



**CARNARVON**  
PETROLEUM LTD

**Excellence in Oil & Gas  
Conference**

**Ted Jacobson CEO**

April 2009



# Disclaimer

*The information in this document, that relates to oil exploration results and reserves, is based on information compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga consents to the inclusion of the reserves and resource statements in the form and context in which they appear.*

This presentation contains forward looking statements which involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the oil and gas industry, many of which are outside the control of and may be unknown to Carnarvon Petroleum Ltd.

No representation, warranty or assurance, express or implied, is given or made in relation to any forward looking statement. In particular, no representation, warranty or assumption, express or implied, is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual and future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements were based.

Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements, and should rely on their own independent enquiries, investigations and advice regarding information contained in this presentation. Any reliance by a reader on the information contained in this presentation is wholly at the readers own risk.

Carnarvon and its related bodies corporate and affiliates and their respective directors, partners, employees, agents and advisors disclaim any liability for any direct, indirect or consequential loss or damages suffered by a person or persons as a result of relying on any statement in, or omission from, this presentation.

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, Carnarvon disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this presentation to reflect any change in expectations in relation to any forward looking statements or any such change in events, conditions or circumstances on which any such statements were based.

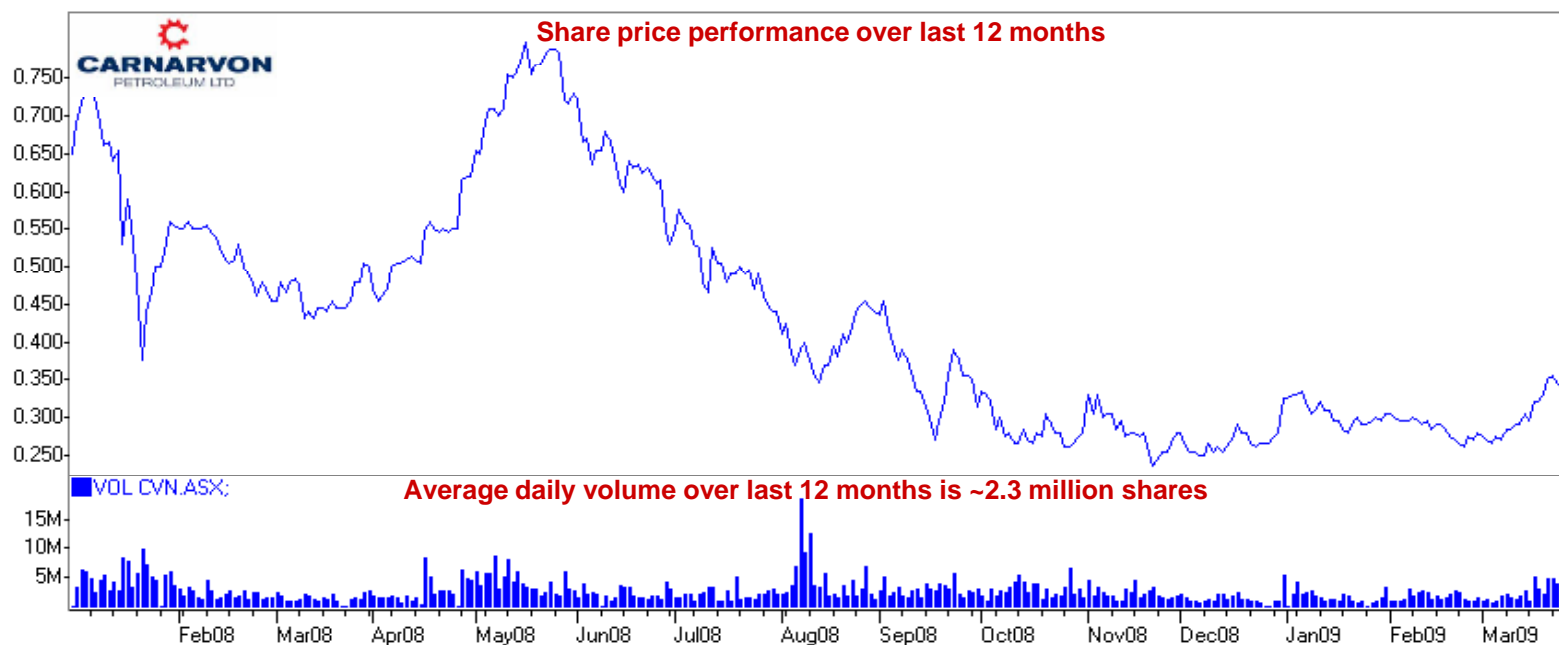


# Corporate Snapshot

<u>Capital Structure</u>	
Ordinary Shares	683 million
<b>Market Capitalisation:</b> (fully diluted @ 35 cents)	\$260 million
<b>Cash on hand</b> (1 March 2009)	\$70 million
<b>Debt</b>	nil
Top 20	~ 33%
Directors and Management	~ 11%

<u>Directors &amp; Management</u>	
Chairman:	<b>Peter Leonhardt</b>
Managing Director:	<b>Ted Jacobson</b>
Non Exec Directors:	<b>Neil Fearis &amp; Ken Judge</b>
Company Sec & CFO:	<b>Bob Anderson</b>
COO:	<b>Philip Huizenga</b>
Exploration Manager:	<b>Dr Robert Bird</b>

**ASX: CVN**





# Market Position

- One of the premier oil & gas producers listed on the ASX
- Carnarvon expects further growth over the coming year with significant exploration and appraisal upside to be assessed



Rank	Code	Name	Market Cap
1	WPL	Woodside Petroleum Limited	\$ 28,640,673,041
2	STO	Santos Limited	\$ 9,891,331,778
3	OSH	Oil Search Limited	\$ 6,259,912,269
4	AWE	Australian Worldwide Exploration Limited	\$ 1,291,762,414
5	BPT	Beach Petroleum Limited	\$ 961,515,372
6	KAR	Karoon Gas Australia Limited	\$ 446,378,691
7	NZO	New Zealand Oil & Gas Limited	\$ 430,155,442
8	ROC	ROC Oil Company Limited	\$ 255,793,778
9	NXS	Nexus Energy Limited	\$ 245,233,070
10	CVN	Carnarvon Petroleum Limited	\$ 242,000,000
11	PPP	Pan Pacific Petroleum NL	\$ 170,697,512
12	TAP	Tap Oil Limited	\$ 137,707,610
13	MAE	Marion Energy Limited	\$ 137,534,418
14	PVE	Po Valley Energy Limited	\$ 136,016,568
15	HZN	Horizon Oil Limited	\$ 103,806,497
16	AED	AED Oil Limited	\$ 95,970,905
17	COE	Cooper Energy Limited	\$ 90,497,060
18	CUE	CUE Energy Resources Limited	\$ 87,953,461
19	NDO	Nido Petroleum Limited	\$ 86,166,811
20	ITR	Interra Resources Limited	\$ 69,368,464
21	MOS	Mosaic Oil NL	\$ 56,827,666
22	AMU	Amadeus Energy Limited	\$ 53,556,716
23	STX	Strike Oil Limited	\$ 39,427,012
24	OEL	Otto Energy Limited	\$ 38,921,235
25	OEX	Oilex Limited	\$ 37,851,800

**UPDATE:** Carnarvon is now 8<sup>th</sup> largest Australian listed oil/gas company



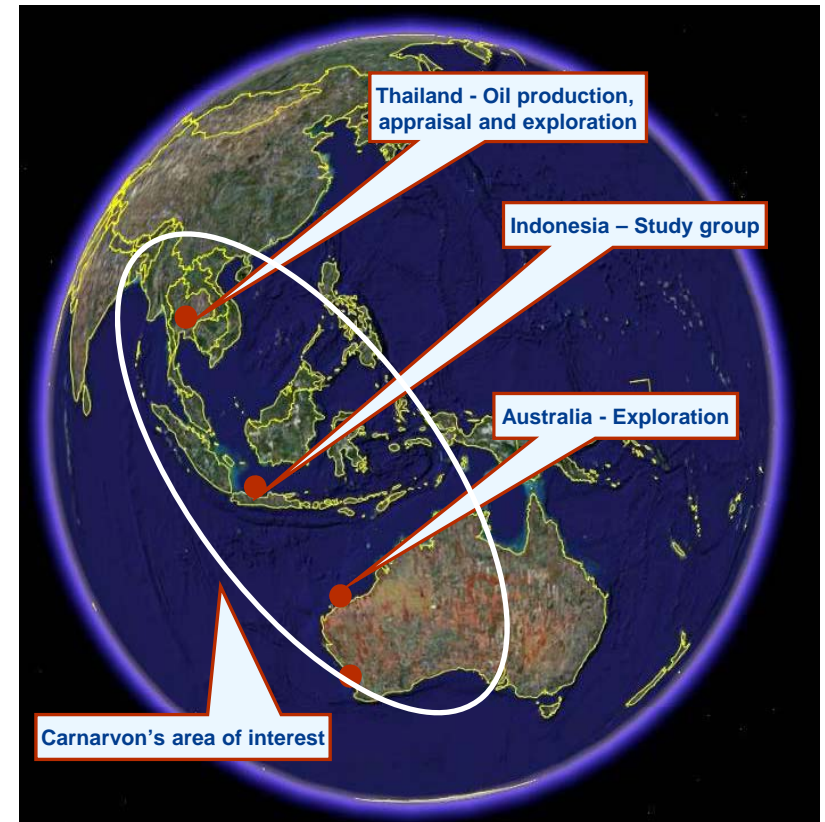
# Investment Highlights

- Strong balance sheet
  - Approx A\$70 million cash<sup>1</sup>, no debt , no hedge
    - <sup>1</sup> Cash at 1st March 2009; Tax provision ~\$41mm payable May 2009
- Strong reserve position:
  - Oil reserves - 16.6 mmbbbls 2P  
37 mmbbbls 3P
  - 2P reserves - up 46% over 2008
  - Significant exploration and appraisal opportunities with 2 rigs under long term contract
- Strong production & free cashflow:
  - 4Q 2008 - 4,650 bopd net Carnarvon production
    - +A\$29 million revenue
- Strong Board & excellent technical and management team



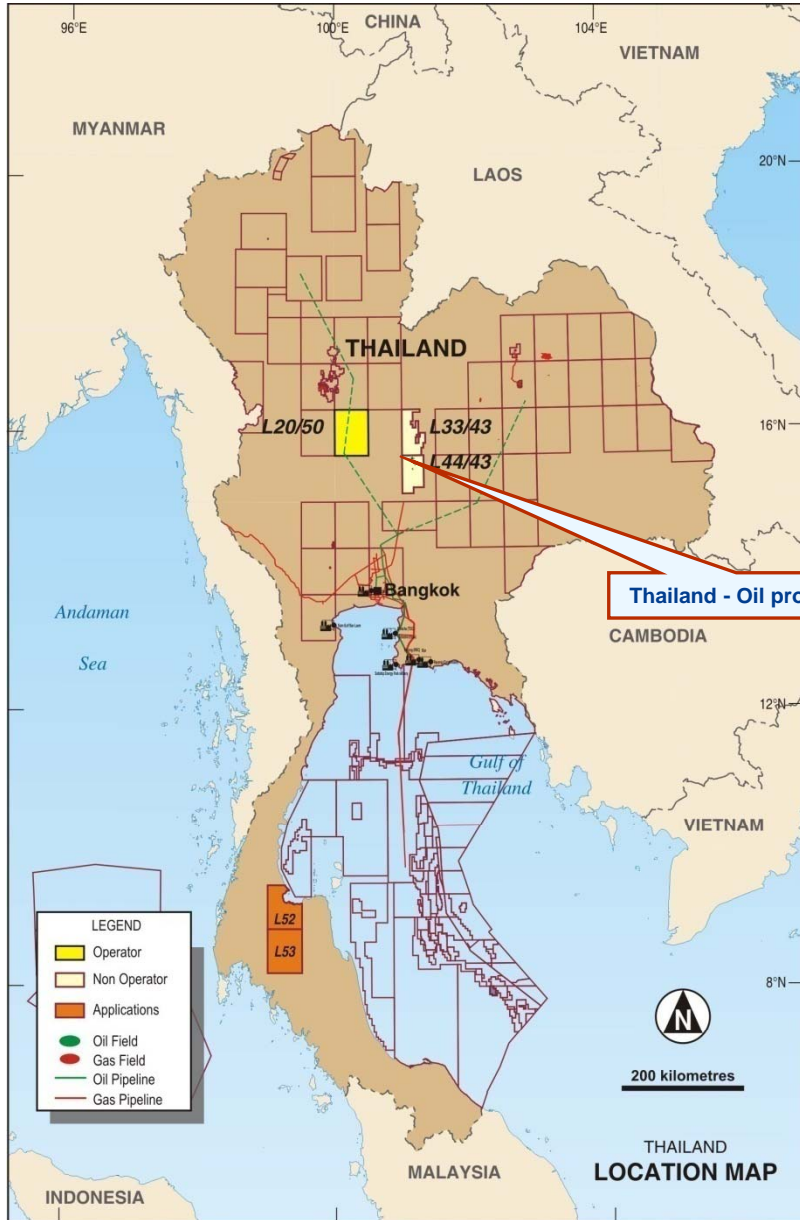
# Project Areas

- **THAILAND :**
  - Focus areas
  - 4 Oil producing assets 40%
  - 5 Exploration concessions 40% - 50%
  - Seeking further opportunities – tax advantage in Thailand
- **Indonesia**
  - Study Group & evaluating opportunities
- **Australia**
  - Exploration permits – non core
- **New Ventures**
  - Carnarvon cashing up ~\$30mm free cash & building
  - Evaluating new opportunities throughout South East Asia & Australia

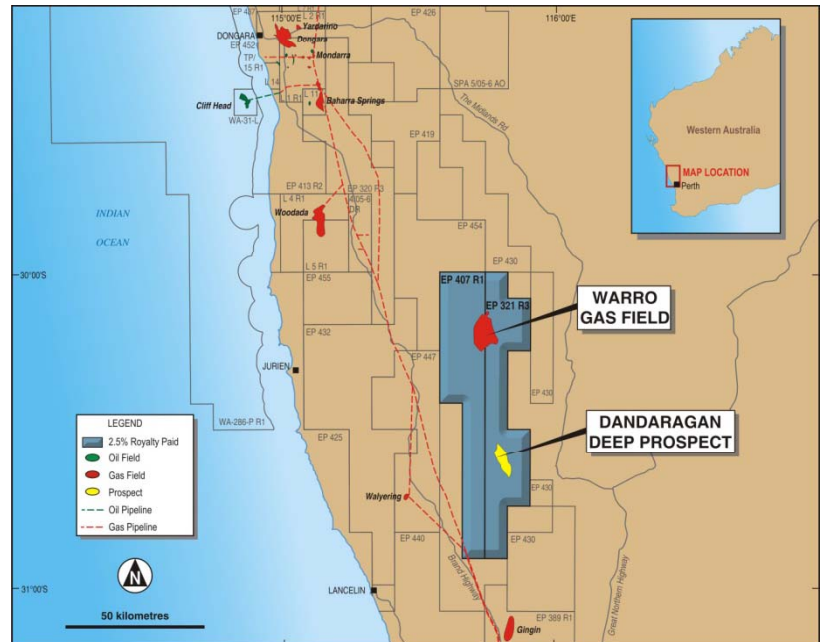
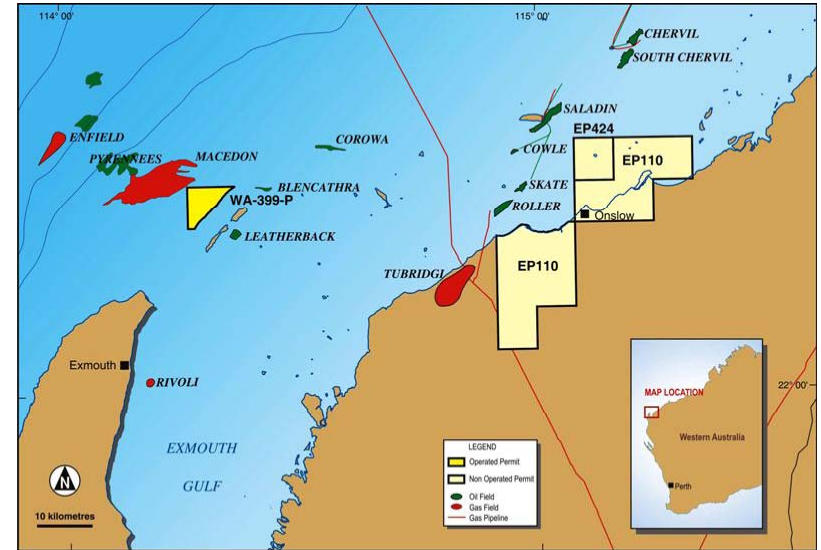




# Asset Portfolio



Thailand - Oil production,



©Camaron Petroleum\Thai\_reg\_loc\_map.dgn



# Thailand Reserves/Resources

## **Rapidly Growing Thailand Oil Reserves**

- Audited as at 31 December 2008 by independent consulting firm Gaffney Cline & Associates
- 16.6 mmbo 2P net reserves
  - Increase of 46% over the previous 12 months and almost 500% over previous 24 months
  - Approximate 60% translation of 3P to 2P (in line with appraisal success rate)
- 37 mmbo 3P net reserves - large upside potential

## **Considerable Additional Contingent Resources Estimated and to be Tested**

- ~ 30 mmbbls 2C net recoverable contingent resources:

**Drilling programme of up to a further 20-25 development, appraisal and exploration wells throughout CY 2009 likely to lead to further reserve increases**

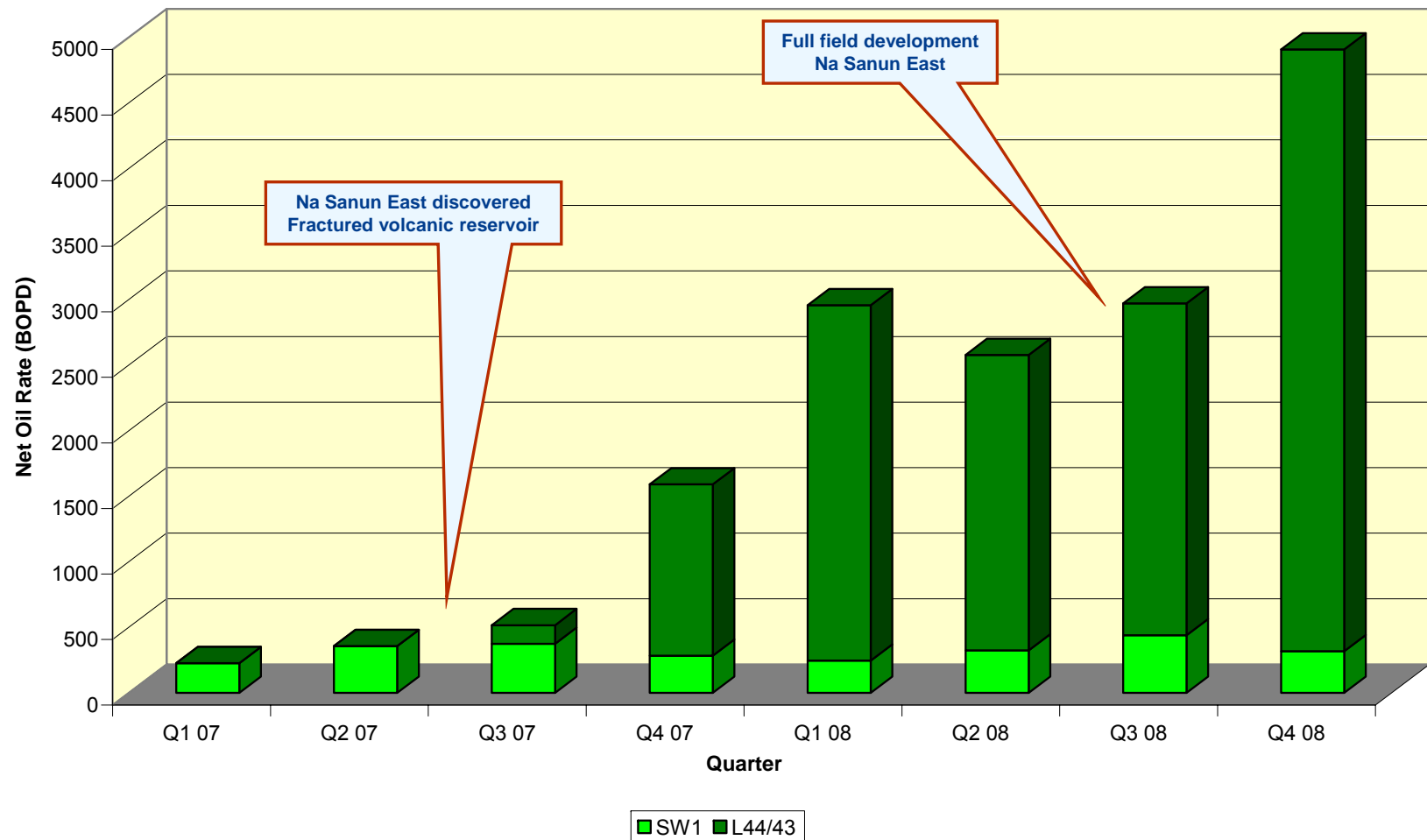




# Thailand Production

- 4Q 2008 average production of ~4,650 bopd equated to revenue of ~A\$29 million for the quarter with average WTI of US\$58/bbl

Quarterly Production BOPD (Net)



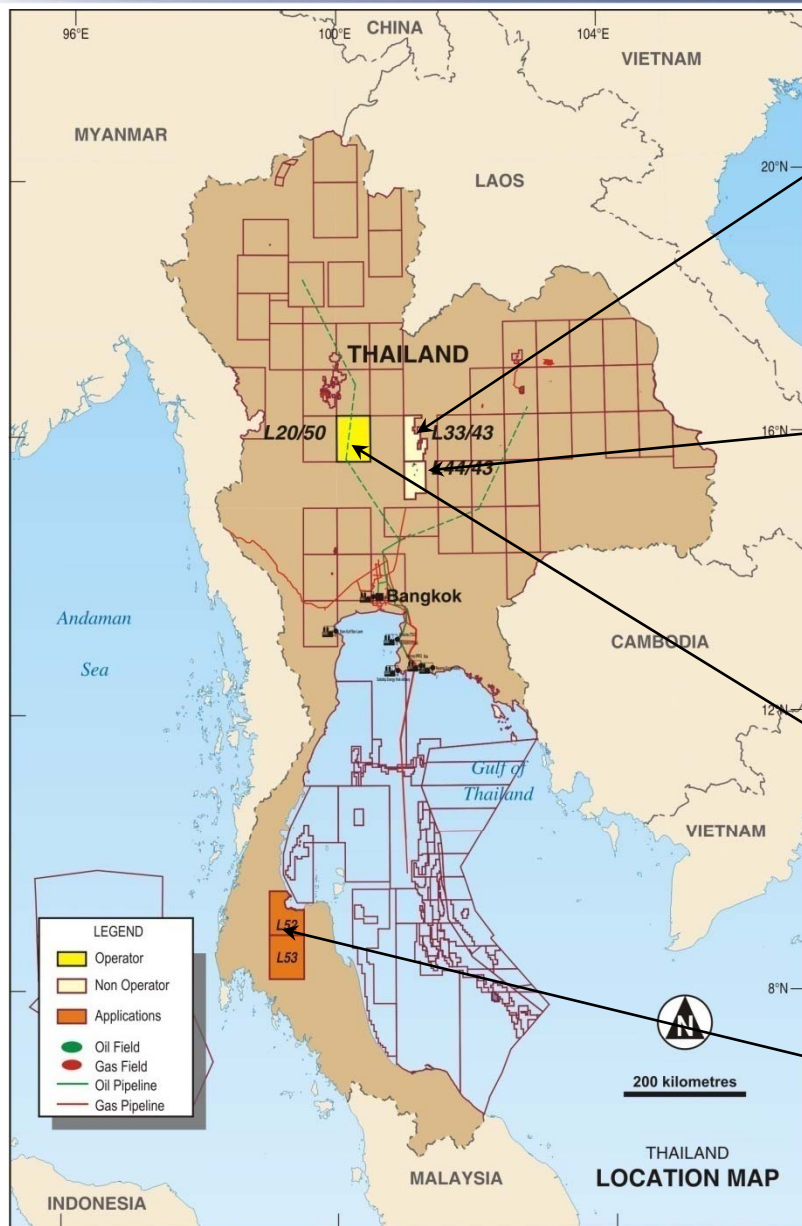


# Rapid Growth of Carnarvon

- Carnarvon grown from \$10mm to \$260mm in 3 years
- Traditional play – low productivity sandstone reservoirs – Wichian Buri Field
- **Oil discovered in fractured volcanics in Jan 2007** – new reservoir type
  - Highly fractured reservoirs
  - Start up flow rates up to 4,000 bopd
  - Depth ~ 1,000 metres
- 2 rigs on long term contract
  - Drill up to 25 wells per year
- 4 Oil Fields producing ~ 4,500 bopd (net Carnarvon - Quarterly average)
  - 2 low perm sandstone - Wichian Buri & Si Thep
  - 2 fractured volcanics – Na Sanun & Na Sanun East



# Thailand Activity 2009



## **L33/43 (CVN 40%)**

- Exploration drilling 1-2 wells 2009

## **L44/43 & SW-1A (CVN 40%)**

- 4 fields producing
- Development/appraisal & exploration drilling – up to 25 wells

## **L20/50 (CVN 50% - Operator)**

- 500 km 2D Seismic 2009
- Exploration Drilling 1-4 wells 2010

## **L52 & 53 (CVN 50%)**

- Application Blocks - 2D Seismic 2009



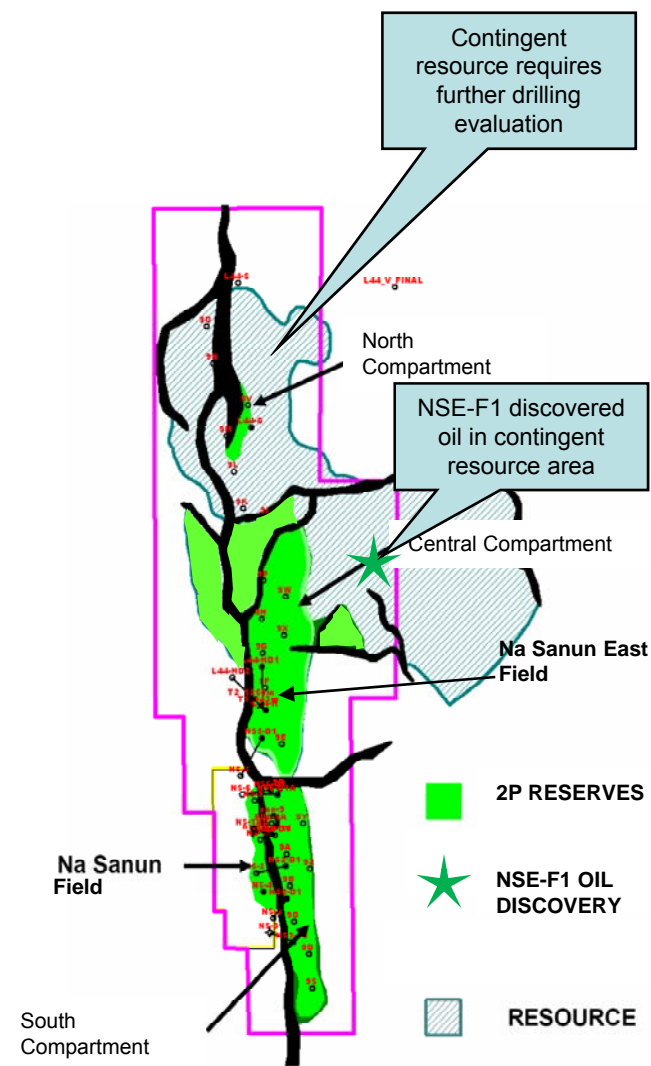
# Na Sanun East - Appraisal Upside

## 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
- 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
- Significant contingent resources - ~ 10+ mmbbls
- Recent NSE-F1 well produced oil from this contingent resource area – after reserves audit





# High Margin, Low Cost Operations

## High Margins

- PTT (Thai National Oil Co.) sales contract based on Singapore HSFO crude price (trades at discount to West Texas Crude)
- Operating costs Less than US\$5 barrel, including trucking and transport

## Excellent Infrastructure

- Very good infrastructure - multi lane highway running through permits, 3 hours to Bangkok and refinery
- Road tanker operation - easily scalable with minimal investment

## Cheap and Simple Drilling

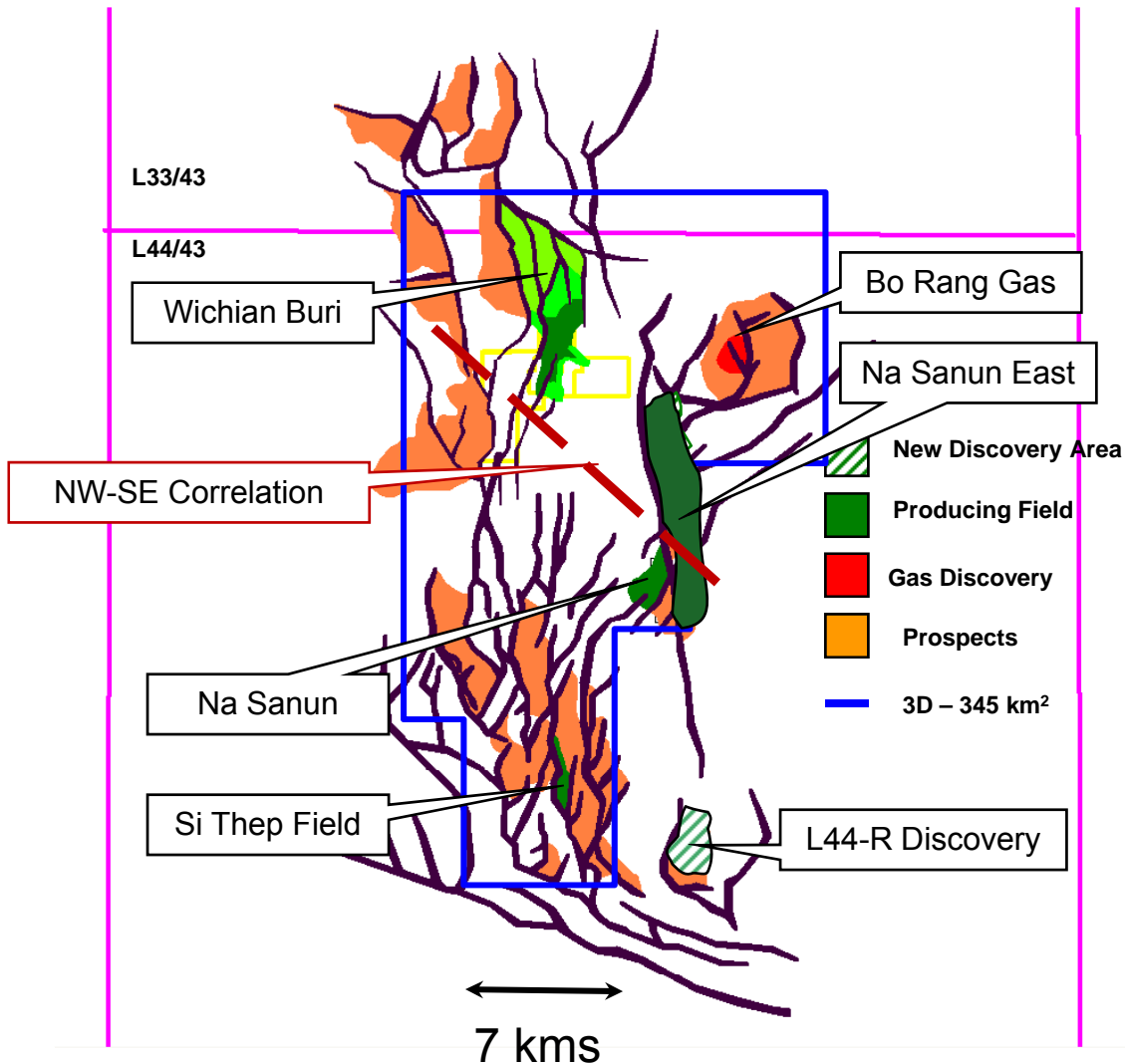
- ~US\$1mm to drill an exploration well
- ~US\$1.5 million to drill a development well
- ~30 days drilling and testing with wells on production within days
- Very fast payback (at average flow rates between 1 week and 1 month)

## Simple Fiscal Regime

- Sliding scale royalty (5 – 15%) on monthly production levels (current ~8%)
- SRB tax (0 -75%) on profits once capital recovered and ring fenced by concession (2009 est ~20%)
- Company tax 50% on net profit after royalty and SRB (ie, can be offset against exploration expenditure elsewhere in Thailand)
- Calculate overall approx 70:30 split (Govt/JV) over life of field – average for SE Asia



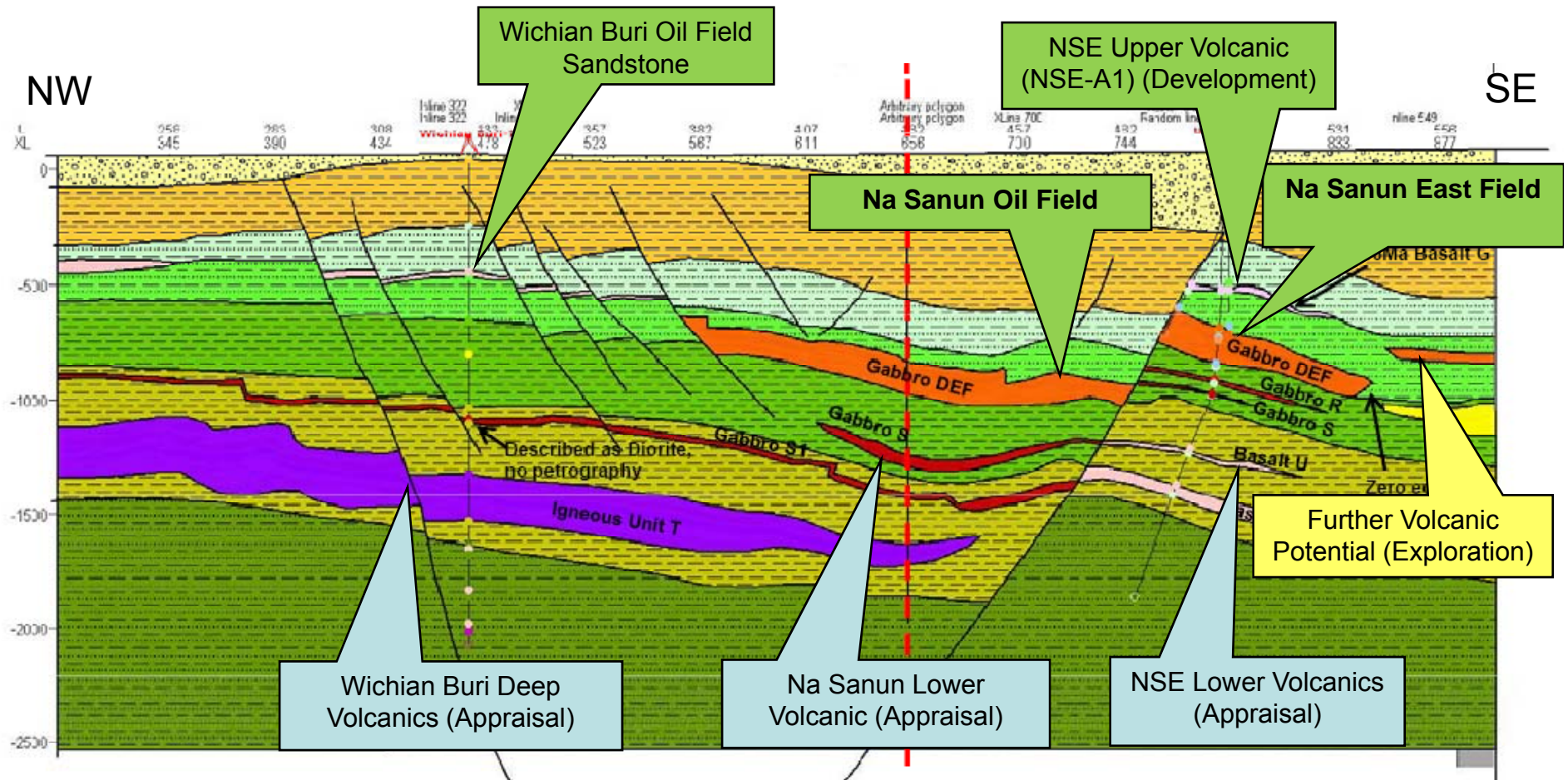
# L44 Overview



- Four producing oil fields
  - Na Sanun East
  - Wichian Buri
  - Na Sanun
  - Si Thep
- Two oil and gas discoveries
  - Bo Rang Gas
  - L44-R Oil
- Numerous undrilled prospects



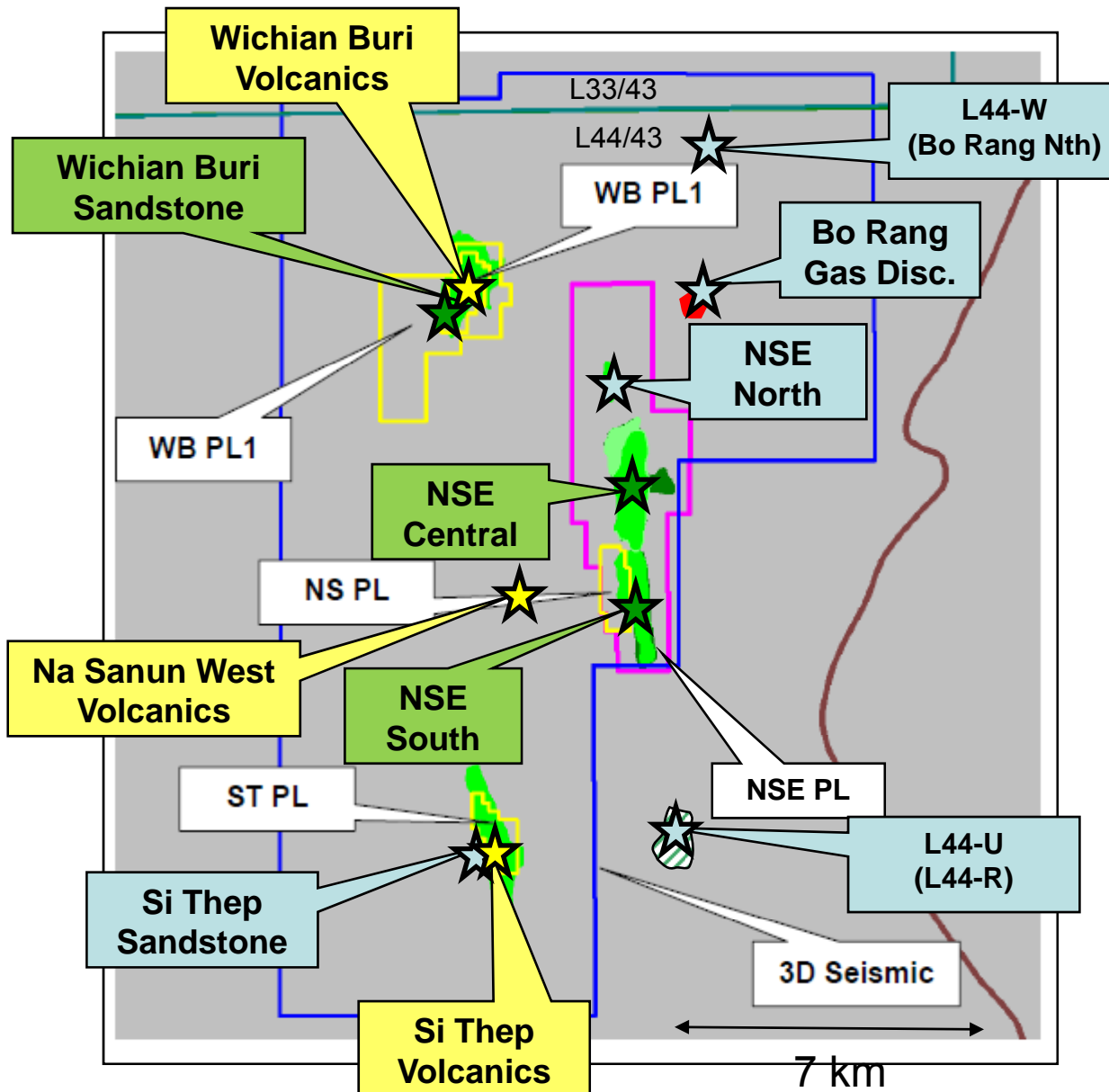
# NW – SE Cross Section



Correlation from Wichian Buri Oil Field to Na Sanun East Oil Field



# Near term drilling



- Wichian Buri (WB PL1), Na Sanun (NS PL) and Si Thep (ST PL) Production Licenses all within SW1A
- Na Sanun East (NSE PL) Production License within L44/43
- No Production License within L33/43
- L44/43, L33/43 & SW1A are separate concessions for SRB Tax purposes

Development

Appraisal

Exploration





# Near term drilling

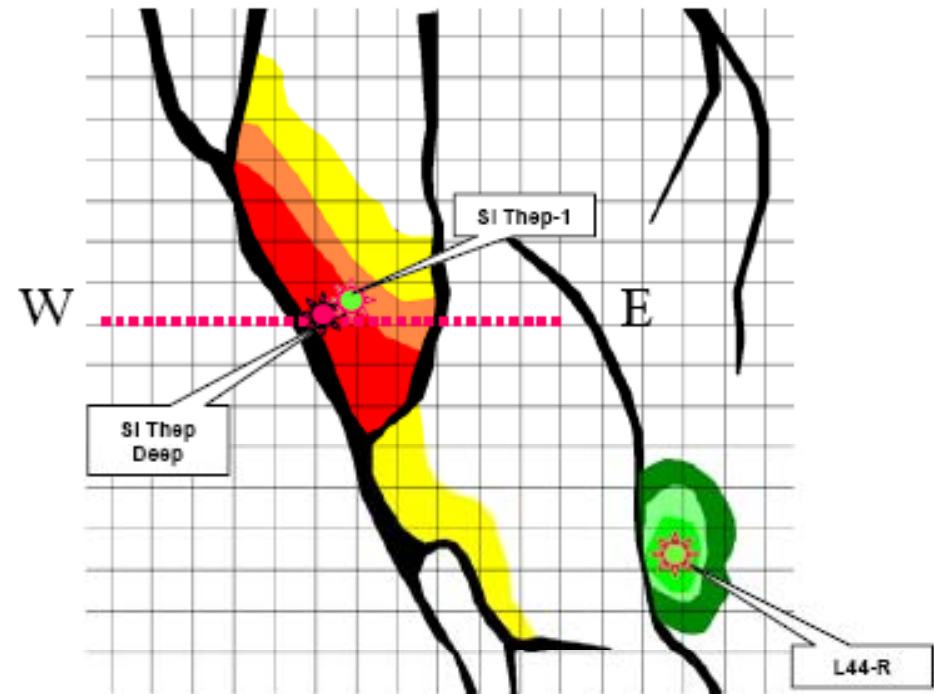
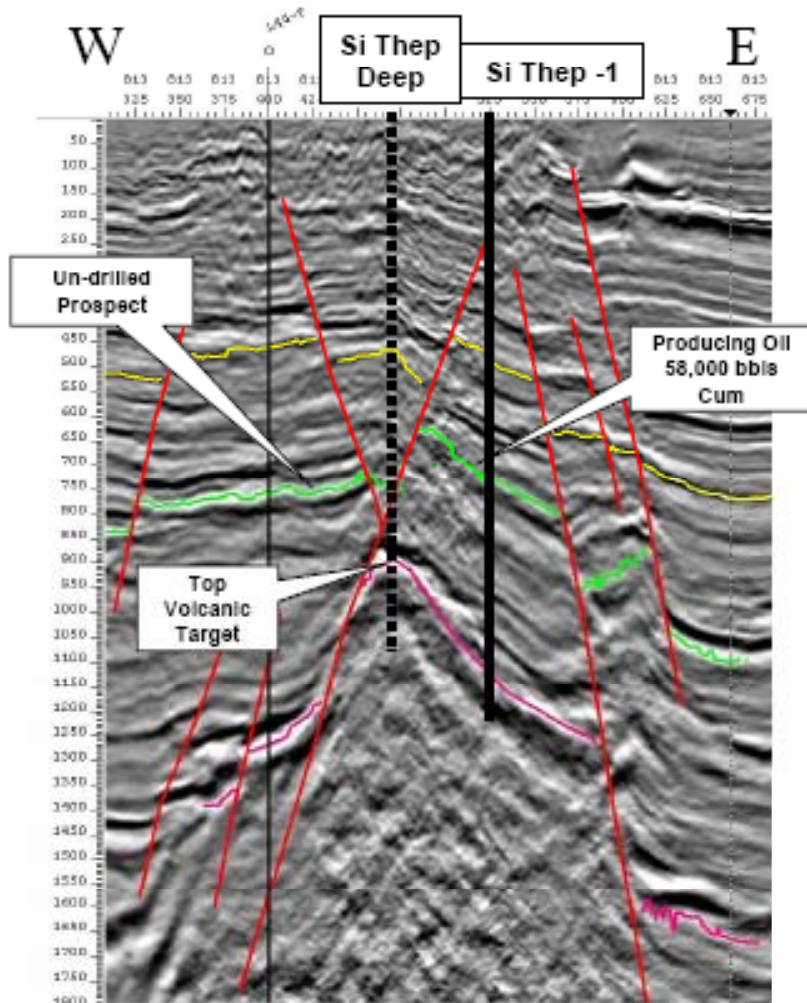
Well	Well Type	Potential
NSE Central	DFEVELOPMENT	Development 2P Reserves
NSE-F1 Contingent Resource area	APPRAISAL	New Oil discovery
NSE-N1	APPRAISAL	Appraise 3P Reserves
NSE-L1	APPRAISAL	Appraise 3P Reserves
NSE South	DEVELOPMENT	Development 2P Reserves
L44-W Bo Rang North	APPRAISAL	7 mmbls (2C) bbls oil
Si Thep (Deep) Volcanic	EXPLORATION	7 mmbls (2C) bbls oil
Si Thep Sandstone	EXPLORATION	Exploration
L44-CD2 Wichian Buri	EXPLORATION	Exploration / Appraisal

- 2 rigs operational – long term contract
- Approx. 2 wells per month
- Approx. 20 – 25 wells per year
- Programme flexible depending on results of drilling



# Si Thep Structure

Many other structures to drill



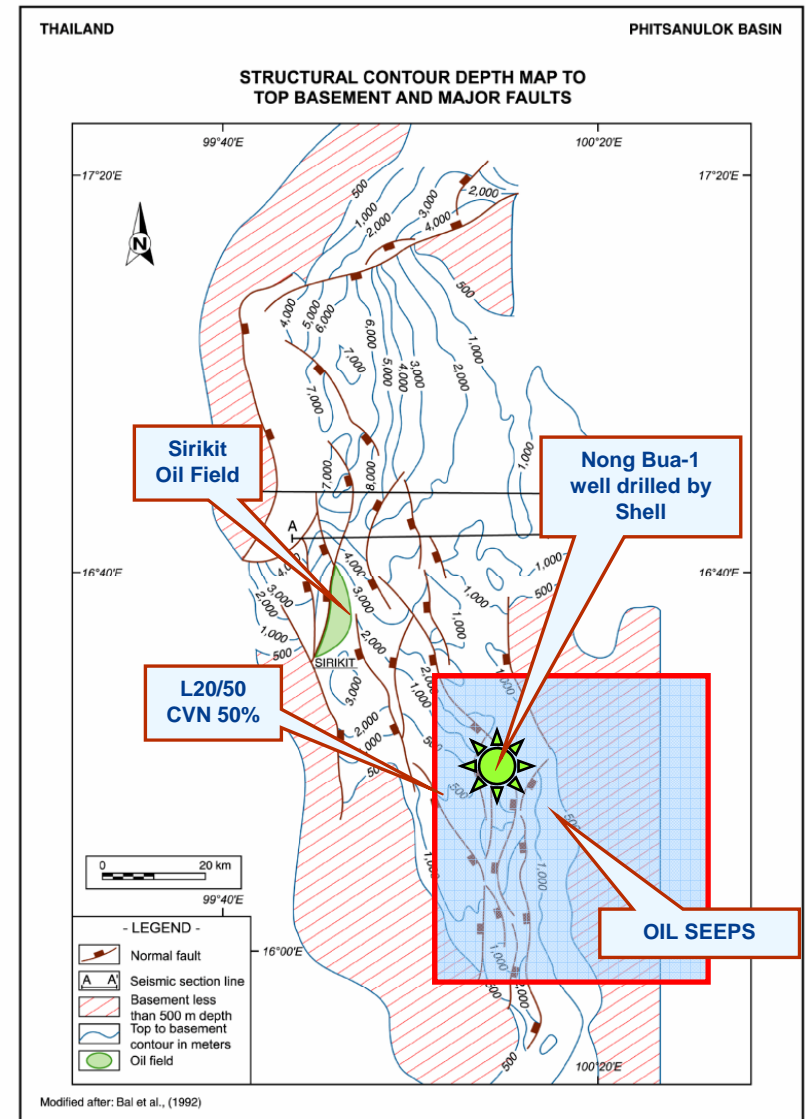
Volcanic target potential  
7 mmbbls net to Carnarvon recoverable  
contingent resource





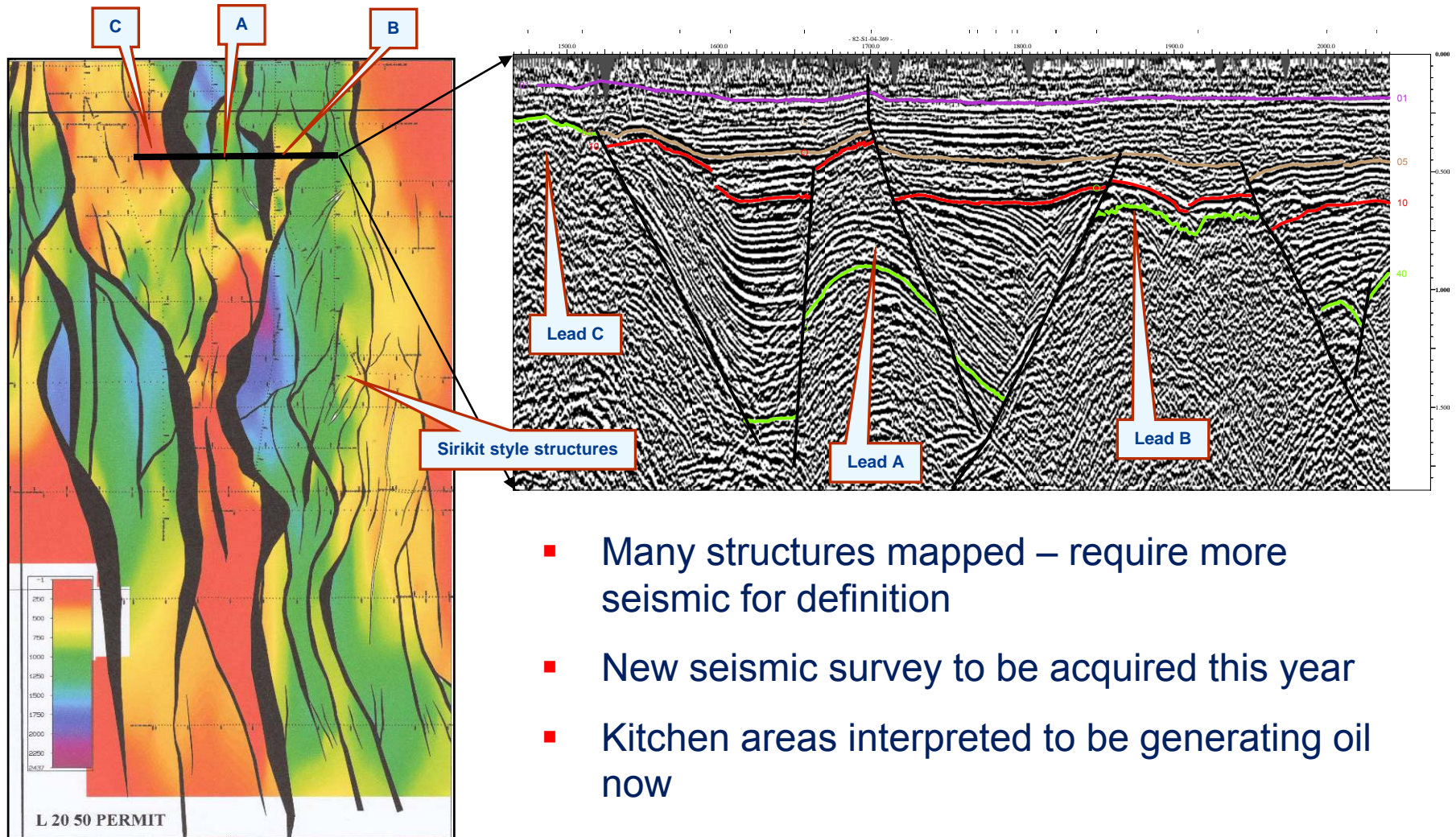
# Other Activity L20/50 Thailand

- 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 oil shows & potential oil column in sandstone
- Onshore infrastructure allows quick tie-in
- Analysis suggests potential for fractured volcanics similar to L44/43
- Seismic mid 2009
- Drilling 2010





# L20/50 Thailand

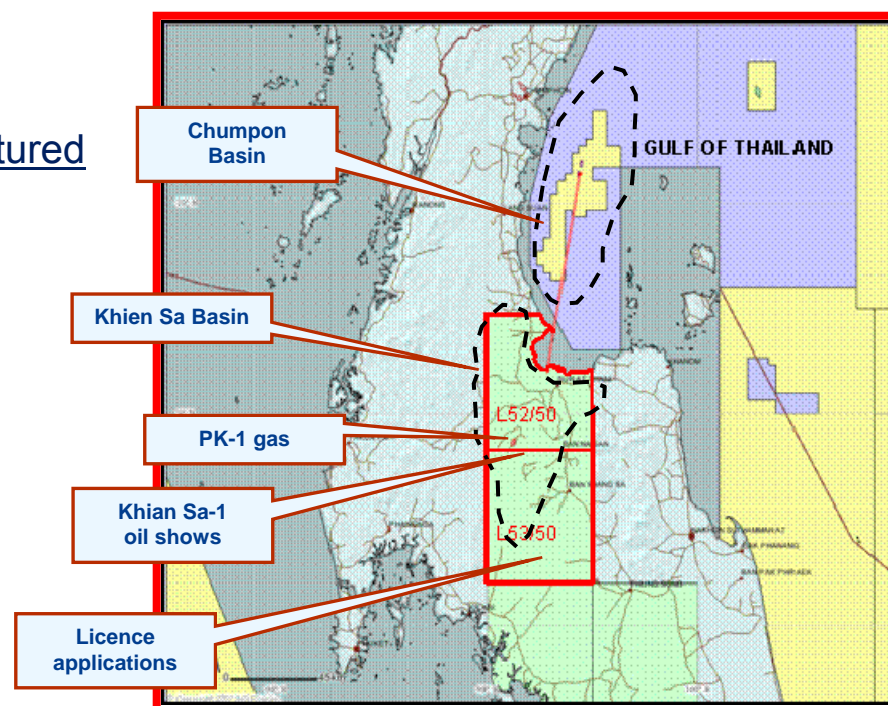
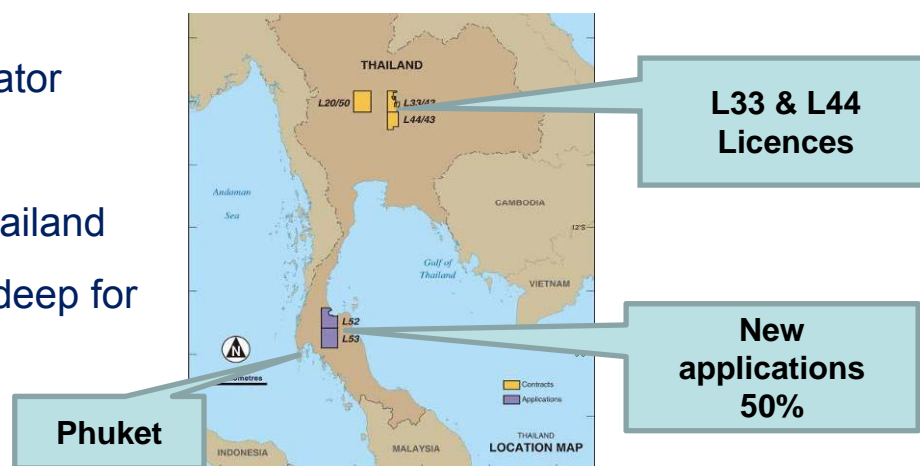


- Many structures mapped – require more seismic for definition
- New seismic survey to be acquired this year
- Kitchen areas interpreted to be generating oil now
- 1 – 4 wells being considered for next year



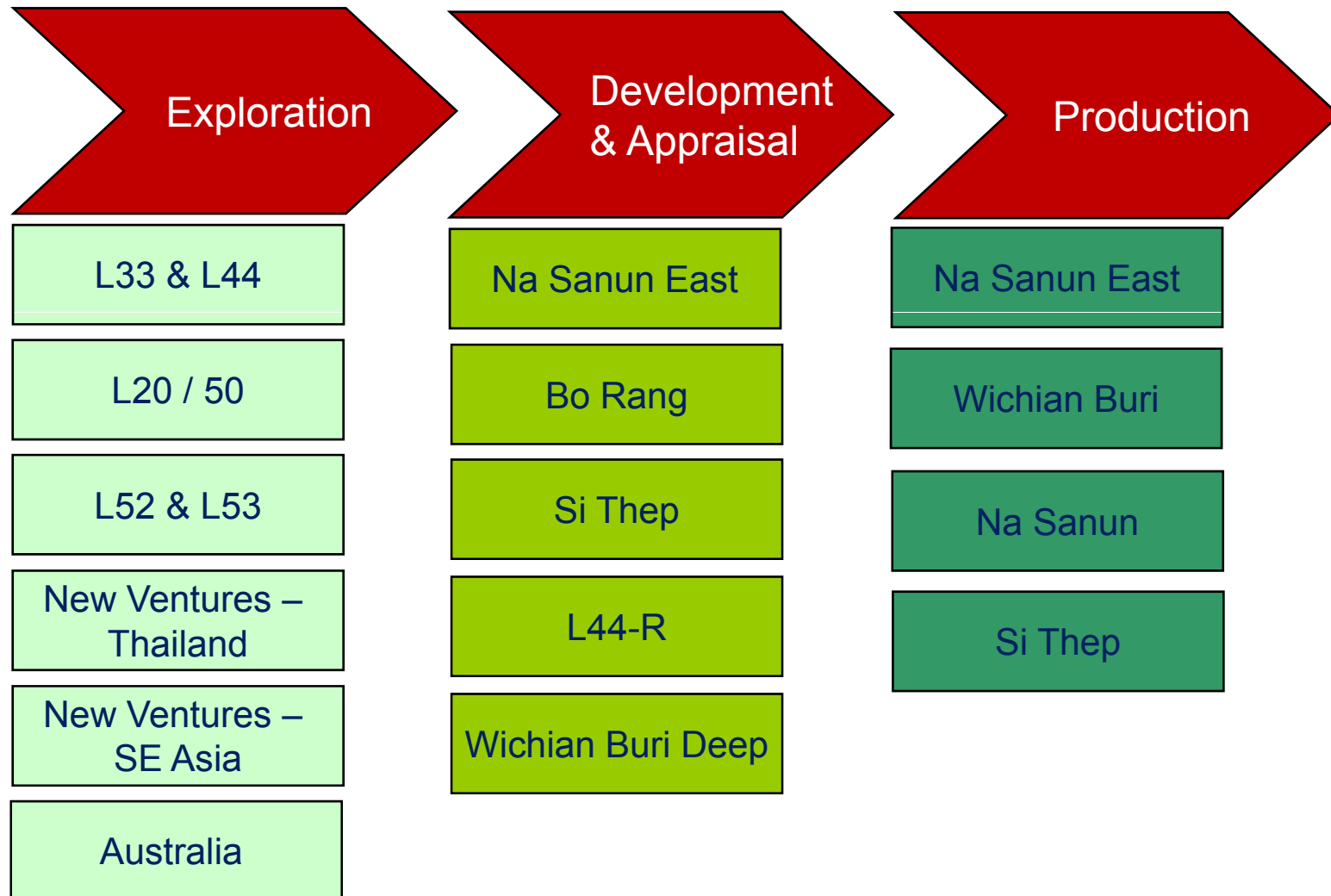
# L52 & L53 Applications Thailand

- Carnarvon 50%, Pearl Oil 50% and operator
- 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 seeps surround basin
- 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
- Awaiting licence award
- Seismic planned for 2009





# Project Pipeline





# Industry (Peers) Paradigm Shift

## *Peers focus on balance sheet and survival, not growth*

- Exploration – a liability not an asset
- Bank loans – onerous conditions
- Raising equity – difficult, dilutive and at significant discounts
- Farm-outs – no promotes being paid for anything but the best assets
- Farm-ins – extensive options for incoming investors
- Companies overcommitted
- Development projects stalled on lower oil prices
- **THEIR BUSINESS MODEL MUST CHANGE**





# Carnarvon Positioning

## ***CVN focus on growth!!!***

- Increasing reserves ✓
- Increasing production ✓
- Increasing cash ✓
- No debt ✓
- Strong cashflow ✓
- Self funded programme ✓
- Strong technical ability ✓
- Strong access to dealflow ✓
- CVN BUSINESS MODEL REMAINS STRONG





# Carnarvon Assessment

## ■ Consolidate Current Position

- ✓ Strong balance sheet with cash \$70 million and no debt
- ✓ Self funded exploration and appraisal programme with excess cashflow for growth

## ■ Capitalise on Opportunities

- ✓ Market conditions are presenting a number of asset acquisition opportunities for Carnarvon to consider
- ✓ Carnarvon is selectively reviewing these opportunities
- ✓ New assets need to be considered in light of existing exciting appraisal and exploration upside in Thailand
- ✓ Carnarvon is well placed technically and corporately to evaluate these opportunities and move quickly



# Conclusion

- Growing cash
- Growing reserves and production
- Carnarvon actively looking for projects that fit defined investment criteria
- Carnarvon well poised for significant growth

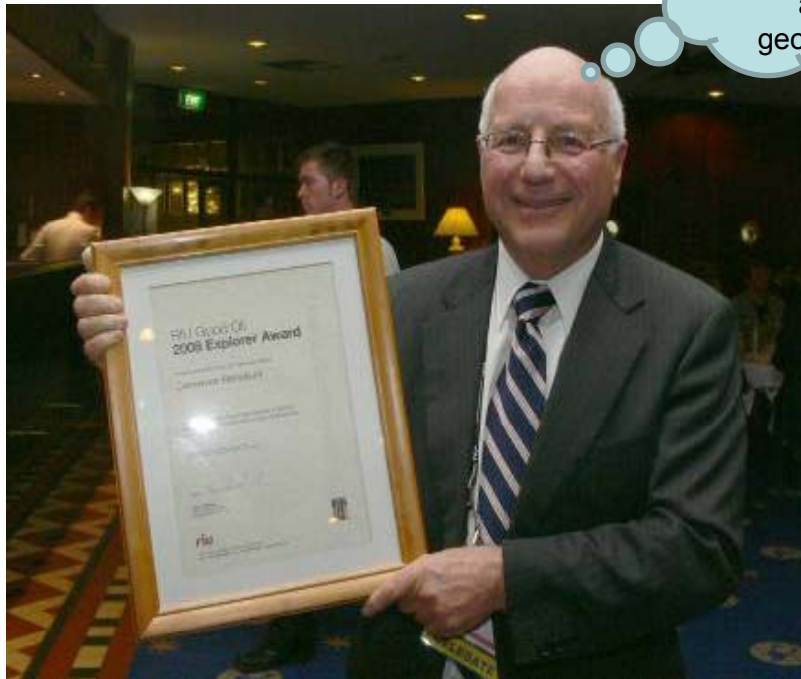




# Industry Award

**Carnarvon was awarded the 2008 Explorer of the Year at Good Oil Conference in Perth**

Imagine the exploration award I could win if I knew about geophysical



## RIU Good Oil 2008 Explorer Award

Awarded at the RIU Good Oil Conference 2008 to

*Carnarvon Petroleum*

*Awarded for the firm's stunning successes in defining new play types and production from the L44/43 licence, onshore Thailand.*

This award is made by Resource Information Unit and designed to help and encourage new producers in the Australian petroleum industry.



# Contact



## Ted Jacobson

Managing Director

Carnarvon Petroleum Limited

[www.carnarvonpetroleum.com](http://www.carnarvonpetroleum.com)

Member of the ASX

1322 Hay St

West Perth WA 6005

T +61 8 9321 2665

F +61 8 9321 8867

[tjacobson@cvn.com.au](mailto:tjacobson@cvn.com.au)

## Philip Huizenga

Chief Operating Officer

Carnarvon Petroleum Limited

[www.carnarvonpetroleum.com](http://www.carnarvonpetroleum.com)

Member of the ASX

1322 Hay St

West Perth WA 6005

T +61 8 9321 2665

F +61 8 9321 8867

[phuizenga@cvn.com.au](mailto:phuizenga@cvn.com.au)



## Carrick Ryan

Institutional Adviser

Hartleys Limited

[www.hartleys.com.au](http://www.hartleys.com.au)

Member of the ASX

Level 6, 141 St Georges Terrace

Perth WA 6000

GPO Box 2777, Perth WA 6000

T +61 8 9268 2864

F +61 8 9268 2830

M 0421 977 590

[carrick\\_ryan@hartleys.com.au](mailto:carrick_ryan@hartleys.com.au)

## David Wall

Oil & Gas Analyst

Hartleys Limited

[www.hartleys.com.au](http://www.hartleys.com.au)

Member of the ASX

Level 6, 141 St Georges Terrace

Perth WA 6000

GPO Box 2777, Perth WA 6000

T +61 8 9268 2826

F +61 8 9268 2830

[david\\_wall@hartleys.com.au](mailto:david_wall@hartleys.com.au)



[www.carnarvon.com.au](http://www.carnarvon.com.au)