

Carnarvon Petroleum Limited

ABN 60 002 688 851

**Notice is given that the Annual General Meeting
of Carnarvon Petroleum Limited will be held at**

Royal Perth Yacht Club

Australia II Drive, Crawley

Perth, Western Australia.

at 11.00am on Friday, 27th November 2009

Carnarvon Petroleum Limited ABN 60 002 688 851

Registered Office: Ground Floor, 1322 Hay Street, West Perth, WA 6005

Telephone: +61 8 9321 2665, Facsimile +61 8 9321 8867

Notice is given that the Annual General Meeting of Carnarvon Petroleum Limited ("Carnarvon" or "the Company") will be held at Royal Perth Yacht Club, Australia II Drive, Crawley, Perth, Western Australia at 11.00am on Friday, 27th November 2009.

Ordinary Business

Financial Statements and Reports

To receive and consider the Financial Statements and the Directors' Declaration and Directors' Report for the year ended 30 June 2009, together with the Auditor's Report to the members of the Company.

Resolutions

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. Re-election of Mr Neil Christian Fearis as a director

"That Mr NC Fearis, who retires by rotation in accordance with rule 35(c) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."

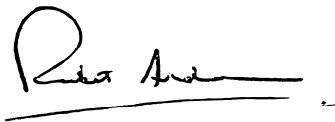
2. Re-adoption of the Carnarvon Employee Share Plan

"That for the purpose of ASX Listing Rule 7.2 Exception 9 and all other purposes, the Company approves the issue of shares under the Carnarvon Employee Share Plan for a period of 3 years commencing on the date of this meeting as an exception to ASX Listing Rule 7.1"

3. Adoption of the Remuneration Report for the year ended 30 June 2009

"That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors' Report of the Company for the year ended 30 June 2009, be adopted."

By order of the board



RA Anderson
Company Secretary
Perth, 12 October 2009

Information for Members

For the purposes of voting at the meeting, shares of the Company will be taken to be held by the holders of those shares registered as such at close of business on 25th November 2009. The entitlement of members to vote at the meeting will be determined by reference to that time.

A proxy form accompanies this Notice of Annual General Meeting.

A member who is entitled to attend and vote at this meeting is entitled to appoint not more than two proxies. A proxy need not be a member. Where the Chairman is appointed proxy, he will vote in accordance with the member's directions as specified on the proxy form or, in the absence of a direction, in favour of the resolution contained in this Notice of Annual General Meeting.

A single proxy exercises all voting rights. Where a member wishes to appoint two proxies, an additional proxy form may be obtained by contacting the Carnarvon Petroleum Limited share registry or you may copy the enclosed proxy form. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded.

Proxy forms should be returned to Computershare Investor Services Pty Limited

- in the enclosed reply-paid envelope; or
- in accordance with the instructions on the attached proxy form

or may alternatively be sent to the Company at its registered office:

- in person, to Carnarvon Petroleum Limited, Ground Floor, 1322 Hay Street, West Perth, WA 6005; or
- by mail, to Carnarvon Petroleum Limited, PO Box 99, West Perth, WA 6872, Australia; or
- by facsimile to +61 8 9321 8867

by no later than 11.00am (Perth time) on Wednesday 25th November 2009.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by the directors, any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

Explanatory Notes

Financial Statements and Reports

The Financial Statements of the Company and its controlled entities for the year ended 30 June 2009, the Directors' Declaration, the Directors' Report and the Auditor's Report are set out in the Carnarvon Petroleum Limited 2009 Annual Report.

Neither the Corporations Act 2001 nor the Company's Constitution requires a vote on the reports, however, shareholders will have an opportunity to ask questions and make comments on the reports and the Company's business and operations at the Annual General Meeting.

Resolutions

1. Resolution 1 – Re-election of Neil Fearis as a director

Under rule 35(c) of the Company's Constitution, one-third of the directors (other than the Managing Director) are required to retire by rotation every year but are eligible to be re-elected.

Mr Neil Fearis is the director to retire by rotation and, being eligible, offers himself for re-election as a director.

Mr Fearis, who was appointed a director in November 1999, has over 32 years' experience as a commercial lawyer in the UK and Australia.

During the past three years Mr Fearis has served as a director of the following listed companies: Kresta Holdings Limited (from 1997); Perseus Mining Limited (from 2004); Liberty Resources Limited (from June 2007 to November 2008). Mr Fearis is also a member of several professional bodies associated with commerce and law.

Mr Fearis is Chairman of the Audit Committee and Chairman of the Remuneration Committee.

Recommendation

The directors (other than Mr Fearis) recommend that shareholders vote in favour of the resolution.

2. Resolution 2 – Re-adoption of the Carnarvon Employee Share Plan

On 16 October 1997 the Company adopted an employee share plan, known as the Carnarvon Employee Share Plan ("Plan"), as a method for providing appropriate incentives to the Company's employees and executives. The directors consider that it is essential for the Company to maintain effective employee incentive arrangements.

Shareholder approval is required to issue shares under the Plan ("Plan Shares") in order for those issues to be exempt from the 15% limit under Listing Rule 7.1 (see further below).

The principal provisions of the Plan include:

- the Plan is available to all directors, employees or consultants of the Company or any of its subsidiaries ("Eligible Person");
- the Company may at any time, in its absolute discretion, make an offer to an Eligible Person;
- the number of Plan Shares issued to any Eligible Person and the issue price is to be determined by the directors of the Company;
- the issue price is to be no less than the weighted average market price of the Company's shares on the 5 trading days prior to the proposed date of issue;
- the offer may be accepted by an Eligible Person or an associate of that employee, within the given acceptance period;
- the person accepting the offer ("Participant") will be taken to have agreed to borrow from the Company on the terms of the loan agreement referred to below an amount to fund the purchase of the Plan Shares;
- the Plan Shares will rank pari passu with all issued fully paid ordinary shares in respect of voting rights, dividends and entitlement to participate in any bonus or rights issues;
- until the loan to the Participant is fully repaid, the Company has a first right of refusal to buy back the Plan Shares for the issue price if the Participant wishes to sell the Plan Shares. Once the loan is repaid in full, the Participant may deal with the Plan Shares as he wishes;
- the aggregate number of Plan Shares and other shares and options issued in the previous 5 years under any other employee incentive scheme of the Company must not exceed 5% of the issued capital of the Company; and
- applications will be made as soon as practicable after the allotment of the Plan Shares for listing for quotation on ASX.

The principal provisions of the loan agreement include:

- the amount lent will be an advance equal to the issue price of the Plan Shares multiplied by the number of Plan Shares issued;
- the loan can be repaid anytime but the employee must pay any amount outstanding to the Company within 30 days of termination of employment. All dividends declared and paid on the Plan Shares will be applied towards the repayment of the advance;
- there is no interest on the advance;
- the maximum liability in respect of the advance will be the value of the Plan Shares from time to time; and
- a holding lock will be placed on the Plan Shares until the advance is fully repaid.

A complete copy of the rules of the Plan (which incorporates the terms of the loan agreement) is available for inspection by shareholders (free of charge) at the Company's Registered Office or, upon request, from the Company Secretary.

Under ASX Listing Rule 10.14, participation in the Plan by a director of the Company or his associates requires the specific prior approval of shareholders.

Since the date on which the Plan was last approved by shareholders in general meeting, being 30 November 2006, a total of 14,887,500 shares have been issued under the Plan.

Resolution 2 seeks shareholder approval to make future issues under the Plan for a period of 3 years from the date of the meeting as an exception to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides (broadly) that a company must not issue in aggregate securities equal to more than 15% of the issued capital of the Company in any rolling 12 month period unless shareholder approval has been obtained.

If resolution 2 is passed by shareholders, all issues of Plan Shares for a period of 3 years from 27 November 2009 will be excluded from the calculations in determining the number of securities which the Company may issue without shareholder approval under ASX Listing Rule 7.1.

Recommendation

Due to their possible interest in resolution 2, the directors make no recommendation in relation to the resolution.

Whilst the interest of the directors arises from their eligibility to participate under the Plan, shareholders should note that no issue of Plan Shares will be made to directors without prior shareholder approval.

3. Resolution 3 – Adoption of the Remuneration Report for the year ended 30 June 2009

The Directors' Report for the year ended 30 June 2009 contains a Remuneration Report, which sets out the policy for remuneration of directors and executives.

In accordance with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 30 June 2009.

At the Annual General Meeting there will be a reasonable opportunity for discussion of the report.

Recommendation

The directors recommend that shareholders vote in favour of the resolution.

000001 000 CVN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 11:00am (WST) Wednesday 25 November 2009**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form 



View or update your securityholding, 24 hours a day, 7 days a week:

<http://www.investorcentre.com>

Access the annual report

<http://www.carnarvonpetroleum.com>

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Carnarvon Petroleum Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Carnarvon Petroleum Limited to be held at Royal Perth Yacht Club, Australia II Drive, Crawley, Perth, Western Australia on Friday 27 November 2009 at 11:00am (WST) and at any adjournment of that meeting.

Important for Item 2: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 2 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of item 2 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr Neil Christian Fearis as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-adoption of the Carnarvon Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of the Remuneration Report for the year ending 30 June 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

CVN

999999A

Computershare +



CARNARVON

PETROLEUM LTD

ABN 60 002 688 851

000001 000 CVN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with matters arising from your securityholding in Carnarvon Petroleum Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Security Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

RA Anderson
Company Secretary

