



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

15 MARCH 2004

APPENDIX 4D

Half Year Report Period ending 31 December 2003

	December 2003	December 2002	Movement	
			AUD	% change
Revenue from Ordinary Activities	520,255	524,278	(4,023)	(0.77%)
Loss from Ordinary Activities after tax attributable to members	689,045	773,996	(210,056)	(27.1%)
Net Loss for the period attributable to members	689,045	773,996	(210,056)	(27.1%)
Net tangible assets per security				
Basic earnings per share (cents)	(0.4)	(0.5)		
Diluted earnings per share (9cents)	(0.4)	(0.5)		

The Company does not propose to pay dividends in relation to the half year ended 31 December 2003 nor did the Company pay dividends in the corresponding period last year.

There has been no change to controlled entities in the period ending 31 December 2003.

Carnarvon Petroleum Limited has the following interests in joint venture operations as at 31 December 2003:

Joint Venture	Principal Activities	Ownership Interest	Related party
Thailand: SW1A Concession	Exploration, development, production and marketing of crude oil	40%	-
Western Australia (Carnarvon Basin): EP110	Exploration for hydrocarbons	51.7%	-
Papua New Guinea (Papua Basin): PRLs 4 & 5 (ex PPL157) including the Stanley, Elevala and Ketu discoveries)	Exploration for hydrocarbons	15%	-

Going Concern

The consolidated financial data in this Appendix has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business.

The consolidated entity has incurred an operating loss of \$689,045 for the financial period ended 31 December 2003. The ability of the consolidated entity to continue as a going concern, and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, is dependent upon:

- oil sales revenue derived from the SW1A Joint Venture
- generation of future profits from the SW1A Joint Venture; and
- injection of capital

The auditors have expressed the view that without the generation of future profits and the injection of capital, there is significant uncertainty as to whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

It is on the basis that the consolidated entity will generate profits in the future from oil sales derived from the SW1A Joint Venture and a injection of capital will occur to cover future exploration and development expenditure, that the directors have prepared the financial report on an ongoing basis. Consequently, no adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.