

27 November 2009

Company Announcements Office
ASX Limited

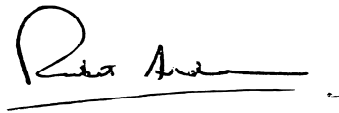
Via ASX Online

Dear Sirs,

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Please find attached the Chairman's address to today's Annual General Meeting.

Yours faithfully
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

ANNUAL GENERAL MEETING 27 NOVEMBER 2009
CHAIRMAN'S ADDRESS

It is my great pleasure to once again present to you a company in a strong financial position that, over the last twelve months, has enjoyed a very exciting period of growth.

The 2009 financial year saw exploration focused on the Phetchabun Basin in Thailand with our joint venture partner, Pan Orient Energy Corporation. The joint venture drilled 25 wells, of which 17 resulted in commercial production or extensive testing. This is a success ratio the envy of the industry and resulted in Carnarvon's share of oil reserves increasing 46% on the previous year to 16.6 million barrels.

These higher reserve levels also impacted Carnarvon's market capitalisation which grew by 54% to \$556 million at 30 June 2009 and the Company was consequently included in the S&P / ASX 200 Index for the first time.

During my address to shareholders at last year's meeting I expressed our satisfaction with the Company's performance during the 2008 financial year. We have once again exceeded those measures this year as illustrated by growth in the following key metrics:-

- Production increasing 93% to 1.4 million barrels;
- Sales revenue increasing 60% to \$100 million; and
- Consolidated profit after tax increasing 133% to 36.4 million.

It should be noted that these excellent results were achieved against a backdrop of a collapsing oil price from their record levels in 2008, significant fluctuations in the Australian dollar and uncertain market conditions.

We have also been active in introducing new regions for future growth both in our core area of focus in Thailand and in Indonesia and Australia. These initiatives targeted both technically attractive regions with opportunistic economic terms. The result is that we believe Carnarvon has a portfolio of prospective acreage on holding terms that are fundable from the Company's existing financial resources.

As I near the conclusion of my address I would like to recognise the importance of growing our people resources and technical ability. Again I believe that we have made significant progress in building our team for the future and a great deal of work has been done particularly in developing our regional knowledge in Thailand. On behalf of the Board I wish to thank Ted and his team for their outstanding efforts over the course of the last year.

We look forward to another exciting year for the Company and I'm confident we have positioned Carnarvon to weather any further turbulence in the financial markets should it arise and to take advantage of opportunities that we see adding value for shareholders.