



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

13 November 2003

Dear Shareholder

You will have recently received the Company's 2003 Notice of Annual General Meeting.

The Company proposes to include an additional item of special business for consideration at the meeting, namely shareholder approval to the issue of 12,222,513 ordinary shares at 3.7 cents per share made on 13 November 2003. As for Resolution 2, this approval is being sought for the purposes of Listing Rule 7.4 to prevent the issue from being counted toward the Listing Rule 7.1 restriction that the Company must not issue more than 15% of its issued capital in any 12 month period.

The decision to issue these securities and seek approval for the issue was made subsequent to preparation of the original Notice of Meeting. Consequently, the Company is issuing a supplementary notice of this resolution and a consolidated proxy form which includes Resolution 3 (enclosed)

Shareholders are requested to complete and return the consolidated proxy form in its entirety, rather than the proxy form enclosed with the original Notice of Meeting. Where shareholders have already returned the original proxy form, the instructions on the original proxy form will be superseded by those set out in the consolidated proxy form. Shareholders who have returned the original proxy form but do not return the enclosed consolidated proxy form will be considered as not having cast a vote on Resolution 3.

Yours sincerely

Andrew Shelton
Chairman



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Supplementary Notice of Meeting

Notice is given that at the Annual General Meeting of Carnarvon Petroleum Ltd to be held in the Toorak Room, Mezzanine Level, Como Melbourne, 630 Chapel Street, South Yarra, Victoria, on Friday 28th November 2003 at 9:30am, **an additional item of special business will be considered.**

Special Business

After Item 2 of Special Business, the following item will be considered:

Approval of issue of securities

3 To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the issue of 12,222,513 ordinary shares at 3.7 cents per share on 13 November 2003 is approved for the purposes of Listing Rule 7.4 of the Australian Stock Exchange.”

BY ORDER OF THE BOARD

Trevor Irwin

Secretary

13 November 2003



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Notes: Supplementary Notice of Meeting

1. On a poll, members have one vote for every fully paid ordinary share held.
2. A member entitled to attend and vote is entitled to appoint two proxies. If it is desired to appoint two proxies, then an additional proxy form can be obtained from the Carnarvon Petroleum Ltd Share Registry by telephoning 1300 557 010 (within Australia) or (61 3) 9615 5970 (outside Australia).
3. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights and neither proxy is entitled to vote on a show of hands if more than one proxy attends.
4. A proxy need not be a member of the Company.
5. Proxy forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act 2001.
6. Proxy forms (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be received by either the Company at its registered office: Level 50, 120 Collins Street Melbourne 3000 or at its Share Registry, Computershare Investor Services Pty Limited, Level 2, 45 St. George's Terrace, Perth WA 6000, or by facsimile on (61 3) 9225 5050, not less than 48 hours before the time for holding the meeting.
7. The Board has determined, in accordance with the Company's constitution and the Corporations Regulations that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7.00pm, Melbourne time, on Wednesday 26th November 2003.



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Explanatory Notes to Shareholders

Special Business

Resolution 3 – Approval of the issue of securities

The Company issued 12,222,513 ordinary shares at 3.7 cents per share on 13 November 2003 to clients of the following member organisations of the Australian Stock Exchange:

- Baker Young Stockbrokers Limited (Darwin/Adelaide)
- Bell Potter Securities Limited (Melbourne)
- Hartleys Limited (Perth)

to fund development of the Company's 40% share of the SW1A Joint Venture in Thailand.

Listing Rule 7.1 essentially provides that the Company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval. However, under Listing Rule 7.4, the Company may seek subsequent approval to specified issue of securities, and if that approval is granted, such issues do not count toward the 15% limit.

The issue of the securities noted above did not require shareholder approval under Listing Rule 7.1. However, the Board nonetheless seeks subsequent shareholder approval for the issue of securities so that these shares issued will not be counted in determining whether any future issues of securities will breach the Listing Rule limits discussed above.

The Board believes that it is in the best interests of the Company that it maintains its ability to issue up to a full 15% of the issued capital of the Company, so that the Company may raise additional capital for its purposes and to take advantage of commercial opportunities that may arise in the course of the Company's activities as and when those opportunities arise.

Voting Restriction

The Company will disregard any votes cast on resolution 3 by:

- (a) a person who participated in the issue; and
- (b) an associate of a person in (a).

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Board recommends that members vote in favour of the resolution.