

Half Year Financial Report Presentation

28 February 2012



ASX ANNOUNCEMENT

Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide shareholders with the attached Half Year Financial Report Presentation

For this presentation and further information on the Company please visit the CVN website at: www.carnarvon.com.au

For all enquiries please contact:

Adrian Cook
Managing Director - Carnarvon Petroleum
08 9321 2665
Email: admin@cvn.com.au

Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook".

Adrian Cook
Managing Director
Carnarvon Petroleum



Interim Financial Report

31 December 2011

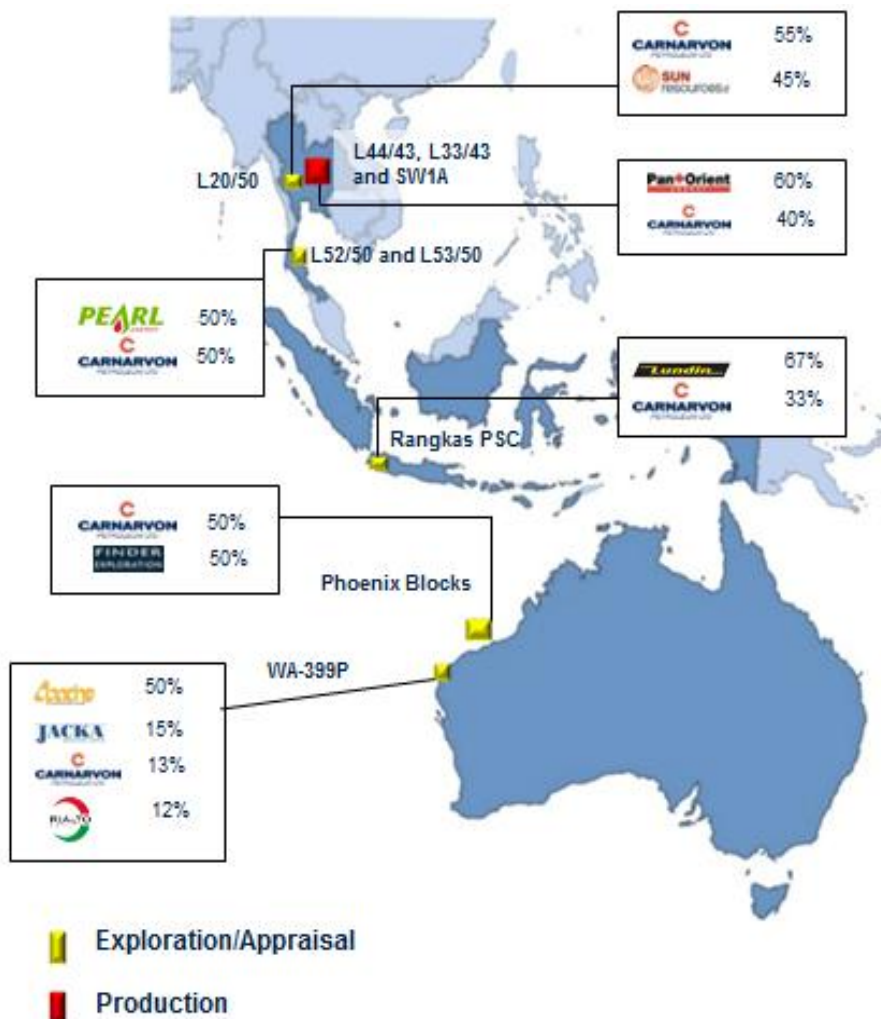
THAILAND

INDONESIA

AUSTRALIA



- ❖ Business overview
- ❖ Corporate overview
- ❖ Income Statement Summary
- ❖ Statement of Cash Flows Summary
- ❖ 2012 Priorities



Strategic focus

- ✓ Material equity interests
- ✓ Onshore & shallow offshore
- ✓ S.E Asia & Australia
- ✓ Conventional oil & gas
- ✓ Production, appraisal & exploration

Key assets

- ✓ Oil production & exploration in Thailand
- ✓ Gas exploration / appraisal offshore WA

Corporate overview

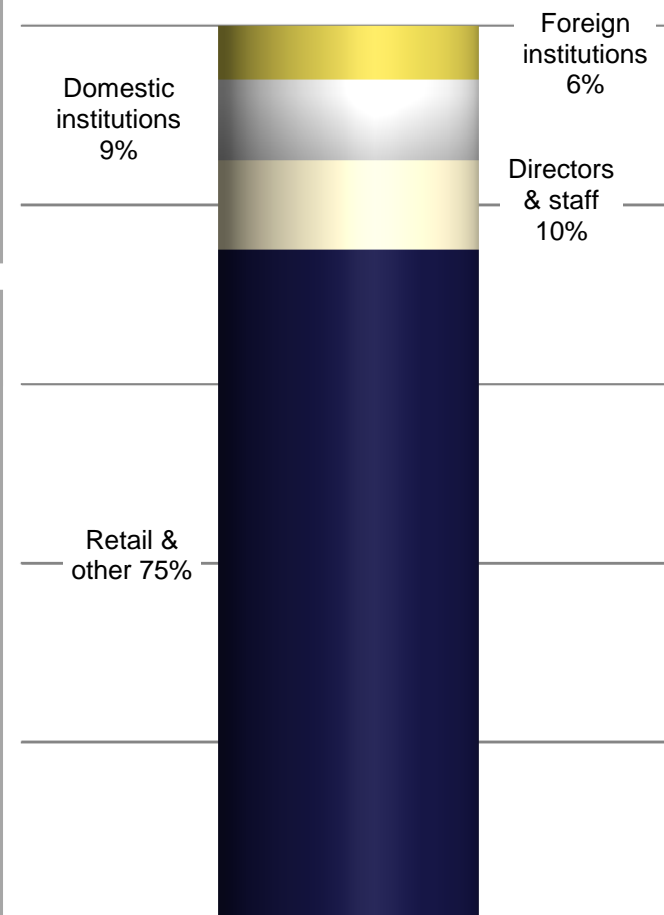
As at 27 February 2012

- Shares on issue 693.3 million
 - Held by directors & staff 69.0 million
- Market capitalisation (A\$0.16 / share) A\$111 million
- Liquidity (% of stock traded per annum) ~90%

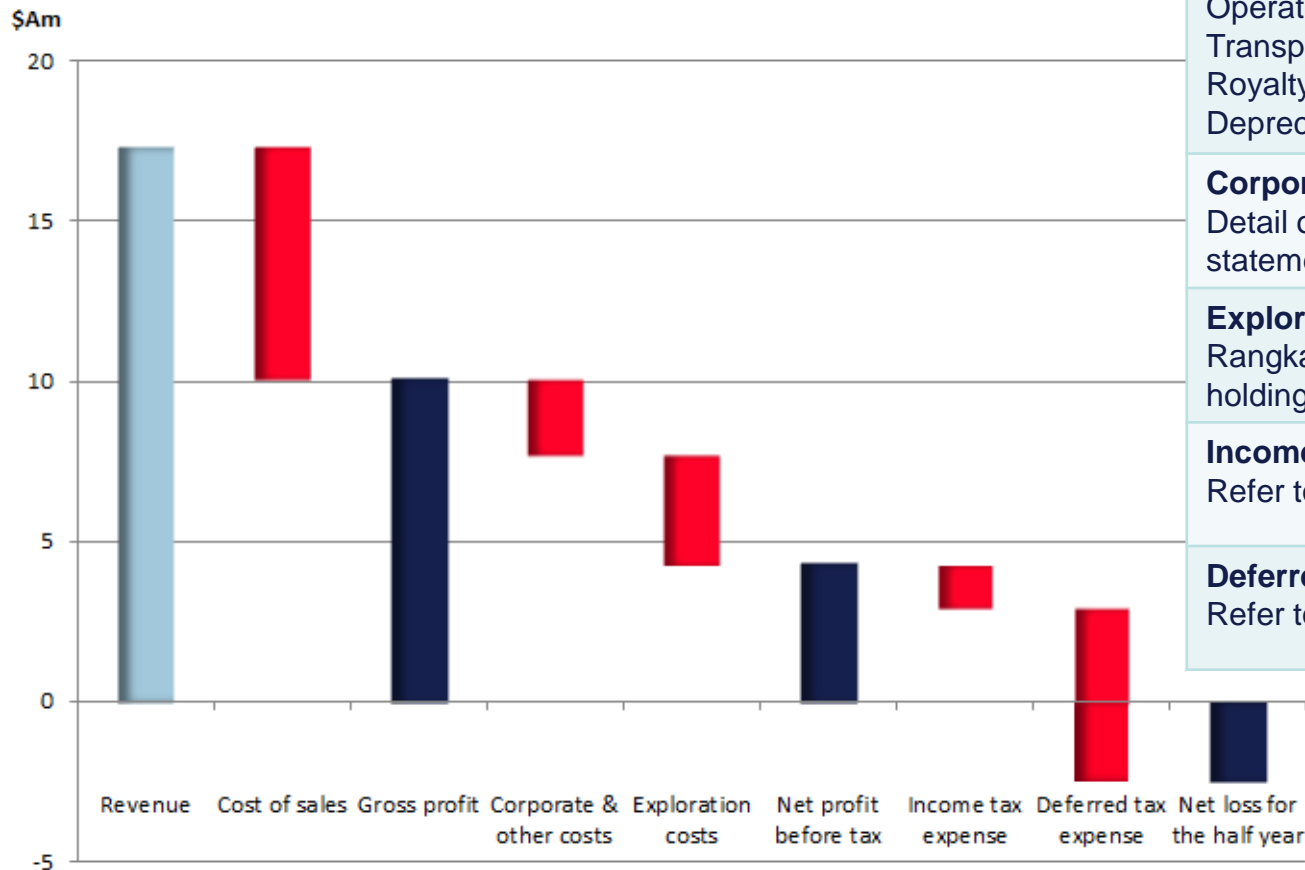
Key assets and liabilities

- Cash as at 31 December 2011 A\$10.2 million
- Loss for Half Year ended 31 December 2011 A\$2.5 million
 - Includes exploration write off A\$3.4 million
 - Includes deferred tax expense A\$5.5 million
- Positive Operating Cashflow A\$9.1 million
- No Debt

Shareholder base



Income Statement Summary



Revenue	\$17.3m
Oil sold (net to cvn)	992 bopd
Realised price per barrel	\$96.22
Cost of sales	\$7.2m
Operating costs	\$4.2m
Transport costs	\$0.4m
Royalty costs	\$0.9m
Depreciation	\$1.7m
Corporate and other costs	\$2.4m
Detail outlined in income statement	
Exploration costs	\$3.4m
Rangkas seismic and other holding costs expensed	
Income tax expense	\$1.3m
Refer to explanation on page 6	
Deferred tax expense	\$5.5m
Refer to explanation on page 6	

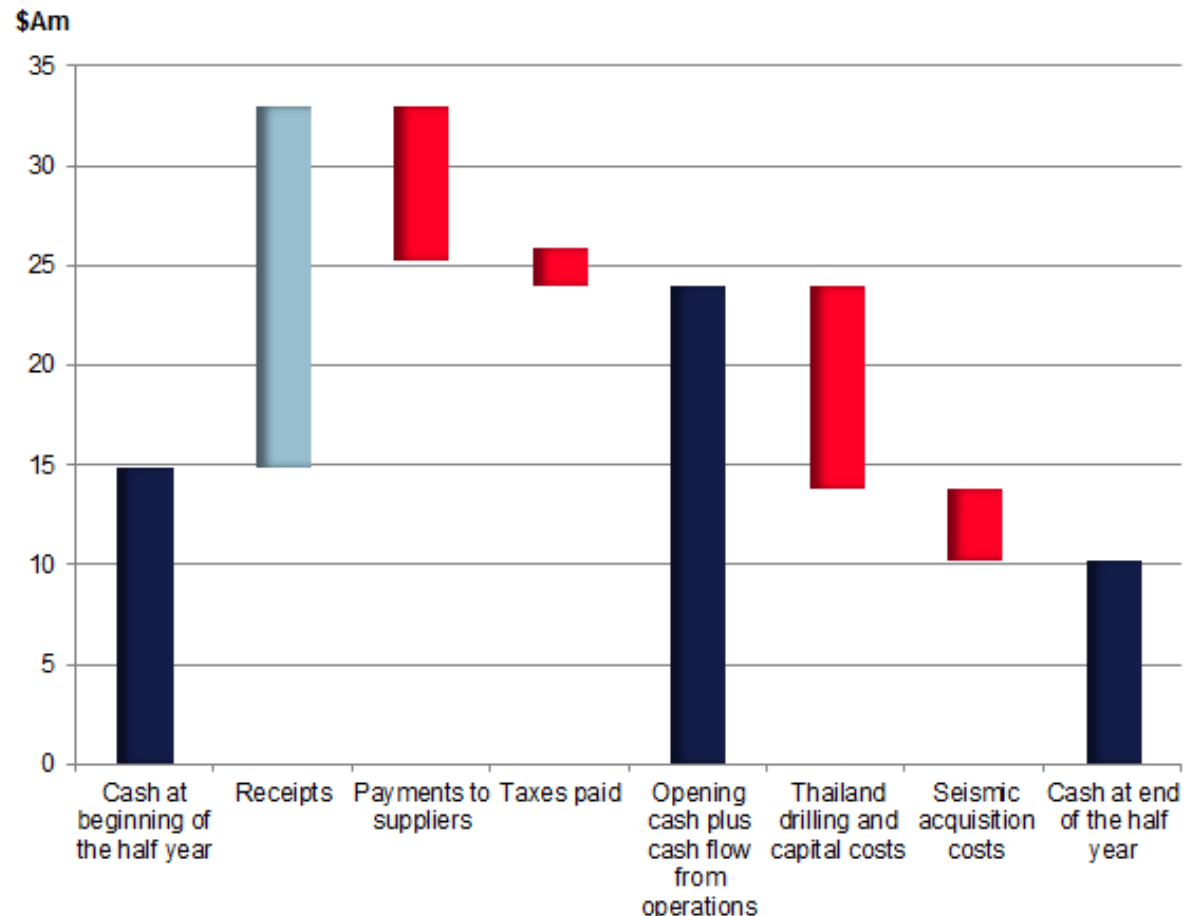
Income Tax Expense

The income tax expense pertains to Thailand taxes and is incurred in relation to profits in the Thailand operations. Expenses incurred in Australia are not deductible for Thailand income tax purposes. However these costs are retained and form tax losses available for use in future periods against future Australian sourced income.

Deferred Tax Expense

With the increase in development costs carried forward, there has been an increase in deferred tax liabilities recognised in the financial statements. These liabilities are due to temporary differences between income tax deductions and amortisation with respect to the Company's oil & gas assets in Thailand. The deferred tax component of the income tax expense does not incur any cash obligation to the Thai tax authorities in the current period.

Statement of Cash Flows Summary



Cash flows from operating activities	\$9.1m
Receipts	\$18.1m
Payments to suppliers	(\$7.7m)
Taxes paid	(\$1.3)
Thailand drilling and capital costs	\$10.2m
17 wells including sidetracks	
Seismic acquisition costs	\$3.6m
Phoenix - Australia	\$0.7m
Rangkas - Indonesia	\$0.2m
L52/50 & L53/50 - Thailand	\$2.2m
L20/50 - Thailand	\$0.5m

Production – Thailand – base production + options to increase

- Volcanic reservoir Continue drilling high flow appraisal & development targets
- Technologies Trial technologies to mitigate water incursion & stabilise flow rates
- Sandstone reservoir Drilling to develop the WBEXT sandstone (SST) reservoir

Exploration / appraisal – Australia – significant value potential

- Phoenix farm-out Farm-out drilling of wells to appraise Phoenix gas discoveries
 - *Phoenix asset refers to WA-435-P & WA-437-P*
- Phoenix other Monitor opportunities to realise early value

Exploration – Thailand, Australia & other S.E. Asia – value in the pipeline

- Thailand Drilling planned in L44/43 and L52/50 & 3D seismic in L20/50
- Australia New 3D seismic being acquired in Bedout sub-basin blocks before further farm-out. Assess drill prospects in WA-399-P with Apache
- S.E. Asia Assess Rangkas PSC (Indo) and other new venture opportunities