



CARNARVON

PETROLEUM LTD

Investor Update

November 2008

Ted Jacobson CEO



Investment Highlights

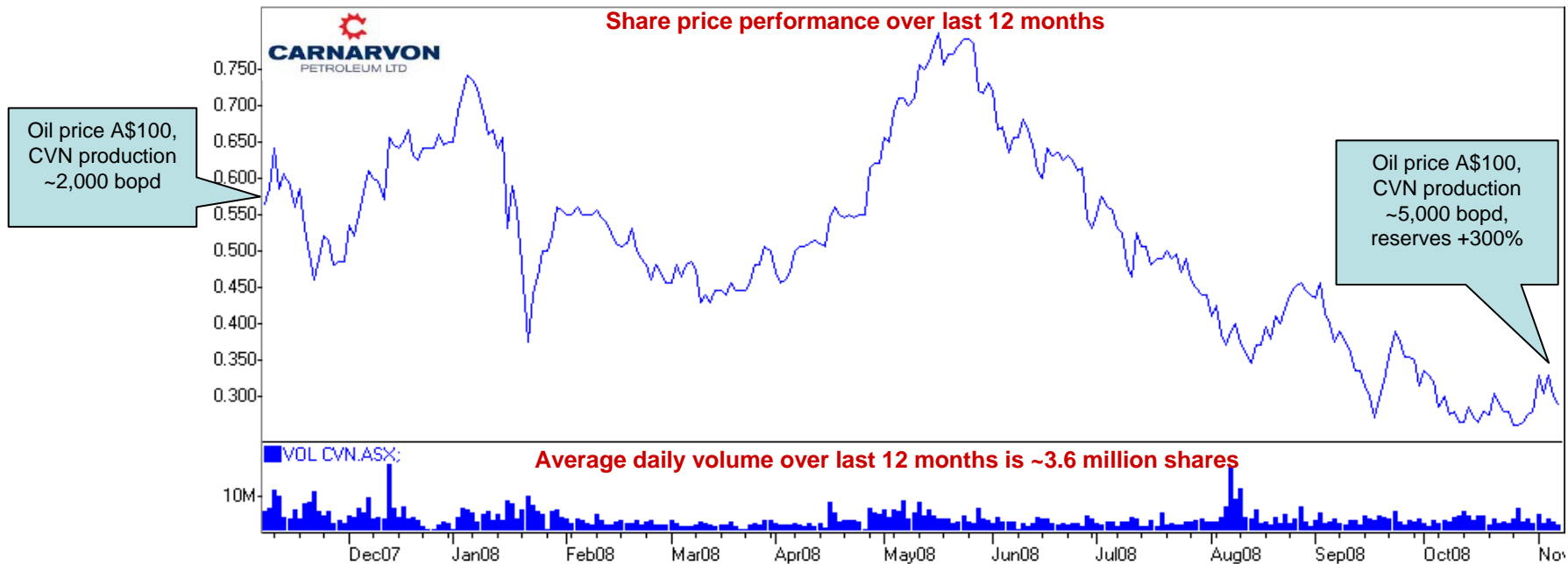
- Rapidly growing low cost Thailand oil production
 - Currently ~ 5,000 bopd net sales
 - On track for 6,000 bopd net sales before end 2008 as promised
- Rapidly growing Thailand oil reserves
 - 11.4mmbo 2P net reserves
 - 45.7mmbo 3P net reserves
- 2 rigs under long term contract and currently operating in Thailand by Joint Venture
 - Targeting 6 wells for remainder 2008 (including 2 wells currently drilling)
- Proven management supported by a strong technical team with a track record of delivering on stated objectives and creating shareholder value
- \$41million net cash at 30 September 2008, debt and oil hedge free
- Strong, growing cashflow underpins investment proposition and supports future growth



Corporate Snapshot

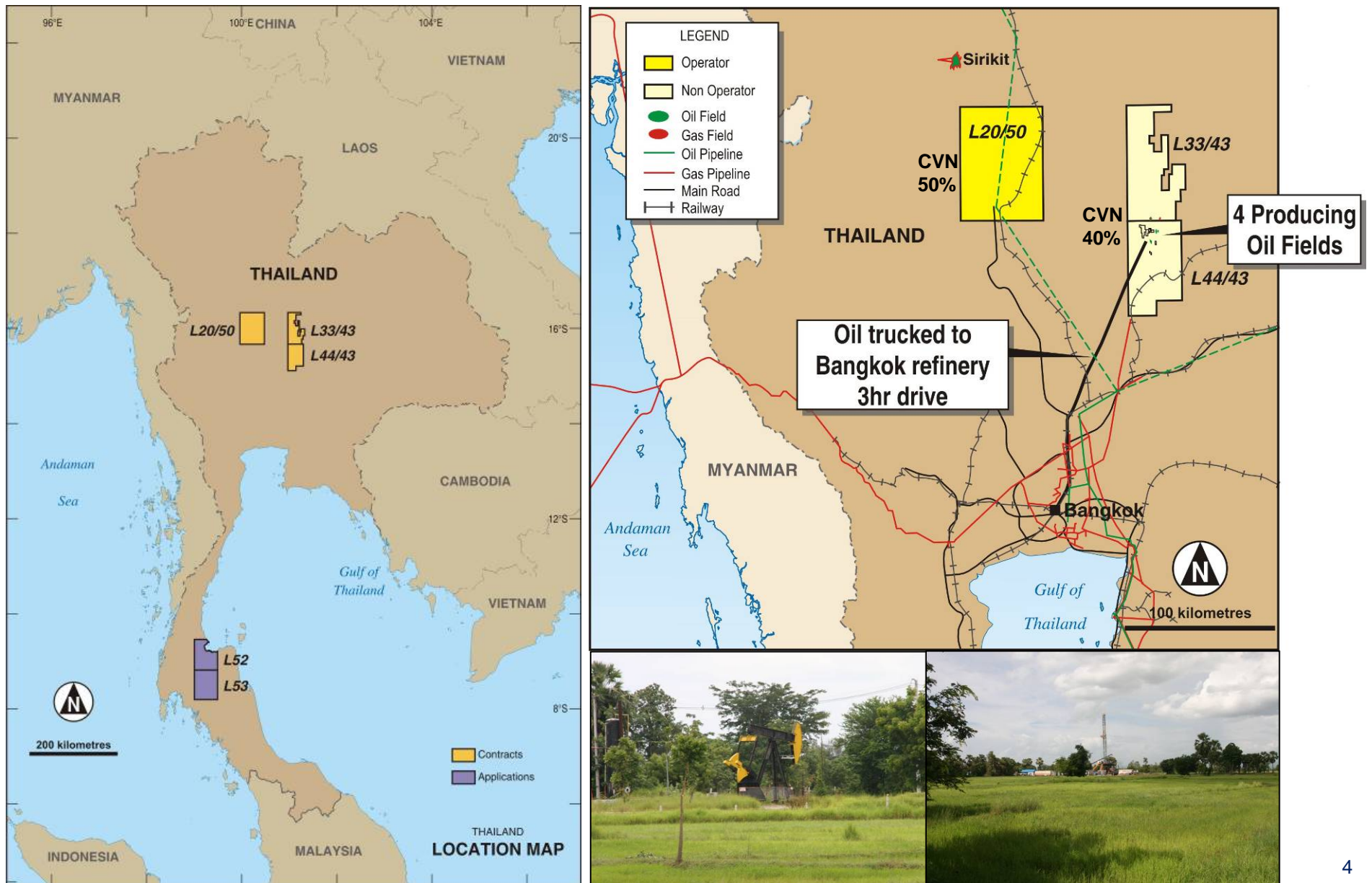
<u>Capital Structure</u>	
Ordinary Shares	673 million
Options (ex @ 10c)	10 million
Market Capitalisation: (fully diluted @ 29 cents)	\$198 million
Cash on hand (30 September 2008)	\$41 million
Debt	nil
Top 20	~ 33.6%
Directors and Management	~11%

<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





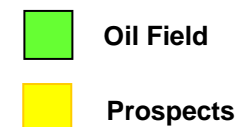
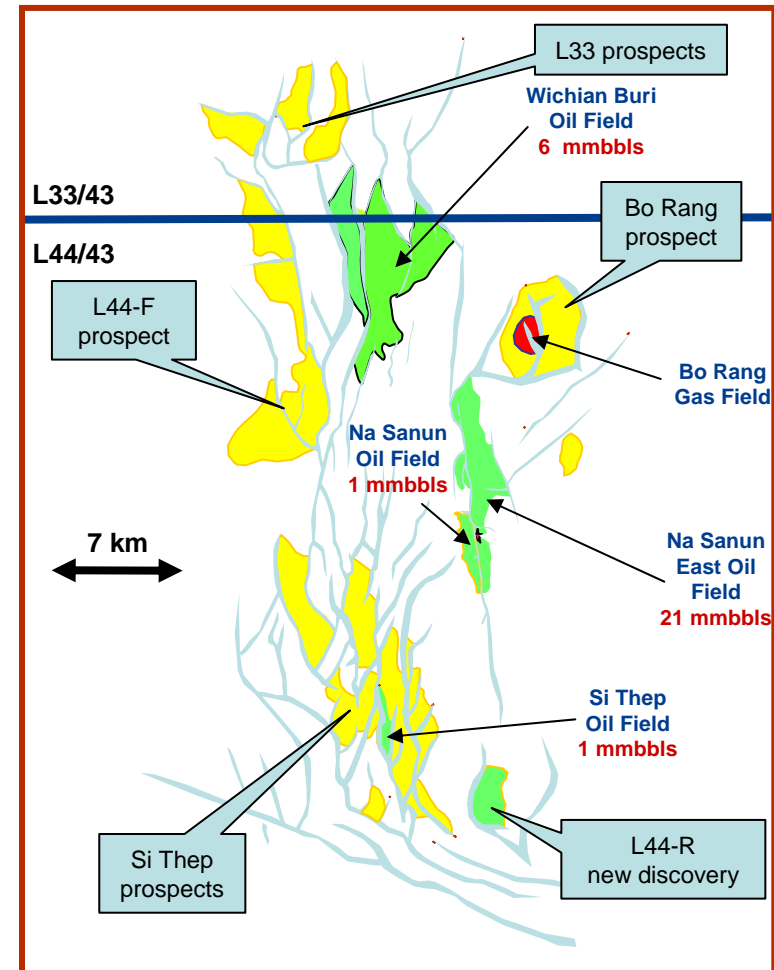
Thailand Permits and Infrastructure





L33/43 & L44/43 - Overview

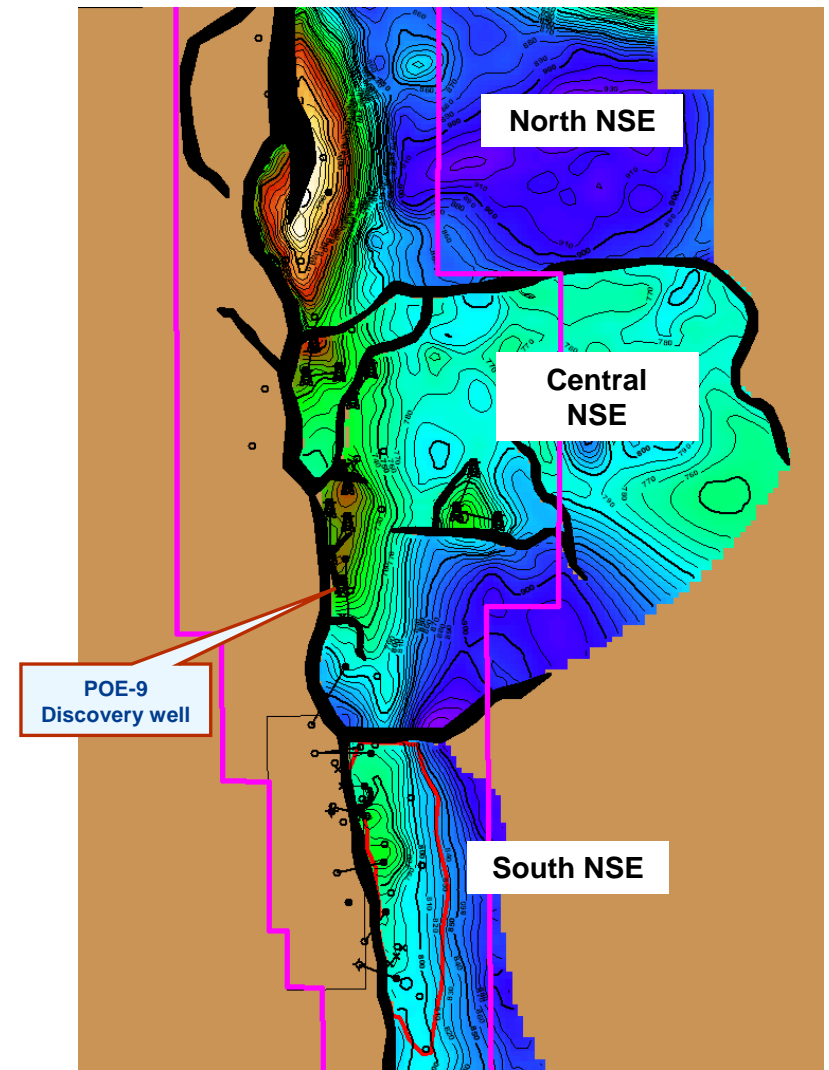
- Carnarvon 40%
- 2 rigs operating under long term contact
- On track for 6,000 bopd net sales before end 2008 as promised, currently ~5,000 net
- Targeting 6 wells for remainder 2008 (including 2 wells currently drilling)
- Development, appraisal and exploration wells to be drilled over a number of project areas to increase production and reserves
- Excellent infrastructure in place
- Many large prospects with significant oil potential
- Some prospects have old wells with fractured volcanics not tested





Na Sanun East Field

- 2P reserves of ~21 million barrels (gross)
- 3 separate fault compartments over 16.5km², each with production in fractured volcanic reservoir
- Full field development underway
- Production testing of wells has given flow rates between 150 and 4,000 bopd per well
- 7 development wells completed & 2 currently being drilled
- Reservoir comprises fractured volcanic with matrix porosity
 - Matrix porosity 7% - 13%
 - Recovery factor 10% - 30%





2008 Progress

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

- Development wells**

- 100% success

- Appraisal wells**

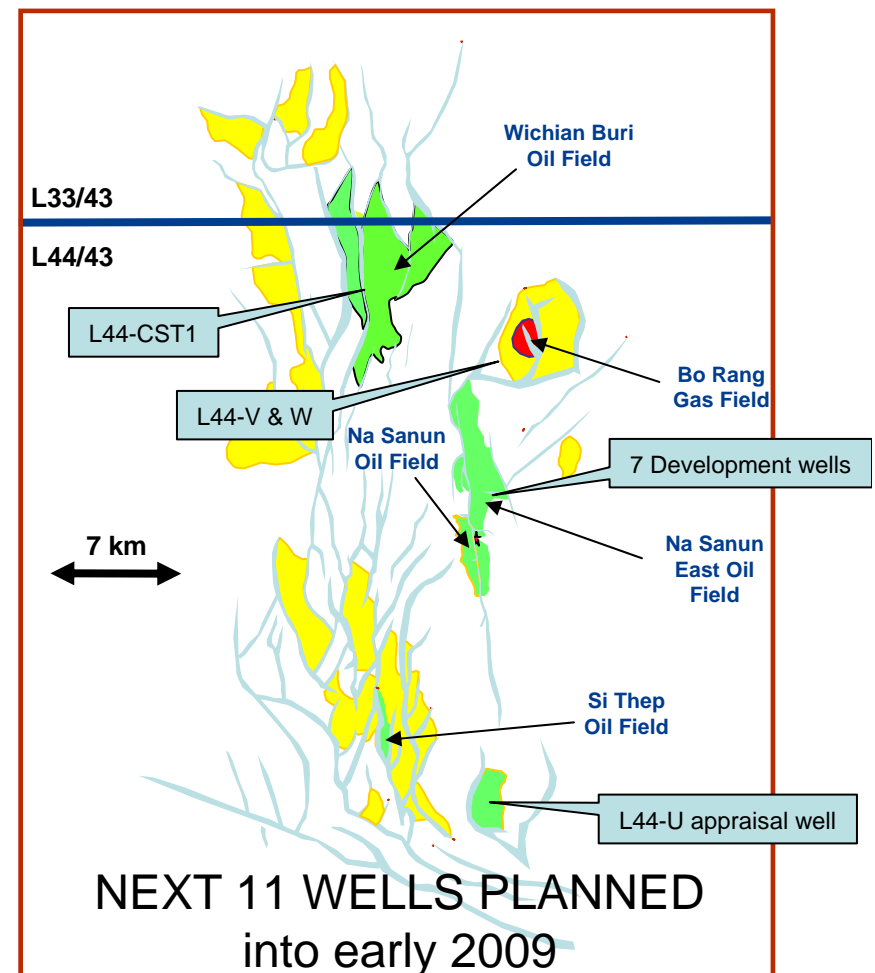
- 67% success

- Exploration wells**

- 33% success

- Development drilling of NSE underway

- 6 exploration and appraisal wells drilled
 - 7 development wells completed
 - 2 development wells currently drilling
 - Additional 4 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

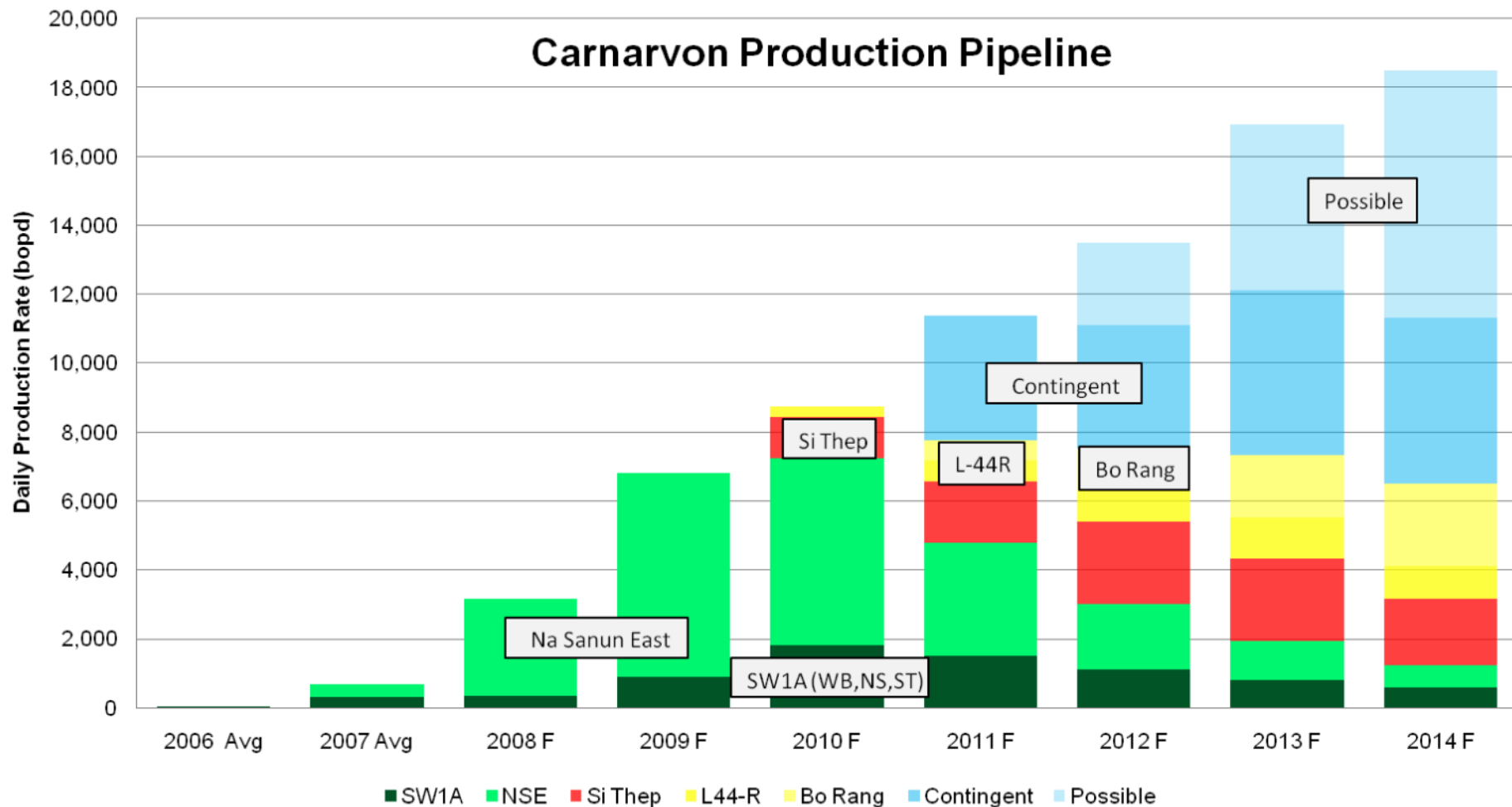




Strong Production

Rapidly growing oil production

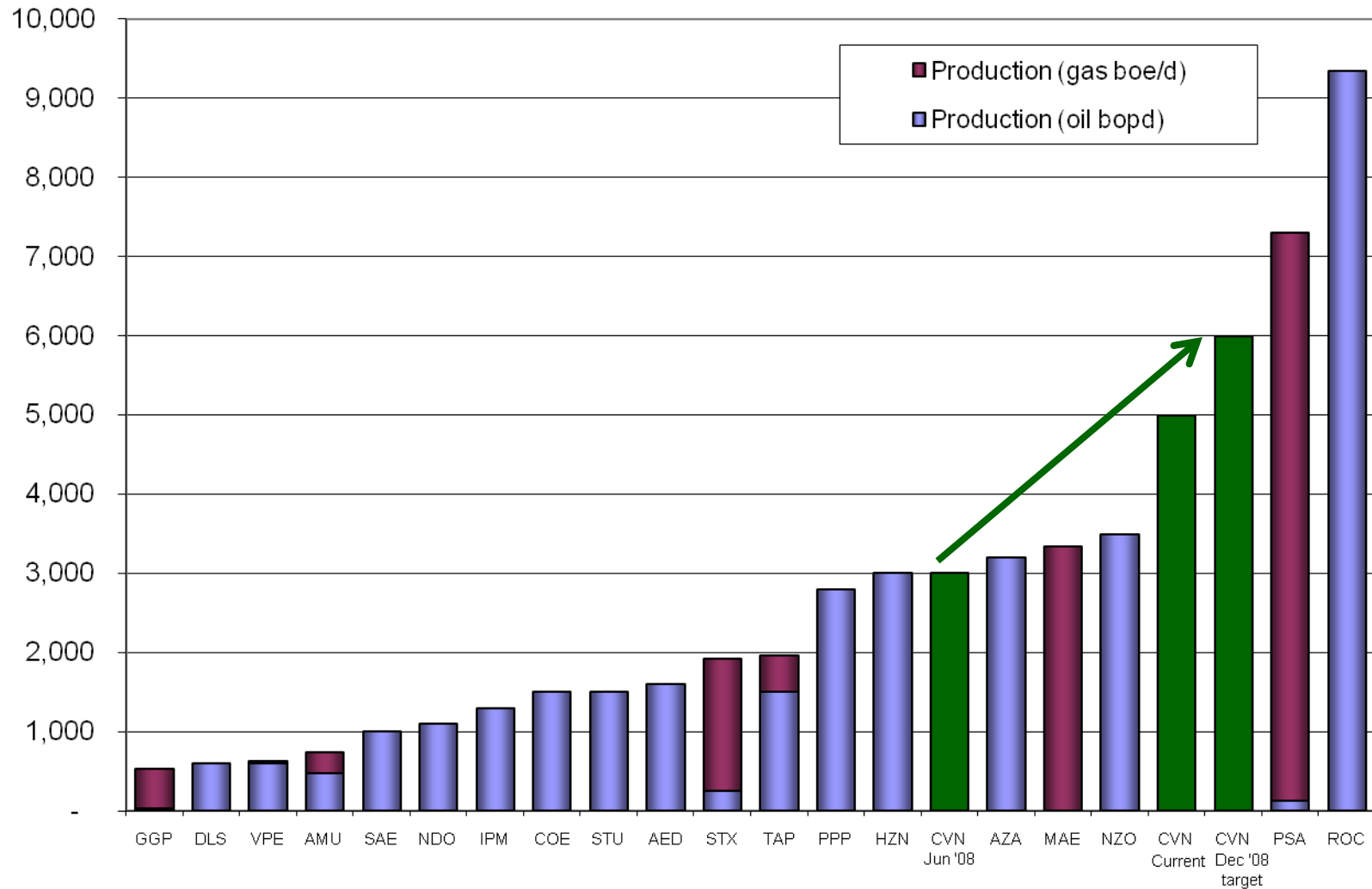
- Well placed to achieve year end targeted production of 6,000 bopd net sales before year end with significant growth pipeline





Strong Production

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





High Margin, Low Cost Operations

Operating Cashflow

- PTT (Thai National Oil Co.) sales contract price ~85% of WTI
- Operating + trucking costs ~US\$5 per barrel for Q3 2008

Capital

- Very good infrastructure in place with a multi lane highway running through permits - 3 hours to Bangkok
- Current operations comfortably support ~15,000 bopd road tanker operation
- Road tanker operation easily scalable with minimal capital investment

Drilling

- ~US\$1 - \$1.5 million per well to drill development wells and complete for production
- ~30 days drilling and testing with wells on production within days
- Very fast payback (at average flow rates - between 1 week and 1 month)

Fiscal Regime

- Sliding scale royalty (5 – 15%) on monthly production levels : currently ~8%
- SRB after tax on profits (0 – 37.5%) once capital recovered : currently ~20% - ring fenced by concession
- Company tax 50% on net profit after royalty and SRB (ie, can offset against exploration expenditure elsewhere in Thailand)



Na Sanun East - Appraisal Upside

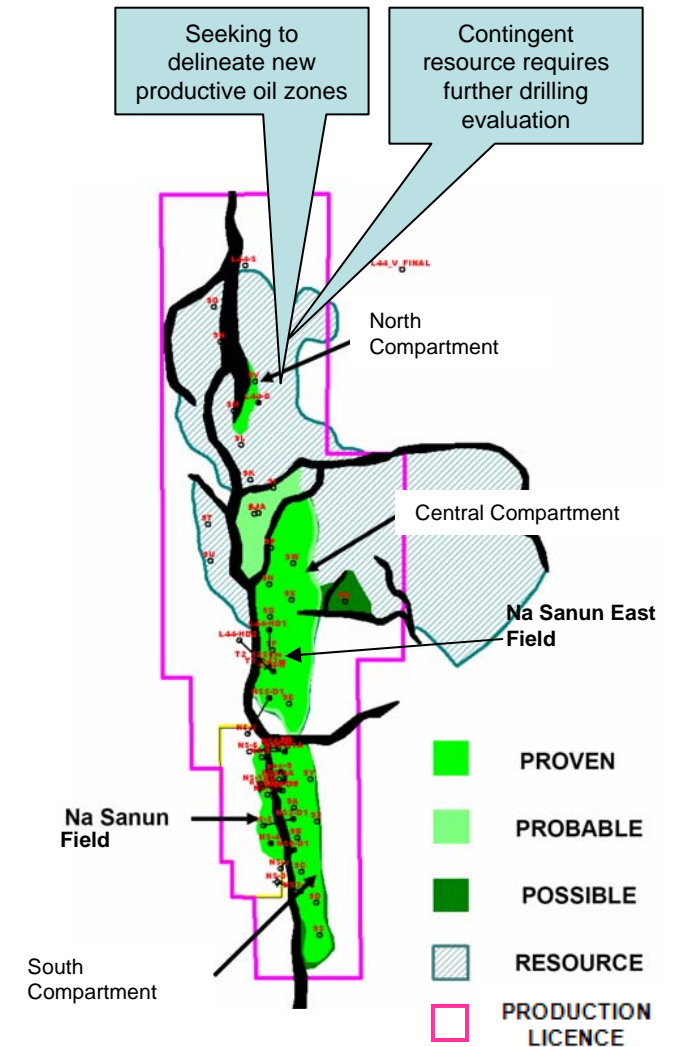
Na Sanun East Other Reservoirs

- 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

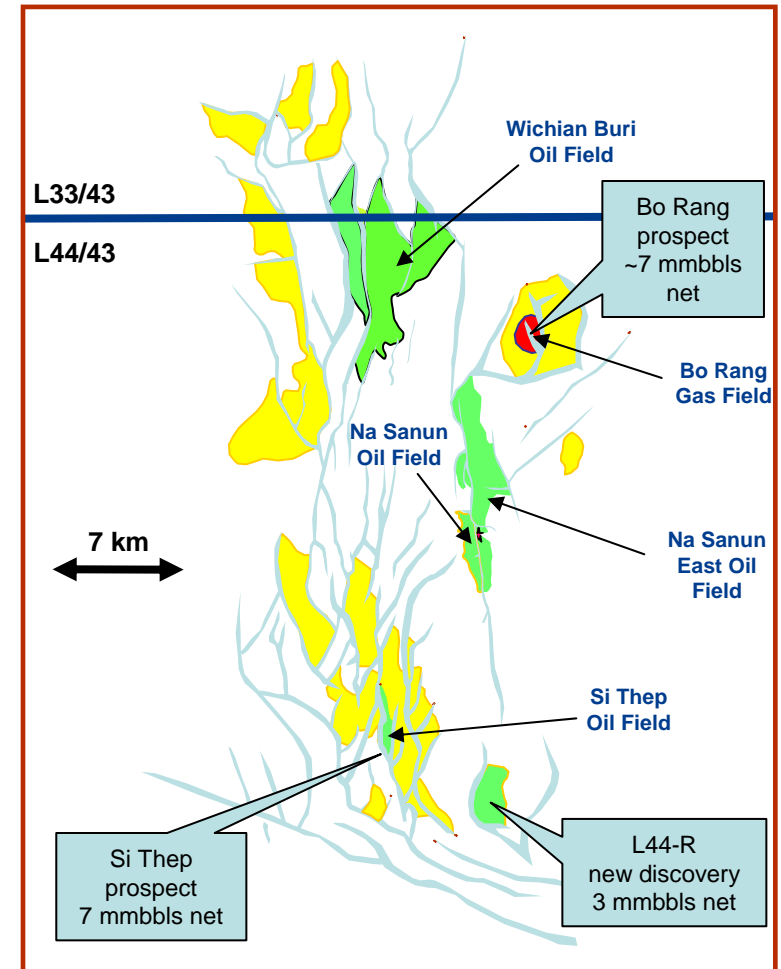
- Bo Rang-1 intersected 6 fractured volcanic zones – only upper zone tested
- Flowed gas @ 5.6 mmcf/d from upper volcanic interval
- Potential oil resource from only one deeper volcanic reservoir not previously tested of **7mmbbls (2C) net recoverable**

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**

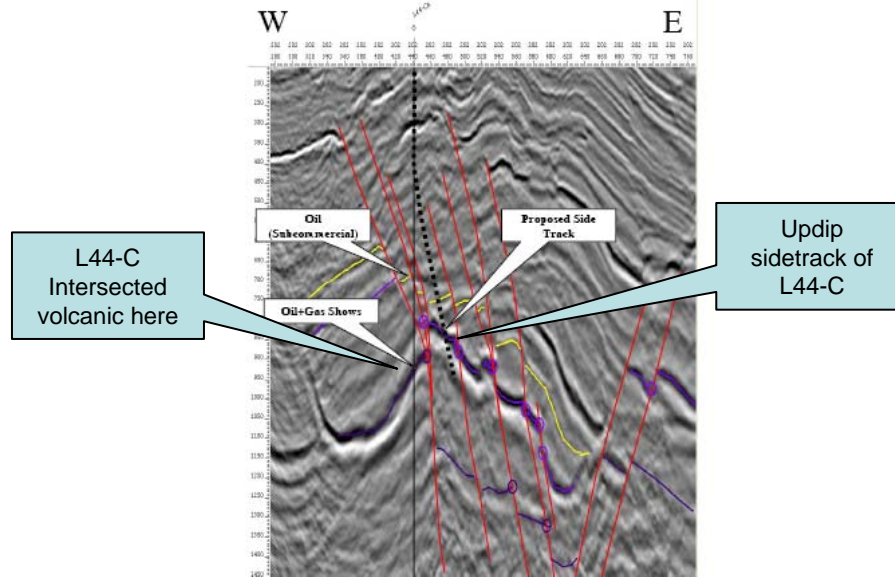




L33/43 & L44/43 - Exploration Upside

Wichian Buri Deep

- L44-C sidetrack planned early 2009

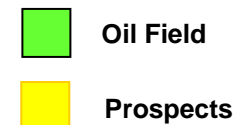
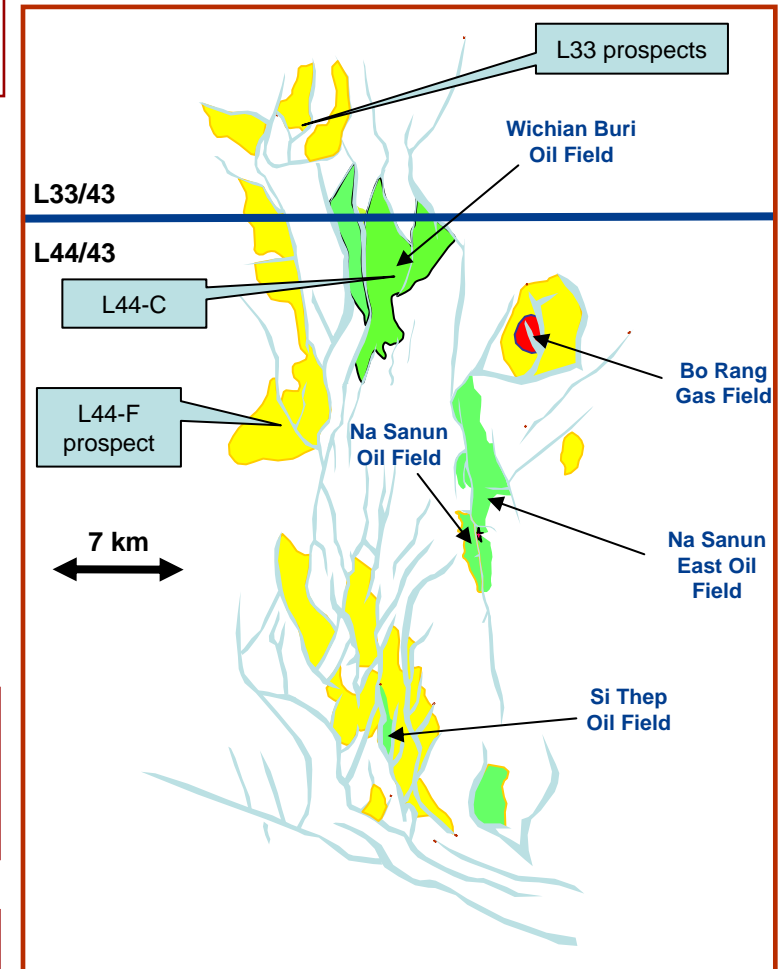


L44-F

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

L33/43

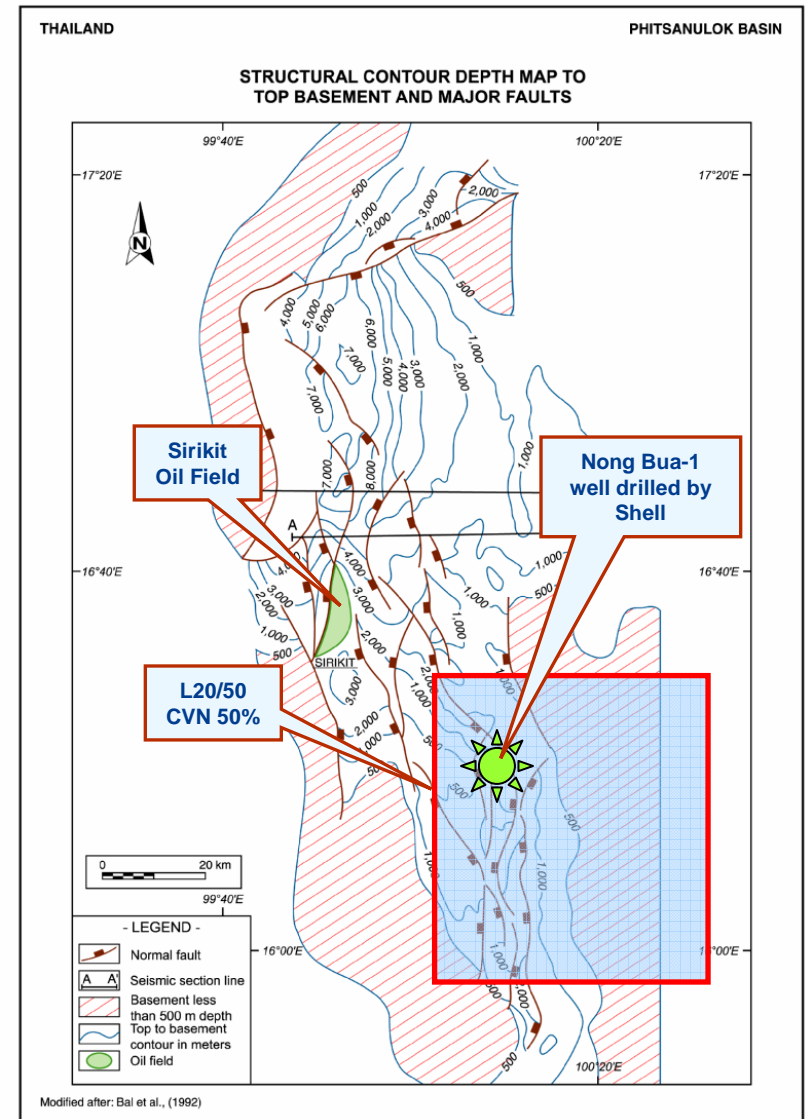
- Mapped on existing 2D seismic with several prospects mapped
- 2 wells planned here for 2009





L20/50

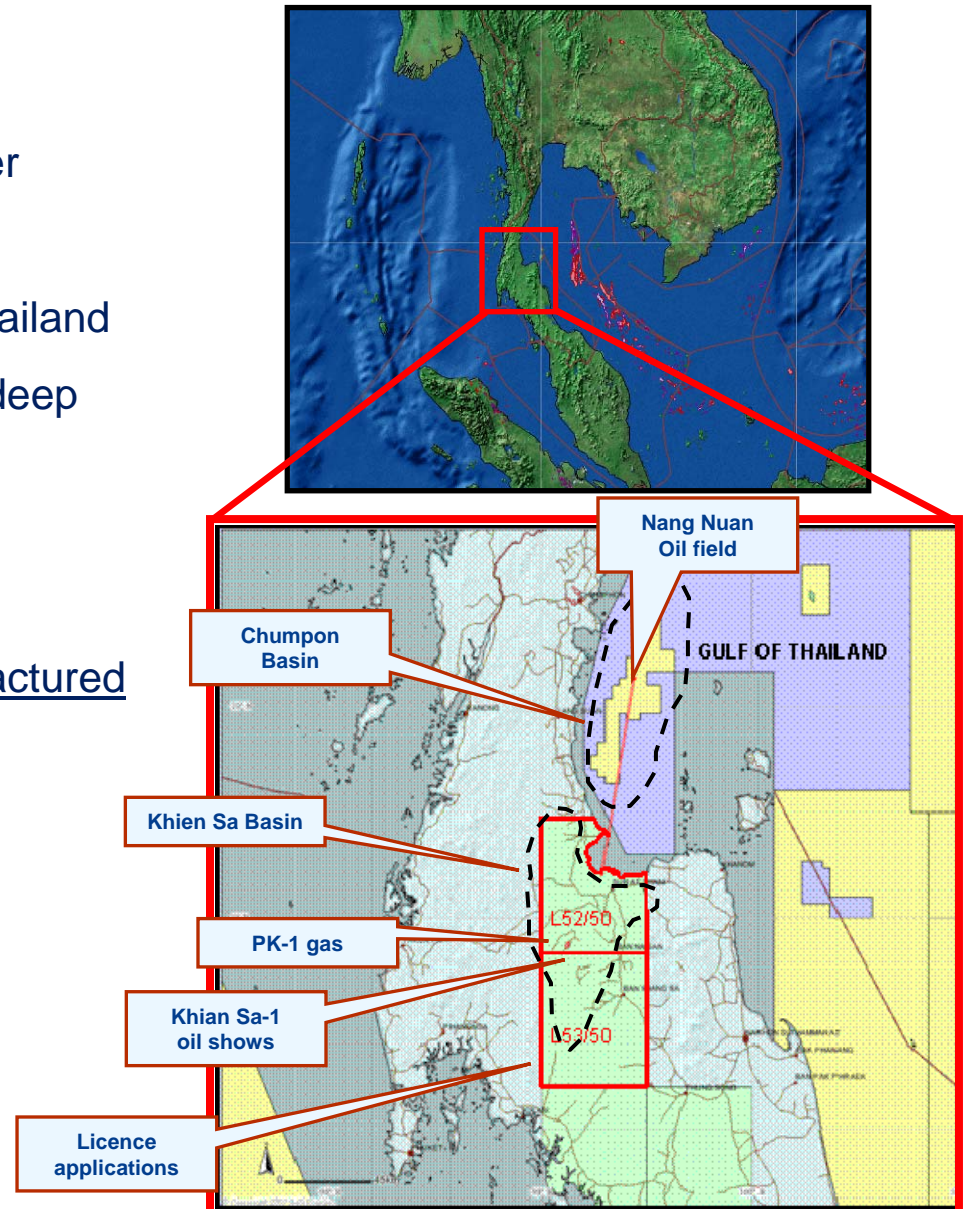
- Carnarvon 50% interest and operator, Sun Resources (ASX: SUR) 50%
- Southeast and on trend of large, 200 million barrel Sirikit Oil Field (produced over 150 mmbbls and still producing ~20,000bopd)
- ~1,000km 80's vintage 2D seismic interpreted
- Nong Bua-1 drilled by Shell with excellent oil shows & 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

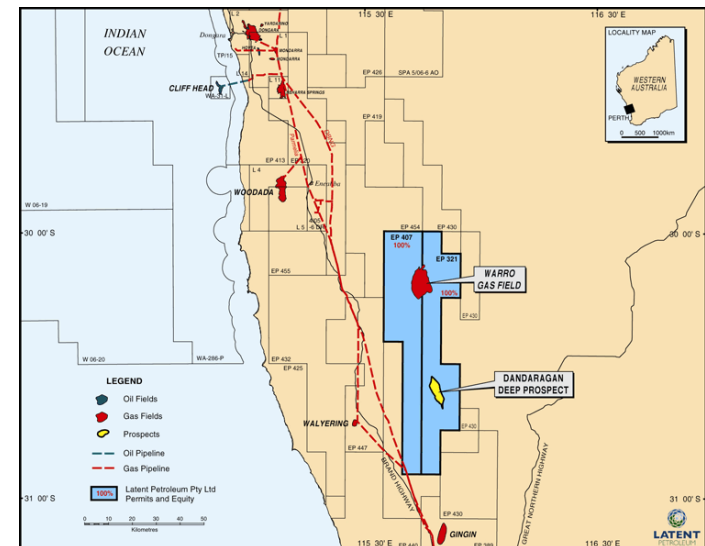
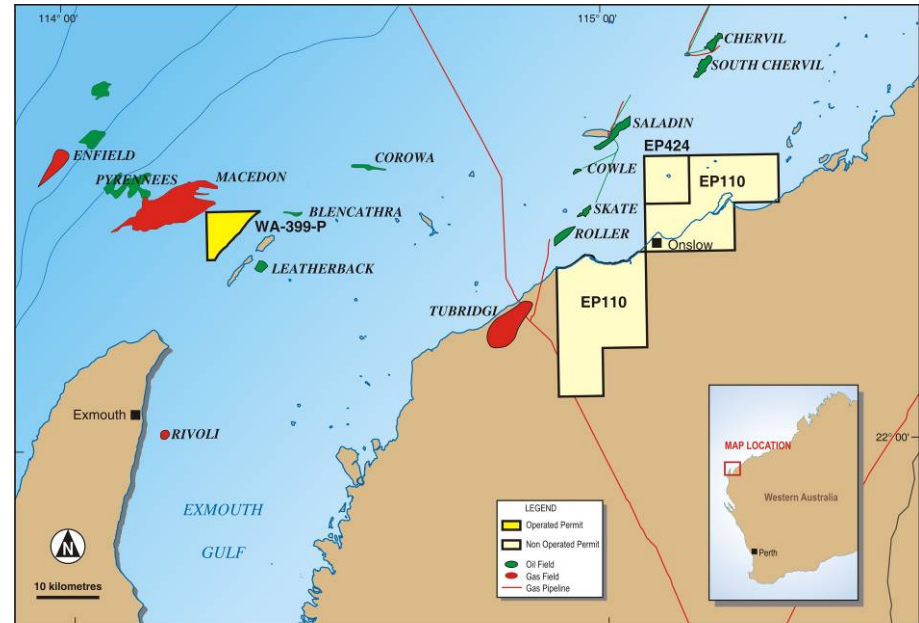
- Offshore Carnarvon Basin
- Carnarvon 50% and operator
- Seismic reprocessing just completed

EP110 & EP 424

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

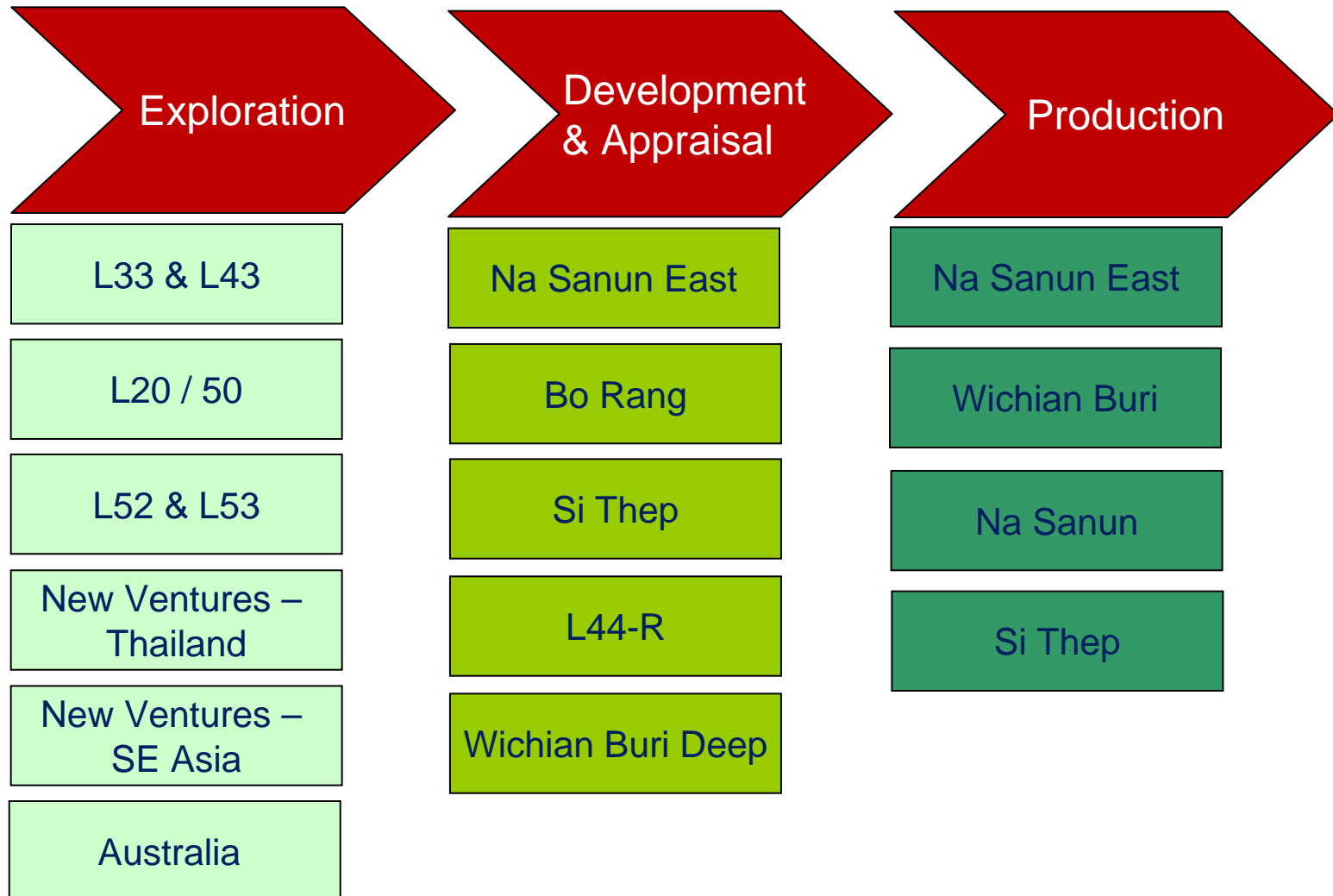
EP 321, EP 407

- 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





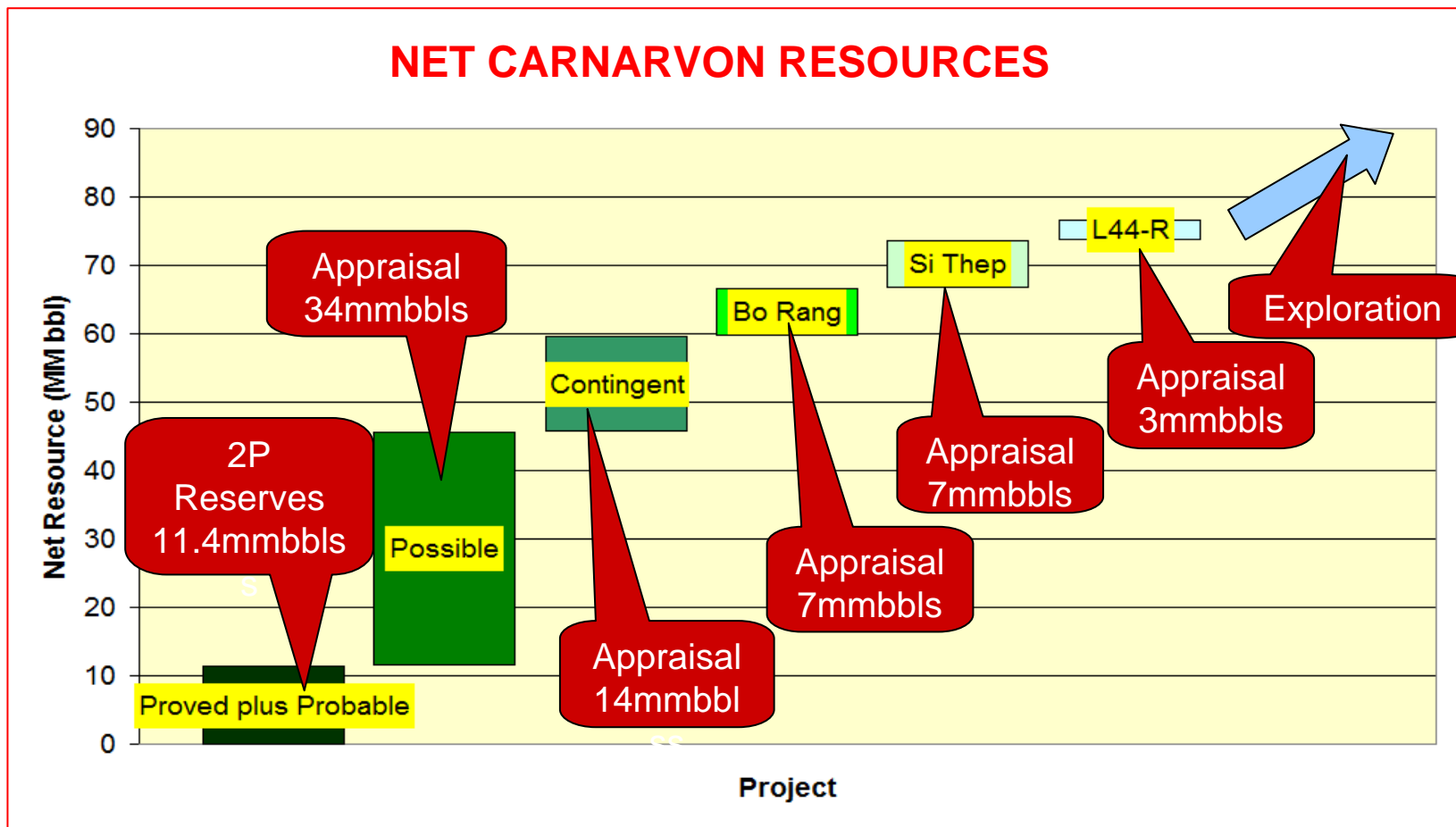
Project Pipeline





Significant Reserves Upside

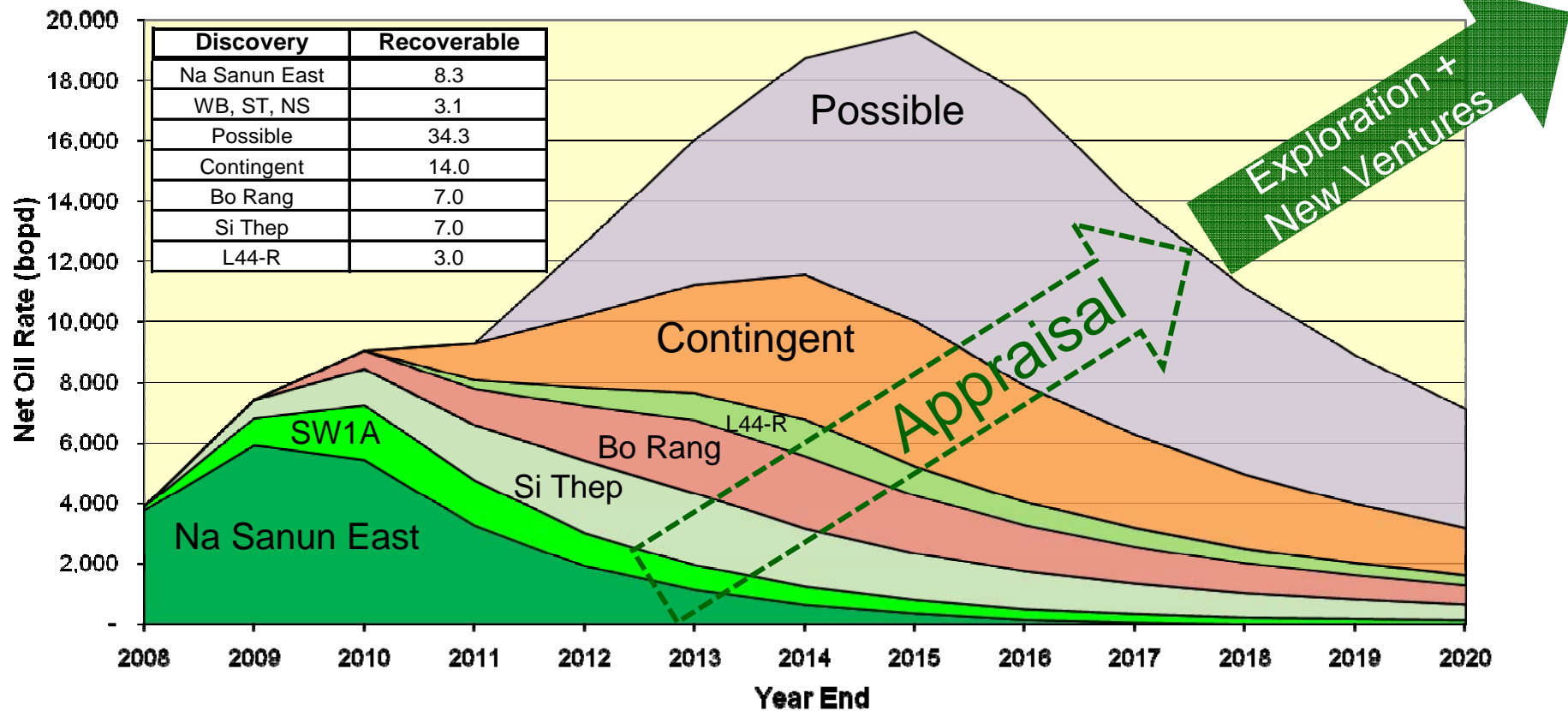
Over next 12 -24 months Carnarvon is appraising 31 mmbbbls 2C net oil resource





Significant Production Upside

CVN Production Pipeline





Summary

- Poised to deliver stated year end objective of 15,000 bopd before year end
- 2 rigs under long-term contract with 6 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



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