



CARNARVON
PETROLEUM LTD

Go West Conference
Ted Jacobson CEO

May 2009



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Corporate Snapshot

<u>Capital Structure</u>	
Ordinary Shares	683 million
Market Capitalisation: (fully diluted @ 60 cents)	\$409 million
Cash on hand (31 March 2009)	\$77 million
Debt	nil
Top 20	~ 33%
Directors and Management	~ 11%

Directors & Management

Chairman:	Peter Leonhardt
Managing Director:	Ted Jacobson
Non Exec Directors:	Neil Fearis & Ken Judge
Company Sec & CFO:	Bob Anderson
COO:	Philip Huizenga
Exploration Manager:	Dr Robert Bird

Member of ASX 200

Analyst Coverage		Current Price 0.60
Analyst	Recommendation	Target (date valuation)
Patersons	Buy	0.75 (19 May 09)
Hartleys	Buy	0.83 (12 May 09)
Fat Prophets	Buy	(13 May 09)
Bell Potter	Buy	0.49 (4 April 09)
Euroz	Buy	0.47 (Jan 09)





Investment Highlights

- Strong balance sheet
 - Approx A\$77 million cash¹, no debt
- Strong reserve position:
 - Oil Reserves - 16.6 mmbbls 2P and 37 mmbbls 3P
 - 2P reserves - up 46% over 2008
 - Significant exploration and appraisal opportunities with 2 rigs under long term contract
- Strong production & free cashflow:
 - 1Q 2009 - 4,110 bopd net Carnarvon production
 - +A\$21.5 million revenue
- Strong Board supported by excellent technical and management team
- Seeking to utilise solid cash position and significant free cashflow to build quality oil & gas business, taking advantage of opportunities presented by the current economic environment

¹ Cash at 31st March 2009; Tax provision ~\$41mm payable May 2009



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

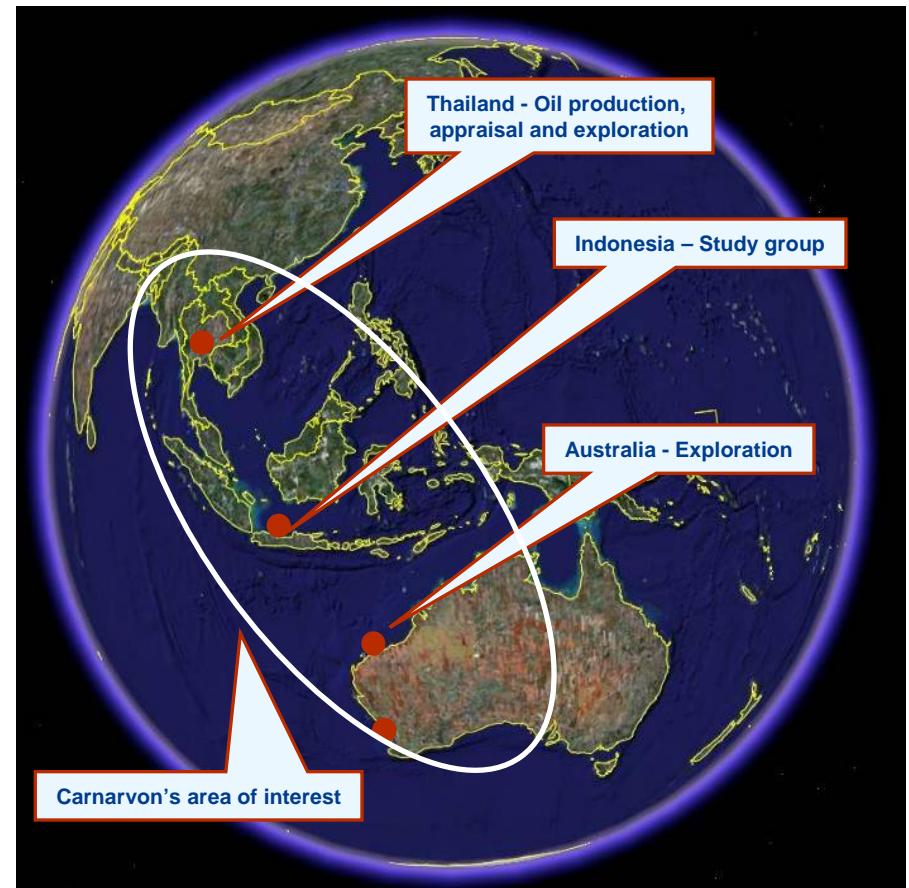


Rank	Code	Name	Market Cap (\$m)
1	WPL	Woodside Petroleum Limited	\$ 31,782,550,733
2	STO	Santos Limited	\$ 8,765,522,918
3	OSH	Oil Search Limited	\$ 5,865,168,929
4	AWE	Australian Worldwide Exploration Limited	\$ 1,463,650,154
5	KAR	Karoon Gas Australia Limited	\$ 907,636,672
6	BPT	Beach Petroleum Limited	\$ 813,483,446
7	NZO	New Zealand Oil & Gas Limited	\$ 424,560,182
8	CVN	Carnarvon Petroleum Limited	\$ 406,786,407
9	ROC	ROC Oil Company Limited	\$ 370,459,954
10	NXS	Nexus Energy Limited	\$ 245,233,070
11	PPP	Pan Pacific Petroleum NL	\$ 182,469,754
12	HZN	Horizon Oil Limited	\$ 156,109,001
13	PVE	Po Valley Energy Limited	\$ 153,331,423
14	NDO	Nido Petroleum Limited	\$ 152,368,142
15	VPE	Victoria Petroleum NL	\$ 150,969,611
16	TAP	Tap Oil Limited	\$ 147,096,766
17	COE	Cooper Energy Limited	\$ 122,608,920
18	AED	AED Oil Limited	\$ 122,285,508
19	MAE	Marion Energy Limited	\$ 110,027,535
20	CUE	CUE Energy Resources Limited	\$ 91,094,656
21	OEL	Otto Energy Limited	\$ 84,600,492
22	STX	Strike Oil Limited	\$ 77,211,231
23	KIK	Kairiki Energy Limited	\$ 76,853,000
24	AMU	Amadeus Energy Limited	\$ 72,400,746
25	ITR	Interra Resources Limited	\$ 69,368,464
26	GDN	Golden State Resources Limited	\$ 59,607,817
27	RFE	Red Fork Energy Limited	\$ 52,892,400
28	FAR	First Australian Resources Limited	\$ 52,333,156



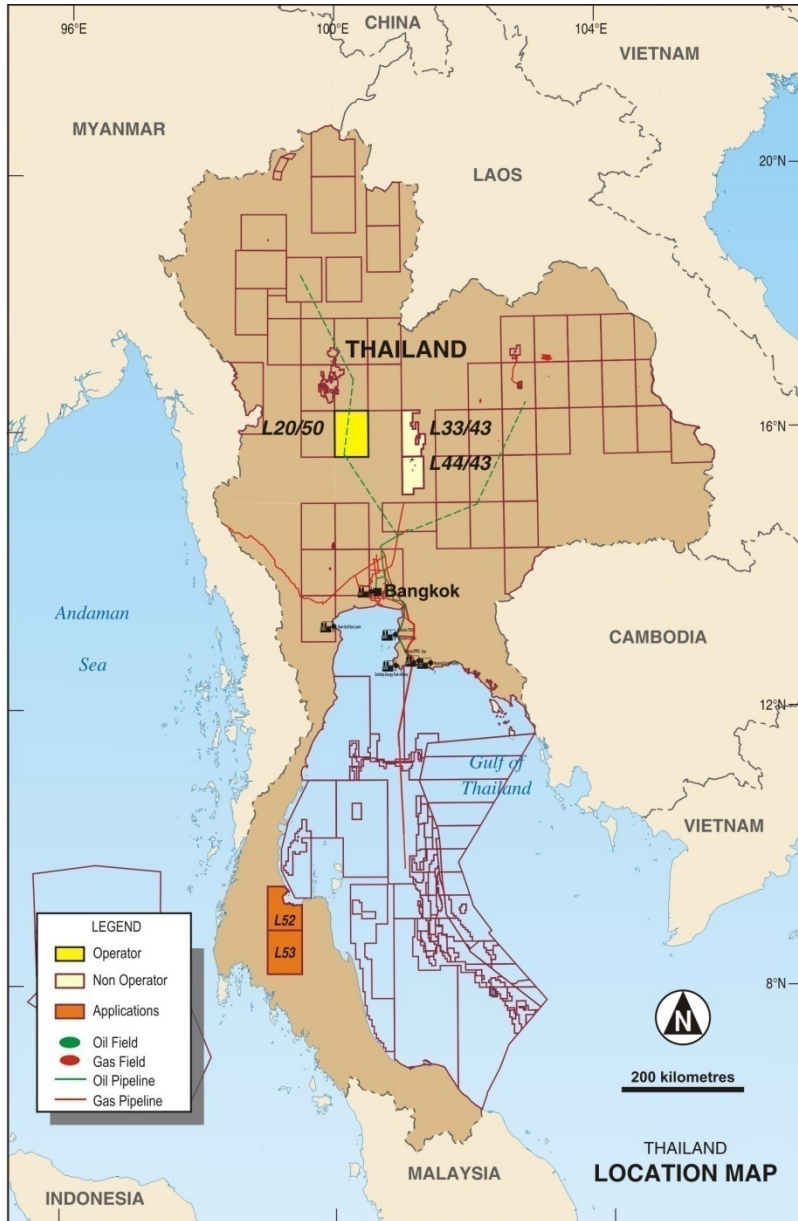
Project Areas

- **Significant production from onshore Thailand L44/43 licence**
- Exploration and appraisal from onshore Thailand L44/43, L33/43 & L20/50 licences
- Exploration and appraisal from onshore Thailand L52 & L53 applications
- Three offshore Carnarvon Basin licences and one onshore Perth Basin ORRI in Australia
- **Evaluating new opportunities in Australia and throughout South East Asia**

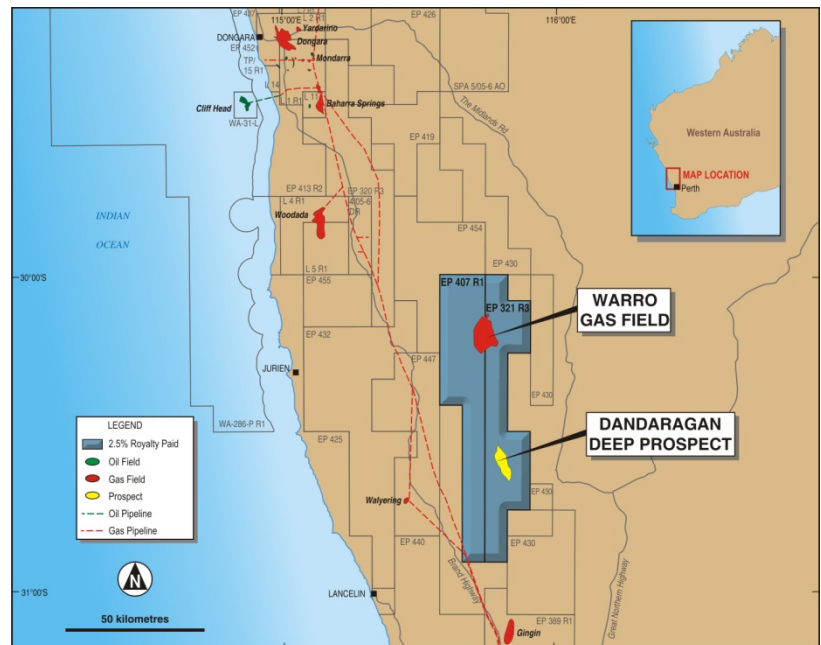
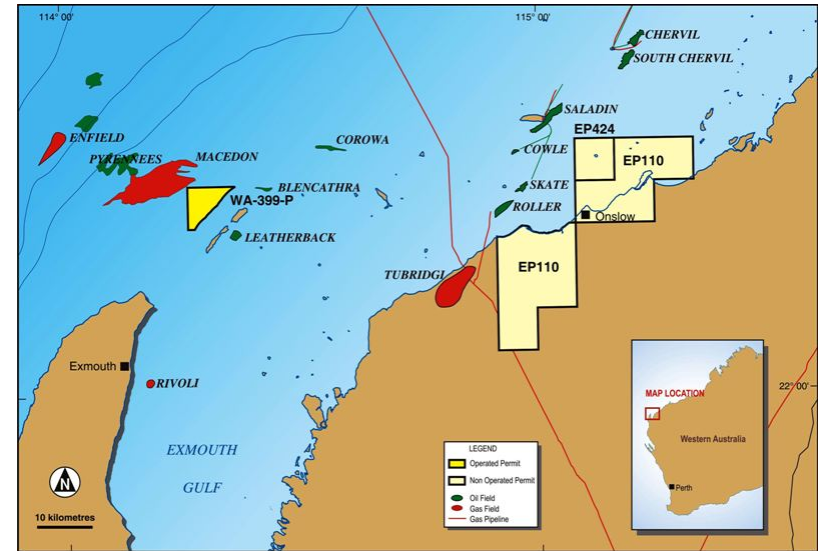




Asset Portfolio



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Thailand Reserves/Resources

Rapidly Growing Thailand Oil Reserves

- Reviewed 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
 - Doesn't include 2008 discovery at L44-R, & 2009 L44-W
- Drilling programme of up to a further 10-15 development, appraisal and exploration wells throughout CY 2009 likely to lead to further reserve increases

Considerable Additional Contingent Resources Estimated and to be Tested

- ~ 40 mmbbls 2C net recoverable resources:
 - Na Sanun
 - Bo Rang
 - Si Thep
 - L44-R
 - L44-W

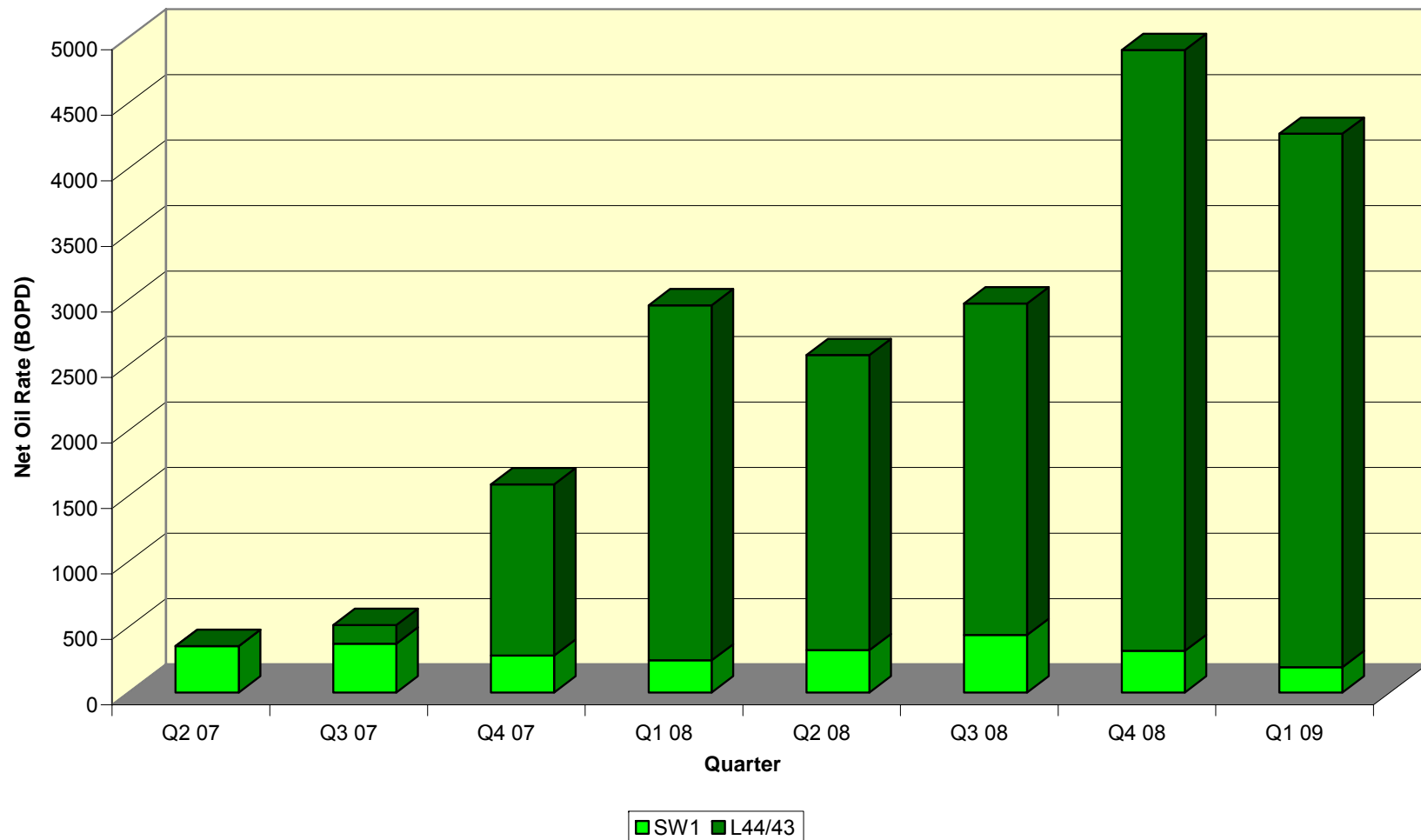
	Net Carnarvon Reserves			Reservoir Type
	Proved	Proved + Probable	Proved + Probable + Possible	
	1P (million bbls)	2P (million bbls)	3P (million bbls)	
2008				
Na Sanun East	3.09	13.42	25.15	Volcanic
Na Sanun	0.10	0.35	0.80	Volcanic
Wichian Buri	0.12	1.52	5.44	Sandstone
Si Thep	0.02	0.21	2.92	Sandstone
NSE-E1	0.38	1.14	2.54	Volcanic
Total	3.72	16.64	36.85	



Thailand Production

1Q 2009 average production of ~4,110 bopd equated to revenue of ~A\$21.5 million for the quarter.

Quarterly Production BOPD (Net)





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 per barrel decreasing with rising production rates. Less than US\$5 barrel including trucking and transport

Excellent Infrastructure

- Very good infrastructure in place with a multi lane highway running through permits, 3 hours to Bangkok
- Current road tanker fleet capacity of approximately 15,000 – 20,000 bopd
- Road tanker operation easily scalable with minimal investment

Cheap and Simple Drilling

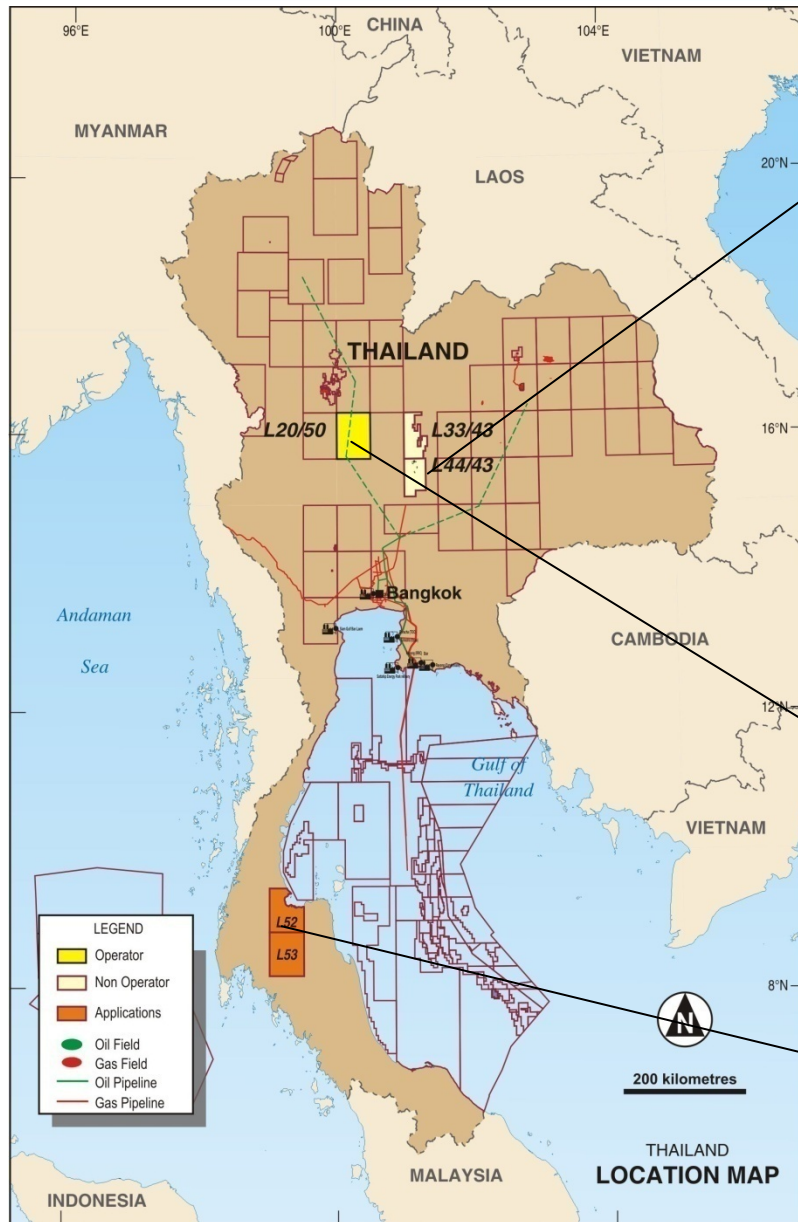
- ~US\$1.5 million per well to drill and complete
- ~30 days drilling and testing with wells on production within days
- Very fast payback (at average flow rates between 1 week and 1 month)

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



Thailand Activity



L44/43 (CVN 40%)

- Production
- Development drilling 2-6 wells 2009
- Appraisal drilling 4-12 wells 2009
- Exploration drilling 2-6 wells 2009

SWIA (CVN 40%)

- Production
- Drilling 1-2 wells 2009

L33/43 (CVN 40%)

- Exploration drilling 1-2 wells 2009

L20/50 (CVN 50% - Op)

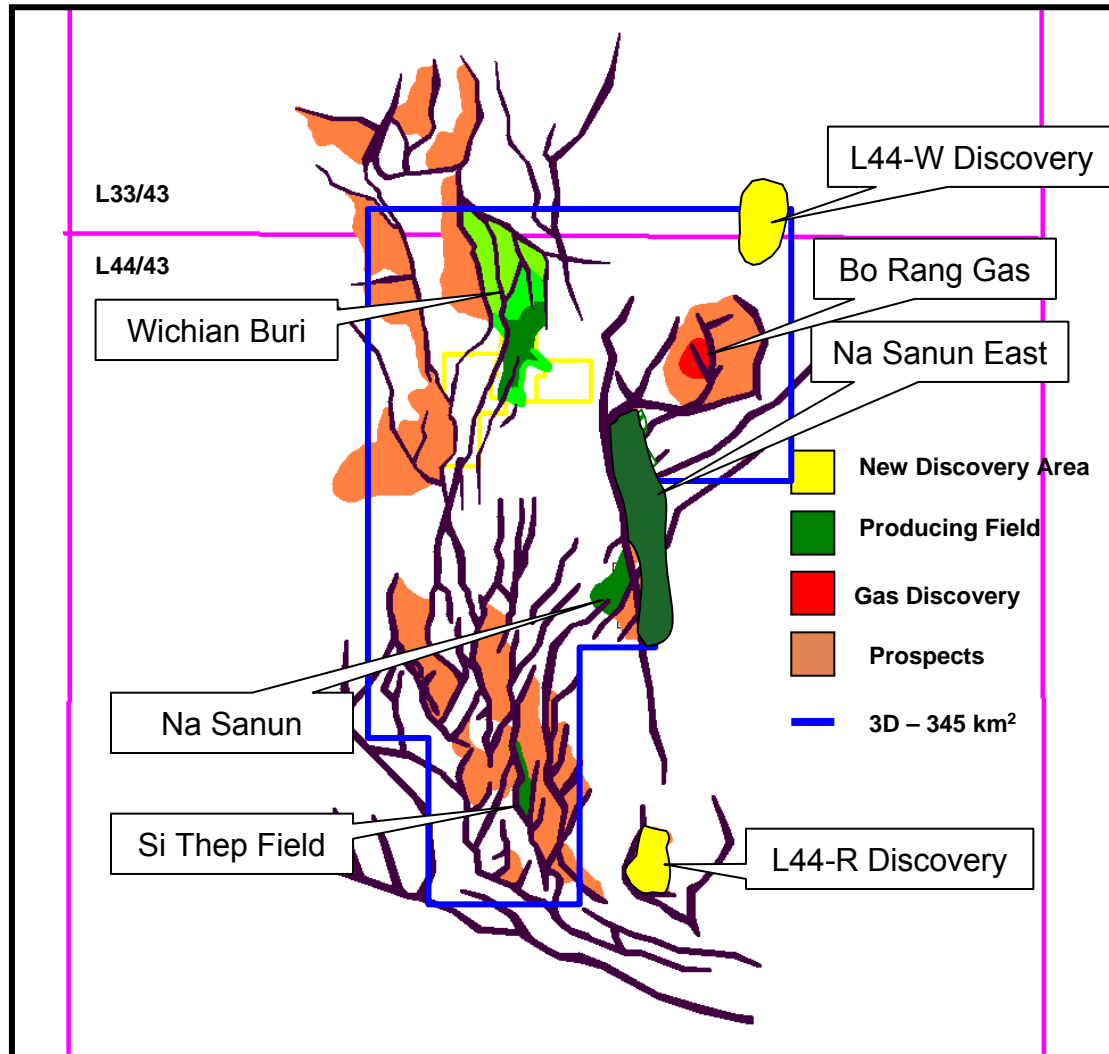
- 500 km 2D Seismic 2009
- Exploration Drilling 1-4 wells 2010

L52 & 53 (CVN 50%)

- Application Blocks - 2D Seismic 2009



L44/43 Overview



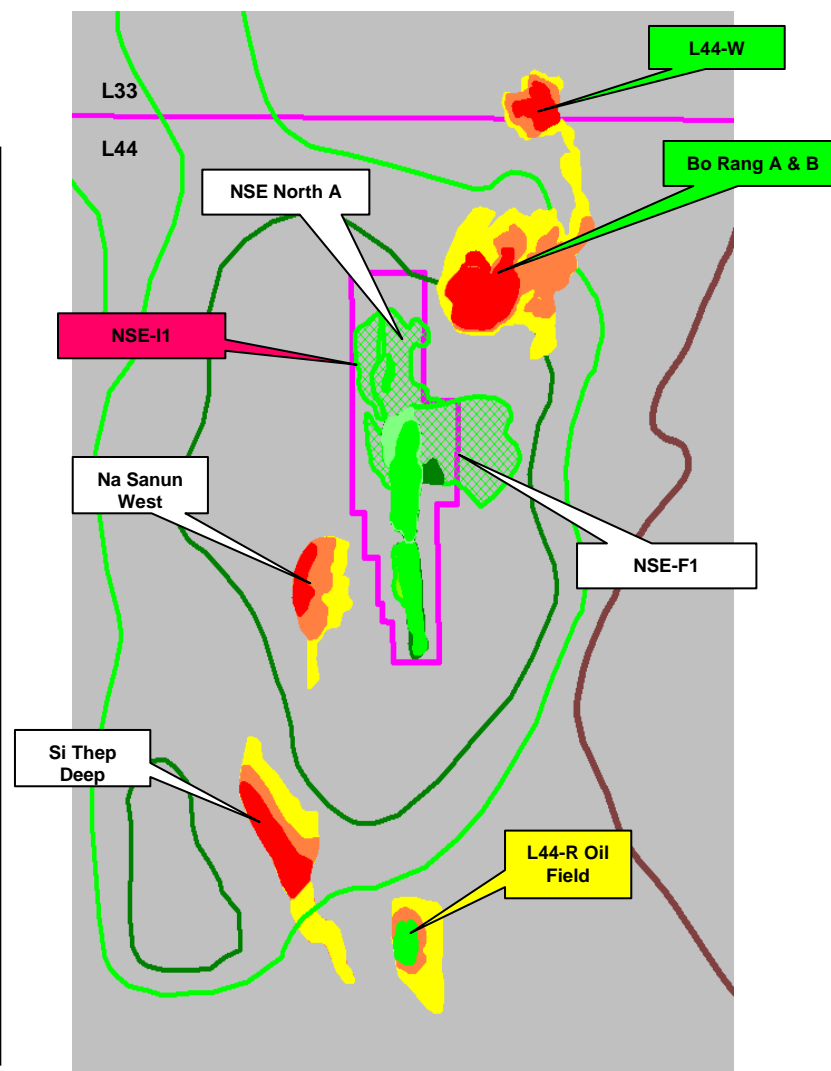
- Four producing oil fields
 - Na Sanun East
 - Wichian Buri
 - Na Sanun
 - Si Thep
- 3 oil and gas discoveries
 - L44-W
 - Bo Rang Gas
 - L44-R Oil
- Numerous undrilled prospects



L44/43 Volcanic Prospects

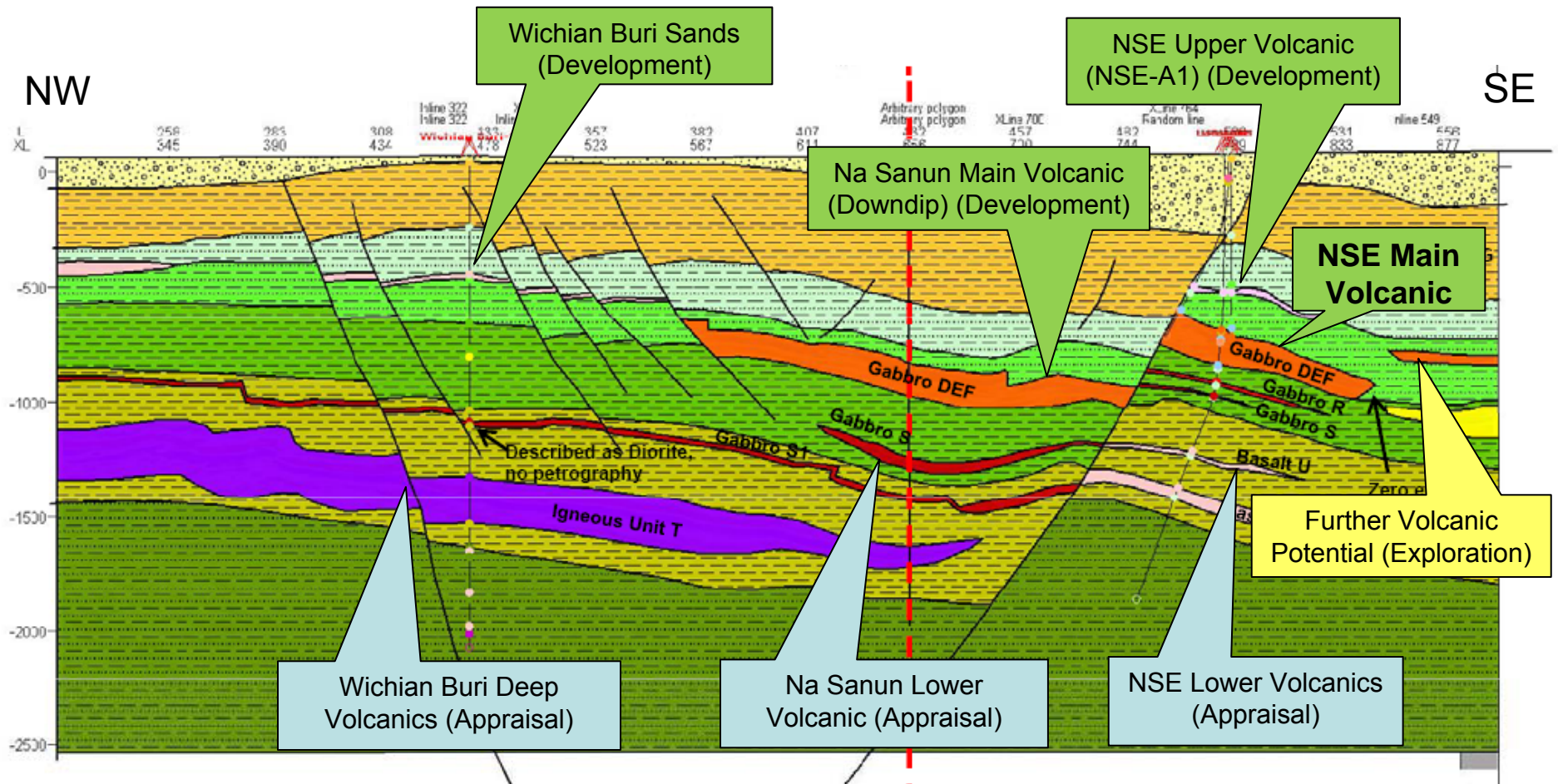
Contingent Resource

Prospect Name	1C	2C	3C	Status
NSE-F1	2.9	6.2	10.3	Appraisal
NSE North A	8.5	12.6	17.9	Ready
NSE-I1	3.7	5.5	7.8	Drilling
Bo Rang A	5.3	9.2	14.4	Ready
Bo Rang B	14.2	24.2	38.8	Ready
L44-W (main)	5.5	8.9	13.8	Testing
Na Sanun West	4.3	8.2	13.5	EIA
Si Thep Deep	8.7	14.6	23.7	Ready
L44-R	0.168	6.4	17.0	Appraisal
Totals (Gross):	53.2	95.8	147.2	
Net CVN 40%	21.3	38.3	58.9	





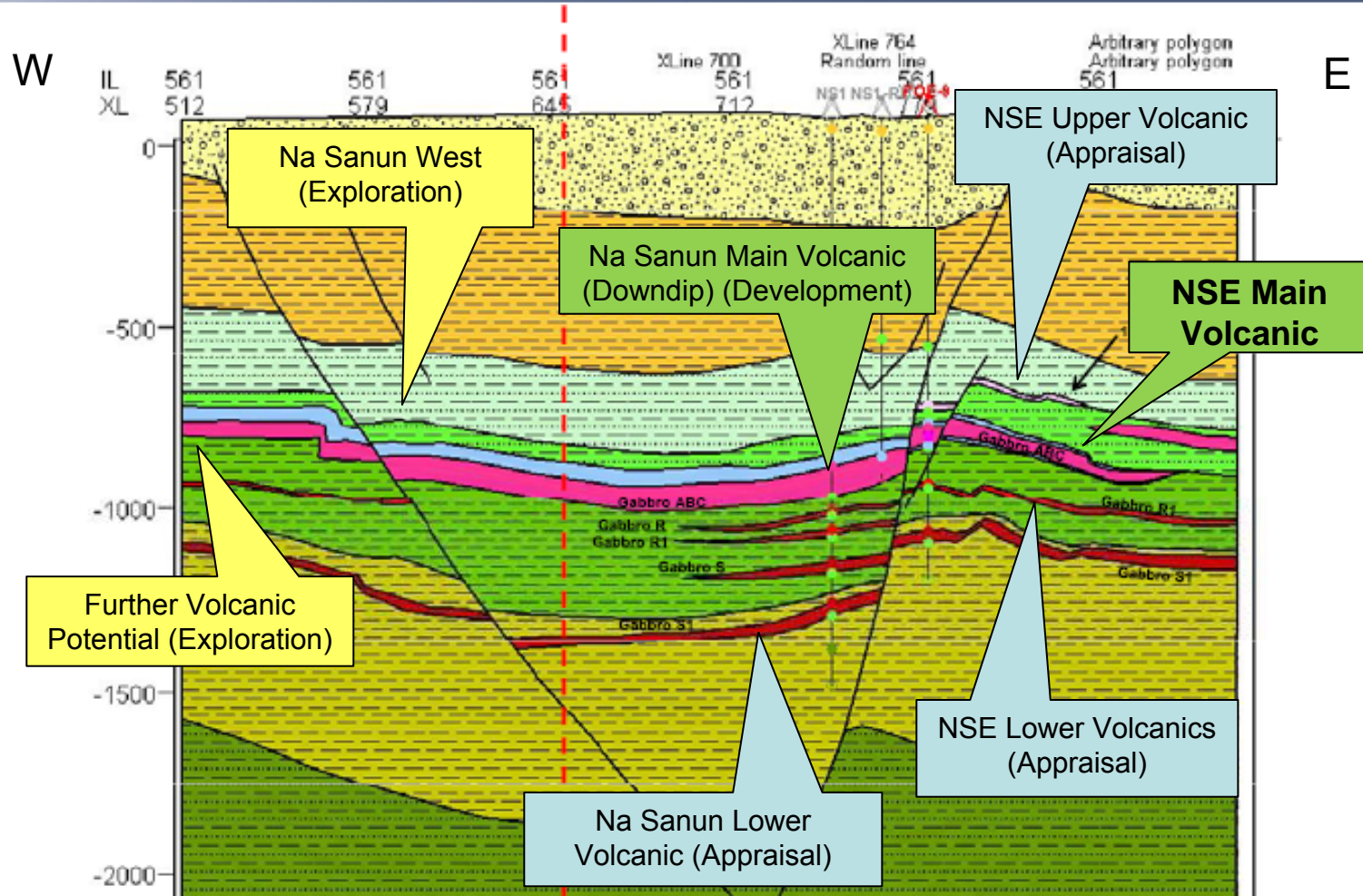
NW – SE Cross Section



- Correlation slide between Wichian Buri-1 well (left) to L44-H well in the Na Sanun East Field (right)
- The red dashed line is the correlation to following W-E slide



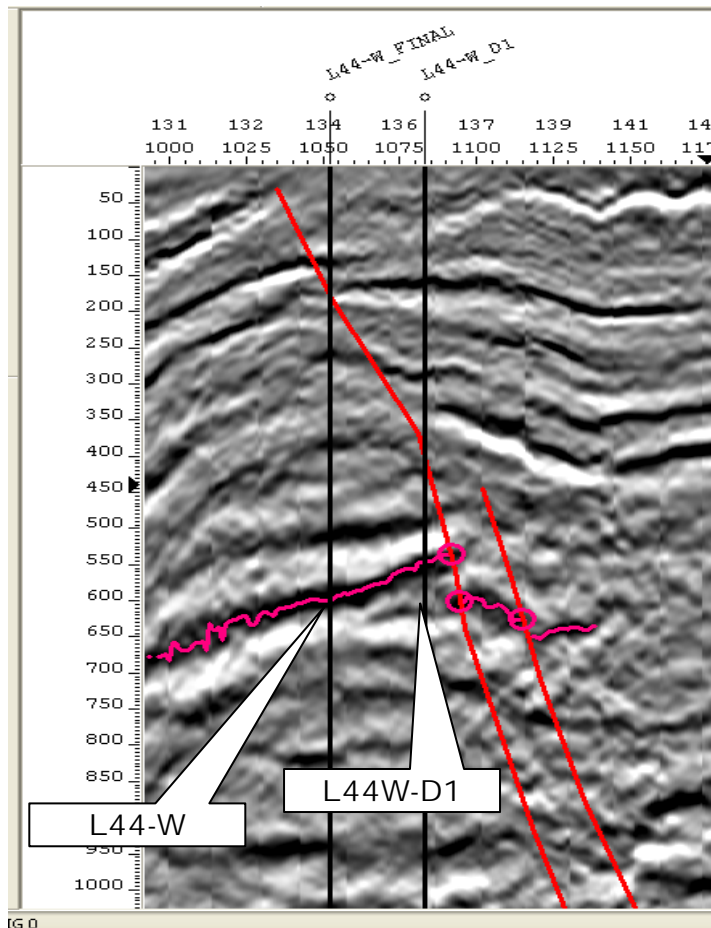
W-E Correlation



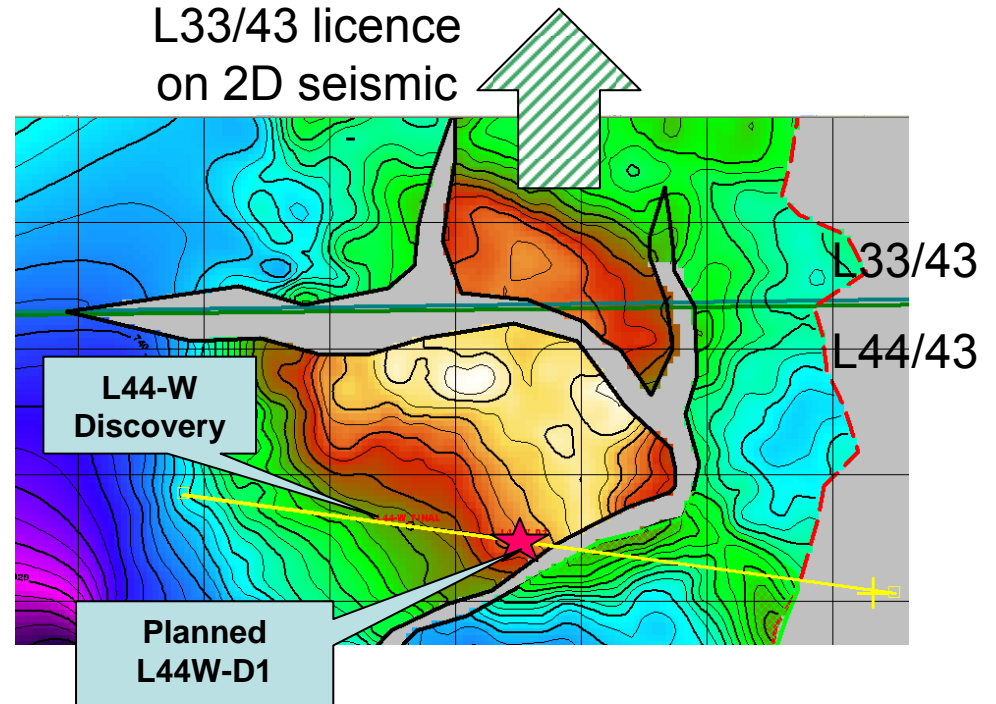
- Correlation slide across Na Sanun Field (downfaulted) and Na Sanun East Field (upthrown side of Fault)
- The red dashed line is the correlation to the previous NW-SE correlation



L44W-D1 Appraisal



Structure extends into L33/43 licence on 2D seismic

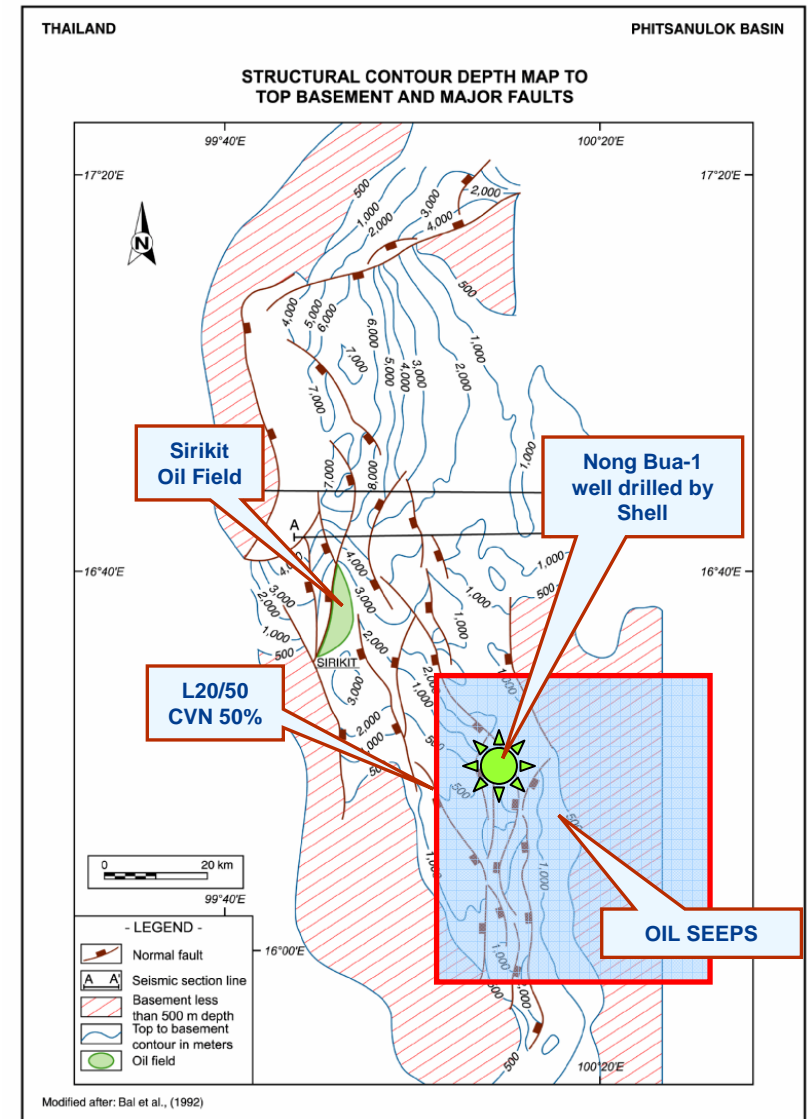


New Oil discovery at L44-W
Flow rate on testing 1,220 bopd
Appraisal well to be drilled updip at L44W-D1



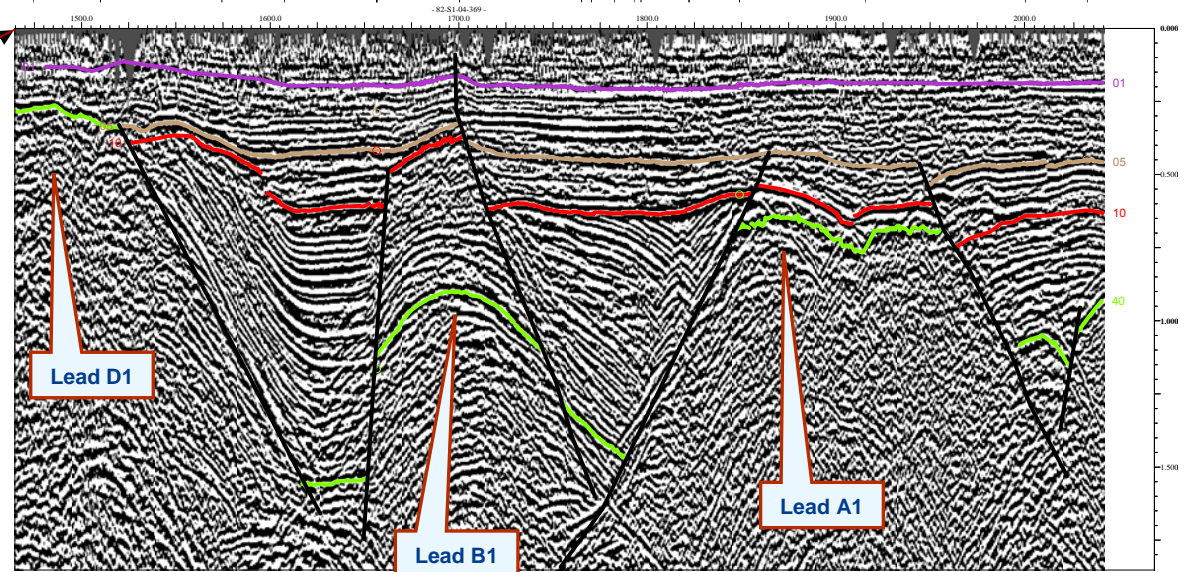
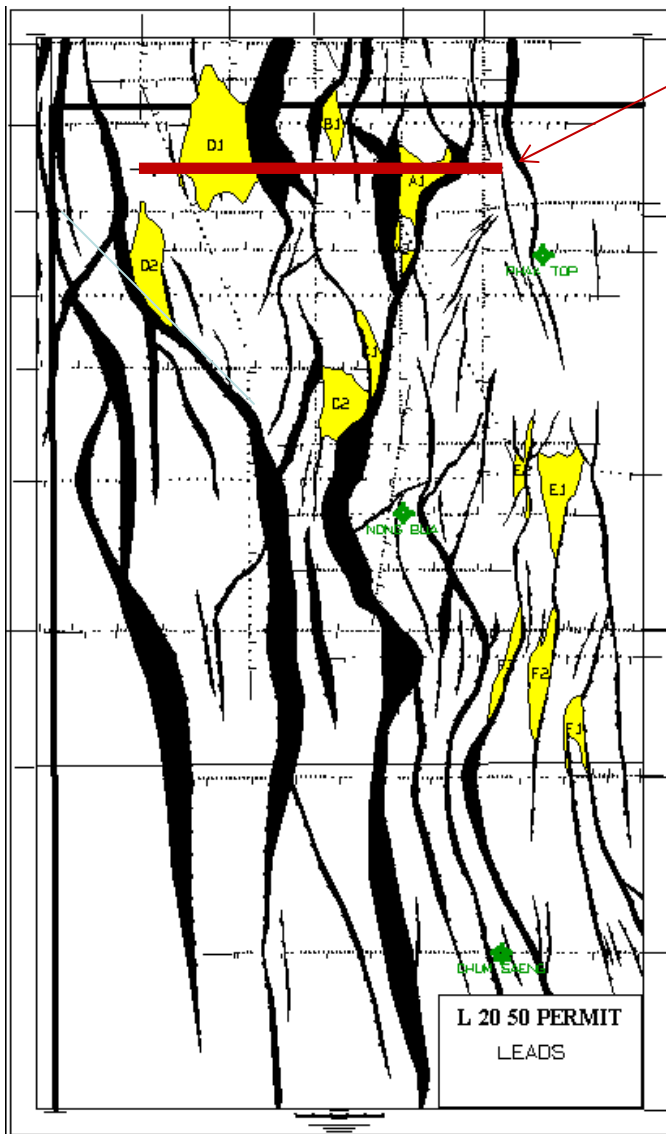
L20/50 Thailand

- 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

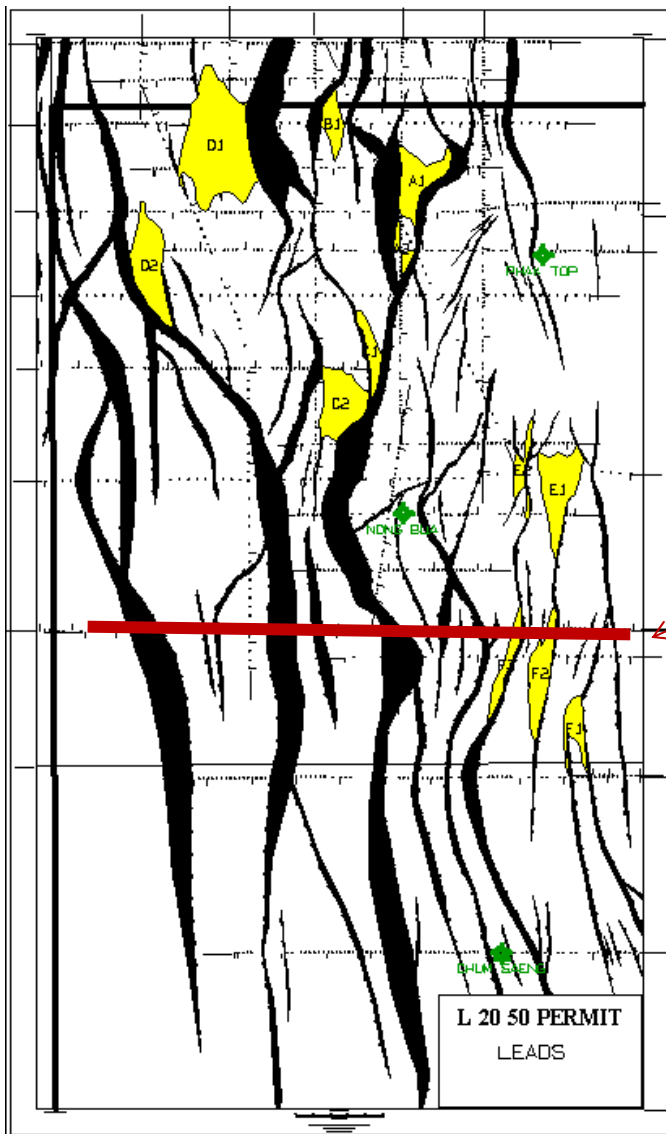


- Many structures mapped – require more seismic for definition
- New seismic survey to be acquired this year
- Kitchen areas interpreted to be generating oil now
- 1 – 4 wells being considered for next year

5 KMS

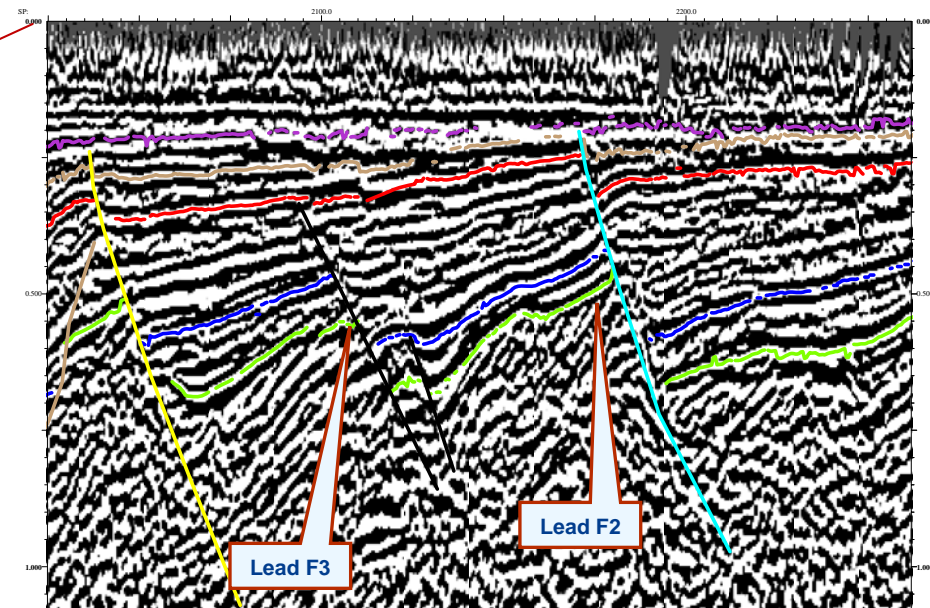


L20/50 Thailand



5 KMS

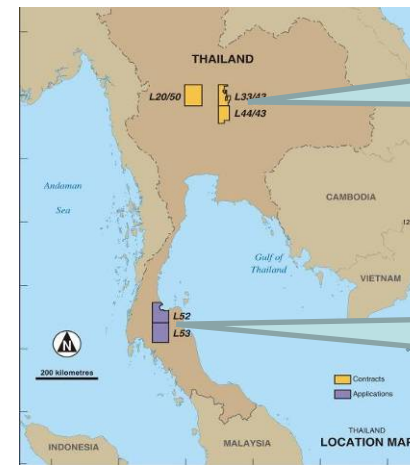
- Sirikit style structures along basin margin
- Significant structural highs
- 3 previous wells drilled in license
- Nong Bua -1 only well in closure – oil shows
- Other 2 wells outside closure – not valid tests





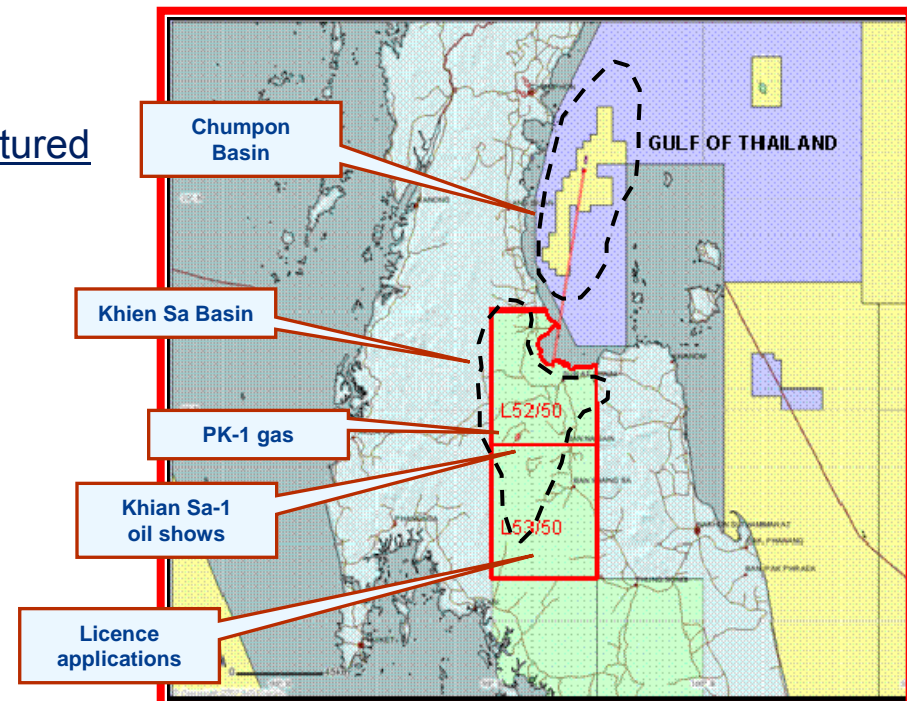
L52 & L53 Applications Thailand

- 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 now likely 2010**



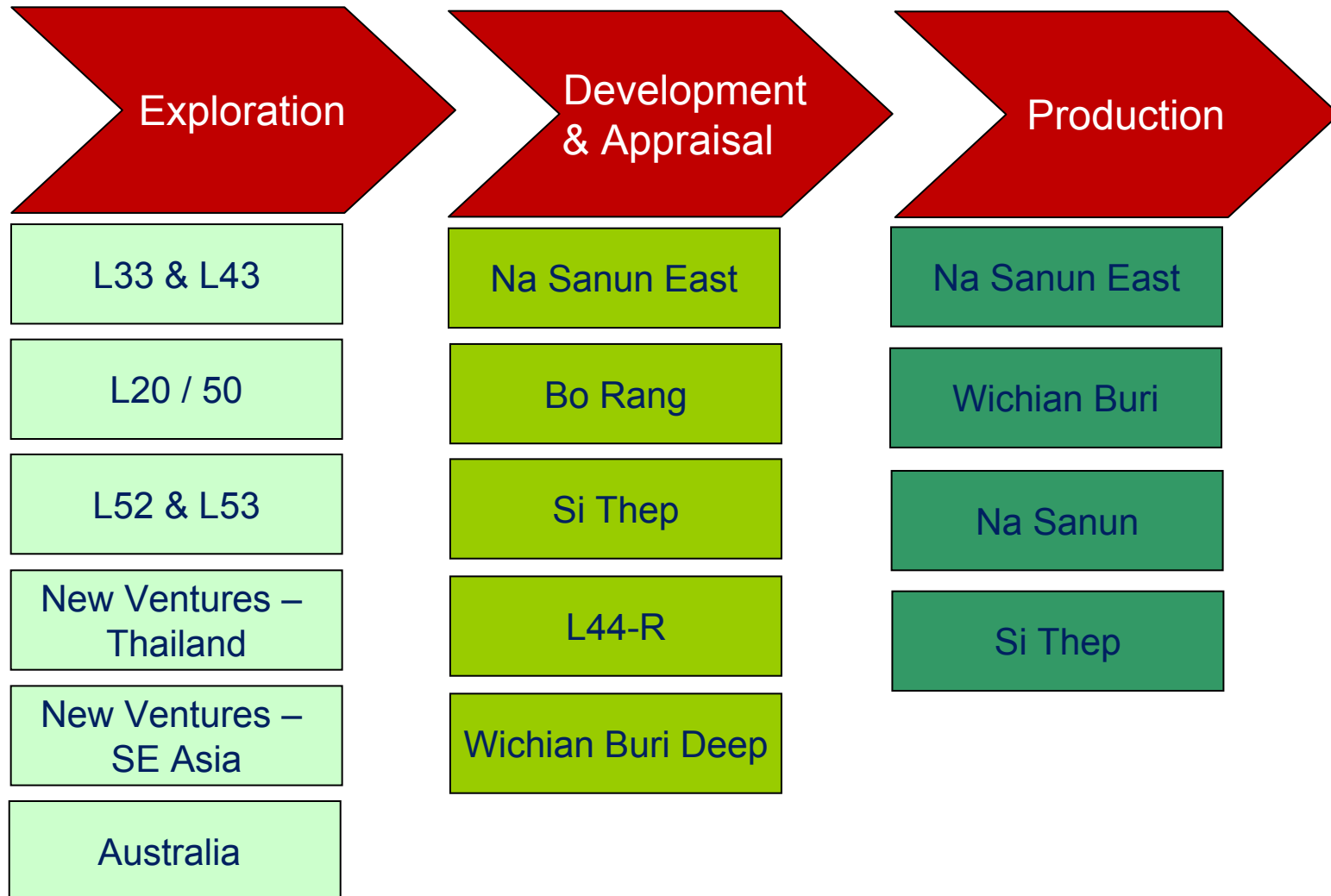
L33 & L44
Licences

New
applications
50%





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

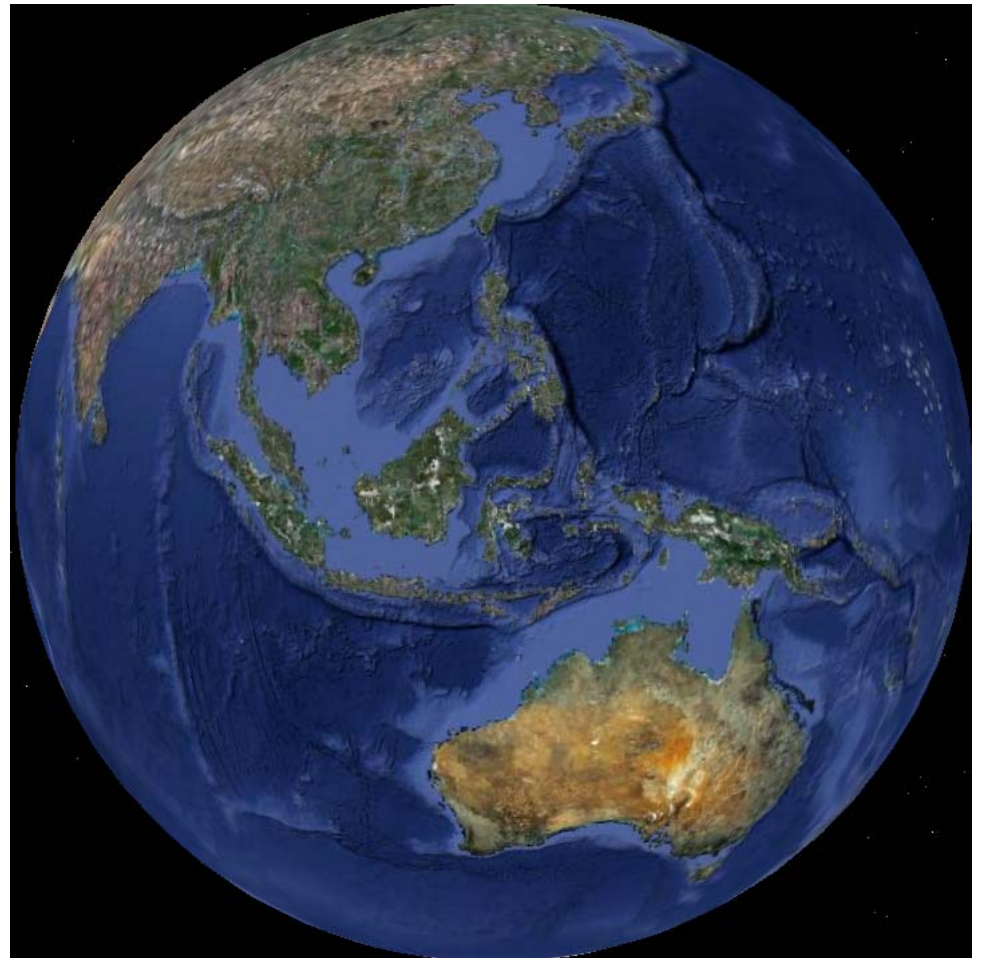
■ Capitalise on Opportunities

- ✓ 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**



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 Resources Information Unit and designed
to help and encourage new producers in the Australian petroleum industry.



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