

Corporate Presentation

24 October 2011



ASX ANNOUNCEMENT

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with a copy of our Shareholders Presentation Update.

For this presentation and further information on the Company please visit the CVN website at: www.carnarvon.com.au

For all enquiries please contact:

Adrian Cook
Managing Director - Carnarvon Petroleum
08 9321 2665
Email: admin@cvn.com.au

Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook", is positioned above the printed name and title.

Adrian Cook
Managing Director
Carnarvon Petroleum



Shareholder Presentation

October 2011

THAILAND

INDONESIA

AUSTRALIA



L20/50 ● L33/43 & L44/43

L52 & L53 ●

Rangkas PSC ●

WA-435-P, WA-436-P, WA-437-P,
WA-438-P & WA-443-P ●

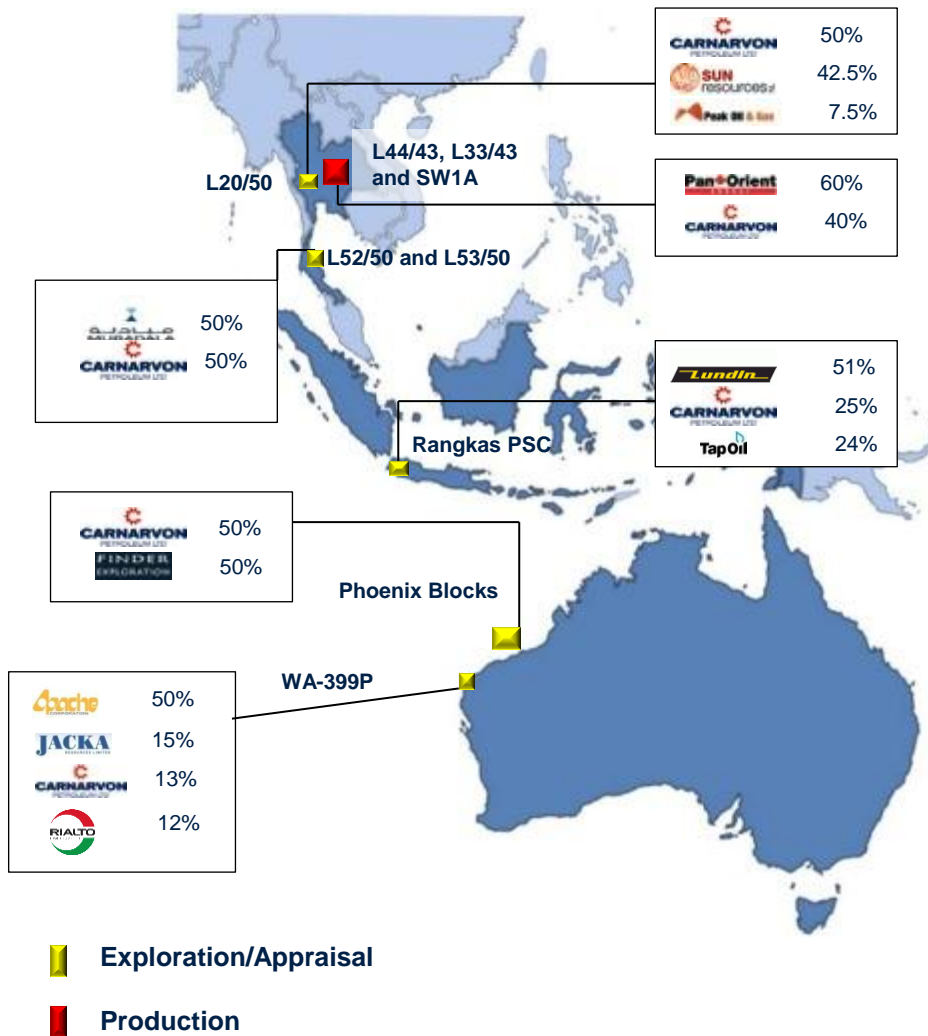
WA-399-P ●

Corporate Office ●

Contents

1. Corporate snapshot
2. 2011 financial results
3. 2011 production
4. Forward plans for 2012 production
5. Other value drivers in the business
6. Key activities and timelines going forward
7. Management's key priorities

Corporate snapshot



✓ Clear strategy

✓ Build a profitable company

✓ from a diversified portfolio

✓ of exploration & production assets

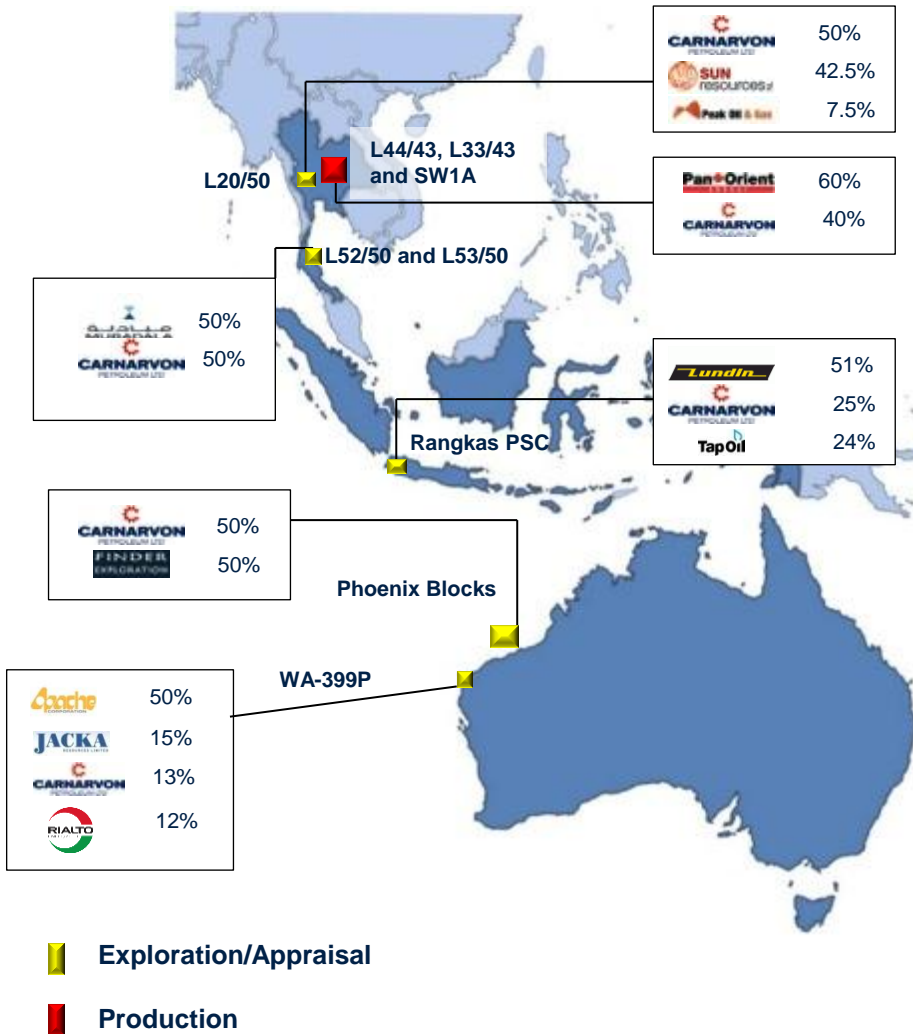
✓ Proven track record

✓ Oil production

✓ Material reserve base

✓ Active drilling program

Corporate snapshot



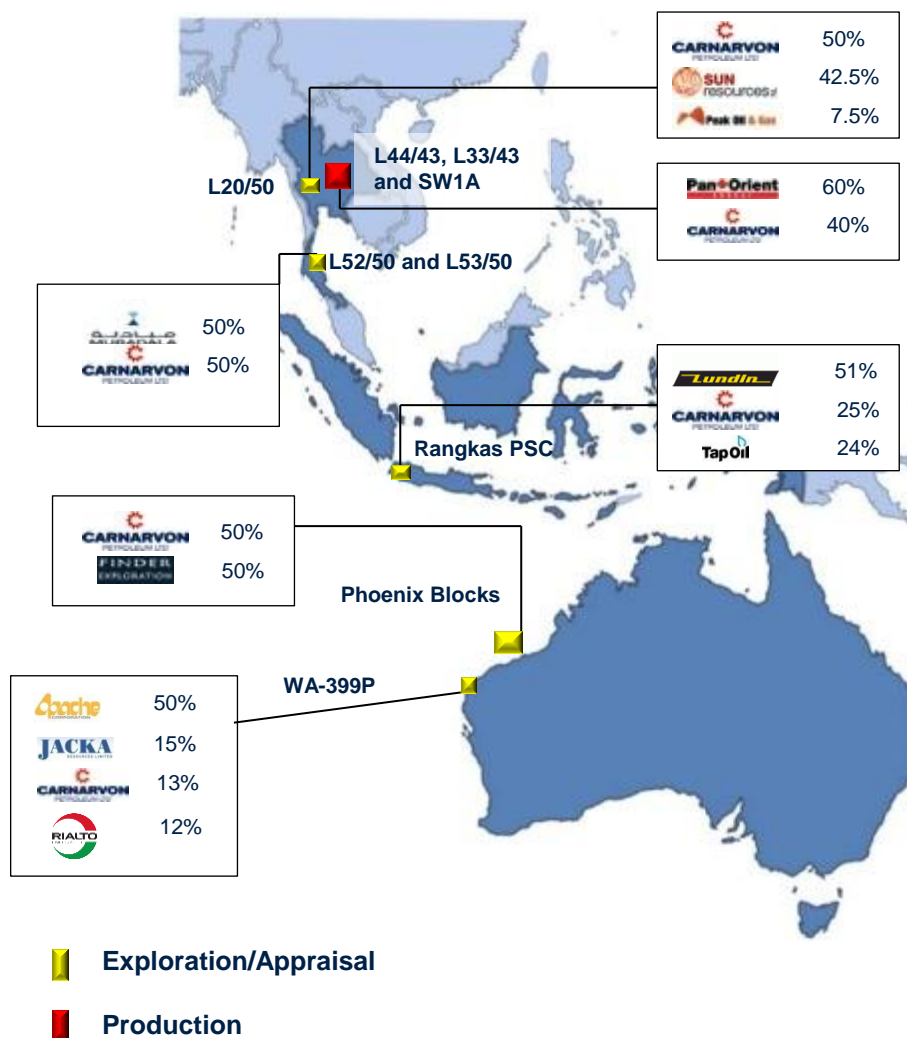
✓ Significant portfolio

- ✓ 10 million acres
- ✓ High equity interests
- ✓ Near existing hydrocarbon trends

✓ Active 2011 FY

- ✓ 25 wells drilled
- ✓ 1,250 km of 2D seismic acquired
- ✓ 1,160 km² of 3D seismic acquired
- ✓ 731,544 bbls produced

Corporate snapshot



✓ Corporate overview

- ✓ \$100m market capitalisation
- ✓ 19% held by institutional shareholders
- ✓ 11% held by directors and management

✓ 2011 FY highlights

- ✓ \$55m revenue
- ✓ \$13m earnings
(before \$11m exploration costs)
- ✓ \$15m cash (@30/6/11)
- ✓ No debt

2011 financial results

Earnings	2011 FY (\$'m)	2010 FY (\$'m)
Oil sales	\$55m	\$64m
Cost of sales ("CoS")	(\$19m)	(\$21m)
Administrative costs	(\$5m)	(\$5m)
Unrealised foreign exchange losses	(\$4.5m)	(\$0.5m)
Taxes	(\$13m)	(\$23m)
Earnings before exploration costs	\$13m	\$14m
Exploration costs written off	(\$11m)	-
Net profit after tax	\$2m	\$14m

Year on year summary

- **Comparable earnings before exploration costs**
- **Oil price steady**
- **Production down 16%**
- **CoS carried capacity for higher production**
- **Year end A\$ strengthened 24%**
- **Wrote off Tuatara well and L20/50 drilling and seismic costs**

2011 financial results

Year on year summary

- **Strong operating cash flows**
- **Oil receipts affected by lower production**
- **Field costs steady on retained capacity for higher production**
- **Tax payments include current year instalment and previous year final payment**

Cash flow	2011 FY (\$'m)	2010 FY (\$'m)
Oil receipts	\$62m	\$71m
Payments to suppliers & employees	(\$24m)	(\$24m)
Taxes	(\$14m)	(\$15m)
Operating cash flows ("OCF")	\$23m	\$32m

2011 financial results

Exploration summary

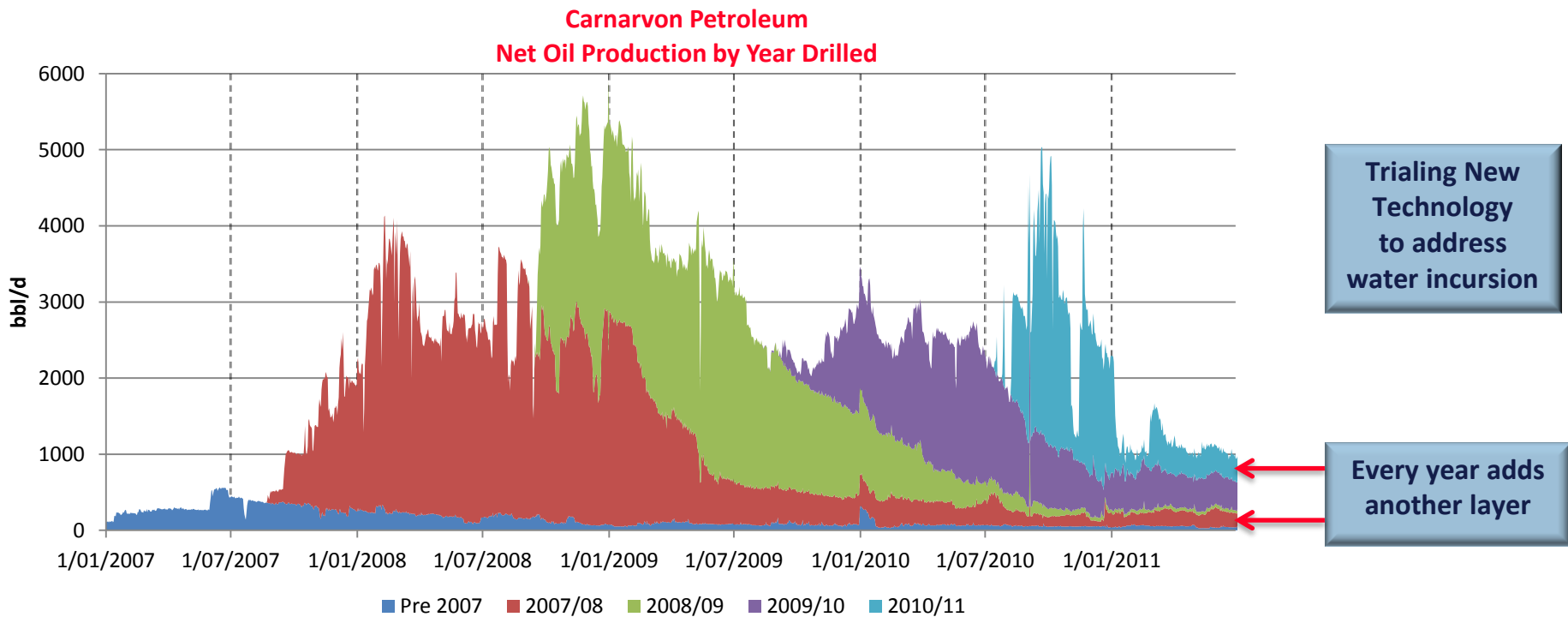
- L44 – 25 wells, inventory and development costs
- Tuatara well in NZ was dry
- Two L20/50 wells warrant further exploration.
- Phoenix seismic 1,160 km² of 3D and 475 km of 2D
- Rangkas PSC Indo 500 km 2D seismic
- L52/50 315 km 2D

Cash flow (continued)	2011 FY (\$'m)	2010 FY (\$'m)
Operating cash flows ("OCF")	\$23m	\$32m
L44 exploration and development	(\$20m)	(\$29m)
Other exploration costs	(\$14m)	(\$5m)
Net cash flow	(\$11m)	(\$0.5m)
Effect of exchange rate	(\$4m)	(\$0.5m)
Cash reserves	\$15m	\$30m

2011 production

Natural field decline (“NFD”)

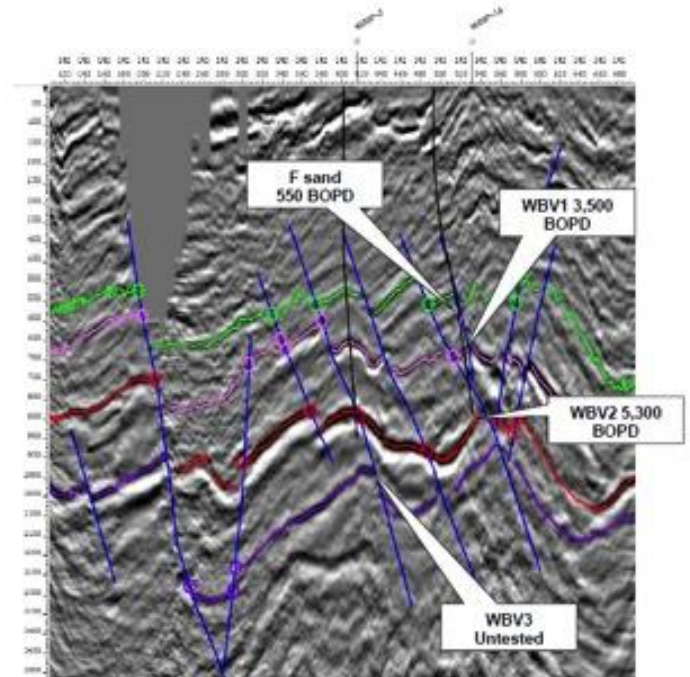
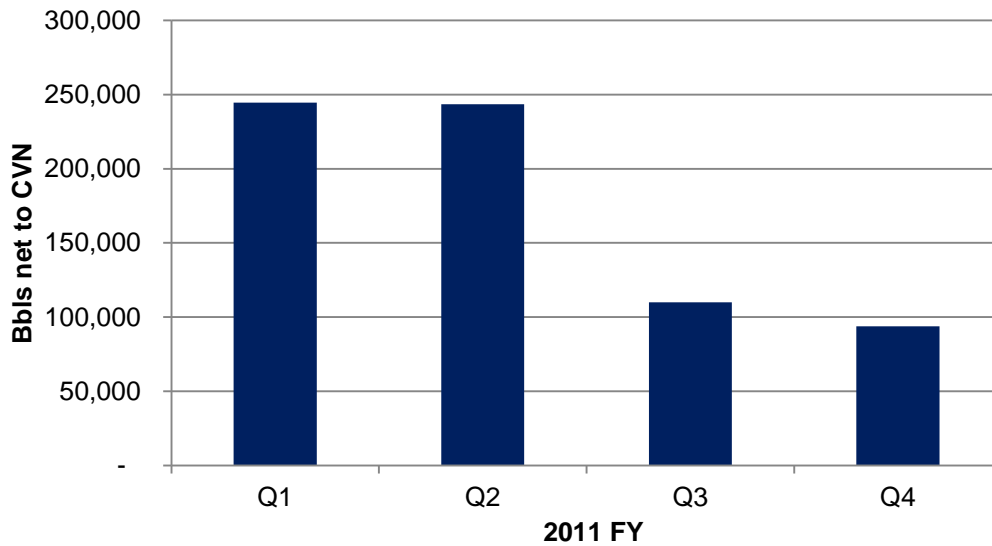
- Wells are impacted by NFD & subsequent water incursion
- Water flows preferentially to oil thereby accelerating NFD
- JV has a history of successfully replacing NFD
- 2011 drilling in the WBEXT area didn't replicate this history



2011 FY production

WBEXT focus

- In 2011 nearly 2/3 thirds of rig time was in the WBEXT region
- Why - 3 WBEXT wells flowed between 3,500 & 5,300 bopd
- Further WBEXT drilling couldn't replicate the results from the earlier wells, although sandstone successfully appraised



Forward plans for production

Sandstone – greater stability and longevity

- Drill WBEXT dedicated sandstone program of 10-15 wells
- Wells expected to produce ~100 to 300 bopd
- Preparing to commence development in Q1 of 2012

Volcanic – high flow, fast payback, high variability

- Systematic development of 2P reserve
- Understanding fractured reservoirs remains a focus
- New technology could be the key to unlocking the potential

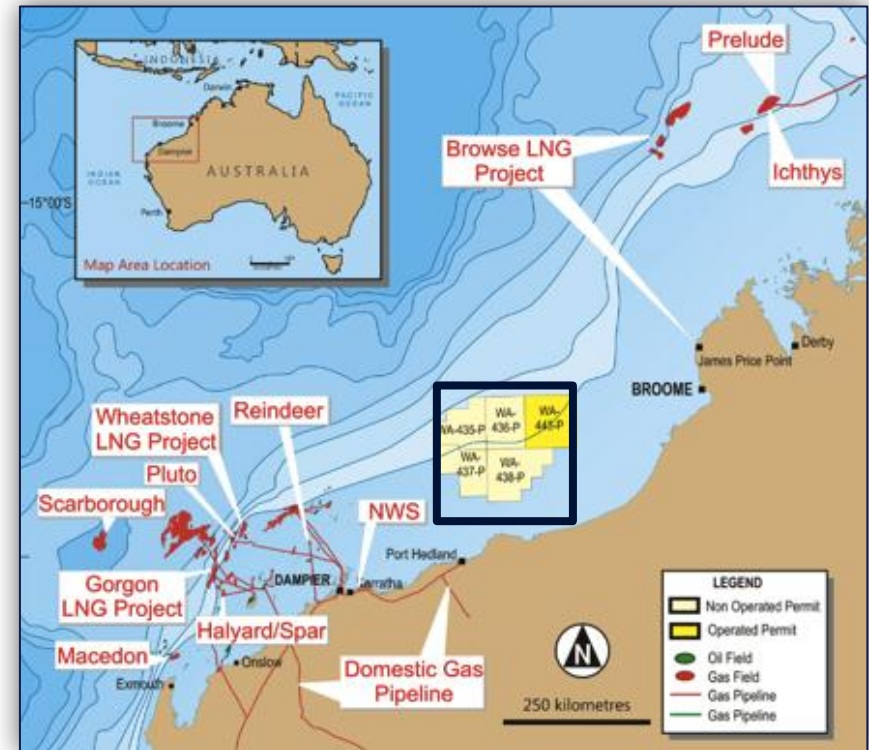
Upside – 3P reserves, exploration, technology

- Substantial 3P reserves and resources still require delineation
- Exploration plus application of new & existing technology

Other value drivers in the business

Phoenix asset – Western Australia material interests + large acreage + discovered gas

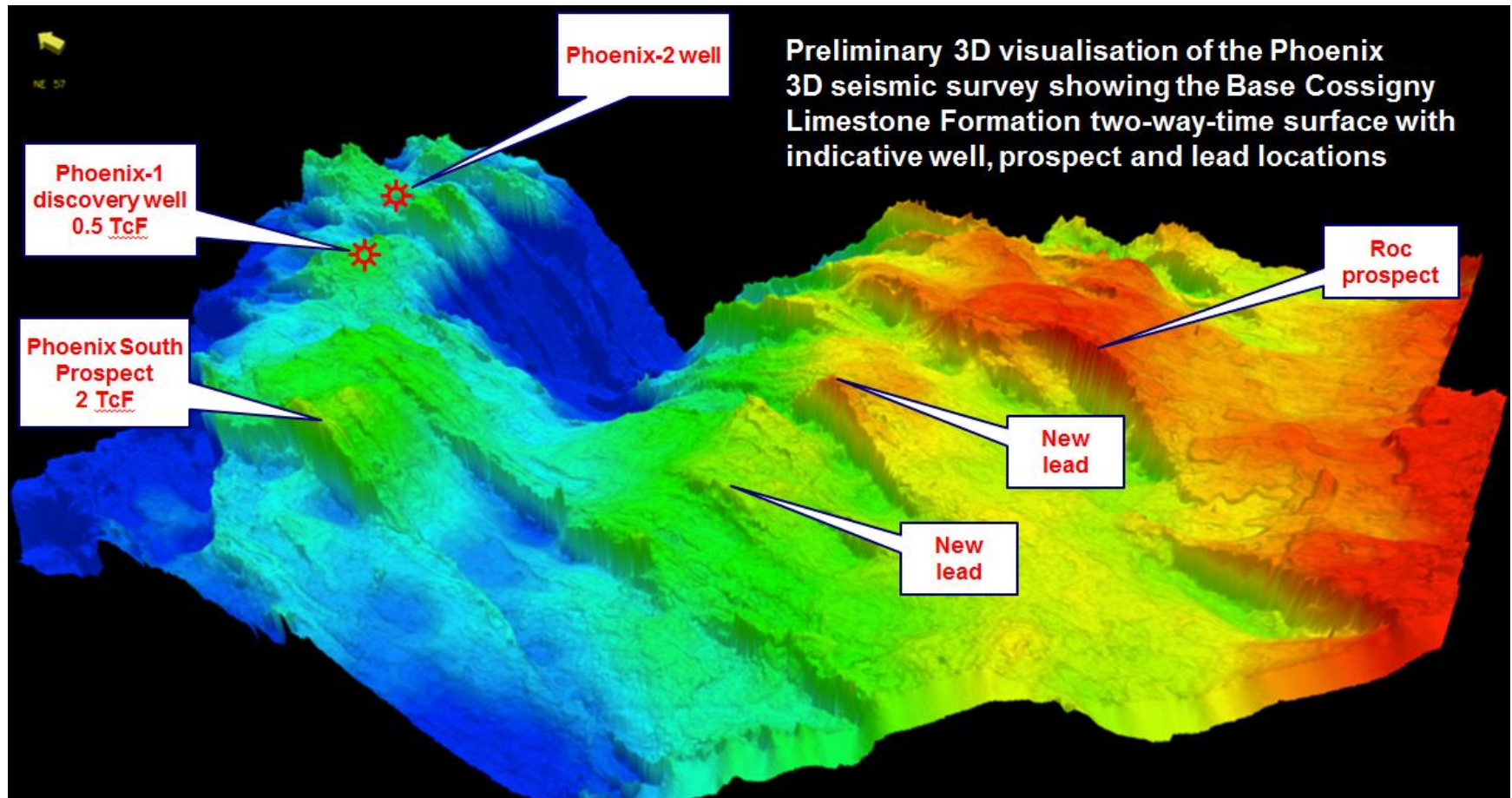
- Interests of 50% & 100%
- 28,300km² acreage holding
 - plenty of running room
- **WA-435-P & WA-437-P focus**
 - contains the discovered gas
 - gas discovered by BP in 1980
 - contains new 3D seismic data
- **Large prospects and leads**
 - Material gas volumes with possible condensate.



The “**Phoenix**” asset refers to Carnarvon’s 50% interest in the WA-435-P, WA-436-P, WA-437-P and WA-438-P Permits and its 100% interest in the WA-443-P Permit

Other value drivers in the business

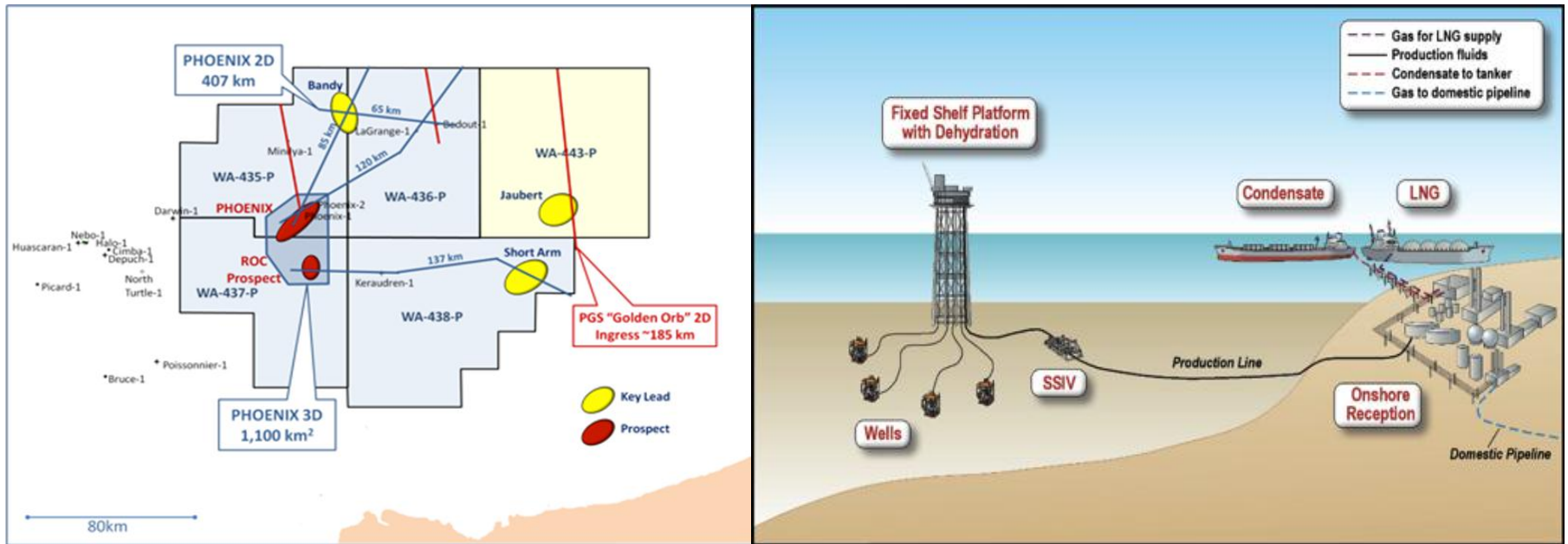
Phoenix asset – Western Australia 3D seismic clearly showing key structures



Other value drivers in the business

Phoenix asset – Western Australia

3D data is key to unlocking the resources

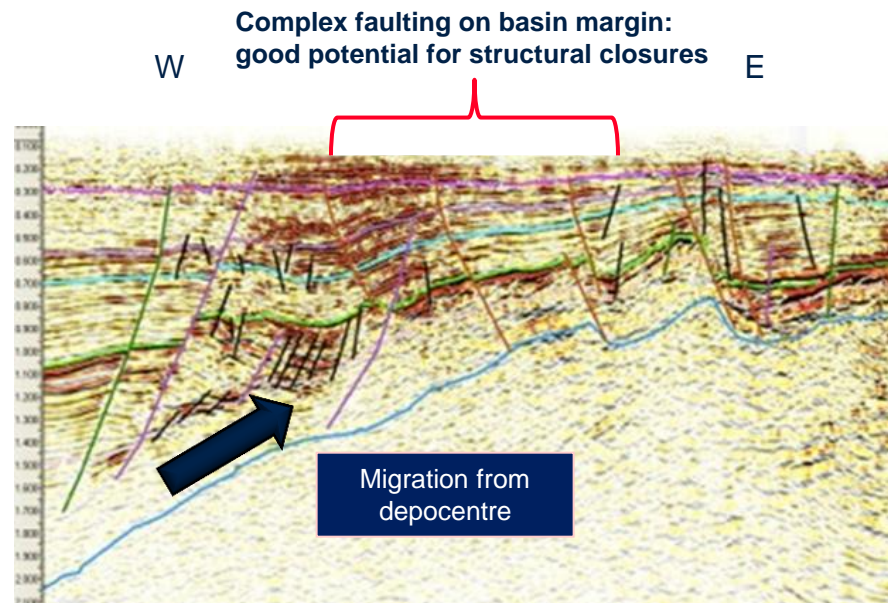
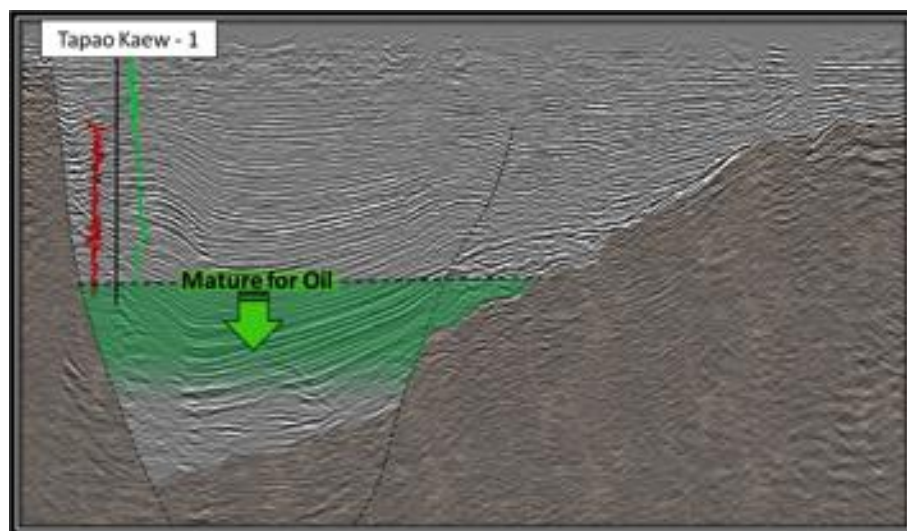


- Prospects of ~2.5 Tcf of recoverable gas identified
- Water depths of ~140m
- Well depths of ~5,000m

Other value drivers in the business

L20/50 asset – Thailand

3D seismic required to better delineate fault terraces

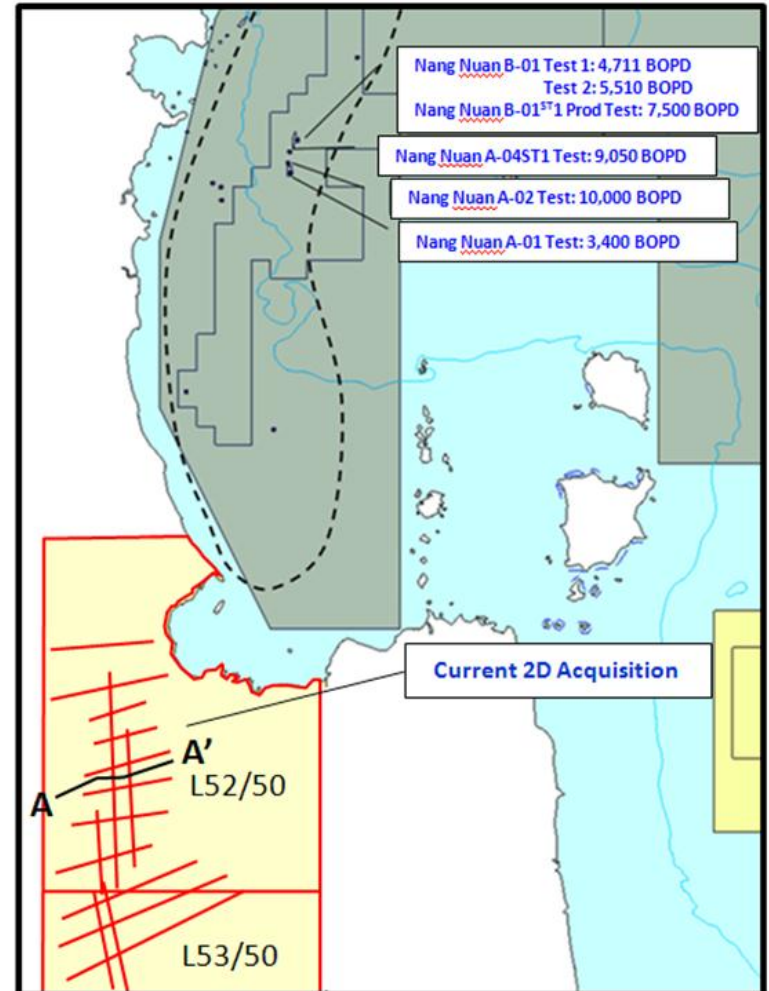


- 2 wells drilled in early 2011 with positive geochem results
- Multiple fault terraces on eastern flank of basin
- Good potential for trapping along likely migration pathways

Other value drivers in the business

L52/50 & L53/50 asset – Thailand Early stage exploration

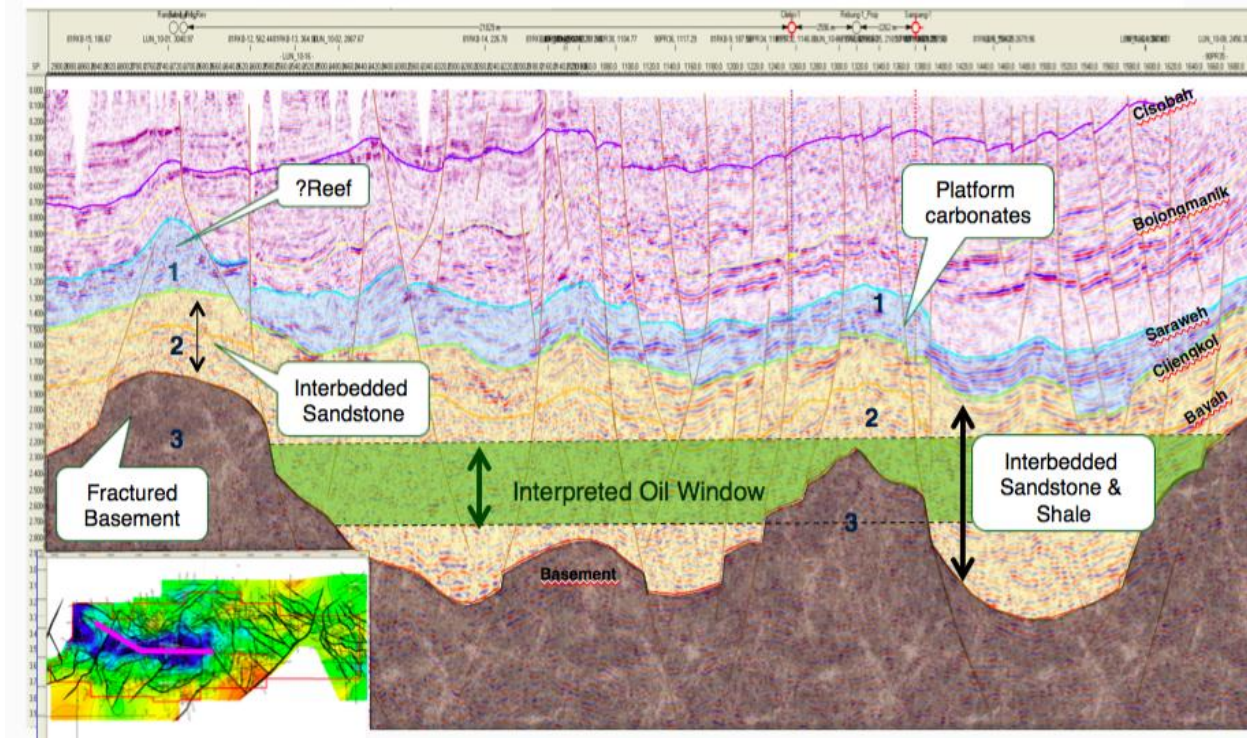
- Close proximity to prolific offshore basins in the Gulf of Thailand
- Under-explored basin
- With few valid well tests
- Surface geological and structural mapping completed in 2010
- Currently acquiring new 2D seismic to infill sparse 1988 vintage data



Other value drivers in the business

Rangkas PSC – Indonesia

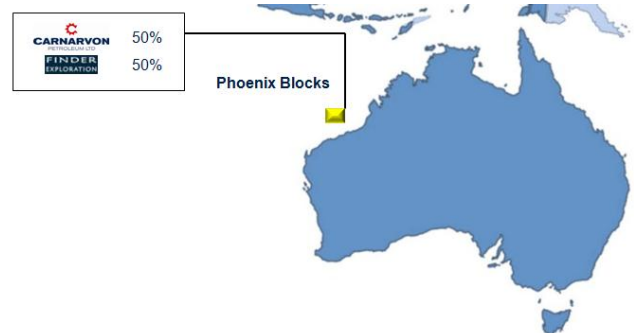
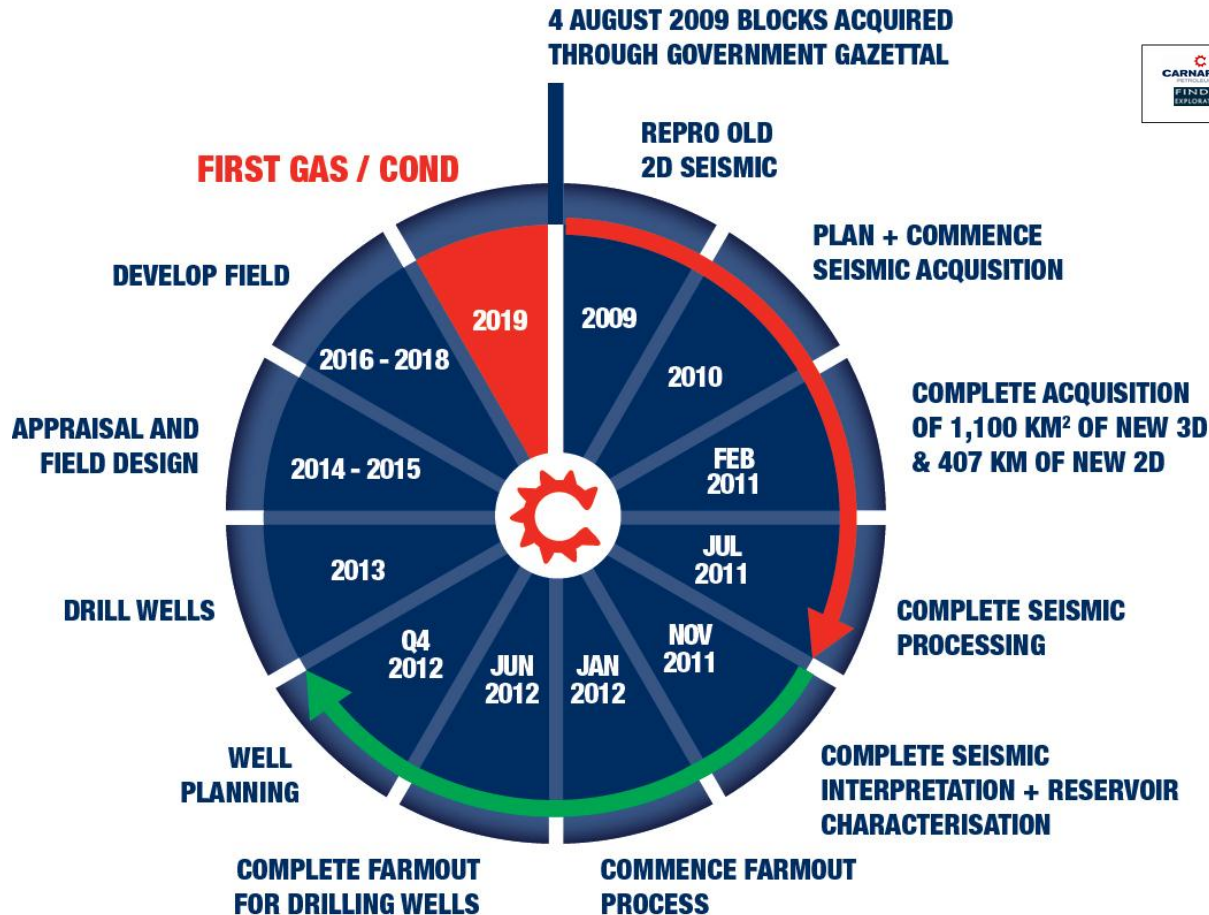
analysis indicates multiple stacked play types are present



- 500 km Rangkas 2D seismic completed on 1 April 2011
- 1,000 km of existing 2D seismic data reprocessed
- Geophysical mapping shows some 15 significant leads

Key activities and timelines going forward

Phoenix asset – Western Australia

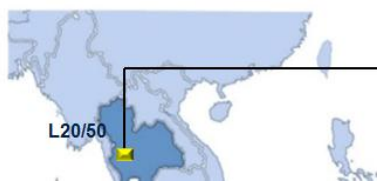


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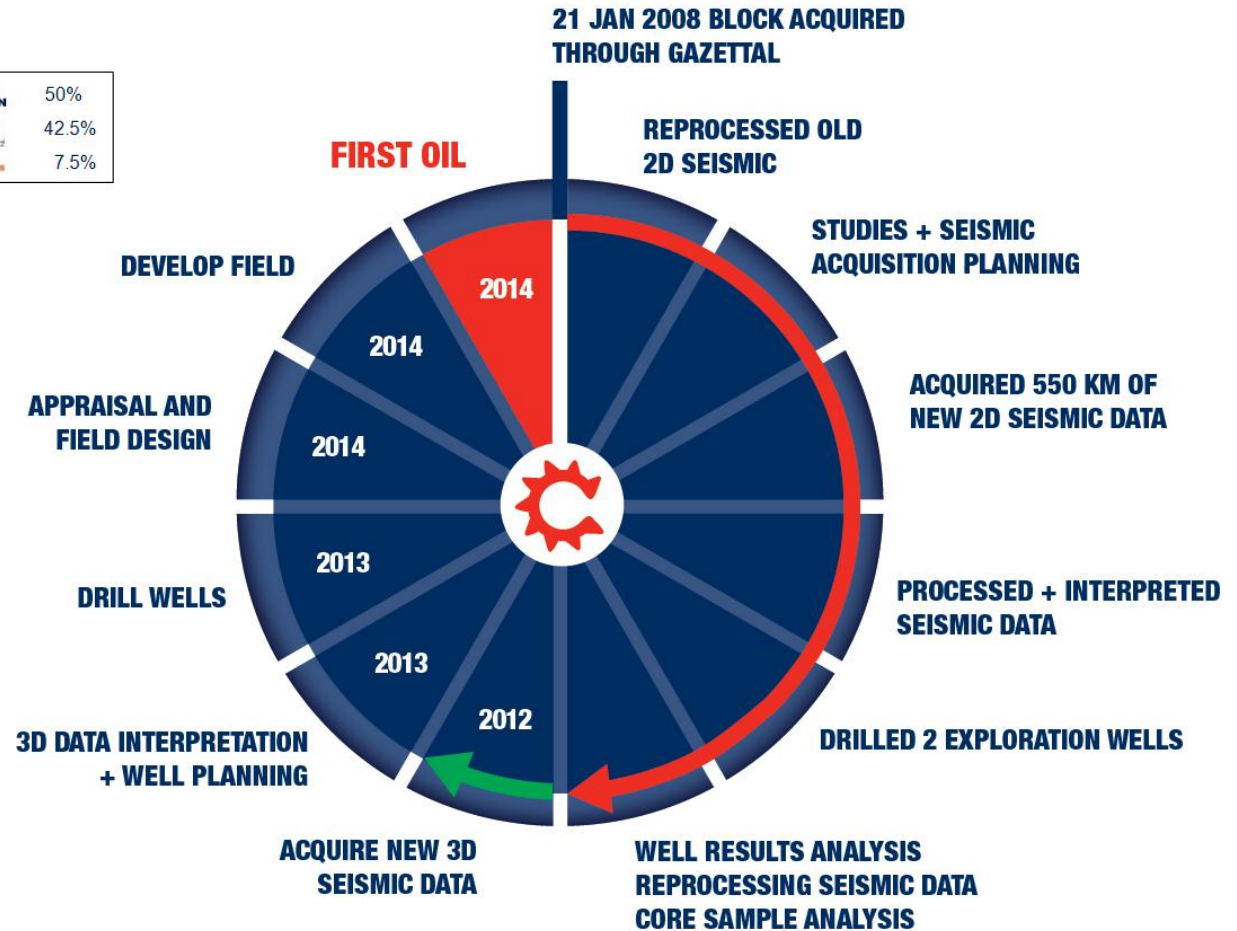
The time line above is indicative only

Key activities and timelines going forward

L20/50 Concession - Thailand



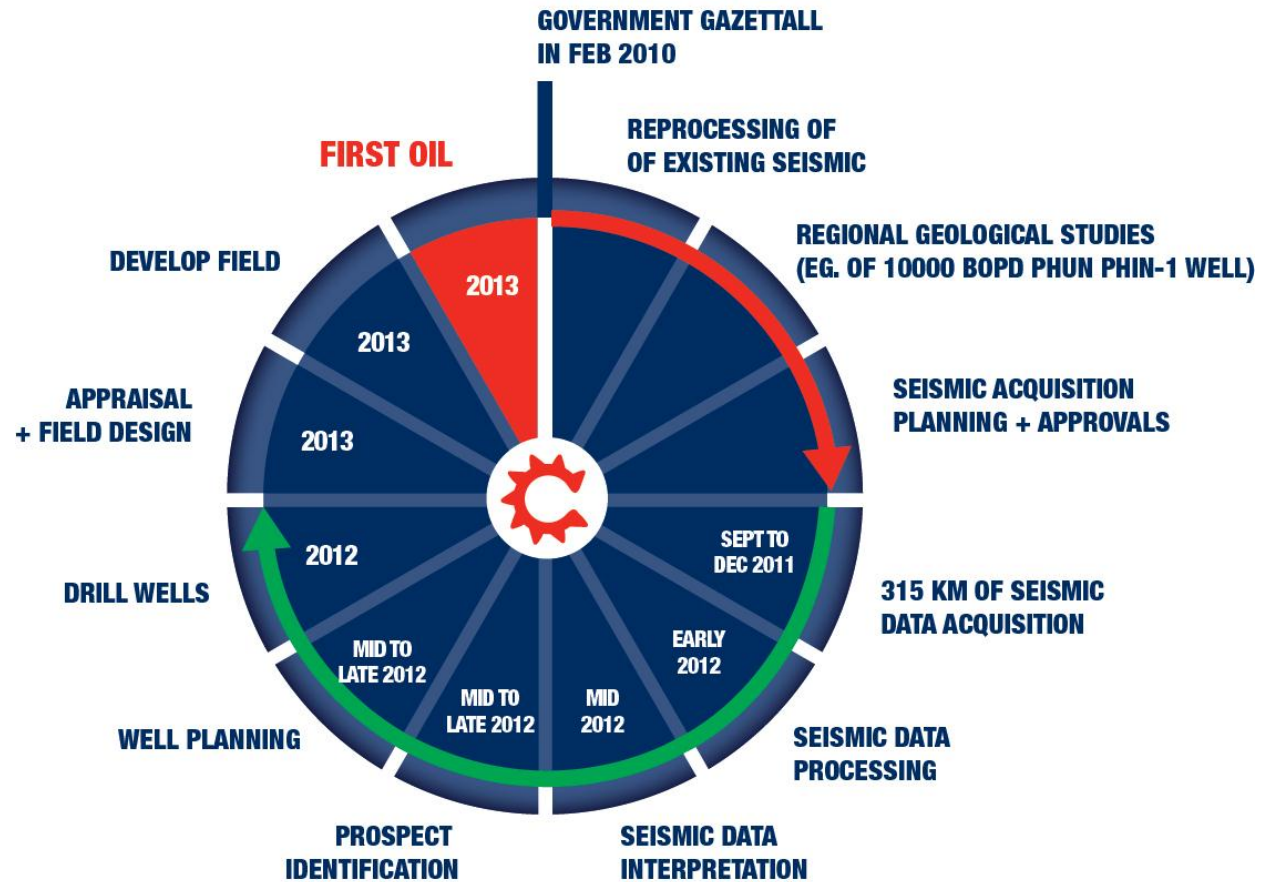
CARNARVON	50%
SUN resources	42.5%
Peak Oil & Gas	7.5%



The time line above is indicative only

Key activities and timelines going forward

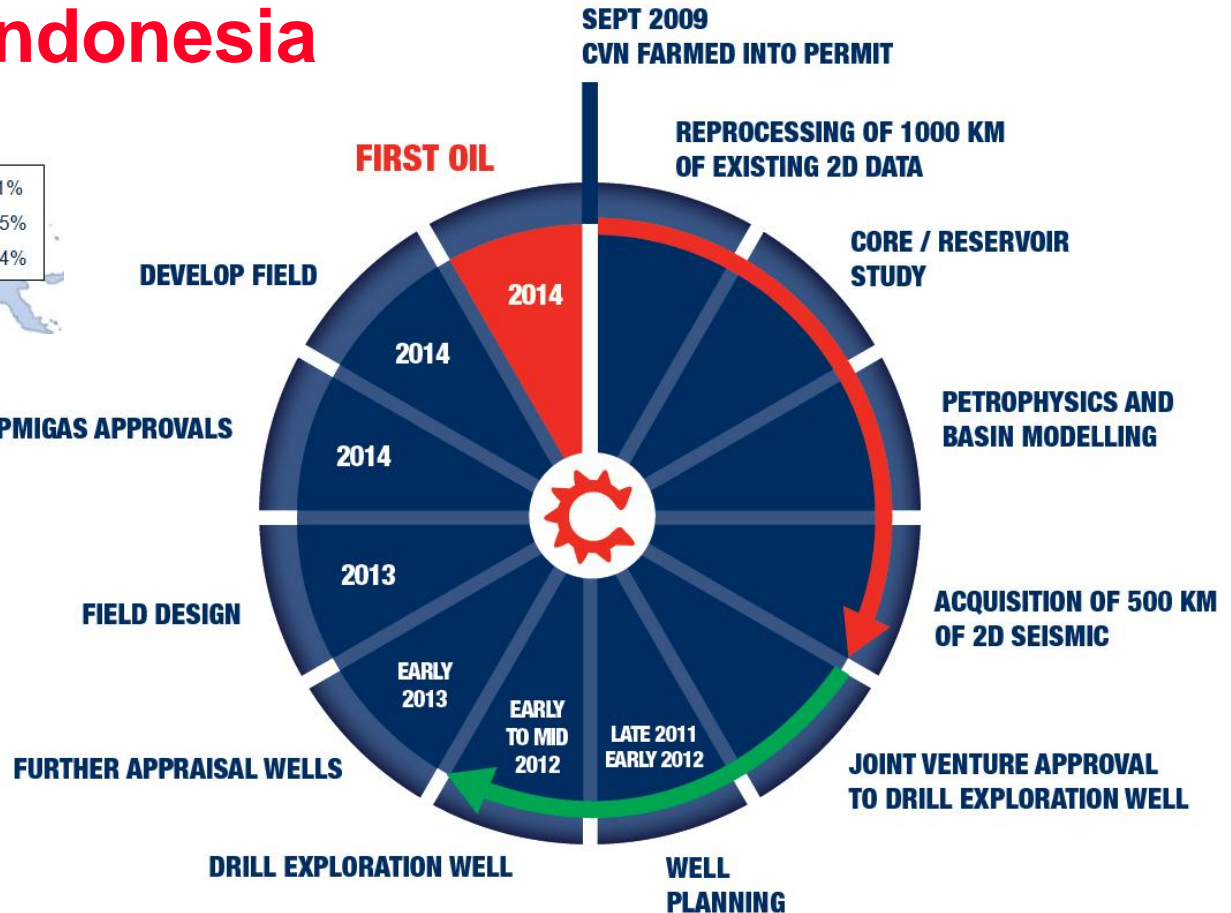
L52/53 & L53/50 Concessions - Thailand



The time line is indicative only

Summary of key activities & timelines

Rangkas PSC - Indonesia



The timeline above is indicative only

Management's key priorities

- **Steadily improve production from sandstone reservoirs**
 - (L44/43 & L33/43 Concessions, Thailand)
- **Continue drilling high flowing volcanic reservoirs**
 - (L44/43 & L33/43 Concessions, Thailand)
- **Farm-out Phoenix asset**
 - to accelerate the drilling of potentially significant value prospects
- **Pursue growth opportunities**
 - Exploration - current portfolio;
 - Exploration - new assets; and
 - Sensible acquisitions.

Disclaimer

The information in this document, that relates to oil exploration results and reserves, is based on information compiled by the Company's General Manager (Operations), 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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Ground Floor
1322 Hay Street
West Perth WA 6005
Telephone: +61 (8) 9321 2665
Fax: +61 (8) 9321 8867
www.carnarvon.com.au