

30 October 2009

Company Announcements Office
Australian Stock Exchange Limited

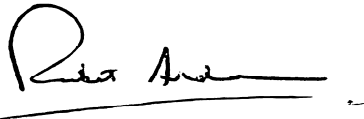
Via ASX Online

Dear Sirs,

QUARTERLY REPORT FOR SEPTEMBER 2009

Please find attached Carnarvon Petroleum Limited's Quarterly Activities Report for the quarter ended 30 September 2009.

Yours faithfully,
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

SUMMARY

THAILAND L33/43, L44/43 and SW1A

- ✓ New oil field and oil pool discoveries
 - Bo Rang-1RD (Bo Rang “A”) tested at 686 bopd
 - L44-V-D2 (B Rang “A”) tested at 548 bopd
 - Net 2C Contingent Resource of 4.1 MMbbls
 - Bo Rang-2 (B Rang “B”) tested at 36 bopd
 - Net 2C Contingent Resource of 5.5 MMbbls
 - L44-W well shut-in at end of 90 day test period
 - L44-W4 recovery of gas and oil – ongoing testing
 - Net 2C Contingent Resource of 1.7 MMbbls in L44/43 concession
- ✓ Exploration wells current focus – Bo Rang, L44-W and Si Thep area
 - High impact Si Thep-2 exploration well spudded
 - L44W-2 tested gas at shallow 363m volcanic
 - 44W-3 drilling ahead
- ✓ Na Sanun East appraisal drilling
 - NSE-J1 tested at up to 200 bopd from a sandstone above the volcanic
 - NSE-J2 tested up to 500 bopd before watering out – workover candidate
- ✓ Development
 - Applied for development/production license over Bo Rang & L44-W areas

THAILAND L20/50

- ✓ Seismic acquisition completed on L20/50
 - 550 km 2D seismic acquisition onshore Thailand completed late August
 - Processing completed and interpretation initiated
 - Anticipate drilling 1 to 4 wells during 2010

AUSTRALIA

- ✓ Expanded North West Shelf area exposure
 - 50% and non-operator of four significant and large exploration permits
 - Three wells previously drilled – two potentially gas bearing
 - Minimal work commitment – extra programme being considered – acquisition of 3D seismic

INDONESIA

- ✓ Carnarvon acquired a 25 percent interest in the Rangkas block onshore Indonesia
 - Large 3,977 km² – oil seeps and identified prospects and leads
 - Minimum work programme of reprocessing and acquisition of 400 km 2D seismic

CORPORATE

- ✓ New appointments to Executive Management Team strengthen corporate growth
 - Adrian Cook – appointed as General Manager (Finance and Corporate Development)
 - Philip Huizenga – promoted to General Manager (Operations)

REPORT FOR THE SEPTEMBER 2009 QUARTER

OIL PRODUCTION AND REVENUE

Carnarvon's oil sales revenue for the September quarter was A\$16.6 million, with an average price of A\$74.07 per barrel.

Oil sales and revenues net to Carnarvon for the past two quarters are as follows:

	Sep 09 quarter	Jun 09 quarter	Qtrly % Change	Comments
Net sales volumes – (bbls)	223,722	292,150	- 23 %	Focus on additions to reserves and new production license; production decline
Net sales revenue – (A\$ 000)	16,508	19,396	- 15 %	Increased US\$ oil price, production decline
Average sale price achieved – (A\$/bbl)	73.79	66.39	+ 12 %	Increased US\$ oil price offset by strength of A\$
Net average daily - (bopd)	2,432	3,210	- 24 %	

Production capacity is currently approximately 6,000 bbls per day gross (2,400 bopd net to CVN). Approximately 700 bopd is shut-in as the 90 day production test period for the L44-W well has expired. This production will not be renewed until the production license application has been submitted and approved. The application was submitted in late September and this process is expected to be completed before the end of the year.

Production has decreased over the quarter as Carnarvon has focussed on exploration/appraisal drilling and production additions from new exploration wells has not replaced the production declines from existing wells. The lower production is a result of natural anticipated production declines as wells come off initial flush production.

For the final quarter of 2009, Carnarvon will continue to target the L44-W and Bo Rang areas where testing of a number of wells is currently underway or about to commence upon the completion of drilling. Further, exploration drilling has commenced in the Si Thep area with the spudding of Si Thep-2. Drilling results to date in the L44-W and Bo Rang areas have been encouraging with an independent assessment of net contingent resources attributed to Carnarvon of 11.3 MMbbls from this area. Further encouraging signs have been observed in the numerous shallow volcanic reservoirs (at least three) that have been penetrated in the L44-W and Bo Rang structural closures, with initial tests of gas and some oil recovery in at least one of these horizons.

Base case estimates of production for the December Quarter 2009 range between an average of 5,500 to 6,800 bopd gross (2,200 to 2,700 bopd net to CVN). The range of uncertainty is a

function of the complexity of the reservoirs encountered at L44-W and Bo Rang and results still pending from exploration at Si Thep. The approval of the new production license application by the DMF is not anticipated until late December or early January. Upon granting of the license, and with modest appraisal and exploration success, exit 2009 production is estimated to be between 8,000 to 10,000 bopd gross (3,200 to 4,000 bopd net to CVN).

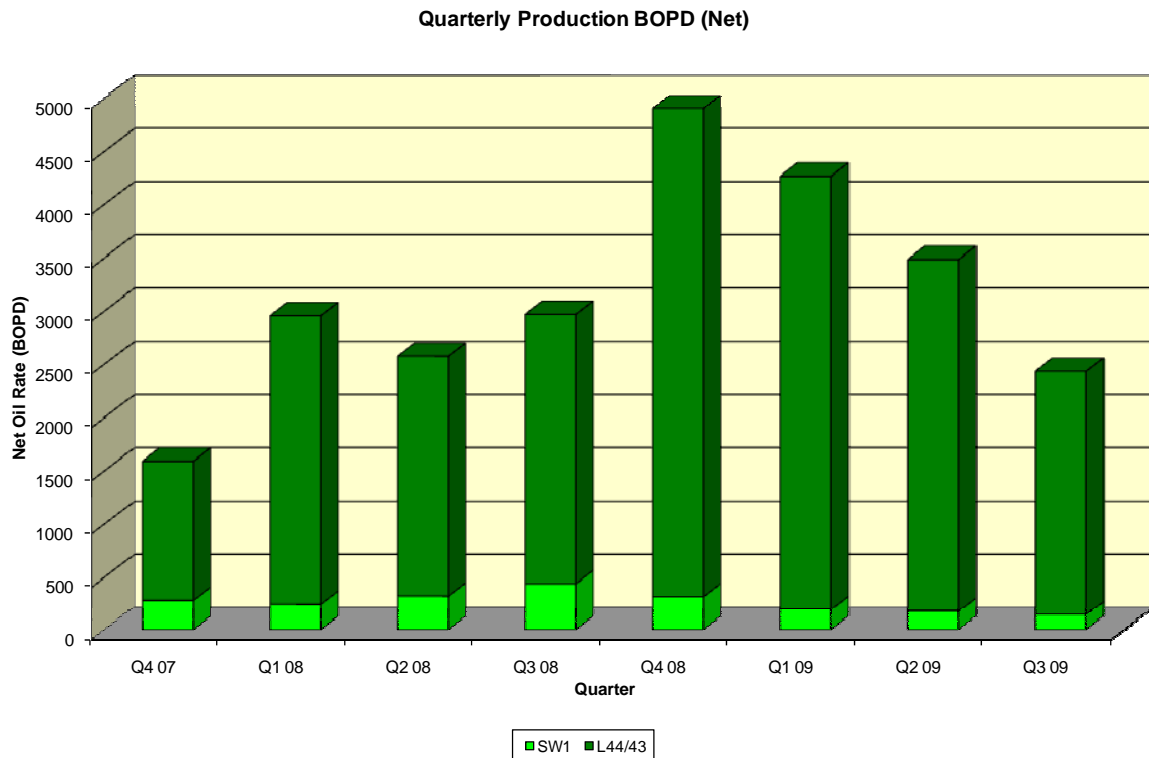


Figure 1: Carnarvon net quarterly production for Q4 2007 to Q3 2009

DRILLING AND EXPLORATION

L33/43, L44/43 and SW1A Onshore Thailand (Carnarvon 40% and non-operator)

In July, the Operator Pan Orient received formal approval for the three year extension of Concessions L44/43 and L33/43 to July 16, 2012. The extension of Concession L44/43 has new commitments for the three year extension period of three exploration wells with a combined expenditure obligation to Carnarvon of US\$0.6 million. The extension of Concession L33/43 has new commitments for the three year extension period of two exploration wells plus geological studies with a combined expenditure obligation to Carnarvon of US\$0.4 million.

The recent drilling programme of the Thailand joint venture has been focussed on the exploration potential in the L44-W and Bo Rang areas. This decision was made on the basis of success at L44-W in the June quarter of 2009. Appraisal of this new highly prospective region will provide the technical data for the completion of production license applications for submission to the Thailand Department of Mineral Fuels (DMF). Two new fields were discovered with successful testing at Bo Rang-1 (Bo Rang “A”) and Bo Rang-2 (Bo Rang “B”).

Wells drilled and/or completed during quarter or subsequent to quarter:

Well	Permit	Status
NSE-J1	L44/43	Tested at 200 bopd from upper sandstone
NSE-J2	L44/43	Test rate of 500 bopd not sustained – workover candidate
Bo Rang-1RD	L44/43	Tested at 686 bopd
Bo Rang-2	L44/43	Tested at 36 bopd
L44-W2	L44/43	Tested gas at shallow 363 m TVD volcanic
L44-W3	L44/43	Horizontal appraisal sidetrack drilling ahead
L44-W4	L44/43	Recovery of gas and oil – ongoing testing
L44-V-D2	L44/43	Sidetrack tested at 548 bopd
Si Thep-2	L44/43	Drilling ahead

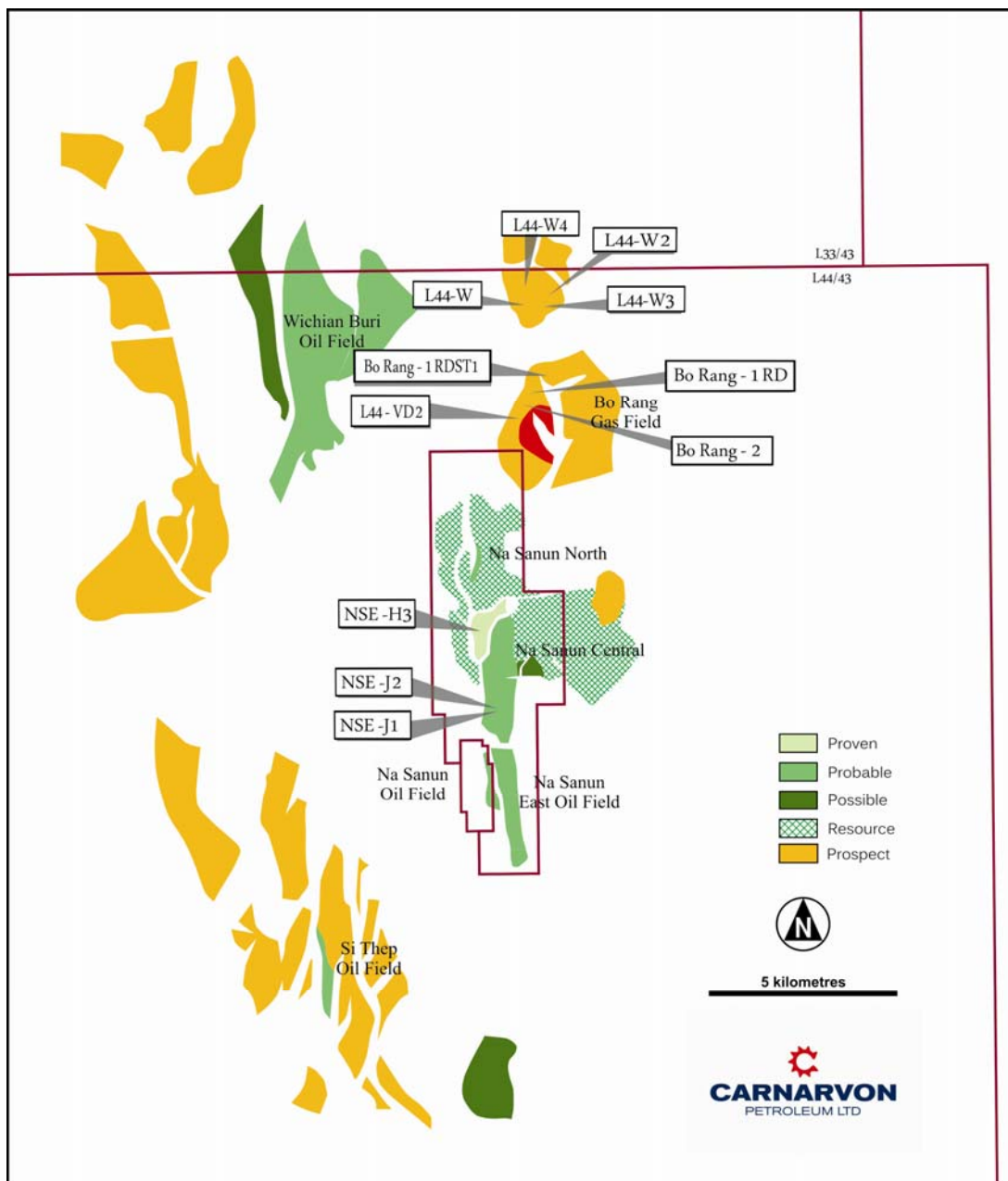


Figure 2: Phetchabun Basin license location map (CVN 40%) showing indicative position of wells drilled.

- The **NSE-J1** well, drilled in the extreme southern portion of the NSE south fault compartment, encountered a highly fractured main volcanic reservoir below the original field oil water contact. Subsequent testing of an approximately 5m thick sandstone reservoir above the main volcanic reservoir, resulted in initial production of approximately 200 bopd. No reserves have been attributed previously to this zone.
- The **NSE-J2** well, drilled from the same pad as NSE-J1, penetrated the main volcanic reservoir with significant mud losses. Initial flow rates of approximately 500 bopd with no water were achieved prior to the well producing 100% water after a 2 day period. An attempt to isolate the lower interpreted water bearing portion of the well from the upper interpreted oil bearing zone with a cement plug was unsuccessful. The well is a candidate for a workover to perforate in the zone corresponding to oil production at NSE-J1.
- The **Bo Rang-1 RD** is a re-drill approximately 80 metres west of the original Bo Rang-1 gas discovery. Bo Rang-1, which was drilled in 1990 by a previous operator of the concession, encountered two volcanic objectives, the first was 22 metres thick at a depth of 633 metres (tested 5.5MM cubic feet per day in the original well bore) and the second was 49 metres thick at a depth 25 metres below the base of the first zone. While drilling the deeper volcanic objective, significant quantities of 34° API gravity oil were observed at surface and in the drill string while tripping out of the hole. Subsequent testing resulted in the recovery of minor quantities of oil, gas and load fluid, indicating low permeability (insufficient fractures intersected). The Bo Rang-1RD wellbore was sidetracked targeting the main volcanic objective at a subsurface location approximately 425 metres north west of the original Bo Rang-1 RD vertical well. The main volcanic objective encountered the inferred gas oil contact within the target volcanic reservoir at a depth of 663 metres TVD and drilling to a final depth of 676 metres TVD along a 336 metre horizontal section. The well tested at a stabilised free flow rate of 686 bopd of 27-28° API gravity oil plus 3.29 MMscf/d of gas, and a decreasing water cut of approximately 3.8%, composed primarily of drilling fluids. Testing of Bo Rang-1RD confirmed the main Bo Rang volcanic (Bo Rang “A”) and confirmed a contingent resource estimate of 4.1 MMbbls net to Carnarvon.
- **Bo Rang-2** was drilled to a subsurface target location 590 metres south west of the Bo Rang-1RD drill pad. The upper main volcanic target was encountered at 666 metres true vertical depth (TVD), 34 metres structurally lower than the upper volcanic at the original BR-1RD well, and was 7 metres thick. The lower main volcanic reservoir was encountered at a depth of 702 metres TVD and only the upper 7 metres of the zone penetrated. Testing of this zone resulted in initial oil flow rates up to 1,200 bopd with an associated 10% water cut. A total of 450 bbls of crude oil was produced prior to shut-in and a decision made to switch the well over to an electrical submersible pump (ESP) completion. During the ESP installation operations, attempts to shut-in the well proved difficult and heavy mud was pumped into the well bore. Numerous attempts to flow the well using the newly installed ESP proved unsuccessful due to the presence of the heavy mud, and ultimately the decision was made to pull the ESP which became stuck. The ESP was unable to be retrieved and it was necessary to sidetrack the well. The resulting sidetrack encountered the same volcanic reservoirs as the original well but subsequent testing of the main volcanic did not result in commercial flow rates. This volcanic was dislocated and a shallower, approximately 18m thick volcanic encountered at 473m was perforated. This volcanic flowed and the well is currently testing on beam pump at a stabilised rate of approximately 35 bopd of 22-23° API gravity oil and a

water cut of 0.86%. The current plan is to drill this same productive interval horizontally, and complete it open hole as detailed above for the successful Bo Rang-1RD well. Testing of Bo Rang-2 at this shallow volcanic horizon has confirmed a contingent resource of 5.5 MMbbls net to Carnarvon from the Bo Rang "B" reservoir.

- **L44-W2** was drilled to a subsurface location approximately 400 metres north of the original L44-W discovery encountering the main reservoir target at 681 metres, 3 metres structurally higher than the discovery well and 33 metres thick. No losses were encountered while drilling and subsequent testing indicated the main zone was tight. Two shallow volcanics were encountered. At a depth of 265 metres a first volcanic zone approximately 20 metres thick was encountered with 6,000 barrels of drilling fluid lost to this zone. At a depth of 362 metres a second volcanic interval approximately 20 metres thick was encountered with high mud gas readings and oil shows. Testing of the zone at 362 metres resulted in L44-W2 flowing sweet gas at rates of approximately 0.5 MMscf/day. As experienced at Bo Rang A and the deeper main volcanic zone at L44-W, oil is often encountered down flank below small gas caps. These gas caps are an important part of the drive mechanism for recovering hydrocarbons to surface at good flow rates. A future appraisal well will be targeting a possible oil leg to this shallow volcanic zone. There are currently no resources attributed to this zone in the August 31, 2009 GCA resource evaluation report. The additional shallow zone at 260 meters will also be tested.
- **L44-W3** was drilled to a subsurface target location 843 metres north west of the L44-W2 subsurface target location. The well encountered the main volcanic objective at 724 metres TVD and was approximately 11 metres thick. A four metre oil stained and fractured core was cut in the middle of the main volcanic objective. Two additional volcanics were encountered at 266 metres and 375 metres, 15 and 25 metres thick respectively. Losses were encountered in the 266 metre volcanic and shortly after drilling through the 375m volcanic. A sidetrack appraisal well is currently drilling ahead horizontally with severe drilling fluid losses (extensive fracturing) and live oil observed at surface within the main volcanic objective.
- **L44-W4** is targeting the main volcanic objective vertically below the L44-W drill pad. After completing a vertical pilot hole, the well was sidetracked horizontally into the main volcanic. The L44-W4 well is the first horizontal wellbore that was drilled into the L44-W structure, encountering the main volcanic target reservoir approximately 30 meters structurally higher than the L44-W discovery well. A brief 14 hour test was completed utilising Pan Orient's three phase test separator that resulted in the recovery of drilling fluid, oil and natural gas (approximately 2.2MMcf/d) with pressures and volumes beyond the safe operating capacity of the test separator. Further testing will be carried out using a larger capacity three phase separator.
- **L44V-D2** was initially drilled to a subsurface location 533 metres north of the L44-V drill pad and 470 metres south of the Bo Rang-2 top main reservoir penetration. The main lower volcanic reservoir objective (the upper volcanic objective was absent) was penetrated at a depth of 710 metres TVD and a total thickness of approximately 59 metres. No fluid losses were observed while drilling, however oil shows and elevated mud gas readings were observed throughout the entire interval. Subsequent testing resulted in rates of approximately 32 barrels of fluid a day with a 64% water cut (11.7 bopd). The well was sidetracked horizontally into the lower Bo Rang "A" reservoir and

subsequent testing realised a test rate of 548 barrels per day of 35° API gravity oil with minor amounts of gas and a water cut of approximately 0.01%.

- **Si Thep-2** (Si Thep Deep) is located approximately 9 kilometers south of the NSE South oil field and directly adjacent to the Si Thep-1 well that has produced approximately 70,000 barrels of oil from a sandstone reservoir at approximately 600 meters depth. The primary objective of the Si Thep-2 well is a deep volcanic reservoir target within a large structural closure below the shallow producing sands. The Si Thep-2 exploration well is currently drilling ahead at a depth of approximately 450 meters on the way down to the main volcanic reservoir objective estimated to be encountered at approximately 1,100 meters true vertical depth. The well is anticipated to be drilled horizontally after the initial pilot section is completed.

Thailand Concession L44 Resource Estimates ¹

A mid-year independent assessment of resources was required as background for a Production License application incorporating Bo Rang, L44-W and an eastern extension of Na Sanun East (NSE-F1 area). The assessment was conducted by Gaffney Cline & Associates-Singapore ("GCA").

The results demonstrate the success of the company's Q2/Q3 2009 exploration program. The timing of translating these contingent resources of 11.3 MMbbls to reserves, representing a significant amount when compared to Carnarvon's end 2008 assessment of 2P reserves of 16.6 MM bbls, is largely dependent upon the granting of the production licence and a continued successful appraisal program.

These structures all have successful well tests, as outlined above, adding to the confidence of meaningful production volumes coming from this area upon the granting of the production licence.

Bo Rang A and B

Net (to Carnarvon) contingent resources, at a 2C confidence level, for these structures totalled 9.6 MMbbls. Testing has been confirmed from Bo Rang-1, Bo Rang-2 and L44-V-D2.

L44-W

Net (to Carnarvon) contingent resources, at a 2C confidence level, for this structure within the L44/43 concessions totalled 1.7 MMbbls. Those portions of the L44-W discovery structure extending into concession L33 were not assessed in this resource report. Testing has been confirmed with well L44-W.

NSE-F1 (Extension)

Net (to Carnarvon) prospective resources for the NSE-F1 extension total 4.1 MMbbls net to Carnarvon. Testing has been confirmed with well NSE-F1.

¹ The information in this Resource Statement has been compiled by Philip Huizenga, a full-time employee of Carnarvon. Philip Huizenga is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.

Status of near term exploration / appraisal / development programme (Q3 – Q4 2009)*

Well	Permit	Well Type	Status
L44-W Area	L44 & L33	Appraisal Wells – New Oil Field Discovery	Site construction complete
Bo Rang Area	L44/43	Ongoing Appraisal	Site construction complete
NSE-F2	L44/43	Appraisal of NSE-F1 Oil Discovery	Site construction complete
NSE-L1	L44/43	Appraisal - NSE North “B”	Site construction complete
NSE-I1	L44/43	Appraisal - NSE North “B”	Site construction complete
NSE South	L44/43	Infill Development Wells	Site construction complete
L44-K	L44/43	Si Thep SST ⁺ Appraisal / Exploration	Location being finalised
L44-C-D2	L44/43	Wichian Buri SST / Volcanic Appraisal	Site construction complete

* Final well numbers, locations and order of drilling are subject to ongoing Joint Venture discussion and Thai Department of Mineral Fuels Approvals.

⁺ SST = sandstone target

- Two rigs are currently under long term contract and being used full-time and will likely continue into 2010, with the exception of a 1 – 2 month period before the end of the year when one of the rigs will be used on Pan Orient’s 100% concession L52/48. Two smaller workover rigs are also being used to minimise appraisal and development rig costs and maximise testing time.
- September quarter drilling concentrated on further exploration and / or appraisal wells targeting reserves additions.
- December quarter drilling will continue to focus on exploration and appraisal.
- Early 2010 drilling will target production once the production licence has been approved, with the goal to reach and hold field production rates between 10,000 and 15,000 bopd (4,000 and 6,000 bopd net to Carnarvon) through 2010.
- NSE-F2 will be appraising the recent NSE-F1 oil discovery of high API gravity oil to the east of the producing wells within the recently submitted PL.
- NSE-I1 and NSE-L1 are appraising contingent oil resources outside of the current mapped closure of the NSE oil field. These wells have a high confidence of success due to the recent successes of NSE-F1, NSE-E1 and NSE-C1.
- Further infill wells are being planned to fully develop the southern lobe of the NSE oil field.
- L44-C-D2 is a planned appraisal of the sandstones extending from the Wichian Buri field in the area of the POE-6 discovery well.
- L44-K is an appraisal of the sandstones surrounding the Si Thep producing reservoir. Si Thep-1 is producing at a nominal rate of around 10 bopd from poor reservoir quality sandstone that is interpreted to improve away from the well as interpreted by modern 3D seismic technology. Several wells are planned in the vicinity of the production well.

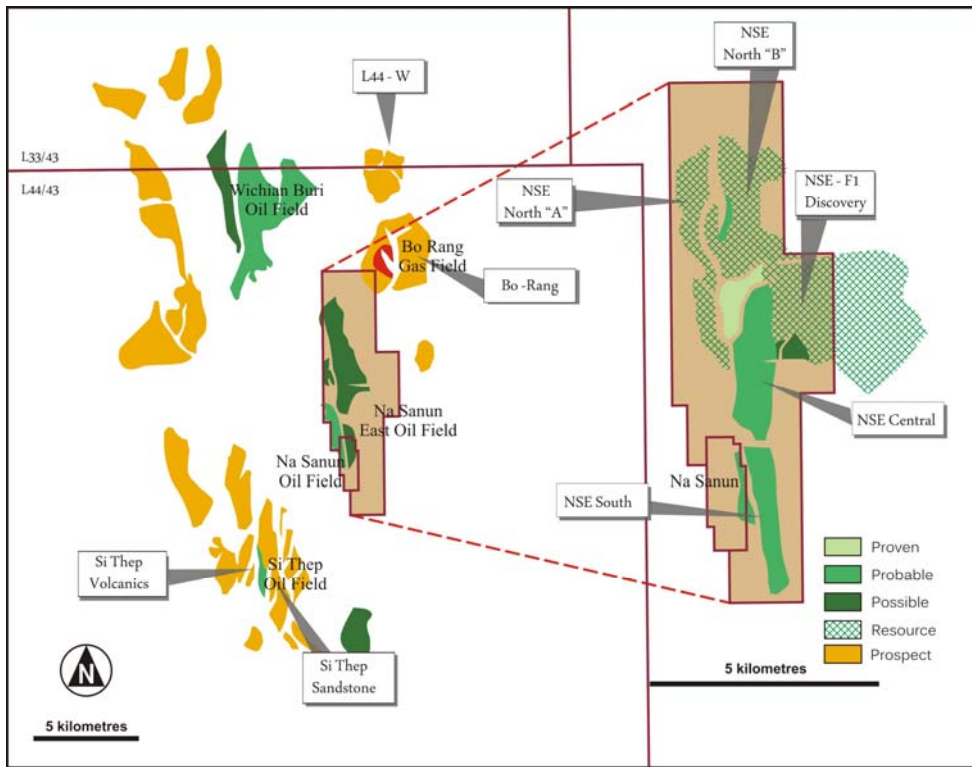


Figure 3: Indicative appraisal and development locations around NSE oil field.

EXPLORATION BLOCKS – THAILAND

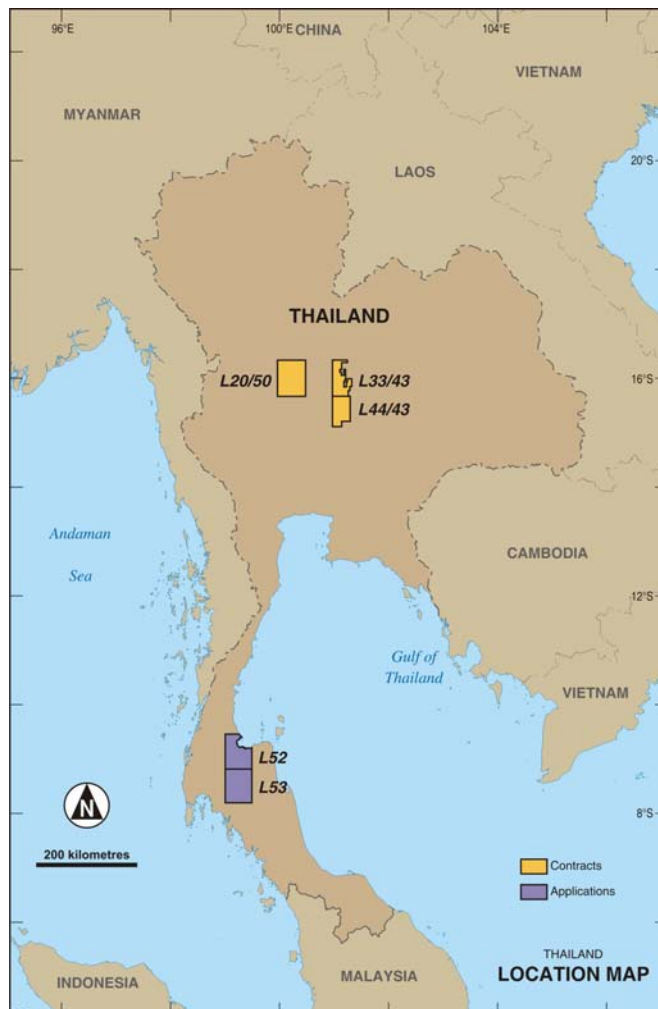


Figure 4: Thailand concessions – location map

(a) L20/50 Concession – Thailand
(Carnarvon Petroleum 50% and Operator, Sun Resources 50%)

The L20/50 concession is situated approximately 30 kilometres to the southeast and on trend with the largest onshore oil field in Thailand at Sirikit. Previous drilling has demonstrated that oil has been generated within the L20/50 concession.

Acquisition of 550 km of 2D seismic data by BGP was completed on time and on budget by the end of August 2009. This seismic acquisition exceeds the concession work commitment for L20/50.

The processing of these new data through pre-stack time migration by Down Under GeoSolutions in Perth has progressed ahead of schedule and is now complete. These data are of excellent quality. Seismic interpretation of these new data, in concert with existing reprocessed seismic data, is initiated. Significant sedimentary section and structuring are evident in the new data, and reservoirs are likely to include Sirikit style fans, Wichian Buri style sandstones and Na Sanun style volcanics. Therefore, we expect to define a solid portfolio of ranked prospects and leads in advance of the upcoming drilling campaign in 2010.

(b) L52/50 & L53/50 Concession Applications - Thailand
(Carnarvon Petroleum 50%, Pearl Energy 50% and Operator)

The Company has applied to the Department of Mineral Fuels in Thailand for concession rights in petroleum exploration and production for two areas described as Blocks L52/50 and L53/50 onshore Thailand within the Surat-Khiensa Basin. Carnarvon and Pearl were together the sole bidders for this block. Carnarvon anticipates the formal award of these blocks and other outstanding blocks in the 20th Thailand Bid Round in 2009.

EXPLORATION BLOCKS - AUSTRALIA

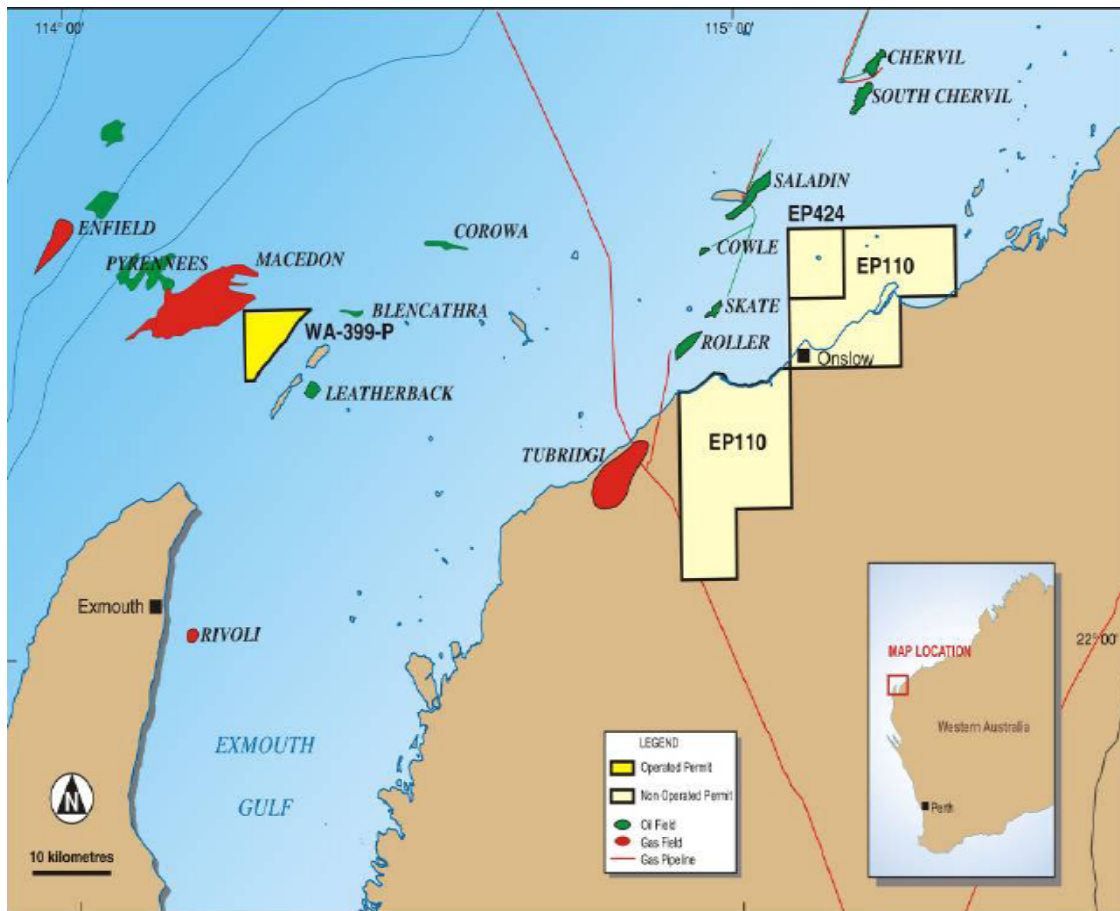


Figure 5: North West Shelf permits – location map

(a) WA-399-P – Australia Offshore NW Shelf
(Carnarvon Petroleum 50% and Operator, Rialto Energy 50%)

WA-399-P was awarded on 7 May 2007. The permit covers an area of 50 km² located between the Pyrenees and Macedon oil and gas fields and the Leatherback oil accumulation. Carnarvon has completed the reprocessing of all available seismic over the permit (550 km²). The current work programme requires acquisition of 315 km of new 2D seismic and Carnarvon is reviewing vessel availability and prices.

(b) EP 424 / EP 110 – Australia Offshore NW Shelf
(Carnarvon Petroleum 35%, Strike Oil 40% and operator, Pancontinental 25%)

A variation to the permit terms of EP 424 has been granted from the Department of Industry and Resources to alter the requirement for the drilling of one well by 13 April 2011.

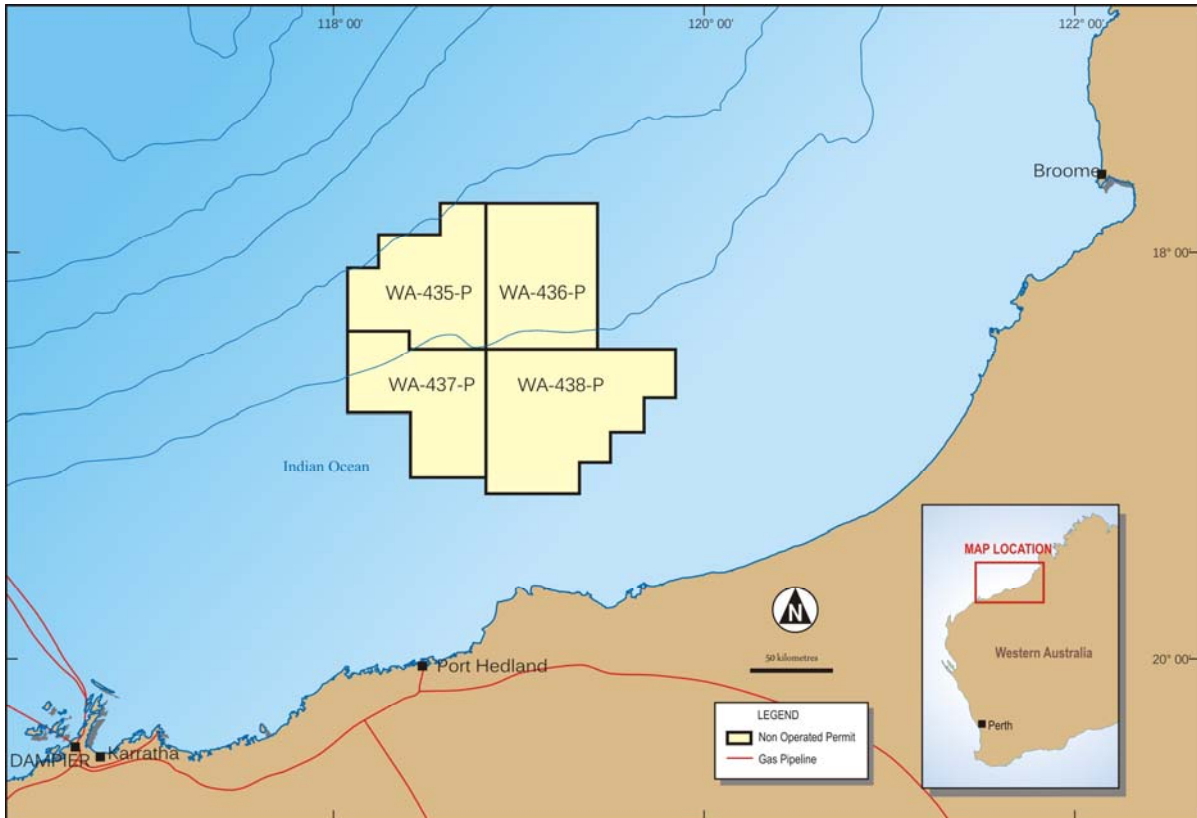


Figure 6: Relative location of Carnarvon's offshore NW Shelf Roebuck sub-basin blocks

**(c) WA-435-P, WA-436-P, WA-437-P and WA-438-P – Australia Offshore NW Shelf
(Carnarvon Petroleum 50%, Finder Exploration 50% and operator)**

During the quarter, Carnarvon and Finder Exploration (“Finder”) entered into a heads of agreement to swap 50% of Carnarvon’s WA-435-P for 50% of the three new Finder permits WA-436-P, WA-437-P and WA-438-P. Finder will assume operatorship of all four permits, subject to ratification by the government authorities.

Finder is a privately held oil and gas exploration company founded in 2005, and based in Western Australia. The company is active in the greater North West Shelf area offshore north-western Australia and in the Walton Basin offshore Jamaica. Finder has secured and operated a total of 19 exploration permits in four countries (<http://www.finderexp.com/>).

The four new Carnarvon permits are situated in the north-western part of the Bedout Sub-basin within the greater Roebuck Basin, offshore Western Australia. The blocks lie in an under-explored area that has received little recent attention, between the prolific Carnarvon Basin hydrocarbon province to the southwest and the Browse Basin to the northeast. The town of Port Hedland lies approximately 150 km to the south of the permits and Broome lies 250 km to the northeast. Water depths range from 35 to 265 metres and the permits cover a very large area of more than 21,000 km² (268 graticular blocks).

Only six wells (it says 3 wells in the Summary up front) have been drilled in the permits to date. The two wells, Phoenix-1 and Phoenix-2, drilled on the large Phoenix structure in WA-435-P both intersected extensive gas columns within lower-porosity, mid-Triassic reservoirs. In particular, Phoenix-1 recorded 110 metres of net gas-bearing section; however, further work is required to determine whether the gas discovery at Phoenix-1

could flow at commercial rates. A larger, untested structure in WA-435-P lies directly on trend with the Phoenix structure, 5-15 km to the southwest. Further to the southeast in WA-437-P lies yet another large, untested structure. Regional geology suggests that reservoir quality improves southward toward these prospects, but this model will need to be confirmed by further drilling. These Triassic structures have significant potential on the order of several Tcf's of recoverable gas, if exploration and appraisal drilling are successful.

Other viable plays are recognised in these blocks including possible oil exploration potential at the shallower Cretaceous-aged levels. Carnarvon and Finder intend to carry out numerous studies to evaluate this potential.

The Government approved work programme for these permits, for the initial firm three-year term, comprises seismic reprocessing, the recording of an aeromagnetic survey and technical studies, which will include a complete analysis of the gas intersections in the Phoenix-1 and Phoenix-2 wells. The second three-year term is planned to consist of seismic acquisition and the drilling of at least one well in each permit. The results of the initial technical studies will be used to modify/accelerate this second period work programme as appropriate.

EXPLORATION BLOCKS – INDONESIA

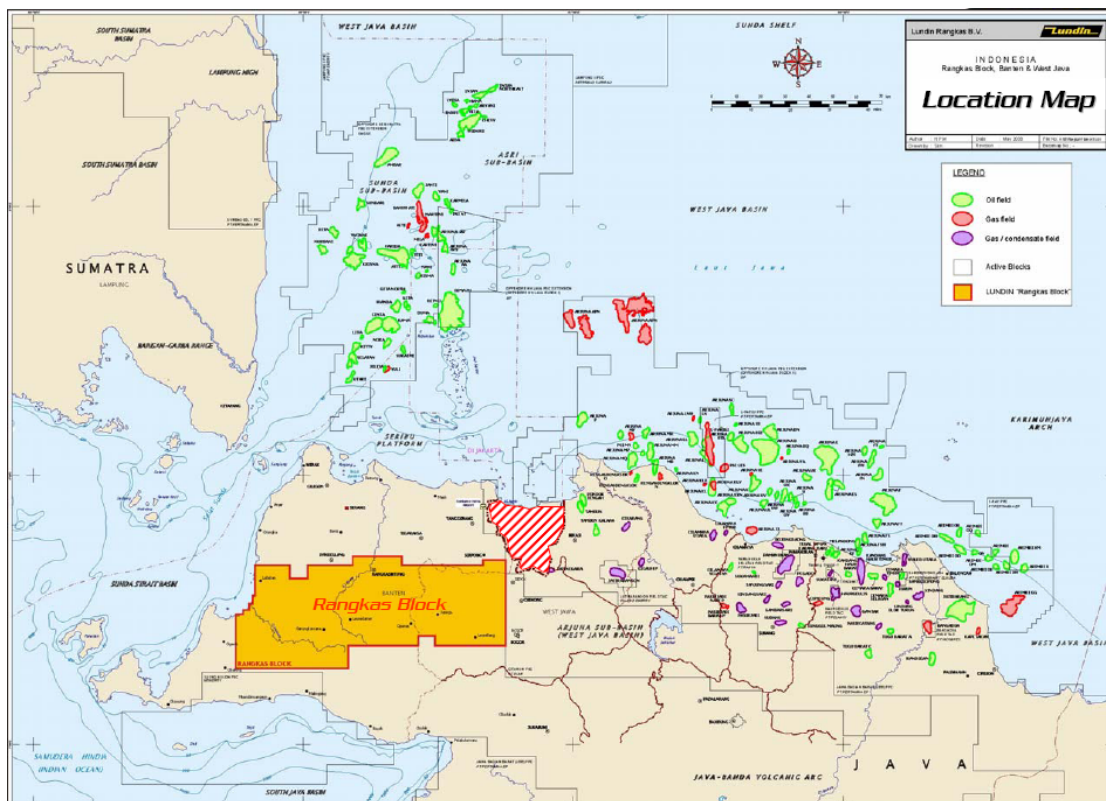


Figure 7: Rangkas block location – onshore West Java

(a) Rangkas PSC – Onshore Indonesia

(Carnarvon Petroleum 25%, Lundin Petroleum 75% and Operator)

Carnarvon has acquired a 25 percent interest in the Rangkas block onshore West Java, Indonesia. The block covers an area of 3,977 km². Previous drilling in the block and

surface oil seeps confirm an active petroleum system. Several prospects and leads are identified in the block based on reprocessed 2D seismic data.

Commitments for the first 3 year obligation period are limited to the acquisition of 400 km of 2D seismic data, due to commence in 2010, and the reprocessing of 1,000 km of existing 2D data, which has already been completed.

Lundin Petroleum is the operator of the Rangkas block and has the remaining 75 percent working interest.

NEW VENTURE ACTIVITIES

The September quarter realised the end result of several successful new ventures.

Carnarvon has entered Indonesia through a 25%, non-operated position in a prospective onshore block on trend with major oil and gas discoveries. The first three year obligations for this block are minimal and entail the reprocessing of 1000 km of existing 2D seismic data and the acquisition of 400 km of new 2D seismic.

Carnarvon also successfully completed negotiations to gain 50% of four contiguous blocks in the NW Shelf with similar minimal commitments.

Carnarvon continues to high-grade appropriate business deals with competent partners, and gives priority to prospective, lower-cost, oil prone assets nearby and on-trend with existing oil and gas fields.

CORPORATE ACTIVITIES

Appointments to Executive Management Team

Carnarvon is pleased to announce that Adrian Cook will join the executive team as General Manager (Finance and Corporate Development) starting this November 2nd, 2009. Adrian, who was previously Managing Director of Buru Energy, is a Chartered Accountant with over 20 years experience. He has had a range of positions with accounting firms Deloitte and Ernst & Young, and senior positions with Rio Tinto, Clough Limited's Oil and Gas Business Unit and ARC Energy. Whilst with Clough, Adrian worked on their Thailand assets and has extensive knowledge of the Thai tax system and accounting procedures. Adrian's appointment will be an important addition to our management, providing us with welcome additional commercial and corporate skills.

Commensurate with this management addition, Philip Huizenga who is currently Chief Operating Officer, will be promoted to the position of General Manager (Operations). Philip has an extensive engineering background with nearly 20 years in the oil and gas industry encompassing many years of rig exposure on offshore and remote locations and several years reservoir engineering experience. Philip has worked internationally in Asia and the Americas in a number of engineering and management roles. Philip is a member of the Society of Petroleum Engineers and sits on the Industry Advisory Council to the Department of Petroleum Engineering at Curtin University.

Philip and Adrian will work closely together to manage the company through the next period of corporate growth, reporting directly to the Managing Director.

Cash Balance and Treasury Position

Carnarvon's consolidated cash balance at quarter end was A\$29.2 million, compared to A\$34.7 million at the end of the previous quarter (including cash held as security).

The quarter's cash movement includes a A\$2.7 million foreign exchange loss resulting from the strengthening of the A\$ against the US\$ and Thai Baht, and a A\$4.6 million 2009 income tax instalment in respect of its Thai interests.

June quarter operating and capital expenditure amounted to about A\$15 million equivalent, comprising mainly of exploration and appraisal drilling in L44/43 and Carnarvon's share of 2D seismic acquisition costs in L20/50.

Carnarvon's planned December 2009 quarter exploration, evaluation and development expenditure is currently estimated at A\$12 million, consisting of ongoing drilling and testing operations in Thailand in L44/43 (CVN 40%). This will be paid out of ongoing cash flow from operations.

Top 20 Shareholders

A top 20 shareholders list as at 27 October 2009 is attached below:

CARNARVON PETROLEUM LTD

27 October 2009

Rank	Name	Units	% of Units
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	48,575,364	7.11
2.	NATIONAL NOMINEES LIMITED	40,561,766	5.93
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,895,389	5.84
4.	ANZ NOMINEES LIMITED <CASH INCOME A/C>	21,818,997	3.19
5.	MR EDWARD PATRICK JACOBSON	12,917,903	1.89
6.	CITICORP NOMINEES PTY LIMITED	9,518,217	1.39
7.	PENDOMER INVESTMENTS PTY LTD <LAW SETTLEMENTS FUND A/C>	8,400,000	1.23
8.	JACOBSON GEOPHYSICAL SERVICES PTY LTD	8,000,000	1.17
9.	MR PETER JAMES LEONHARDT	7,700,000	1.13
10.	ARNE INVESTMENTS PTY LTD	6,710,493	0.98
11.	COGENT NOMINEES PTY LIMITED <SMP ACCOUNTS>	6,354,899	0.93
12.	GEOLYN PTY LTD	6,000,000	0.88
13.	MR EDWARD PATRICK JACOBSON	6,000,000	0.88
14.	MR GREGORY JOHN MUNYARD + MRS MARIA ANN MUNYARD + MISS CARMEN HELENE MUNYARD <RIVIERA SUPER FUND A/C>	6,000,000	0.88
15.	QUEENSLAND INVESTMENT CORPORATION	4,678,045	0.68
16.	ATHOL STEEL PTY LTD	4,400,000	0.64
17.	COGENT NOMINEES PTY LIMITED	4,146,753	0.61
18.	ARNE INVESTMENTS PTY LTD	3,991,906	0.58
19.	SEAWELL SUPER PTY LTD <SEAWELL S/F A/C>	3,550,000	0.52
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	3,459,888	0.51
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		252,679,620	36.96