



CARNARVON
PETROLEUM LTD

Investor Update

Ted Jacobson CEO
Philip Huizenga COO

March 2009



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Carnarvon Petroleum is a successful oil and gas exploration and production company, actively seeking to acquire more high quality assets that will add significant value to Carnarvon and its shareholders



Corporate Snapshot

<u>Capital Structure</u>	
Ordinary Shares	683 million
Market Capitalisation: (fully diluted @ 35 cents)	\$246 million
Cash on hand (1 March 2009)	\$70 million
Debt	nil
Top 20	~ 33%
Directors and Management	~ 11%

<u>Directors & Management</u>	
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

ASX: CVN





Investment Highlights

- Strong balance sheet
 - Approx A\$70 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:
 - 4Q 2008 - 4,650 bopd net Carnarvon production
 - +A\$29 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 1st 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

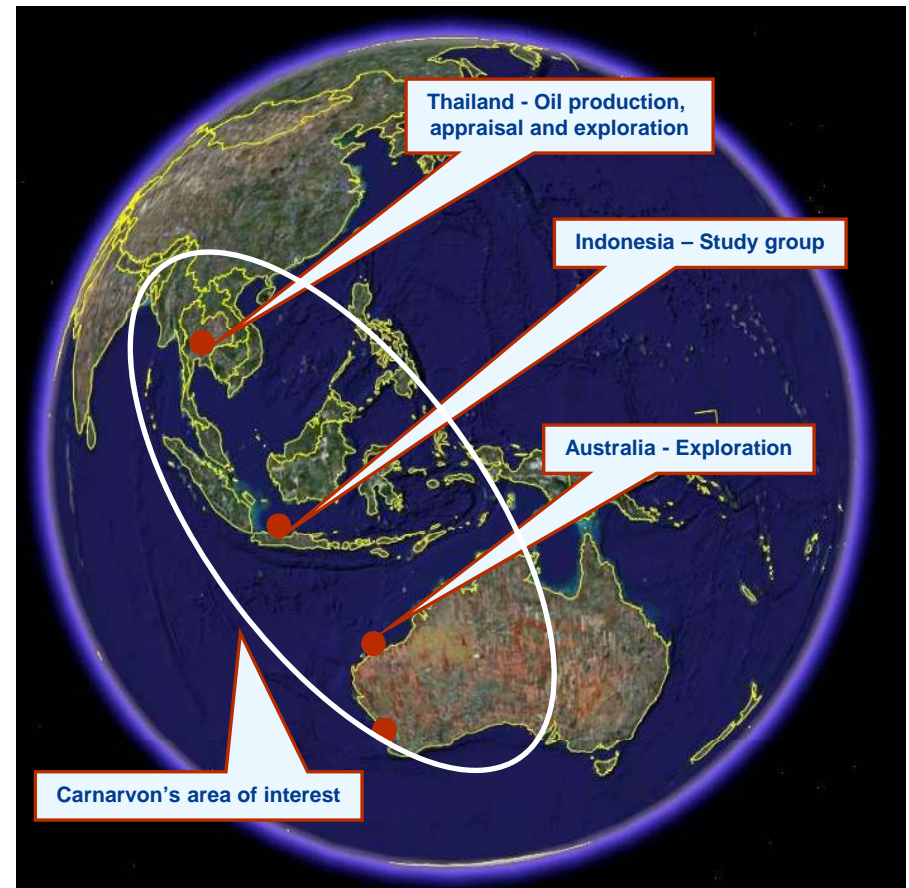


Rank	Code	Name	Market Cap
1	WPL	Woodside Petroleum Limited	\$ 28,640,673,041
2	STO	Santos Limited	\$ 9,891,331,778
3	OSH	Oil Search Limited	\$ 6,259,912,269
4	AWE	Australian Worldwide Exploration Limited	\$ 1,291,762,414
5	BPT	Beach Petroleum Limited	\$ 961,515,372
6	KAR	Karoo Gas Australia Limited	\$ 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	RPM	Roma Petroleum NL	\$ 47,544,058
24	STX	Strike Oil Limited	\$ 39,427,012
25	OEL	Otto Energy Limited	\$ 38,921,235



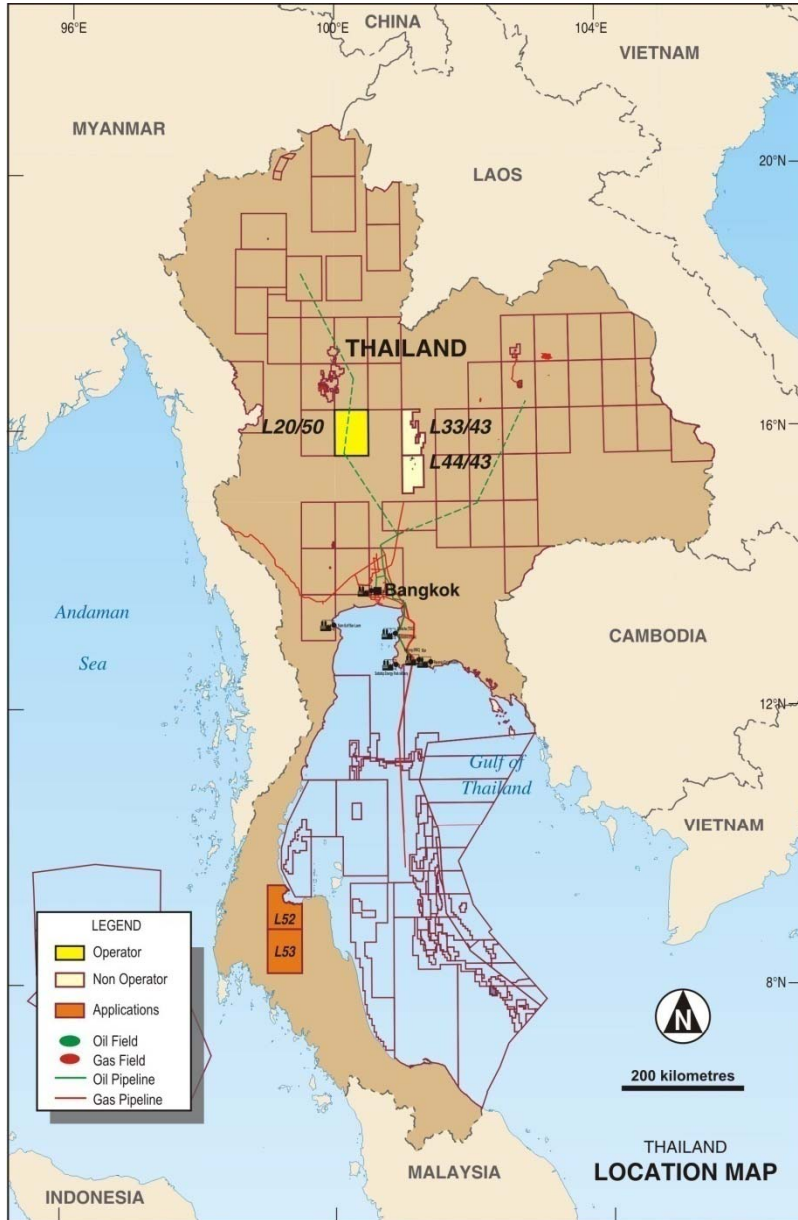
Project Areas

- **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
- Active in Indonesia
- Three offshore Carnarvon Basin licences and one onshore Perth Basin ORRI in Australia
- Evaluating new opportunities in Australia and throughout South East Asia

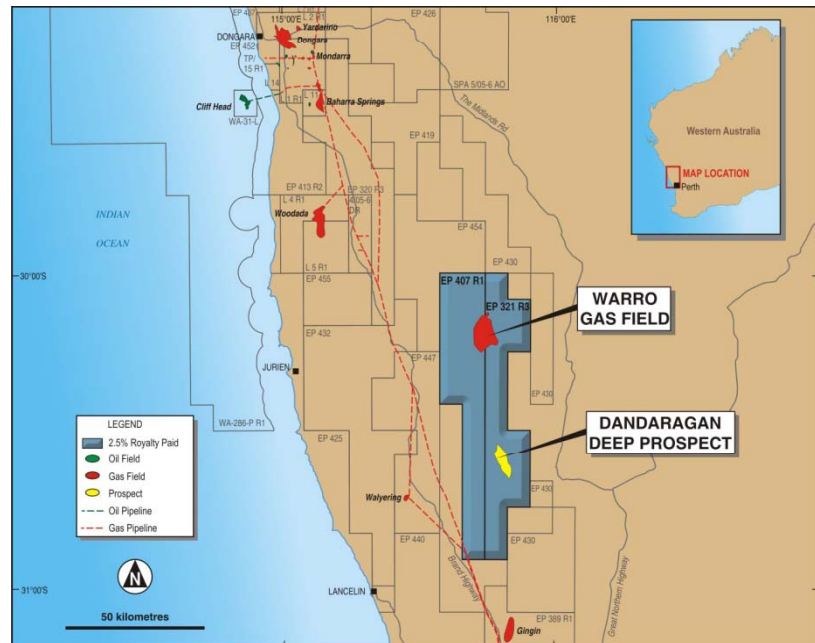
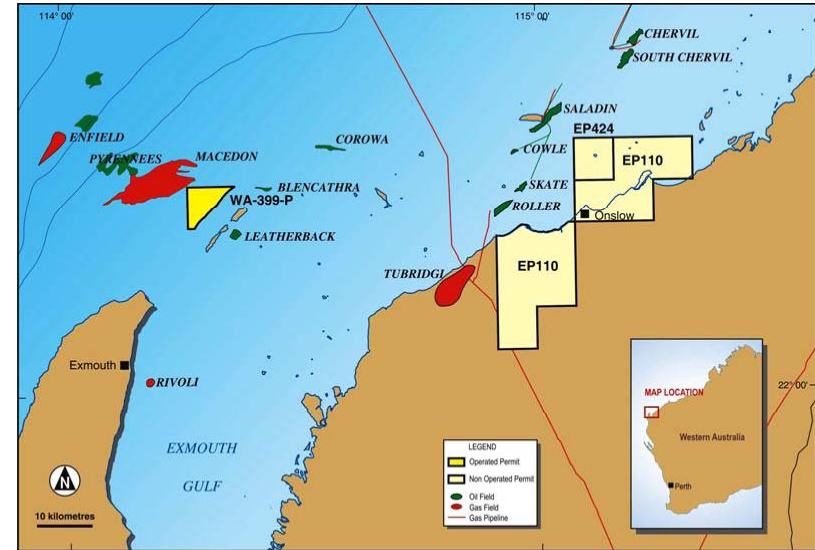




Asset Portfolio



©Camaron Petroleum\Thai_reg_loc_map.dgn





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
- 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

- ~ 30 mmbbls 2C net recoverable resources:
 - Na Sanun
 - Bo Rang
 - Si Thep
 - L44-R

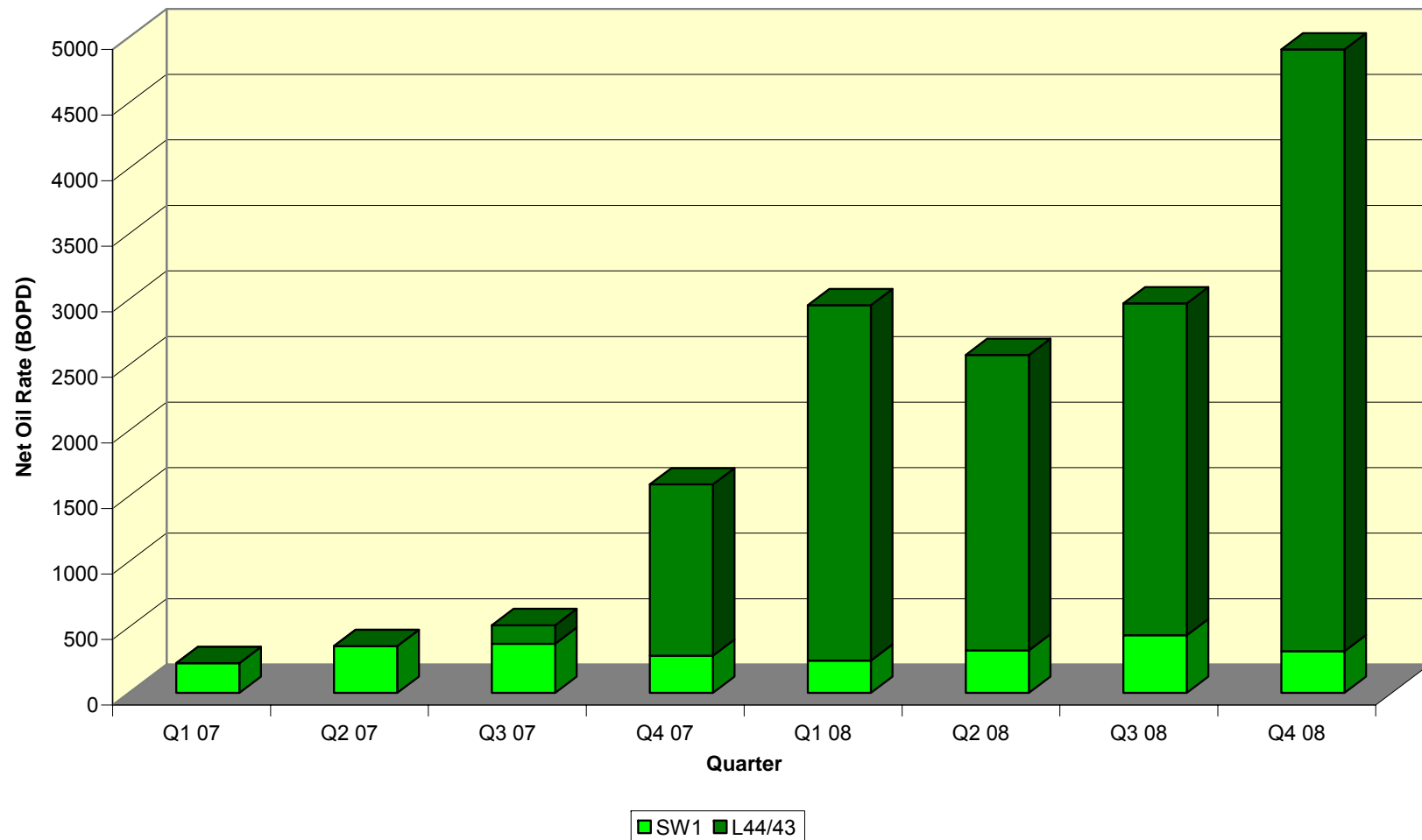
	Net Carnarvon Reserves			Reservoir Type
	Proved	Proved + Probable	Proved + Probable + Possible	
	1P (million bbls)	2P (million bbls)	3P (million bbls)	
2008				
Na Sanun East	3.09	13.42	25.15	Volcanic
Na Sanun	0.10	0.35	0.80	Volcanic
Wichian Buri	0.12	1.52	5.44	Sandstone
Si Thep	0.02	0.21	2.92	Sandstone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



Thailand Production

- 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)





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

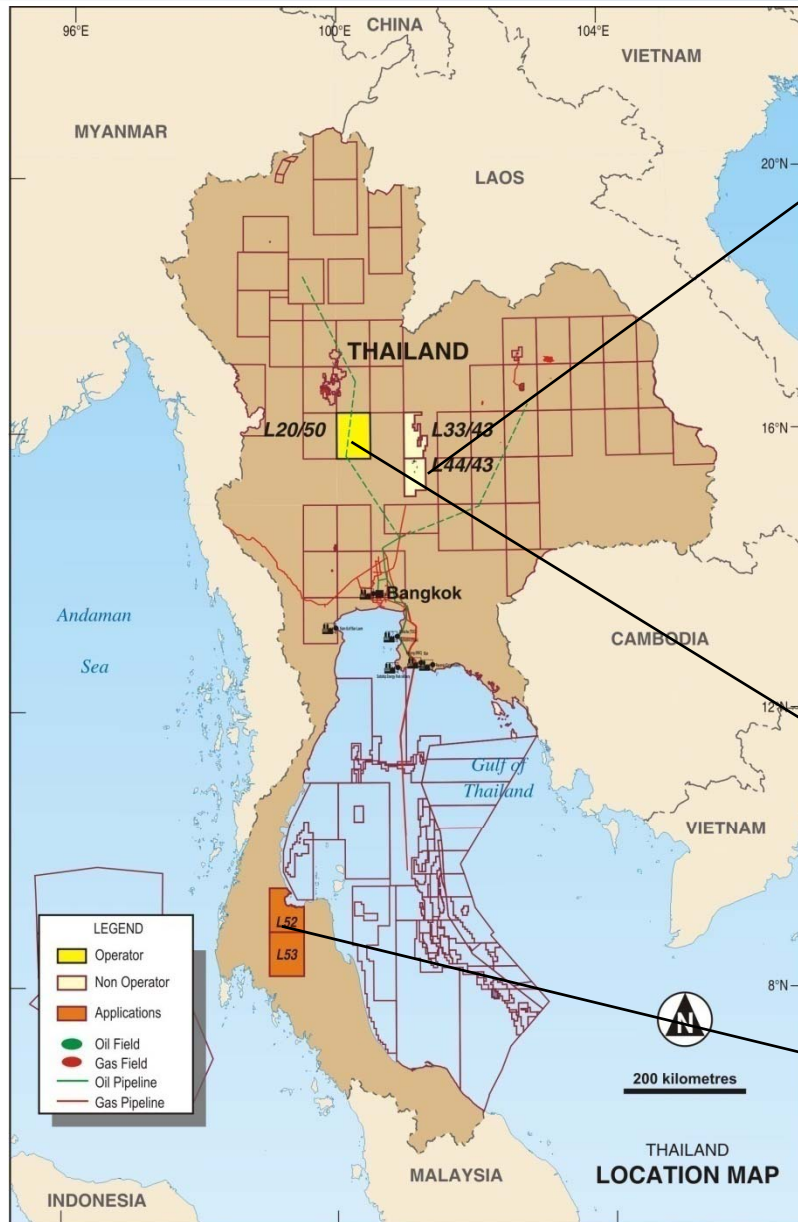
- ~US\$1.5 million per well to drill and complete
- ~30 days drilling and testing with wells on production within days
- Very fast payback (at average flow rates between 1 week and 1 month)

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 (ie, can be offset against exploration expenditure elsewhere in Thailand)



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)

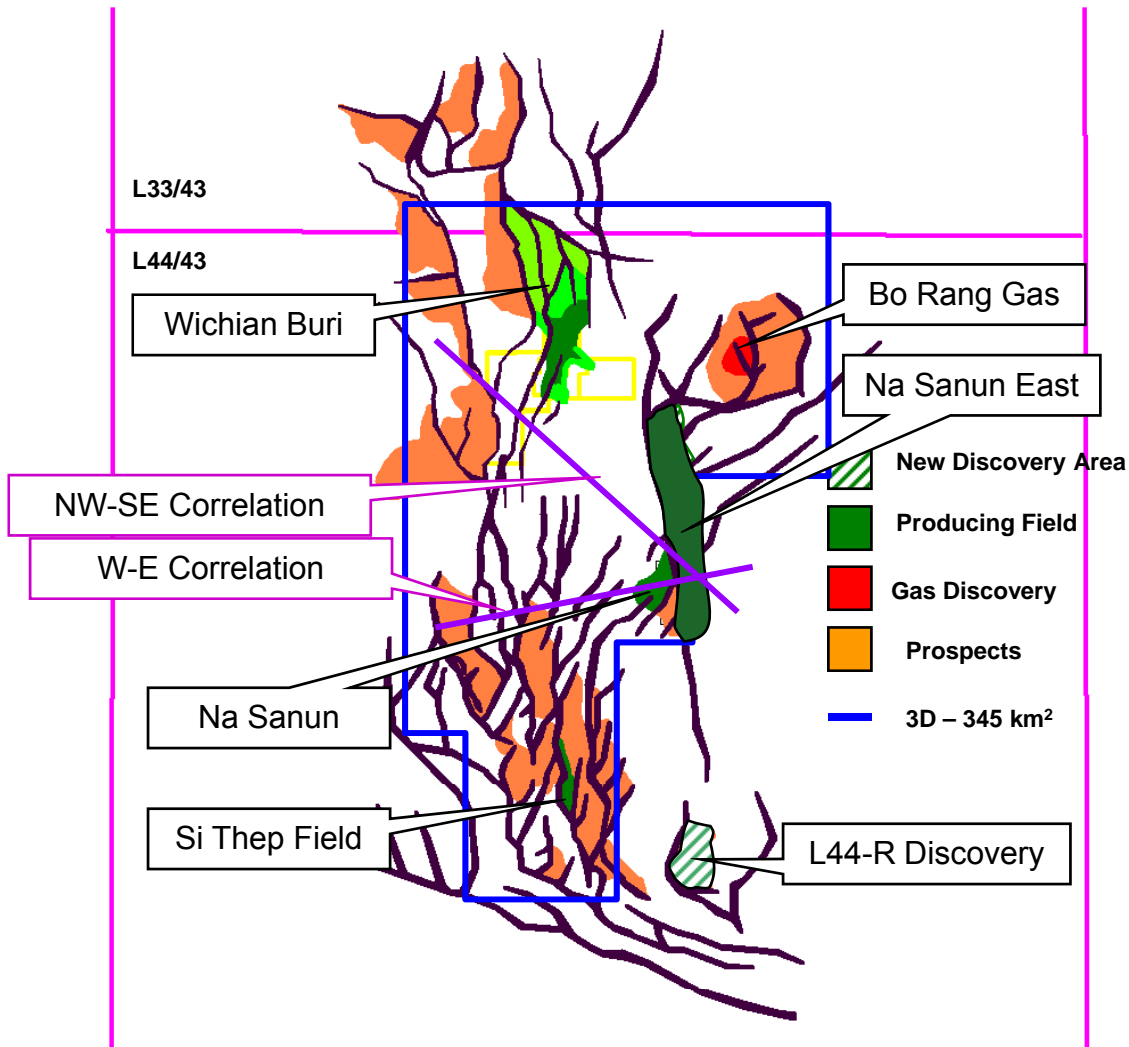
- 500 km 2D Seismic 2009
- Exploration Drilling 1-4 wells 2010

L52 & 53 (CVN 50%)

- Application Blocks - 2D Seismic 2009



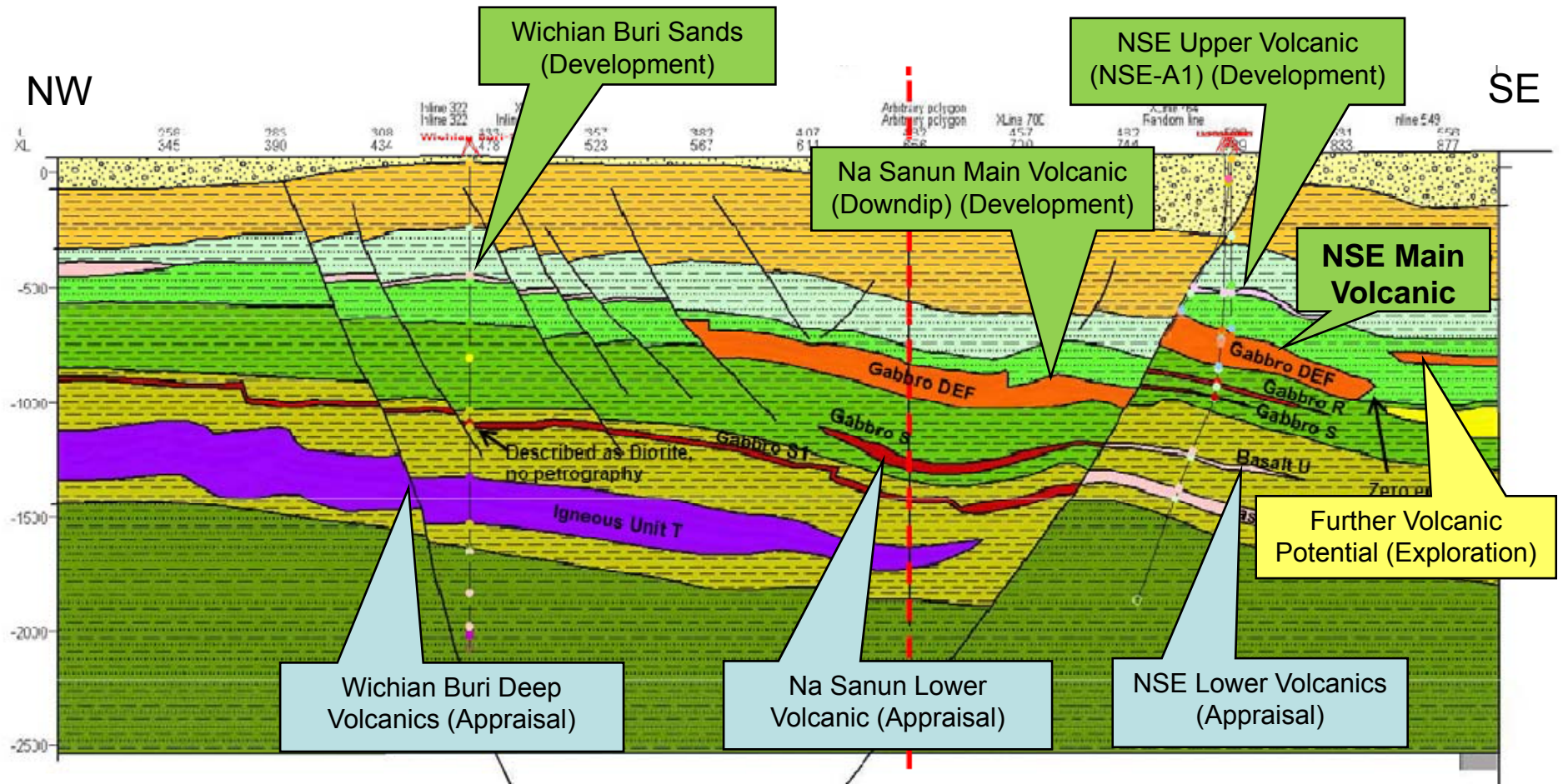
L44 Overview



- 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



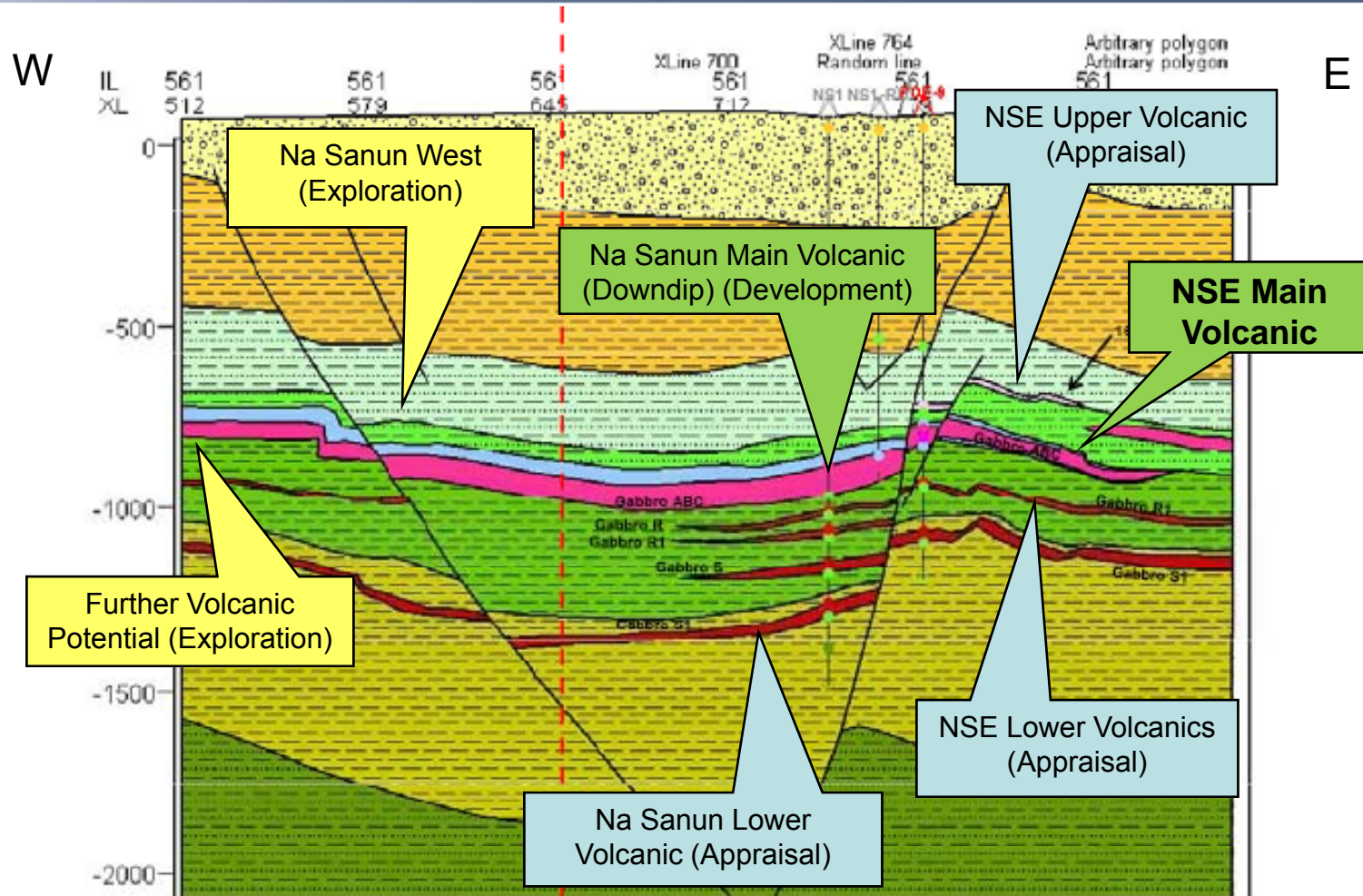
NW – SE Cross Section



- Correlation 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



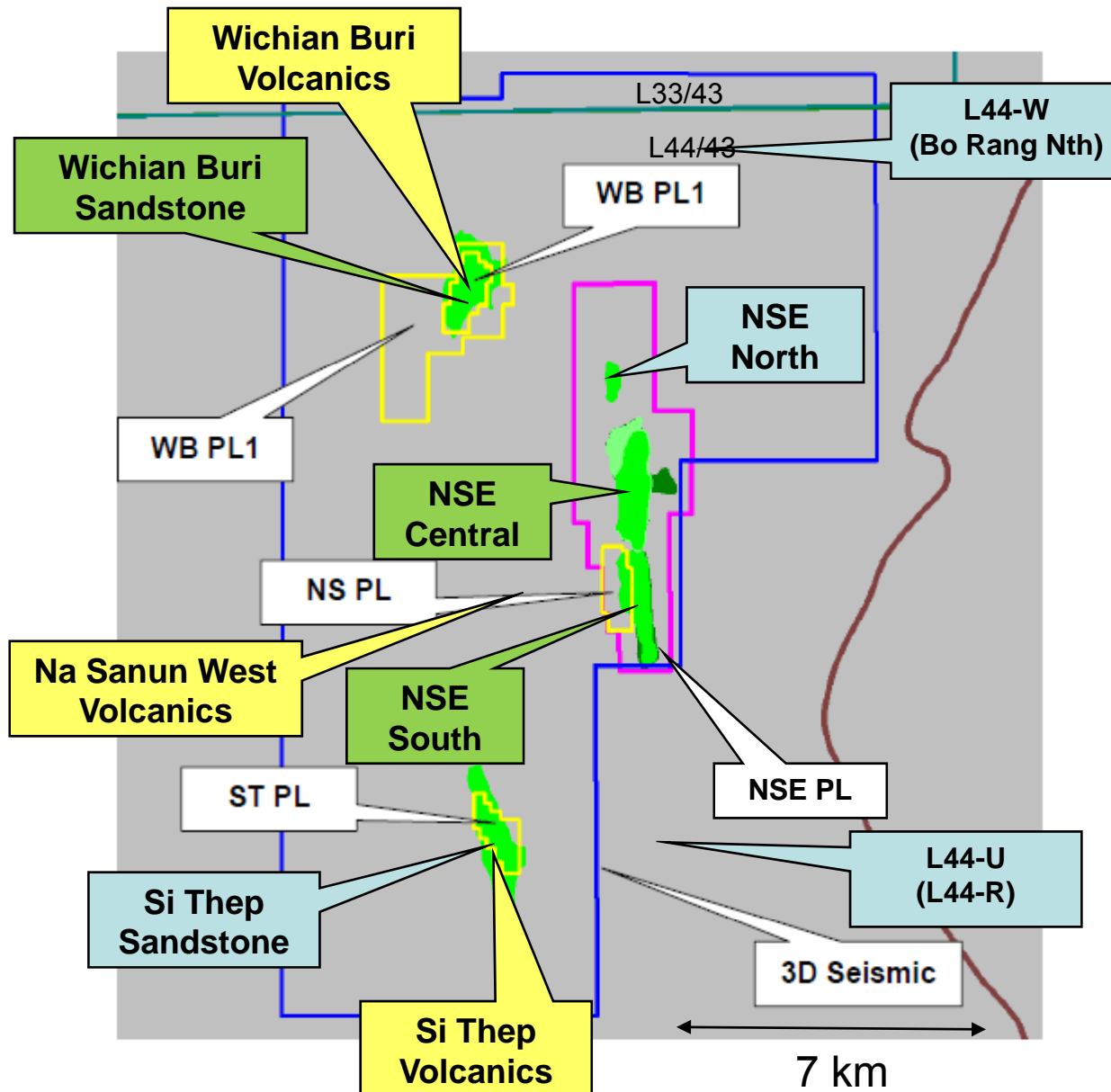
W-E Correlation



- 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



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



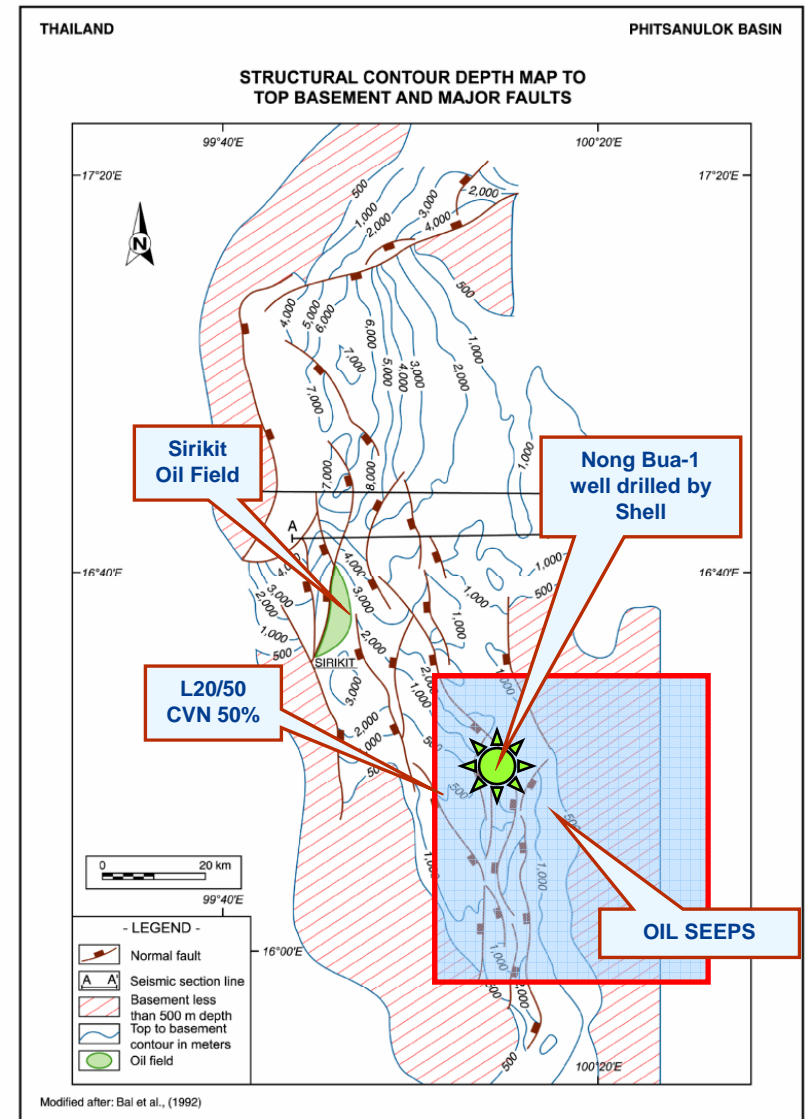
Near term drilling

Well	Well Type	Potential
NSE Central	Ongoing Development	Development 2P Reserves
L44-R2	Appraisal – L44-R Oil Discovery	Appraise net 3mm bbls oil
NSE-F1	Appraisal – NSE Central “A”	Appraise contingent NSE
NSE-N1	Appraisal - NSE North “A”	Appraise 3P Reserves
NSE-L1	Appraisal - NSE North “B”	Appraise 3P Reserves
NSE South	Infill Development Wells	Development 2P Reserves
L44-W	Appraisal/Exploration Bo Rang North	Appraise net 7 mm (2C) bbls oil
Si Thep (Deep)	Volcanic Exploration	Appraise net 7 mm (2C) bbls oil
L44-K	Si Thep SST Appraisal / Exploration	Exploration
L44-CD2	Wichian Buri SST / Volcanic	Exploration / Appraisal



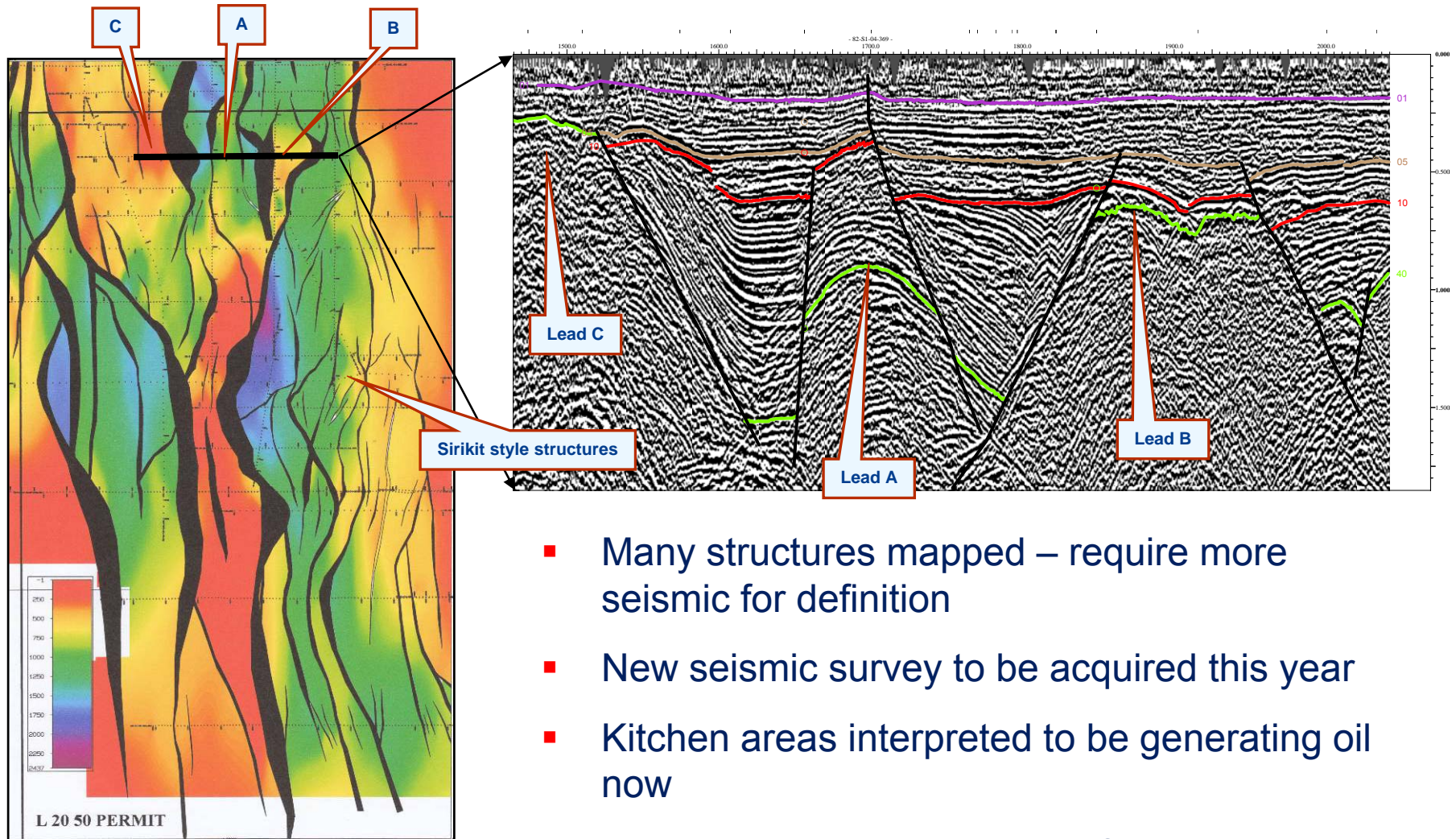
L20/50 Thailand

- 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

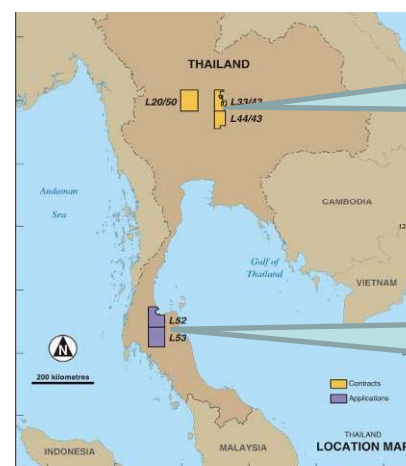


- Many structures mapped – require more seismic for definition
- New seismic survey to be acquired this year
- Kitchen areas interpreted to be generating oil now
- 1 – 4 wells being considered for next year



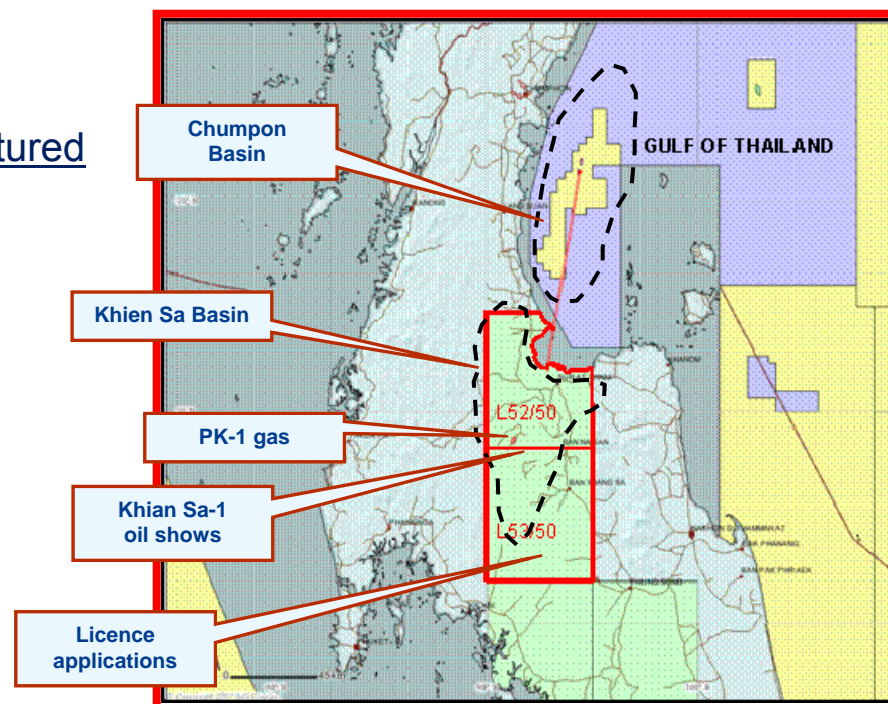
L52 & L53 Applications Thailand

- 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



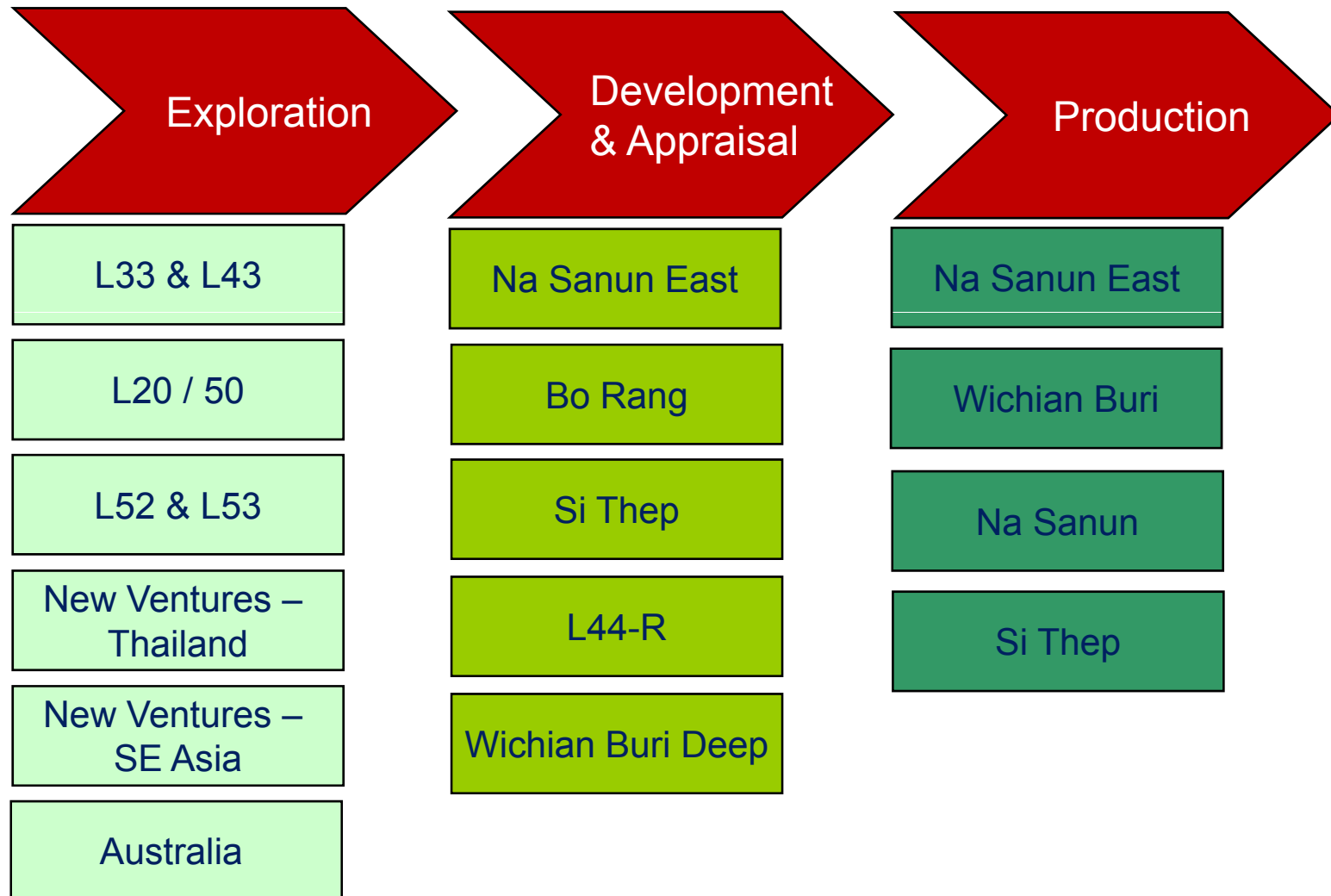
L33 & L44
Licences

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



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