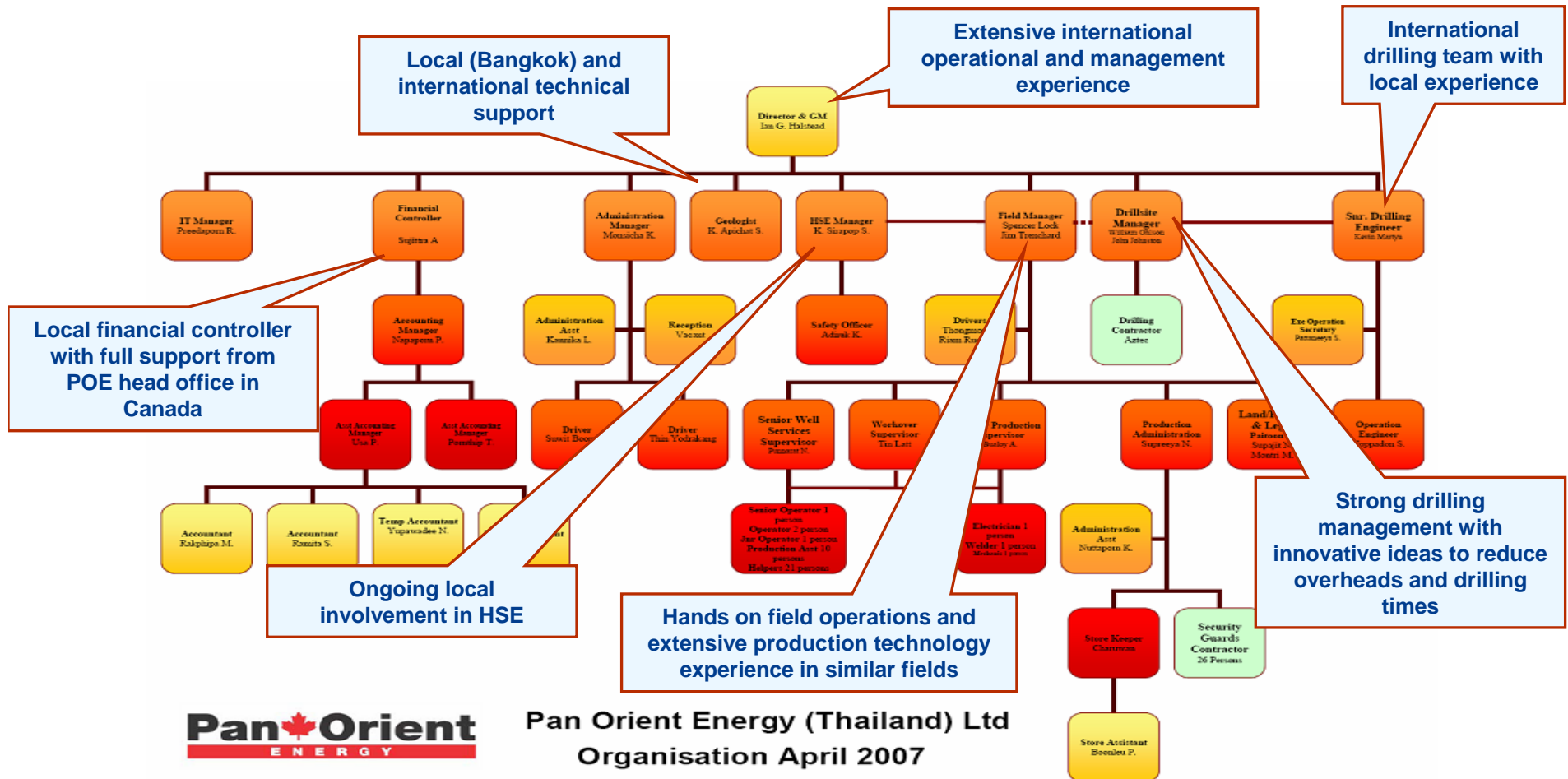
- CVN and Sun Resources NL (ASX:SUN) sole bidding group.
- CVN Operator (50%).
- Southeast and on trend of large, 200 million barrel Sirikit Oil Field.
- Sirikit has produced over 150 million barrels oil and is currently producing ~20,000bopd.
- ~1,000km 80's vintage 2D seismic to be reprocessed.
- Nong Bua-1 drilled in 1982 by Shell with excellent oil shows & potential oil column in sandstone:
 - Well test performed without pump.
 - Initial analysis suggests a simple pumping operation would likely have been commercial at current oil prices.





Field Operations

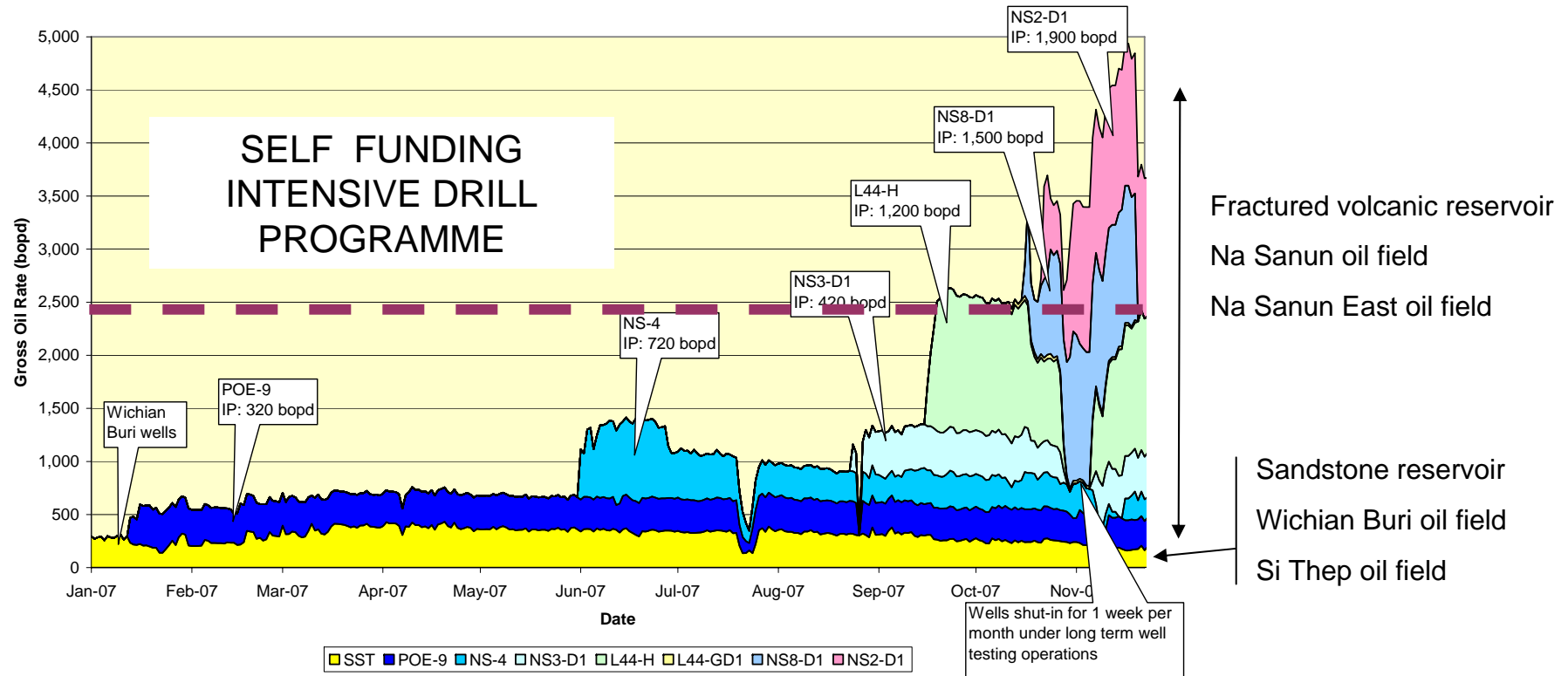
- Pan Orient (JV operator) has established a strong technical and operational team in Thailand with qualified expatriate staff managing a team of over 100 employees. This will underpin further growth in production and drilling activity over the coming year.





Increasing Oil Production

Gross JV Production Rate



- Current well deliverability of around 6000 bopd (2,400 bopd net to CVN) and growing rapidly – each well is choked back or shut as required by the testing programme
- Well test programme still ongoing and a number of appraisal and development locations have been identified and are being prepared



Production Fundamentals

- Carnarvon's Thailand Joint Venture is currently trucking 4,500 bopd.
- The average well produces at 800 bopd on test.
- OPEX estimated at around US\$6 / bbl.
- Drilling fully funded from cash flow.
- Well Cost A\$1.0mm – 2 month payback.
- Some tax losses available to offset tax.
- Past tax losses and additional expenses may be accrued in Thailand by Carnarvon outside of the producing concessions.
- Production has expanded fast – high success rate from drilling:
 - Royalty sliding scale.
 - Thailand III fiscal regime includes Special Remuneratory Bonus (“SRB”) designed as a windfall tax by block basis on profit.



Community Involvement

- Carnarvon's Thailand Joint Venture is an active member of the local Wichian Buri community and a significant local employer, with nearly 100 local employees and a significant purchaser of local goods and services
- Financial contribution for the current year includes:
 - Local Schools THB 110,000 (A\$4,000)
 - Community THB 440,000 (A\$16,000)
 - Temples THB 50,000 (A\$2,000)
- The Joint Venture has engaged a new legal counsel and coordinator to handle community relations and attends monthly community meetings to keep community apprised of activities



Wichian Buri Chicken Restaurant



Main road to Bangkok



Outlook - Programme

Quarter 4, 2007 remaining

Facilities expansion to 5,000 bopd

2 rigs contracted

2 wells to be drilled

- WB-1(Deep) & NS-1D1

2 current wells to be tested

- NS-6D1A & L44H-D1

Quarter 1, 2008

2 Rigs contracted

Facilities expansion to 6,000 bopd

Production licence expected

Rigs to be serviced

4-6 wells to be drilled

Predominantly exploration wells

Decision on new block expected

Quarter 2, 2008

2 Rigs contracted

6 - 8 wells to be drilled

- Exploration, appraisal & development
- Three wildcat L33 wells to be drilled

Facilities expansion

Remainder 2008

2 Rigs contracted

12- 16 wells to be drilled

- Exploration, appraisal & development

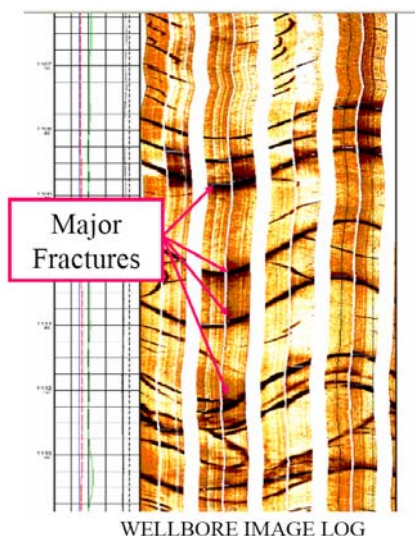
Facilities expansion

Forward programme depends on results of drilling



Outlook - Summary

- Significant and growing production
- 2 rigs operating through 2007 and 2008, with 20 - 30 wells to be drilled over coming 12 months
- 2P and 3P reserves of 2.83 mmbo and 30.4mmbo respectively with significant 2P reserve upgrade expected
- Strong, proven and value-adding management supported by a strong technical team
- New permit application in Thailand for Phetchabun Basin look-a-like
- Significant exploration upside
- Active new ventures evaluation



Fractured
Volcanic
Reservoir

