

Good Oil Conference

5 September 2007

Production and Exploration - Onshore Thailand



Carnarvon Petroleum Limited

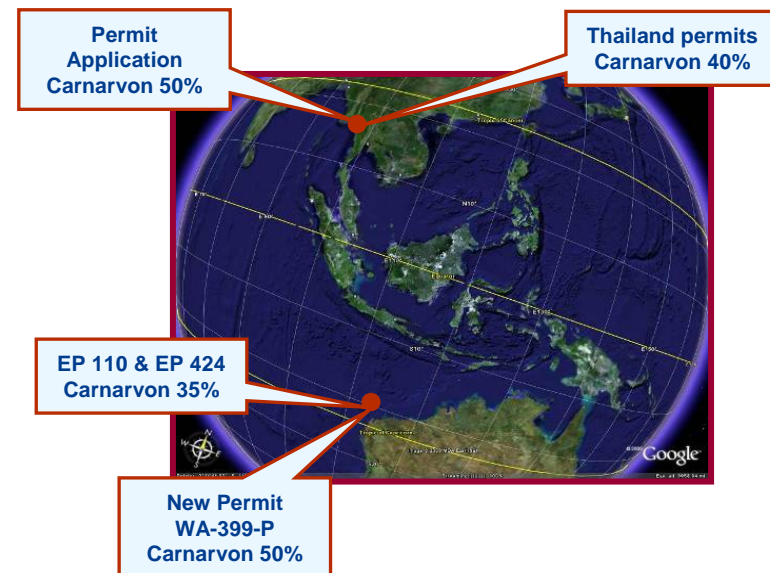


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THAILAND

- **Net 40% interest in Phetchabun Basin**
 - 2 Large Onshore Exploration Concessions
 - 8,000 square kms total area
- **4 Producing Oil Fields**
 - Wichian Buri
 - Si Thep
 - Na Sanun East (POE-9 - 2006 new discovery)
 - Na Sanun (NS-1 – 1994 failure; NS-4 - 2007 success)
- **Significant Oil Reserves**
 - 3 mmbbls (2P) net to CVN - as at Dec 2006 - Wichian Buri field + minor amt for POE-9
 - Does not include new Na Sanun or majority of Na Sanun East fields - together producing at around 1000 bopd
 - Significant potential for reserves upside
 - Independent Carnarvon reserves assessment in progress
- **Increasing Production**
 - Since start of drilling in 2006 gross production increased from 50 bopd to current ~1400 bopd
- **Up to 37 wells planned for 2007/2008 - 6 drilled so far - 2 drilling now**

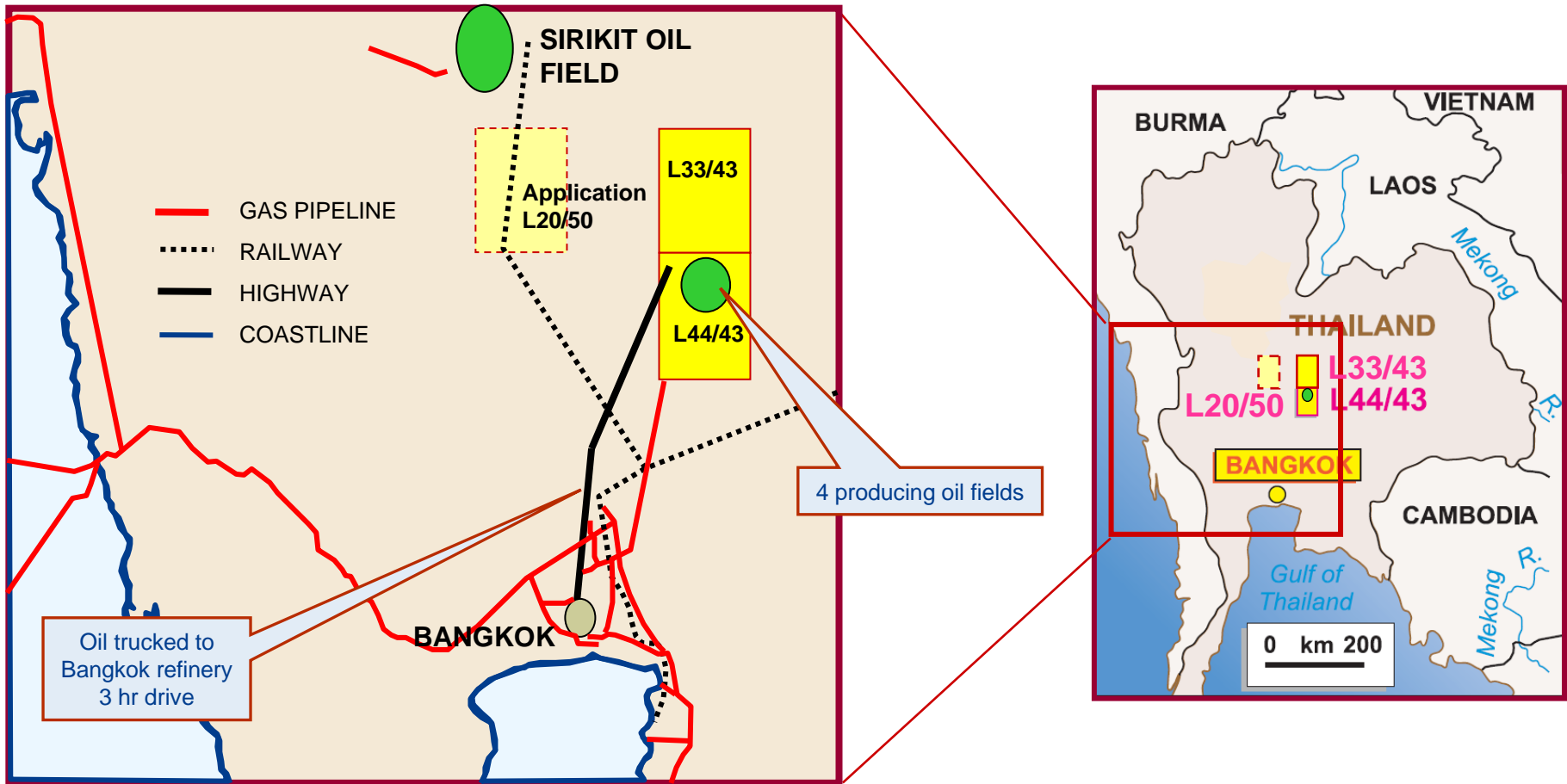


AUSTRALIA

- **3 Exploration concessions in Carnarvon Basin**
 - Baniyas Prospect in EP 424 ~ 20 mmbbls gross potential with good seismic coverage – CVN 35%
 - Black Tom Prospect in WA-399-P ~ 48 mmbbls gross potential – CVN 50%



LOCATION - THAILAND PERMITS



Supportive Government and favourable fiscal regime - Thailand needs oil discoveries

5% Royalty & 50% Company tax



STRUCTURE AND MANAGEMENT

Capital Structure

Shares on issue (ASX : CVN)	657.5 million
Options on issue (7 & 10c)	25 million
Market Capitalisation: (fully diluted)	\$116 million
Cash on hand (30 June 2007)	\$8.9 million

Shareholders

Directors & Management	10%
Institutions	14%
Top 20 holding	28%

Chairman Peter Leonhardt

CEO Ted Jacobson

Company Secretary Bob Anderson

Non Exec Directors Neil Fearis & Ken Judge

Technical:

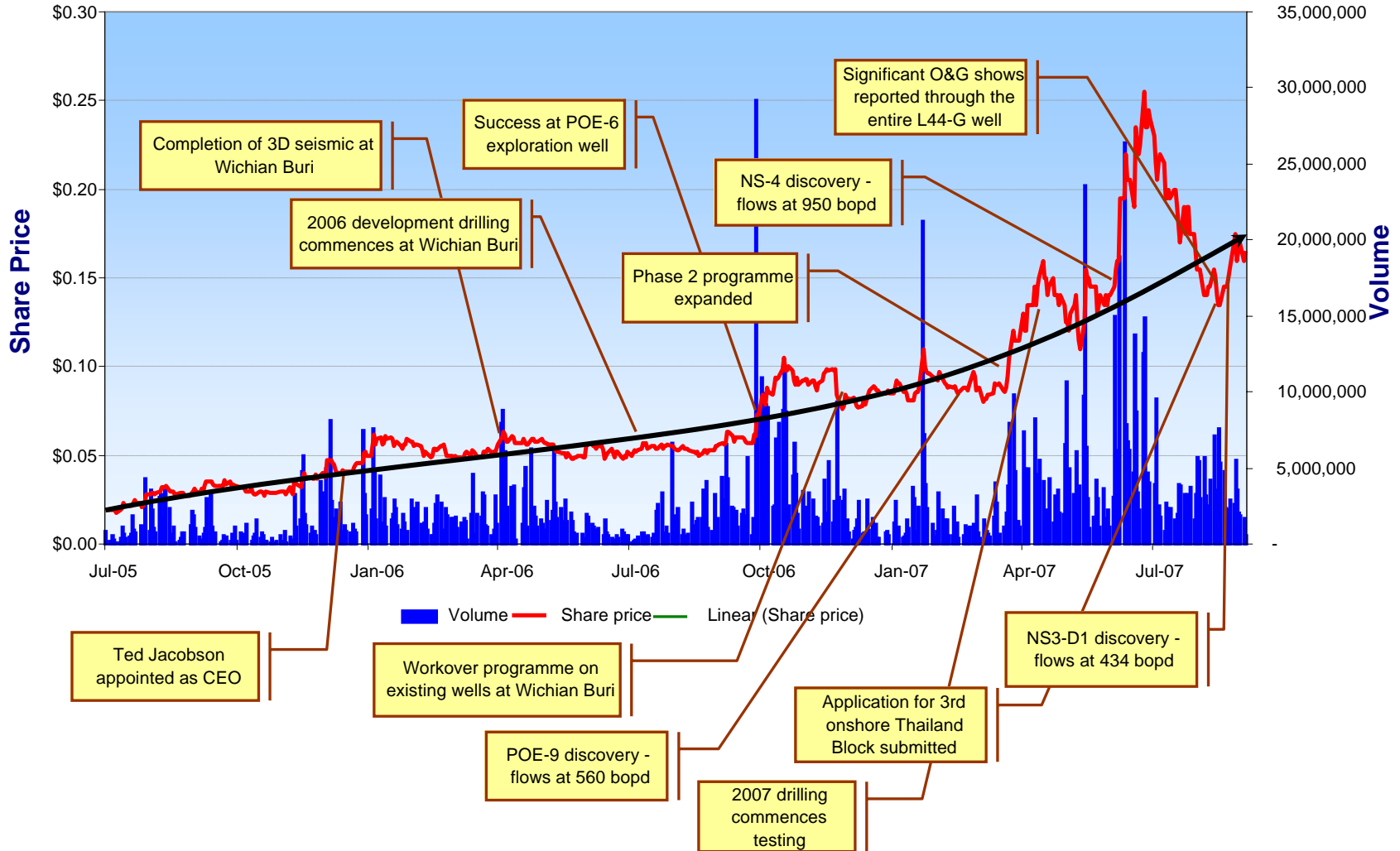
- Technical managers
 - Ted Jacobson - Geophysics
 - Ian McClure - Geology
 - Tara Reilly – Geology + Geophysics
 - Philip Huizenga - Engineering

Good people are a company's major asset
Carnarvon is assembling an exemplary team



SHARE PRICE PERFORMANCE

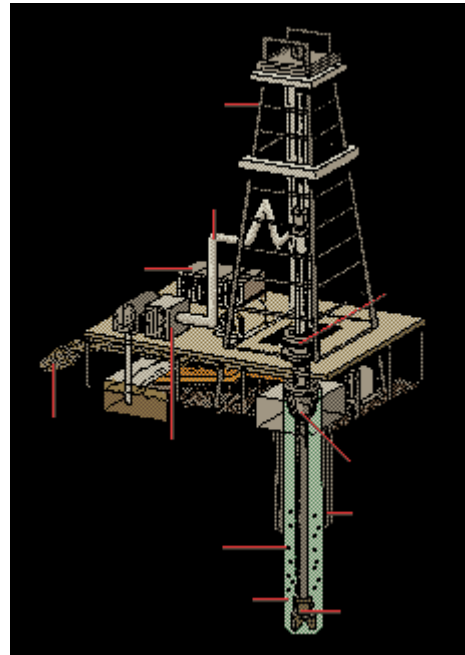
CVN Share Price from 1 July 2005



Share price re-rating as milestones are achieved



OPERATIONAL REVIEW

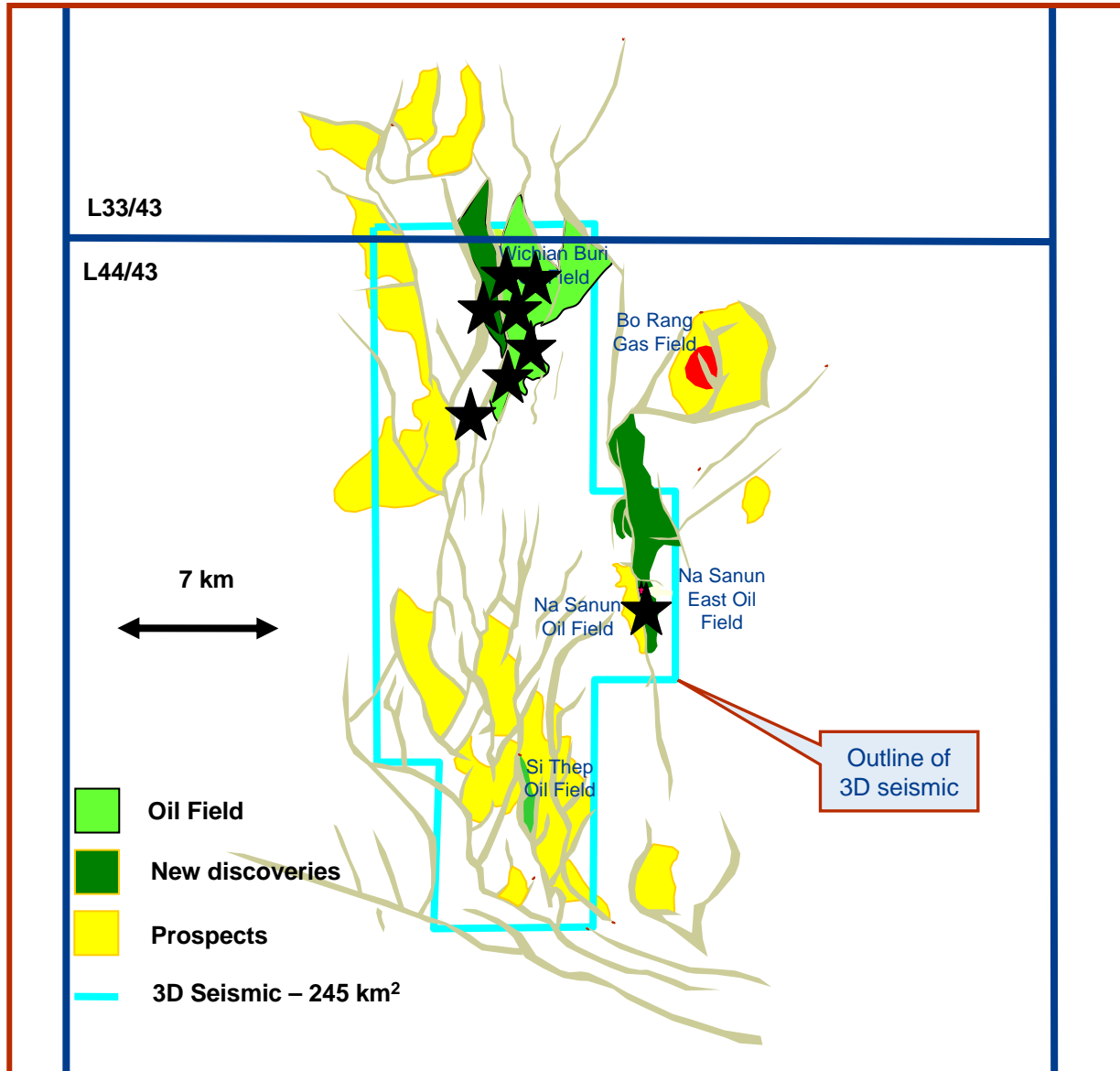




2006 PROGRAMME

Phase 1: POE Wells

Phase 1 Drilling
July 2006 - Dec 2006



Clastics

- POE-2: Producing at 30 bopd
- POE-1: P & A – Fish in hole
- POE-8: Shut-in – Low rate
- POE-6: Producing at 35 bopd
- POE-3: Producing at 50 bopd
- POE-5: Producing at 100 bopd
- POE-7: Dry Hole
- POE-1RD: Shut-in – Low rate

Volcanics

- POE-9: Producing at >300 bopd on choke from 1 of 4 intervals (peak production at 560 bopd)

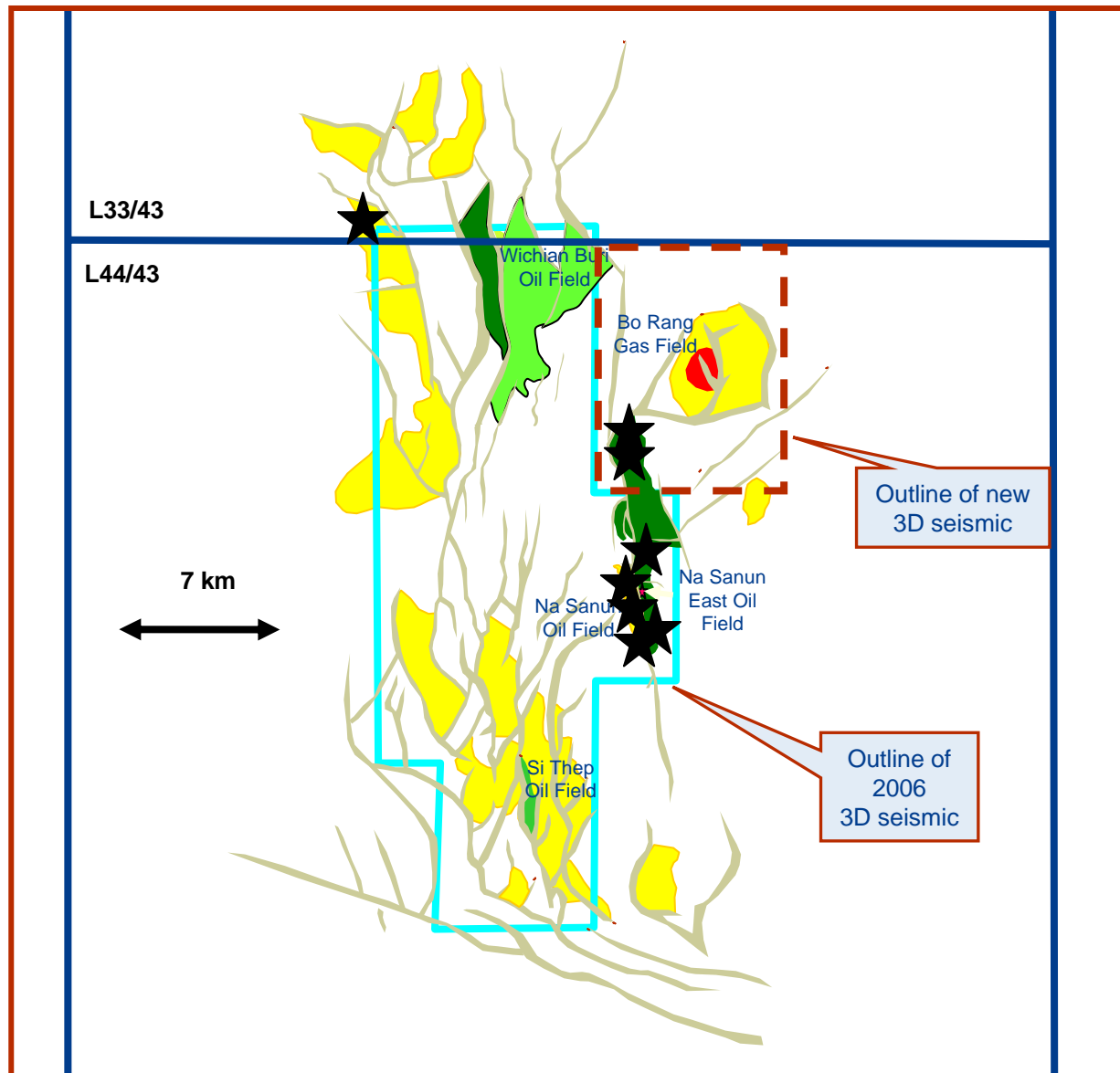
Highlights

- New discovery at POE-9 - fractured volcanic play
- POE-6 extension to Wichian Buri
- Production from 4 levels - “F” “G” and “H” sandstones and fractured volcanics



2007/8 PROGRAMME






Phase 2: Appraisal



**Phase 2 Drilling
Commenced April 2007
Currently Ongoing**

Volcanics

- L33-D: Well test failed
- NS-3: Shut-in – Low rate
- NS-4: Producing at ~300 bopd on choke from 1 of 4 intervals (peak production at 950 bopd)
- NS-1RD: Shut-in – Low rate
- NS-3D1: Testing at 434 bopd
- L44-G: Testing in 2 weeks
- L44G-D1: Drilling at 610 m
- L44-H: Drilling / cutting core at 840 m

-  Oil Field
-  New discoveries
-  Prospects
-  2006 3D Seismic – 245 km²
-  2007 3D Seismic – 120 km²



2007/8 PROGRAMME






Forward programme

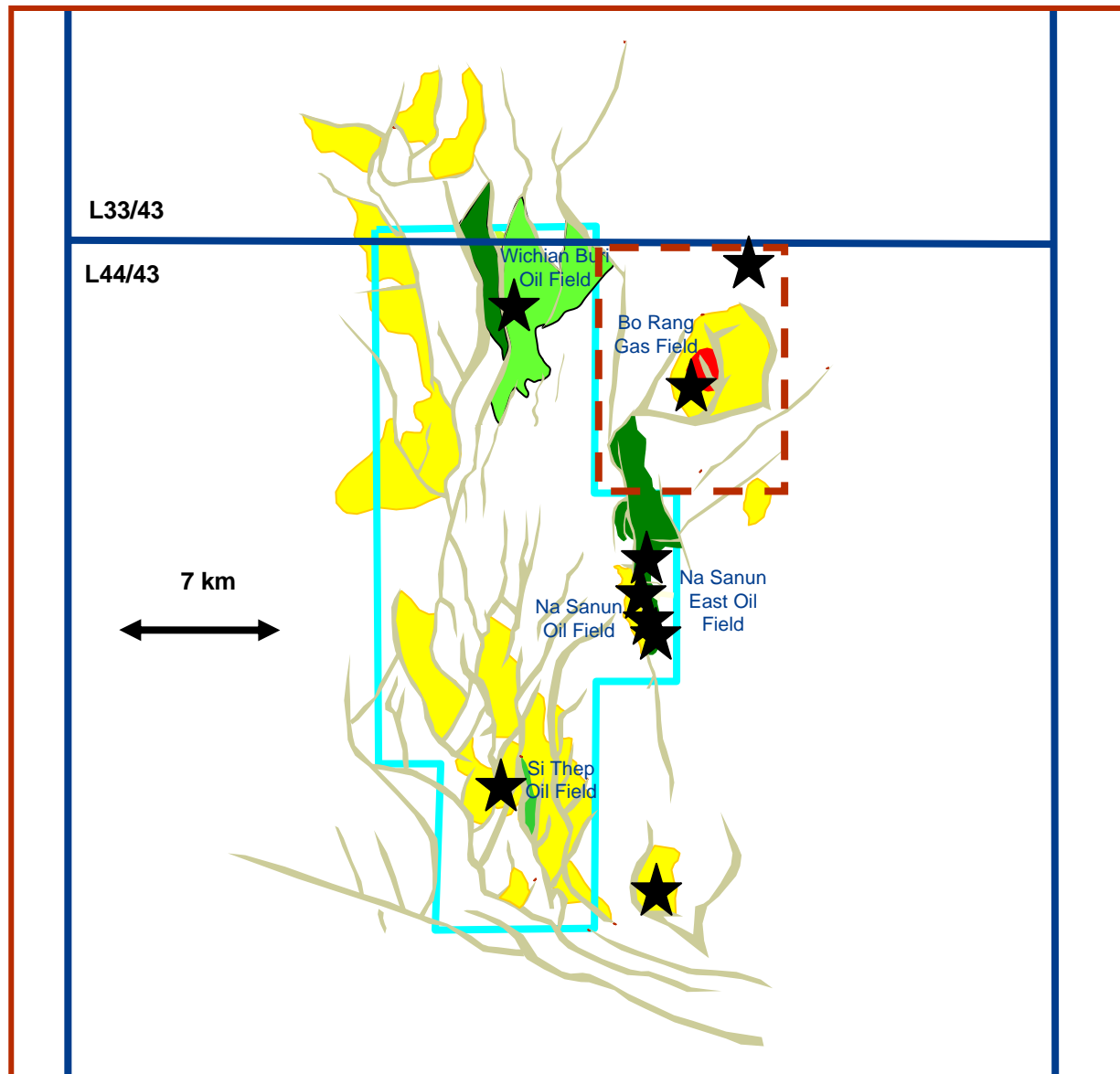
Phase 2 Drilling Upcoming wells

Volcanics

- NS5-D1: Na Sanun East Appraisal
- NS2-D1: Na Sanun East Appraisal
- NS6-D1: Na Sanun East Appraisal
- NS8-D1: Na Sanun East Appraisal
- L44-C: Wichian Buri Appraisal
- L44-V: Volcanics Exploration
- L44-W: Bo Rang Exploration
- L44-R: Volcanics Exploration
- L44-E: Si Thep Exploration

* Note approximate locations only

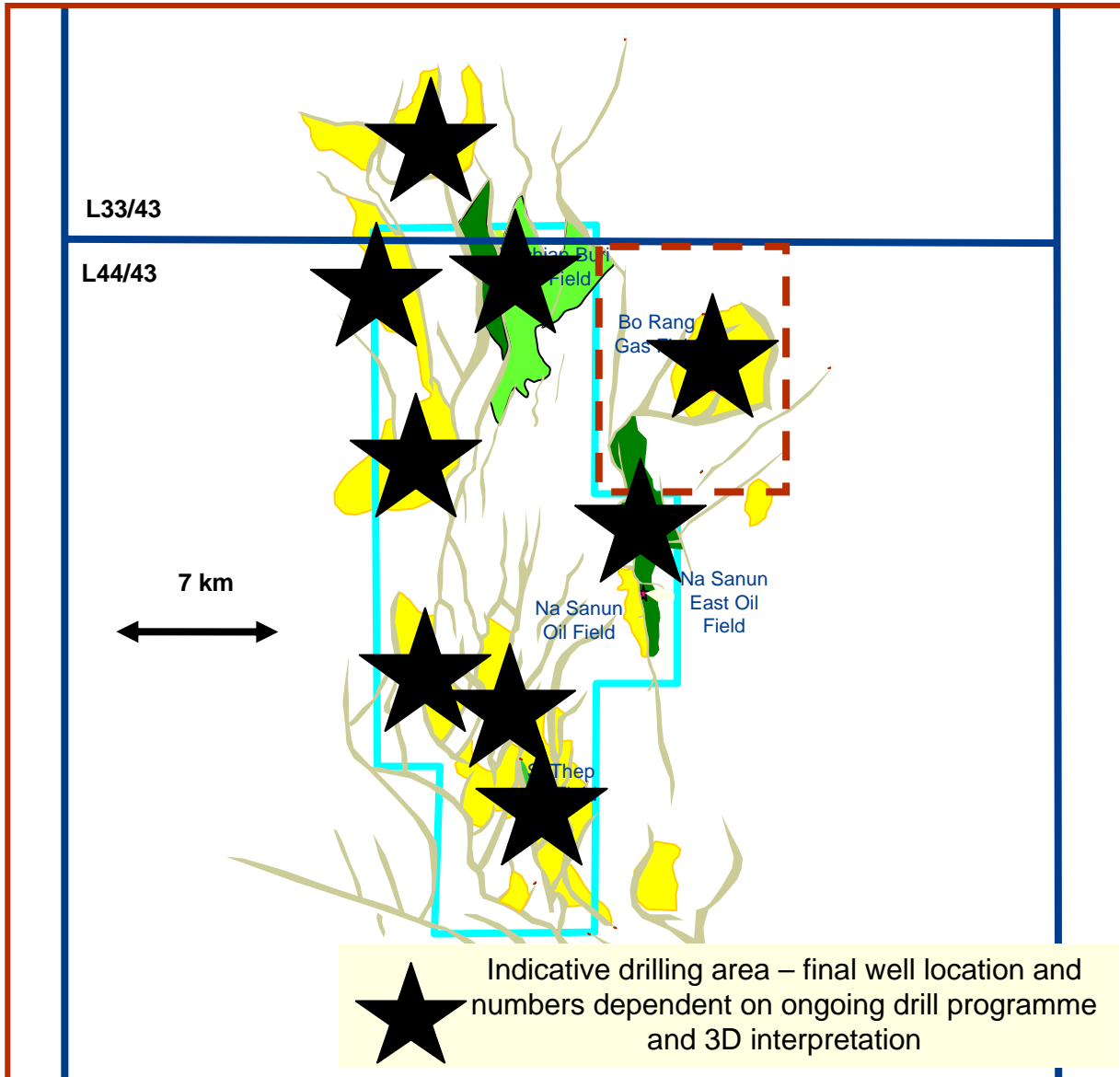
-  Oil Field
-  New discoveries
-  Prospects
-  2006 3D Seismic – 245 km²
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2007/8 PROGRAMME

Forward programme



Phase 2 Drilling Final wells

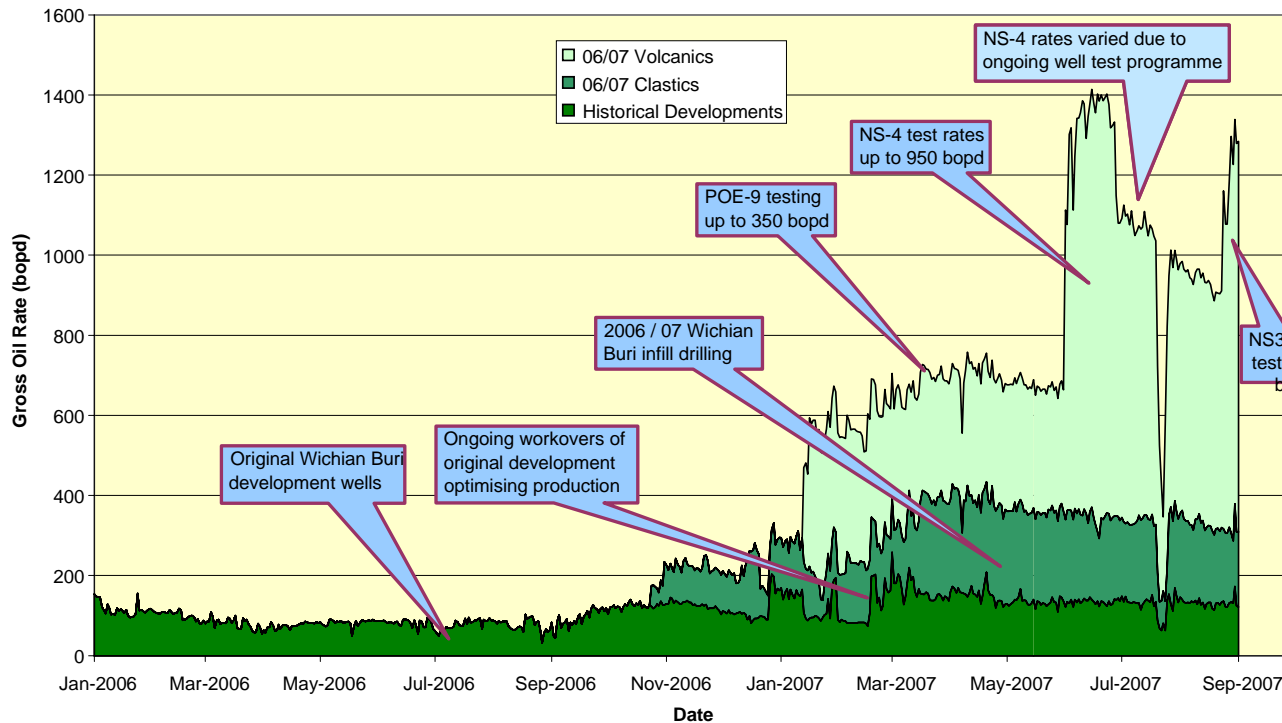
- Previous slides outline anticipated first half of programme
- Appraisal/exploration programme will go through to mid 2008
- Completion of around 16 wells envisaged
- Ongoing review of results will determine:
 - Production license extent
 - Development programme
 - Development wells
- Anticipate further 20 wells to be drilled through 2008

- Oil Field
- New discoveries
- Prospects
- 2006 3D Seismic – 245 km²
- 2007 3D Seismic – 100 km²



Gross Production Rate - Carnarvon 40%

Phetchabun Basin Production



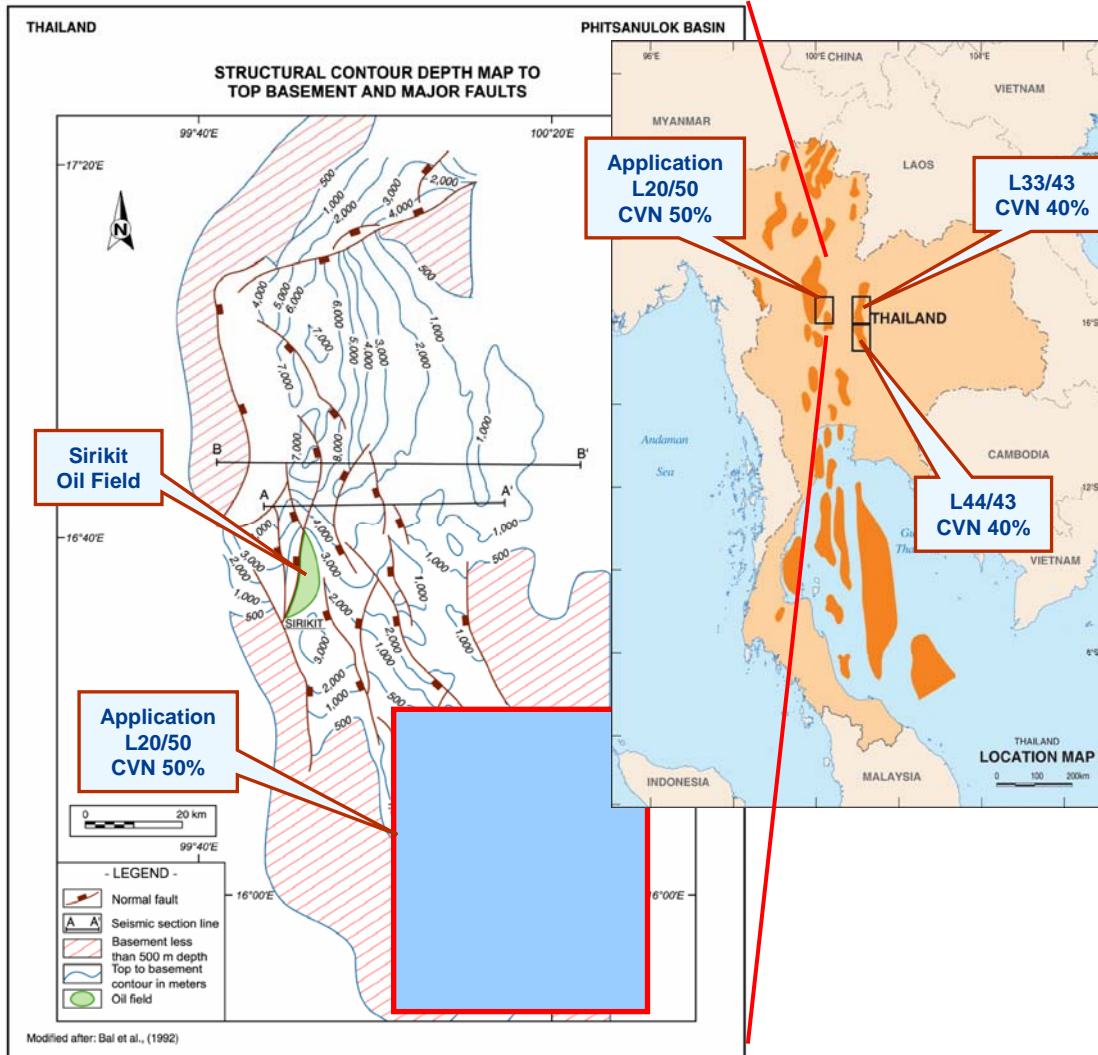
Current production rate around 1,400 bopd (560 bopd net to CVN); well test programme still ongoing; further 3 wells to be tested in next 2-3 weeks; final development depending on well test results

- **Sept 2006 around 100 bopd**
- Workover original wells
 - Add 50 bopd
- Phase 1 drilling success
 - 200 bopd from sandstone
 - 300 bopd volcanics (POE-9)
- Phase 2 success to date has added two volcanic production well
 - NS-4 at 300 bopd
 - NS-3D1 at 434 bopd
- **Sept 2007 around 1400 bopd**
- Phase 2 has potential to add further production this year:
 - L44-G lost circulation in volcanics - test in 2 weeks
 - L44G-D1 and L44-H drilling – potential tests in 2-3 weeks
- **2008 potential ?**
 - Continuous drilling through 2007/2008



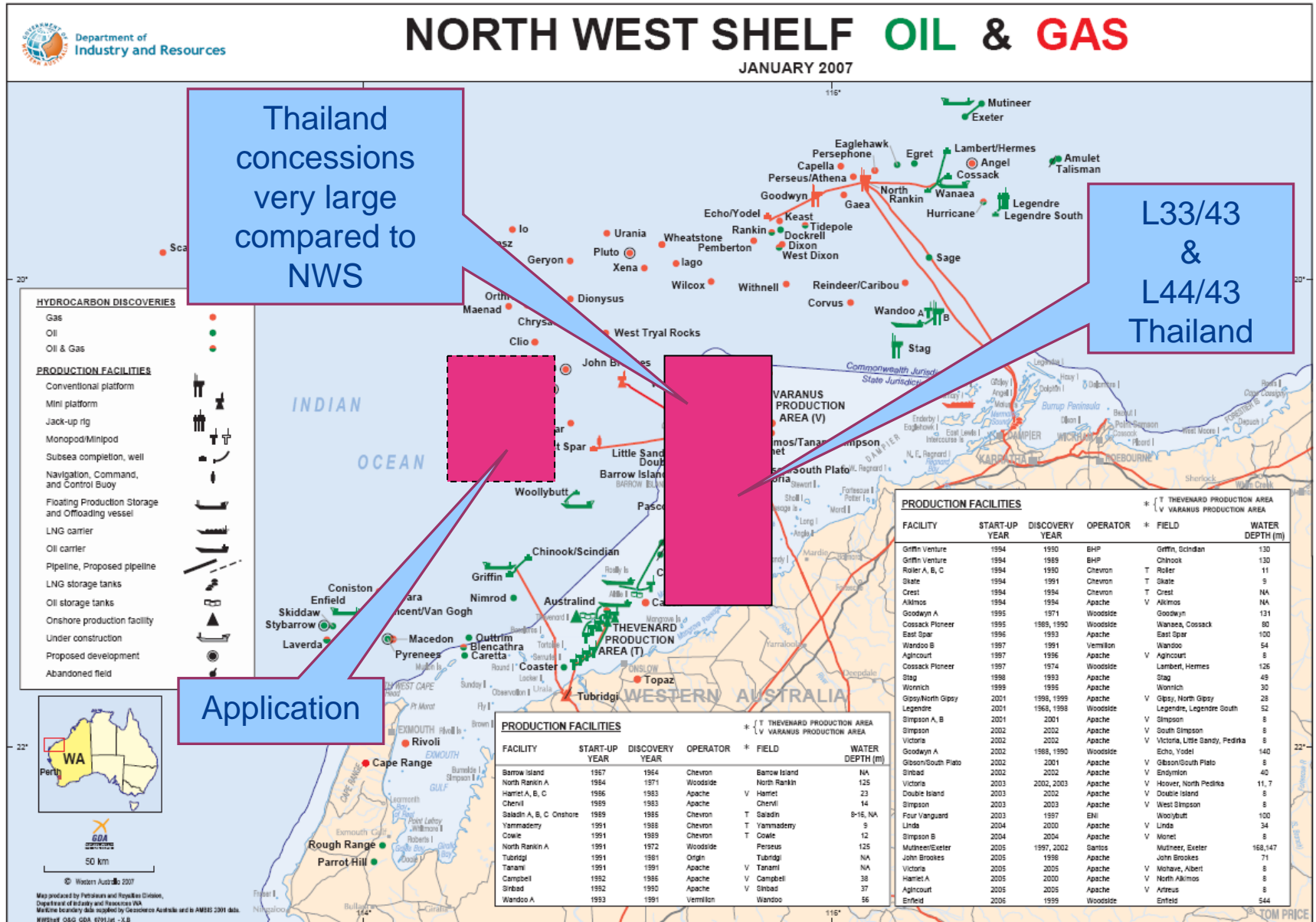
NEW PERMIT APPLICATION

GROWTH POTENTIAL IN THAILAND



- Applied for a new concession 50% onshore Thailand
- Sole bidding group
- CVN Operator
- Southeast and on trend of large Sirikit Oil Field
- Sirikit produced over 150 million barrels and still producing 20,000bopd
- West of existing concessions
- Existing infrastructure allows quick tie-in
- Potential to add more oil reserves in 2-3 yrs
- Very similar geology to the Phetchabun Basin

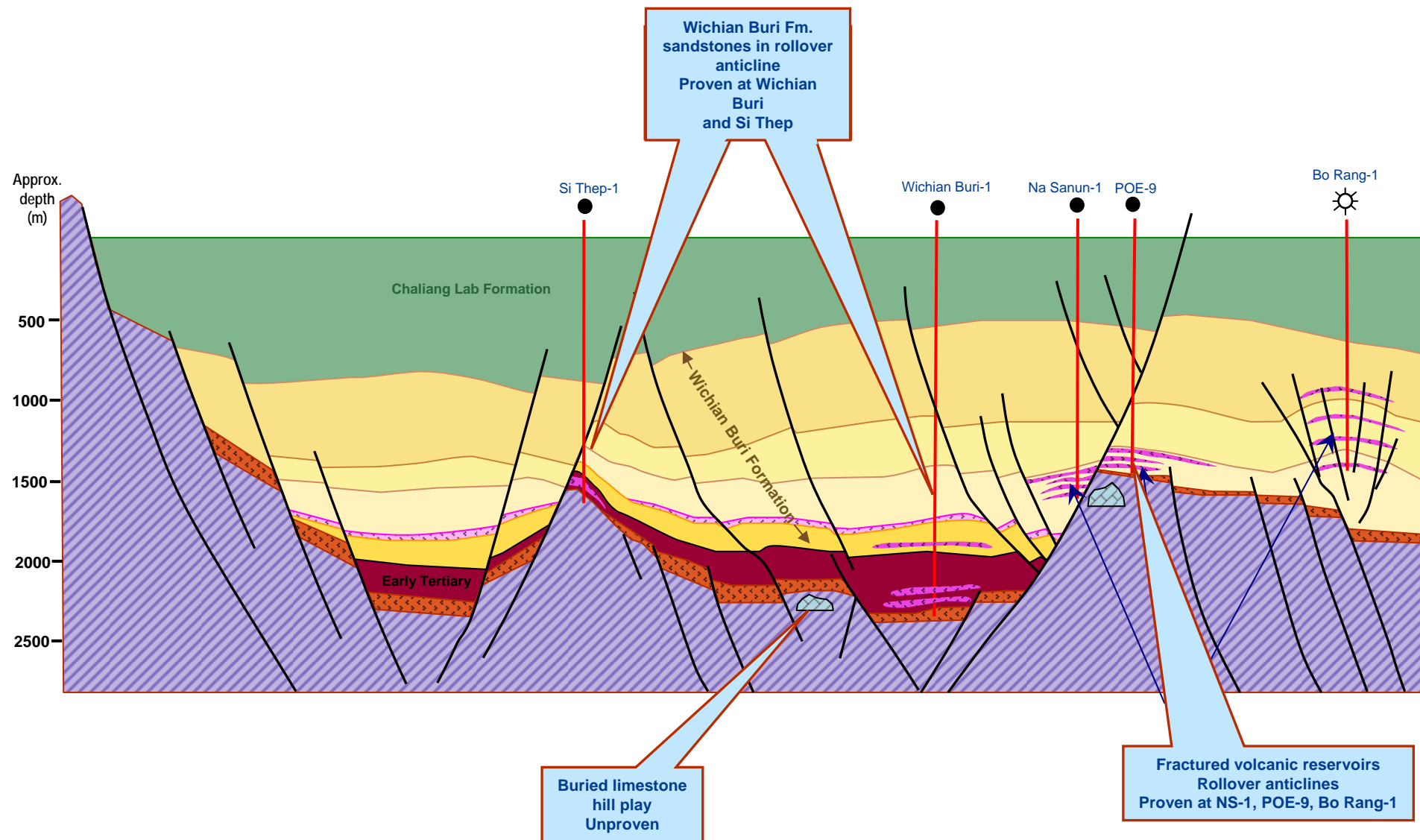
THAILAND - LARGE PERMITS compared to NWS Western Australia





PHETCHABUN BASIN

Multiple play types



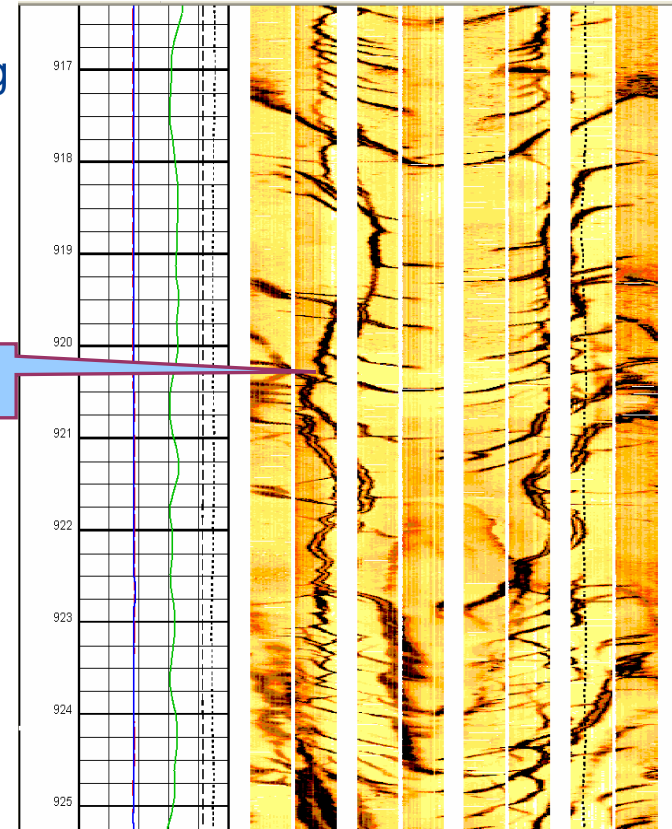


EXTENSIVE FRACTURE SYSTEMS

- Fracturing identified as lost circulation while drilling
 - Drilling fluid/mud disappears into fractures
 - Little mud returns on flow testing
 - Indicates extensive fracture system

- Very large fractures present
 - Drill bit dropped 1 metre on NS3-D1
 - Lost 132 barrels/hour on L44-G
 - Lost 138 barrels/hour on NS3-D1
 - Lost 17 barrels/hour on current well L44G-D1
 - Shallower volcanics – another play?
 - These are significant losses while drilling
 - Indicates large scale of fractures

Fractures



- Results from POE-9 & NS-4 demonstrate that these fractured volcanics can produce significant, extended flow rates, with POE-9 & NS-4 producing at a peak of 560 & 950 respectively and with continued stable production

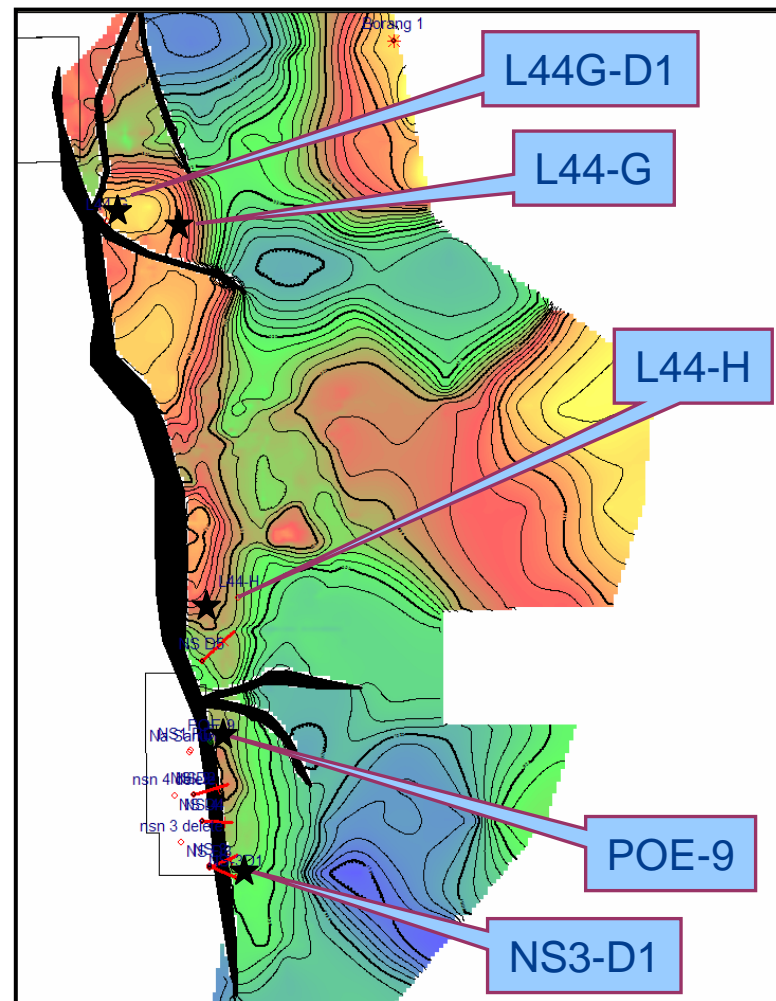


NA SANUN EAST OIL FIELD

Significant structure

Reserve Increase Impending

- Reserves are yet to be calculated for fractured volcanic play
 - No core data yet – cutting core on current well L44-H
 - No oil water contact – significant column
- Na Sanun East structure
 - 8 kms long – 1.8 kms wide
 - POE-9 shows minimal production decline after ~ 8 months of production
 - Deeper volcanics not yet tested





POISED FOR MORE SUCCESS

- **Extensive drill programme** - 15 wells already drilled 2006/2007
- **2 rigs + workover rig on long term contracts** – at least 30 more wells planned 2007/2008
- **Lots of structures to drill** – concessions cover ~ 8,000 sq kms
- **Proven oily system**
- **Established play concepts** – Lacustrine sands + Fractured volcanics
- **Good reservoirs** – fractured volcanics
- **Production steadily increasing** – 1400 bopd
- **Moderate risk** – volcanics - 3 out of 6 successful on production
- **Cost effective operations** – Operating cost ~US\$10/bbl → reducing with flow additions
- **Good fiscal regime** – 5% royalty + 50% tax