

Investor Update

MARCH 2007

LEVERAGING OFF PHASE 1 SUCCESS

Carnarvon Petroleum Limited

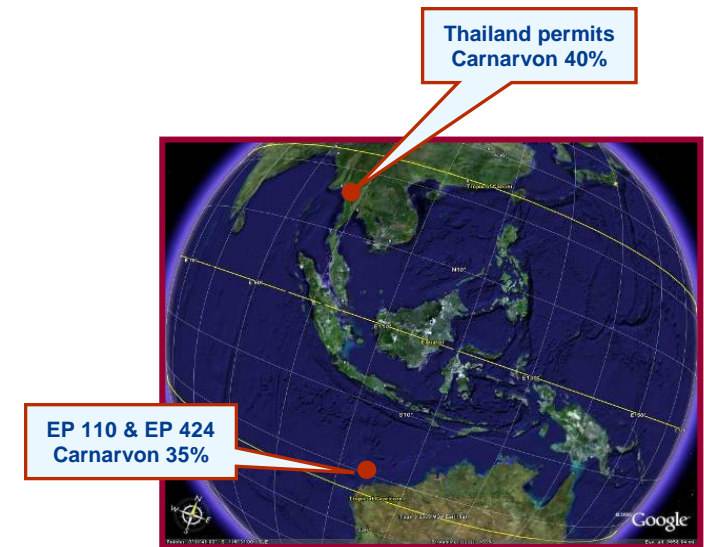




KEY ASSETS

THAILAND

- **Net 40% interest in Phetchabun Basin**
- **3 Producing Oil Fields**
 - Wichian Buri
 - Si Thep
 - Na Sanun East (POE-9 - new field discovery)
- **2 Large Onshore Exploration Permits**
 - 8,000 square kilometres
- **Significant Oil Reserves**
 - Significant reserves upgrade underway – anticipated completion April 2007
 - 5.68 mbbbls net to CVN in Phetchabun Basin (as at Dec 2005)
 - Excludes additional reserves from 2006 Phase 1 drilling, namely:
 - Additional structural compartment at Wichian Buri (POE-6)
 - Additional reservoir zones at Wichian Buri
 - New field discovery at Na Sanun East (POE-9)
- **Increasing Production**
 - Testing of 2006 drilling and workovers confirms gross production capacity of +800 bopd following phase 1 drilling



AUSTRALIA

- 2 exploration permits in Carnarvon Basin (CVN 35%)
- 160 km seismic acquired, 20+ million barrel Banyas Prospect identified



STRUCTURE AND PERSONNEL

Capital Structure

Shares on issue (ASX : CVN) 482 million

Options on issue (7 & 10c) 22 million

Market Capitalisation: \$42.3m
(fully diluted)

Cash on hand \$1.7m
(31 December 2006)

Shareholders

Directors & Management 10%

Top 20 holding 28%

Chairman: Peter Leonhardt

- Chartered Accountant (previous Managing Partner of Coopers and Lybrand, Perth) and public company director
- Previous Chairman of Voyager Energy

CEO: Ted Jacobson

- Petroleum geologist/geophysicist with 37 yrs oil experience
- Co-founder of Discovery Petroleum
- Founder and former technical director of Tap Oil
- Non-executive Chairman Rialto Energy, Executive Director Smart Rich Energy Finance Limited (Hong Kong)

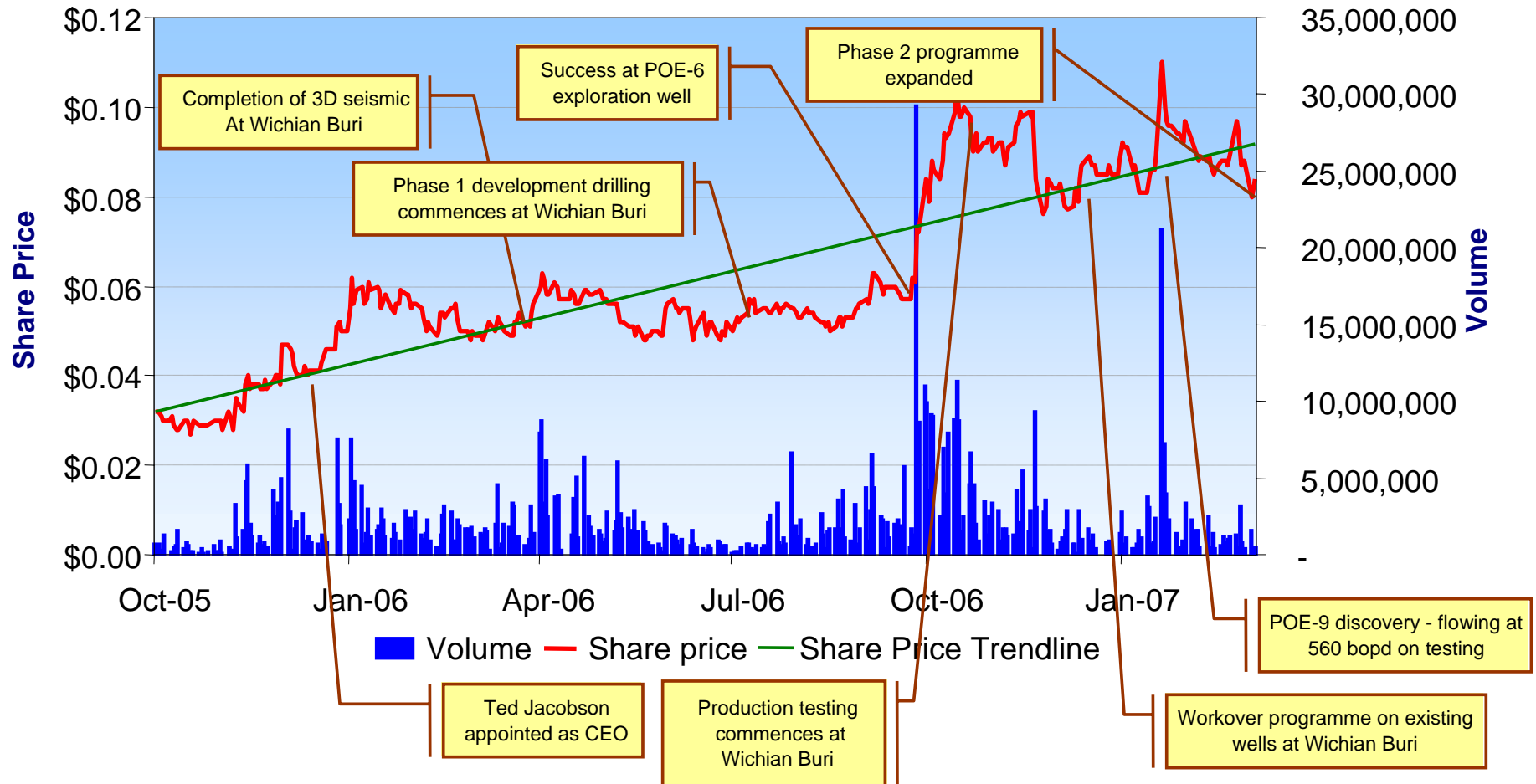
Non Exec Directors: Neil Fearis & Ken Judge

Technical Management: Ian McClure (Geologist)



SHARE PRICE PERFORMANCE

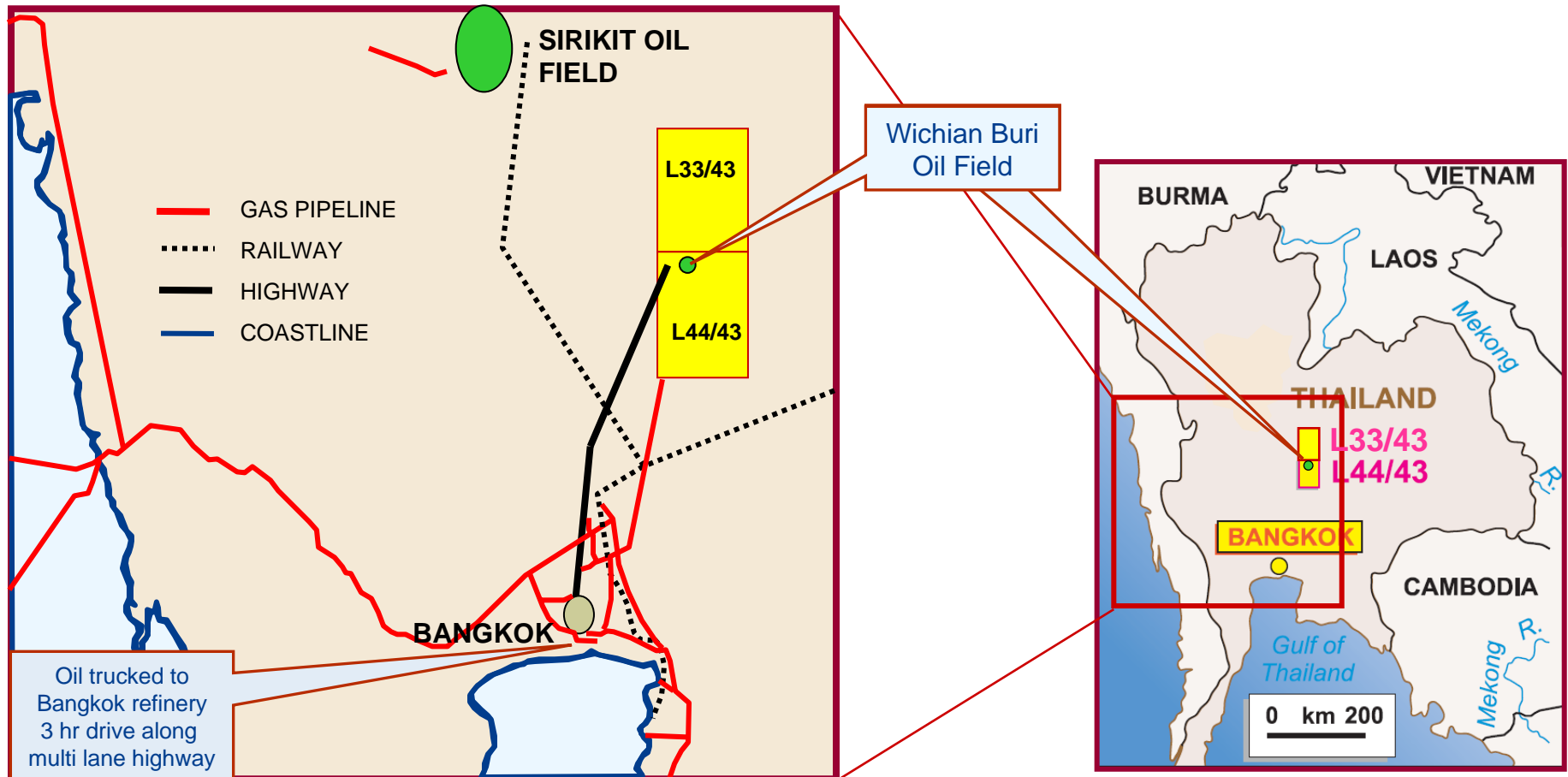
CVN Share Price from 1 Oct 2006



Share price re-rating as milestones are achieved



THAILAND PERMITS



CVN owns a large 40% interest in two large exploration licenses in central Thailand
Supportive Government and favourable fiscal regime - Thailand needs oil discoveries



OIL RESERVES

Oil Reserves as of 31 December 2005

	Oil Reserves Gross (mmbo)	Oil Reserves Net Carnarvon (mmbo)
Proved	0.64	0.26
Probable	13.57	5.42
Total Proved + Probable	14.21	5.68
Possible (1)	54.55	21.82
Total Proved + Probable + Possible	68.76	27.50

Source : Gaffney Cline and Associates Reserve Report dated 31 December, 2005

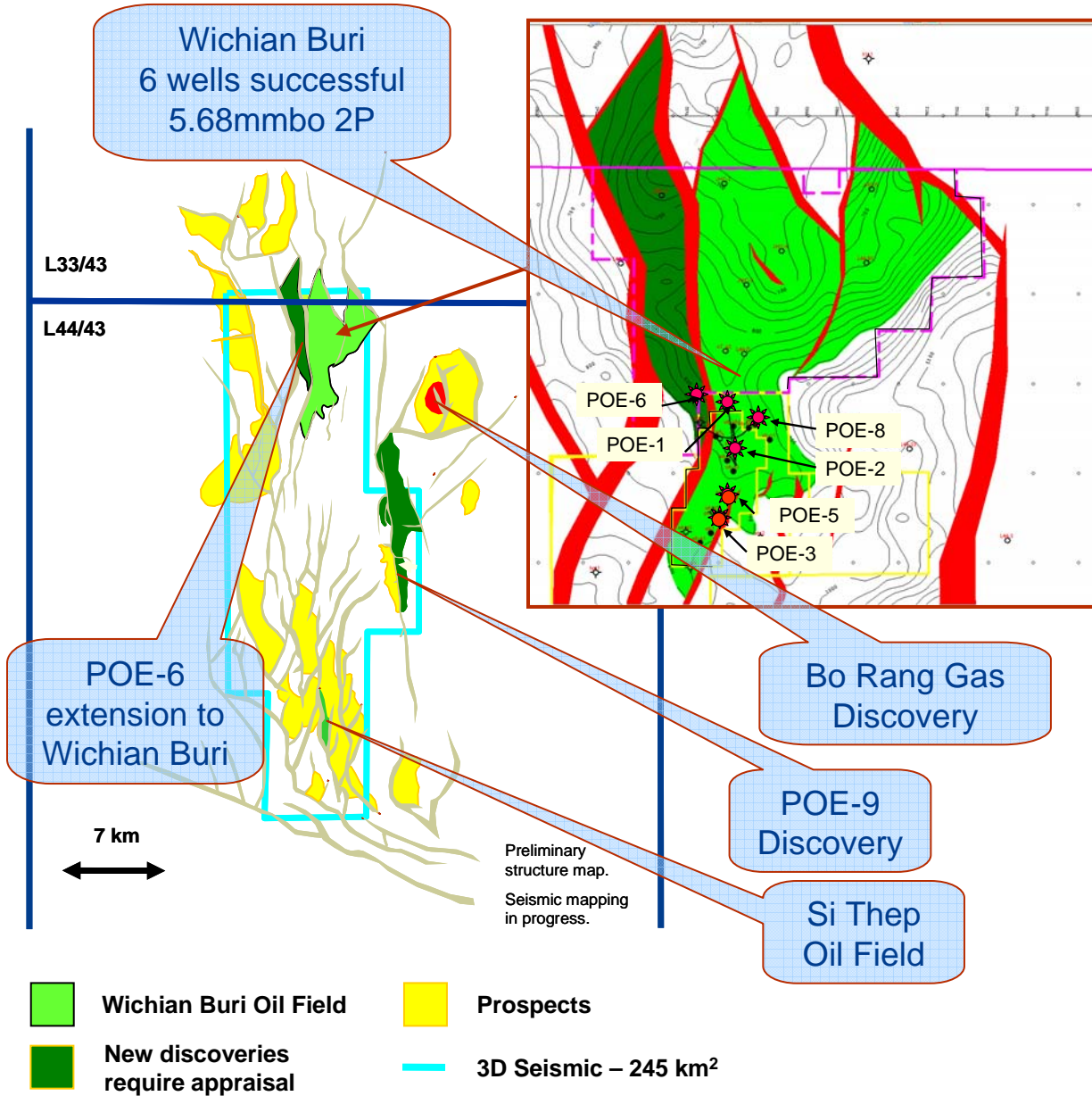
(1) Includes 22.5mmbo gross attributed to concession L44/43 and 7mmbo gross attributed to concession L33/34 but does not include approximately 11mmbo of additional contingent resources as at 31 December 2005

Does not include new discovered reserves from successful Phase 1 drilling 2006

Significant new reserve estimate anticipated April 2007



SUCCESS IN PHETCHABUN BASIN



Wichian Buri Oil Field

- 7 wells completed late 2006
- 6 successful – 86% success rate
- POE-6 extension to Wichian Buri
- Additional oil reserves identified, with production from virgin “G” and “H” sands
- Perforating and testing of additional zones in existing wells to continue

Na Sanun East Discovery

- 1 well (POE-9)
- New oil discovery

Increase in gross oil production capacity – at least gross 800 bopd, up from around 80bopd prior to phase drilling



SUCCESS IN PHETCHABUN BASIN

Phase 1 Drilling Programme – Summary of Results to date

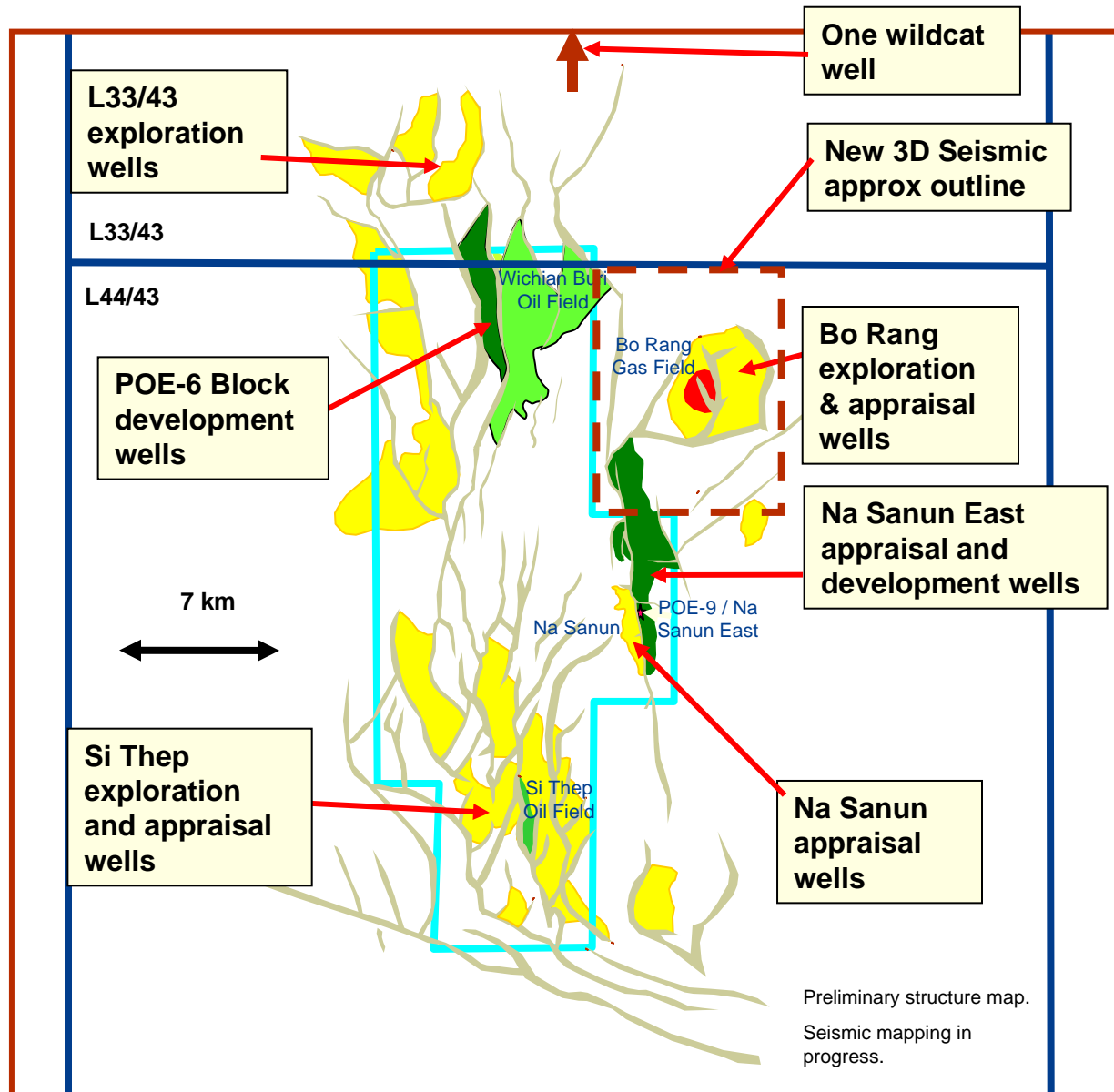
Well	Max Production Rates from Phase 1 Testing (bopd)
POE-2	37
POE-1	31
POE-8	To Be Perforated
POE-6	34
POE-3	108
POE-5	102
POE-7	Plugged and Abandoned
POE-9	389
WB1	48
WBA1	26
WB-N1	6
WB-N3	10
WB-N4	47
WB-N5	36
WB-N6	131
WB-N8	10
Si Thep-1	37
TOTAL	1,052 bopd

Testing programme is still underway

- POE-8 about to be opened
- Infrastructure modifications still being made – resulting in variable daily rates
- Current production ~ 677 bopd and climbing
- Anticipated operational production capacity +800 bopd. Currently constrained by testing operations



PHASE 2 PROGRAMME UP TO 37 WELLS



2007

Intensive Drilling Programme Planned

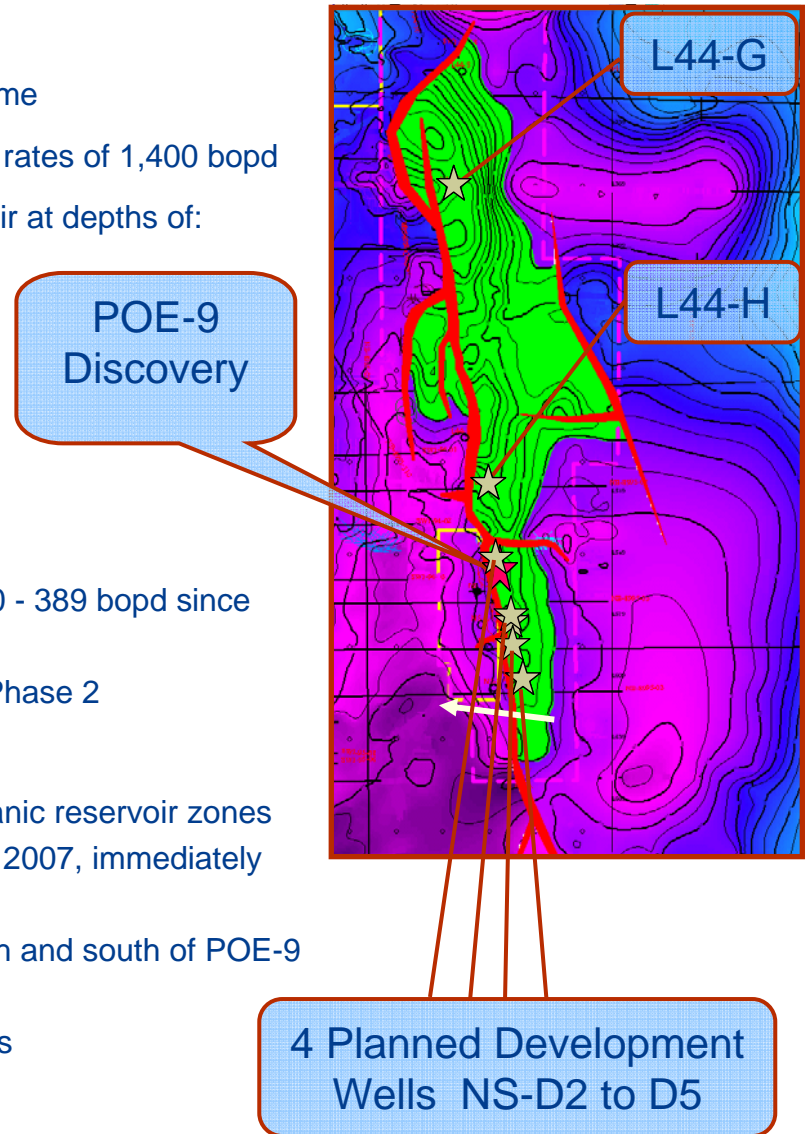
- Up to 37 wells planned in 7 main areas
- Mix of development, appraisal and exploration wells
- New 3D seismic to be shot
- 64 mmbbls P50 recoverable un-risked potential to Carnarvon
- Successful wells to provide immediate production and cashflow



NEW OIL FIELD DISCOVERY

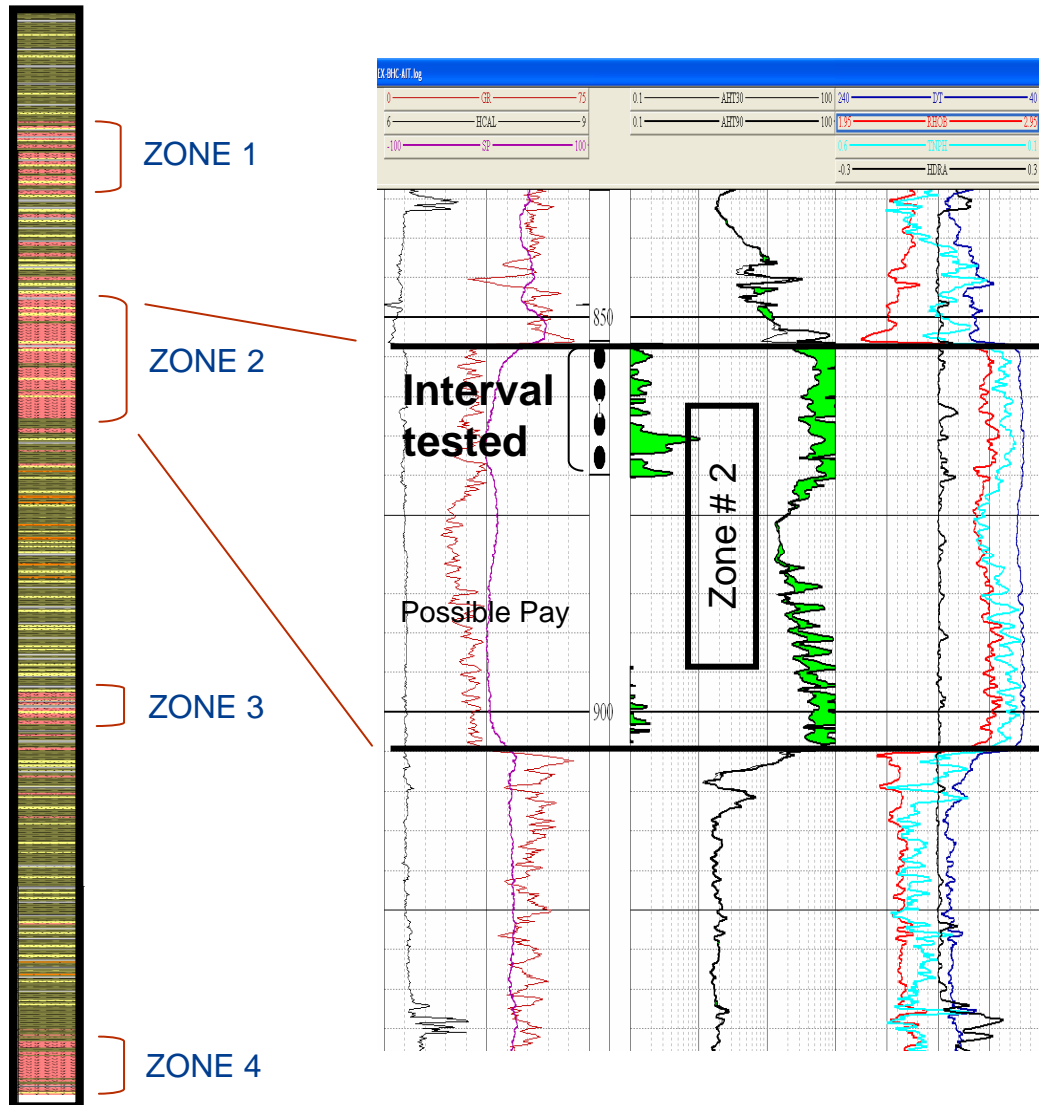
Na-Sanun East

- POE-9 well was the final well drilled as part of the Phase 1 programme
- An updip appraisal of the Na-Sanun-1 discovery in 1991 – flowed at rates of 1,400 bopd
- Drilling intersected 4 potential zones of volcanic or fractured reservoir at depths of:
 - 794m
 - 853m
 - 1,007m
 - 1,142m
- Only one zone at 853 metres opened for long term flow testing
- POE-9 was immediately flowing free oil to surface at 520 bopd
- POE-9 has been put on production and is sustaining flow rate of 320 - 389 bopd since discovery on 15 January 2007
- Confirms discovery of new oil field – to be aggressively pursued in Phase 2
 - High impact targets identified by 3D seismic
 - Programme of 6 wells will appraise and develop all four volcanic reservoir zones
 - First appraisal well (L44-G) anticipated to commence in April 2007, immediately followed by L44-H
 - 4 development wells to be directionally drilled into areas north and south of POE-9
- Production licence application being prepared – await appraisal wells





POE-9 WELL RESULTS



- 4 zones of intense fracturing in volcanic layers
- Only one zone (#2) tested
- 17 metres of perforations in upper part of zone #2 tested
- Possible additional pay zone at base of zone #2 not yet tested
- 560 bopd restricted maximum production on test
- Currently on production at approximately 380 bopd, 0.1% water cut
- **An exciting discovery**
- **Not yet fully tested**





NA SANUN APPRAISAL PROGRAMME

Na Sanun-1 planned re-drill

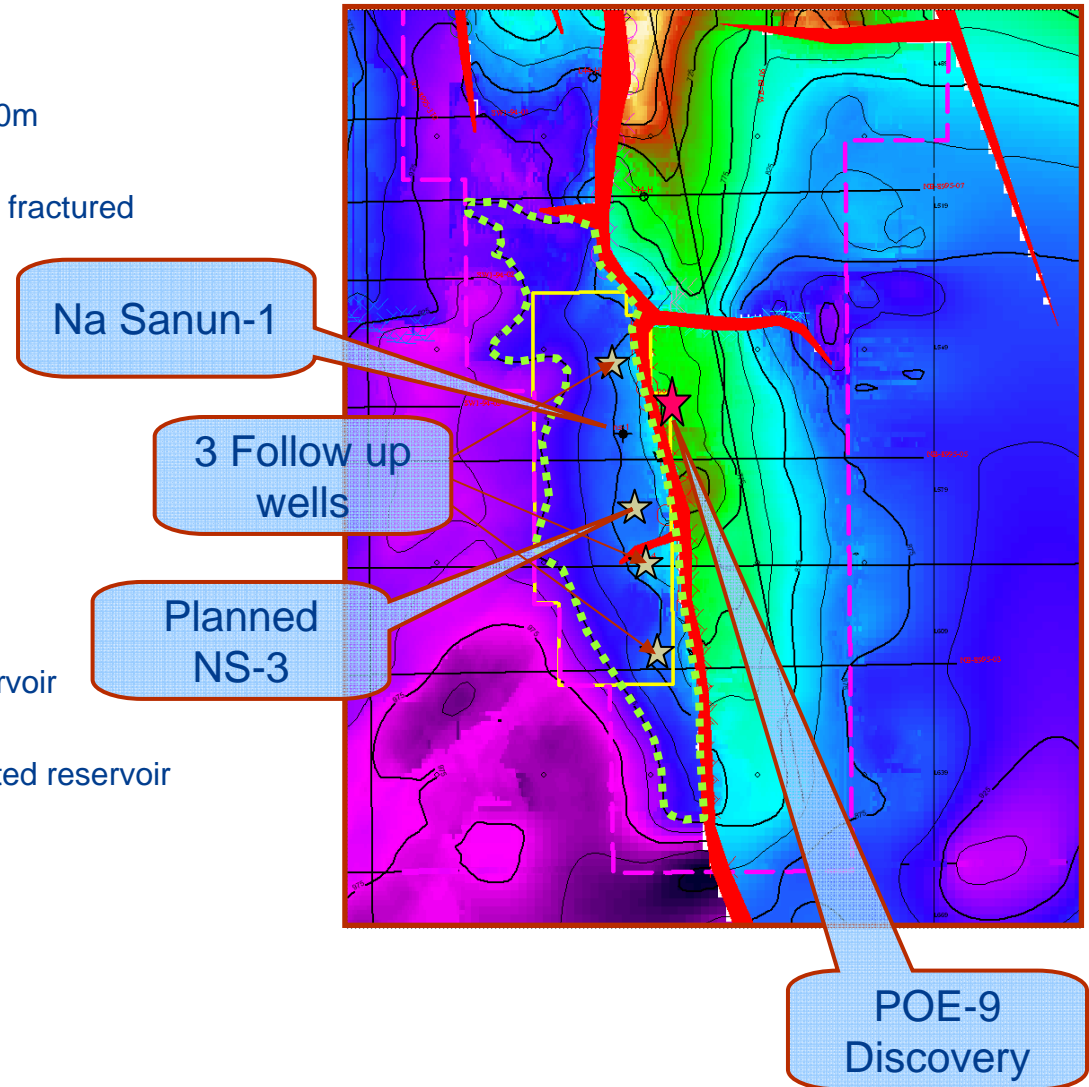
- Na Sanun-1 drilled in 1994 → total depth of 1,550m
- Tested at maximum flow rate of 1,400 bopd from fractured volcanics at 950-975 metres
- Initially produced 100% oil
- After 1.5 days flowed 100% water

What went wrong?

- Poor cement bond over part of well
 - No cement bond over 466 meters
 - Therefore, lack of isolation of the producing reservoir
- Produced water may not have been from the tested reservoir interval. Test result interpreted as invalid

Na Sanun re-drill plan

- 1 firm well (NS-3) to commence March 2007
- 3 contingent wells





REGIONAL EXPLORATION

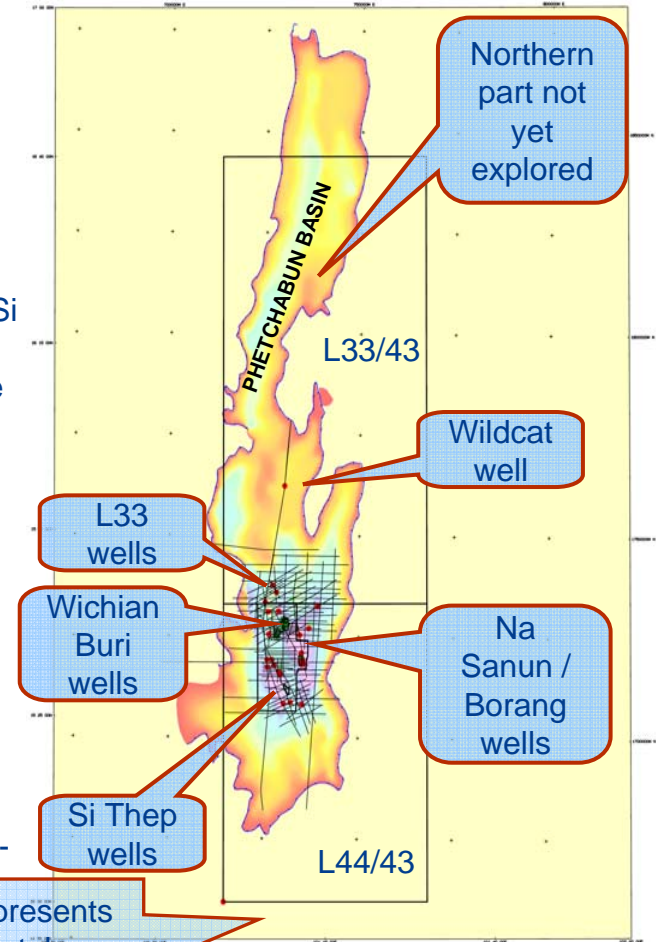
L44/43 Other Exploration Programme

- 3 wells to be drilled in region of POE-9 discovery
 - L44-W well targeting the 13km² Bo Rang structural closure
 - L44-R and L44-V to target separate nearby structural closures of 4km² and 6.5km²
- 8 exploration wells to target prospects throughout the L44 concession, including:
 - Si Thep oilfield → has produced over 50,000 barrels of oil from one well (Si Thep-1)
 - POE-6 new oil discovery in a separate structural block adjacent and to the west of the Wichian Buri Oil Field

L33/43 Exploration Programme

- Permit covers 4,000 km², situated immediately north of L44/43 permit
- Only 1 well previously drilled in 1990
- Limited 2D seismic cover
- 3 wells planned within this seismic coverage
- 1 wildcat well to be drilled in a new sub basin 30km north of the Wichian Buri sub-basin

These are large permits



Wichian Buri Oil Field represents only 14.5km² of the total 7,897km² held by the Carnarvon/Pan Orient joint venture (less than 1%)

● Planned wells



PHASE 2 PROGRAMME - UP TO 37 WELLS

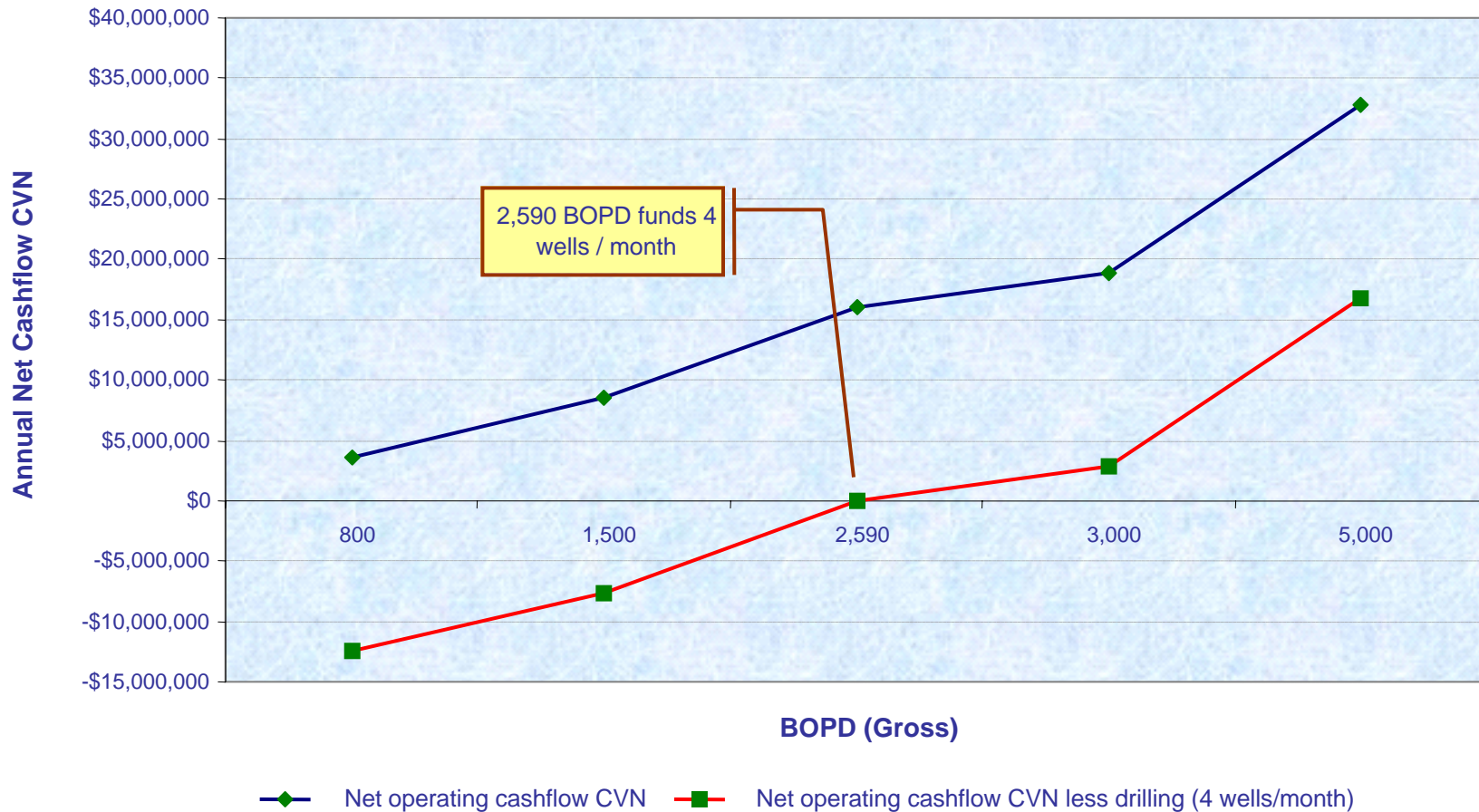
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
				Early Monsoon			Peak Monsoon					
Drilling (Aztec Rig #7)												
NS-3	■	■										
NS-4		■	■									
ST-2			■	■								
L33-D				■	■							
L44-H					■	■						
L44-V						■	■					
L44-W							■	■				
L44-C								■	■			
L44-E									■	■		
L33-1										■	■	
L33-2											■	■
ST-3												■
Na Sanun East Development												
Drilling (Aztec Rig #14)												
L44-G			■	■								
NS-D2				■	■							
NS-D3					■	■						
NS-D4						■	■					
NS-D5							■	■				
ST-4D								■	■			
ST-5D									■	■		
L33-3										■	■	
NS-2											■	■
1 Well TBA												■
1 Well TBA												
Na Sanun East Development												

Anticipated drilling programme. Dependent on timing of other field activities and necessary approvals.



LIKELY PROJECT ECONOMICS

Phetchabun Basin Oilfields - CVN Cashflow Analysis



Current production capacity +800BOPD
2,590 BOPD funds 4 wells / month
Average payback <60 days



EXPLORATION POTENTIAL

CVN is significantly undervalued based on reserves and exploration potential

37 well programme planned for 2007 – Phase 2

Phase 2 exploration unrisks potential net CVN (P50)	64 mmbbls
Phase 2 exploration potential (net CVN) risked conservatively at 25%	16 mmbbls
Value of exploration potential - @ A\$20/barrel	66 cents/share

This is in addition to NPV of reserves at Wichian Buri, Si Thep and Na Sanun East (Reserves analysis in progress)



2007 – MORE TO COME

More Drilling	<ul style="list-style-type: none">▪ 2007 - planned drilling of up to 37 wells (Phase 2)▪ 2 drilling rigs & 1 workover rig contracted – drilling to commence this month▪ Plan up to 4 wells per month▪ Continuous drilling remainder 2007
More Seismic	<ul style="list-style-type: none">▪ Another 3D seismic survey being planned for June/July 2007▪ 100km² immediately north of POE-9 (Na Sanun East)
More Production	<ul style="list-style-type: none">▪ Phase 1 has provided increased production – production capacity +800 bopd – more to come as other zones opened▪ Workover program of current producing wells successfully increasing production▪ Successful wells to provide immediate production and cashflow
More Reserves	<ul style="list-style-type: none">▪ Significant reserves upgrade being completed – anticipated completion April 2007▪ Previously reserves 5.68 mmbbls net CVN▪ Phase 1 has discovered significant more potential reserves in new fields and zones▪ Phase 2 expected to add further reserves
Corporate Growth	<ul style="list-style-type: none">▪ CVN in negotiations to acquire 2 new production opportunities in new geographical areas



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