



CARNARVON PETROLEUM LTD

SHAREHOLDERS GENERAL MEETING

April 2006
Investor Update





OVERVIEW OF CARNARVON

- Generating cashflow from Wichian Buri Oil Field onshore Thailand (40% CVN)
 - **Carnarvon net 3.8 MMBO** – Reserve review in progress
 - 10 wells producing
 - Current gross production of **140 BOPD** – Carnarvon net revenue 4Q05 A\$144,000.
- Budget for 2006 of seismic reprocessing, 3D seismic and extensive drilling comprising **2 carried wells** in first half 2006, plus **12 budgeted wells** in L44/43 and L33/43 second half 2006.
- Renegotiated joint venture agreement with Pan Orient Energy Corporation provides a sound platform with new partner / operator for a strong working relationship.
- Pan Orient (TSX listing) is well funded and has excellent management and technical credentials.
- Experienced and energetic new management team with track record of successful oil and gas operations.
 - Recent appointment of **Ted Jacobson as CEO** (co-founder of Discovery Petroleum and co-founder and recent technical director of Tap Oil Limited).
 - Recent appointments of **Peter Leonhardt as Chairman** (Chairman of Voyager Energy where he oversaw the successful merger with Arc Energy) and Ken Judge as Director (International legal and commercial experience).
- **GROWTH** : Focus on immediate production and exploration opportunities at Wichian Buri Oil Field with other asset opportunities being investigated.

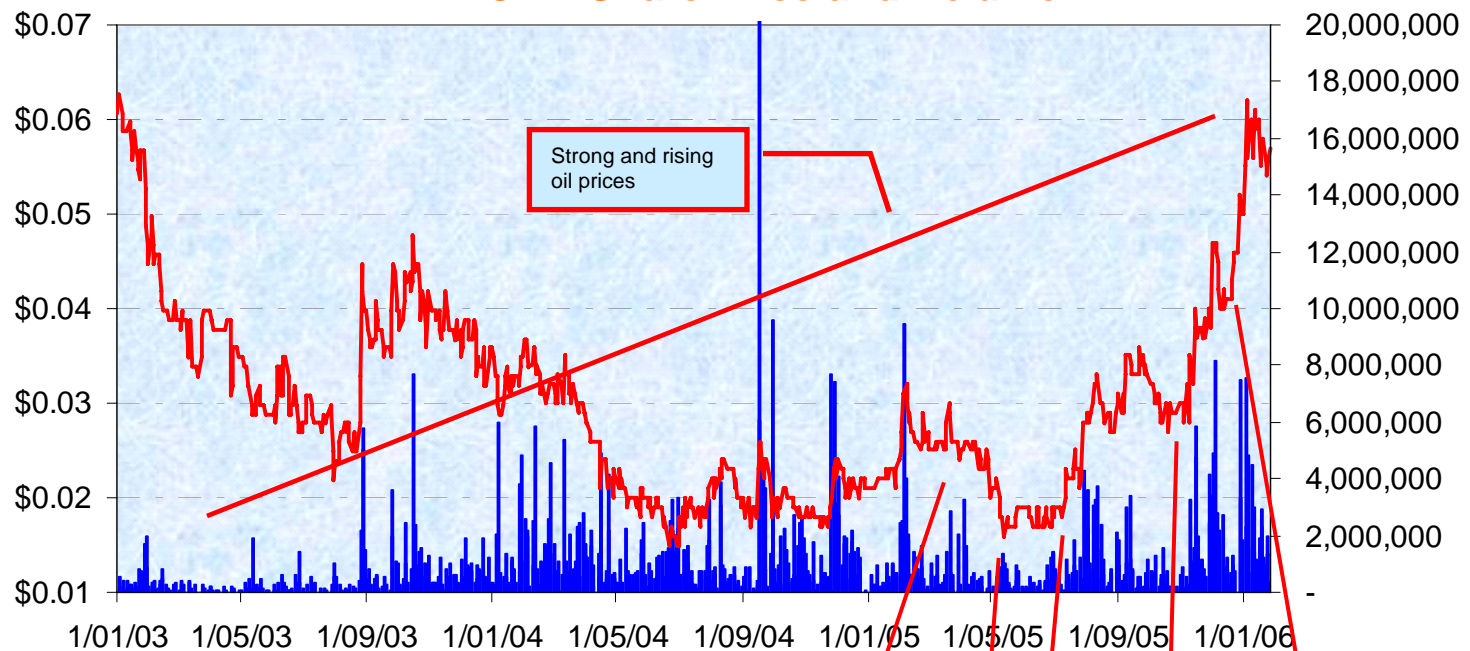


CAPITAL STRUCTURE

Capital Structure:	Shares on issue (ASX : CVN) post capital raise & resolutions :	411 million
	Options on issue post capital raise & resolutions:	11 million @ 7c 11 million @ 10c
Market Cap:	at 5.6c / share :	\$23 million
Cash on hand:	After capital raise completed (Plus sale of NG assets of \$0.5million):	~\$4.0 million
Share price:	12 month range :	1.6 – 6.3 cents
Shareholders:	Directors & Management post capital raise & resolutions :	11.1%
	Top 20 holding :	42%

SHARE PRICE PERFORMANCE

CVN Share Price and Volume



Strong and rising oil prices

Pan Orient announces Tiger takeover

Placement to raise \$700k at 1.8cps

New Board appointments

Announces sale of PNG interests for \$500k

Appointment of Ted Jacobson as CEO

■ Volume — Share price



DIRECTORS

Board of Directors

Peter Leonhardt Chairman (Since March 2005):

- Independent company director and adviser with extensive business, financial and corporate experience
- Chairman of Voyager Energy where he oversaw the successful merger with Arc Energy
- Chartered Accountant and previously senior partner with PricewaterhouseCoopers and Managing Partner of Coopers and Lybrand Perth Office
- Adds value in corporate governance and commercial experience in oil & gas

Ted Jacobson CEO (Since December 2005):

- Petroleum geologist/geophysicist with over 36 years experience, principally in the North Sea, South East Asia, South America and Australia
- Co-founder of Discovery Petroleum which grew from a market capitalisation of \$5 million with no significant income, to a market capitalisation in excess of \$100 million, turnover of \$60 million and operating profit of \$12 million
- Co-founder and technical director of Tap Oil Limited where he oversaw the company grow to a market capitalisation in excess of \$400 million

Neil Fearis Director (Since November 1999):

- Highly regarded commercial lawyer with 29 years experience in the UK and Australia. Previously senior partner with national law firm. Extensive corporate expertise within the resources sector in WA

Ken Judge Director (Since April 2005):

- International legal and business management experience having held a large number of company directorships. Involved in the establishment or corporate restructure of mining and oil and gas companies in Australia, the UK, US, Brazil, Argentina, Mexico and the Philippines

David Orth Director (Since December 2000):

- Geologist with over 25 years oil and gas industry experience

CARNARVON'S PERMITS

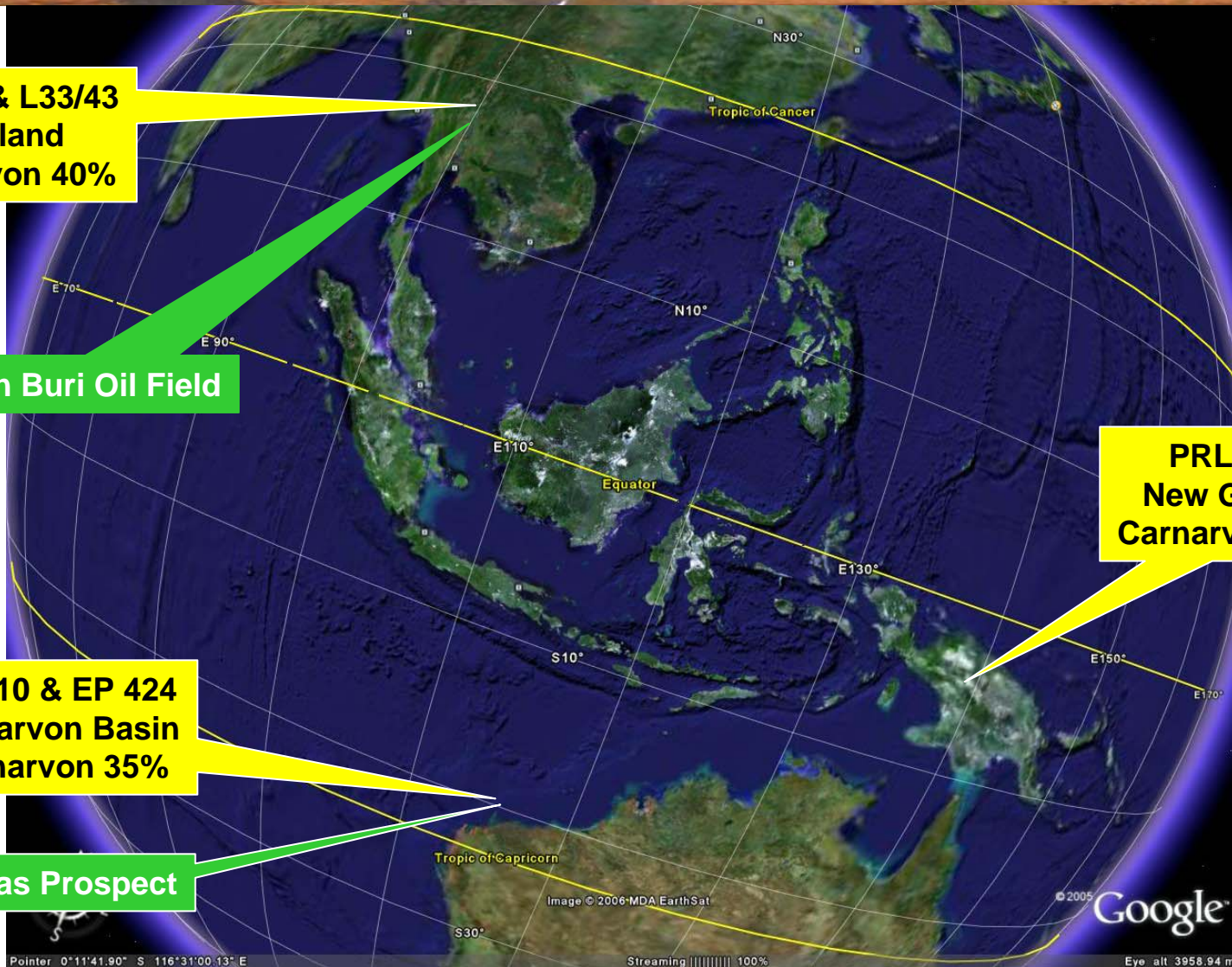
L44/43 & L33/43
Thailand
Carnarvon 40%

Wichian Buri Oil Field

EP 110 & EP 424
Carnarvon Basin
Carnarvon 35%

Baniyas Prospect

PRL 4&5
New Guinea
Carnarvon 15%

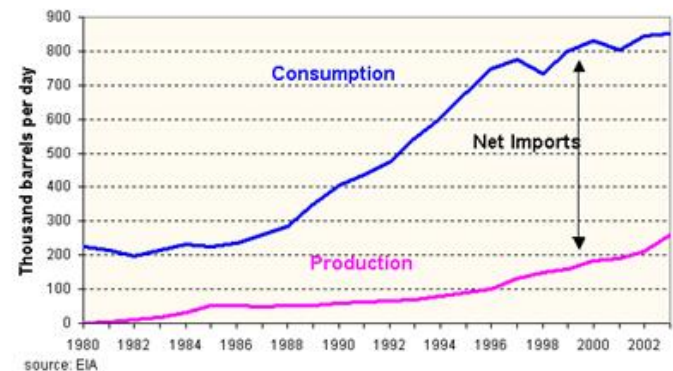


WHY THAILAND?

- **Good Fiscal Terms**
 - 5% royalty and 50% Thai Tax Rate
 - Good terms for SE Asia
 - Tax credits
- **Same Time Zone**
 - Less time for management travel
- **Thailand Needs Oil Discoveries**
 - Significant net importer of oil
- **Ongoing Industry**
 - Government understands issues
- **Opportunities Onshore and Offshore**
 - Asset sales and exploration
- **Majors Exiting**
 - Opportunities for small coy's
- **Ease of Operation**
 - 6 lane highway to truck oil to refinery
 - Flat terrain
 - Monsoons Sep/October



Thai Oil Production and Consumption, 1980-2003



source: EIA



WICHIAN BURI OIL FIELD

Accomplishments 2005

- Sep 2005 - Pan Orient takeover of JV operator Tiger Petroleum
- Dec 2005 - Agreement with Pan Orient to address past JV concerns
- NOW - Good JV relations/competent well funded operator

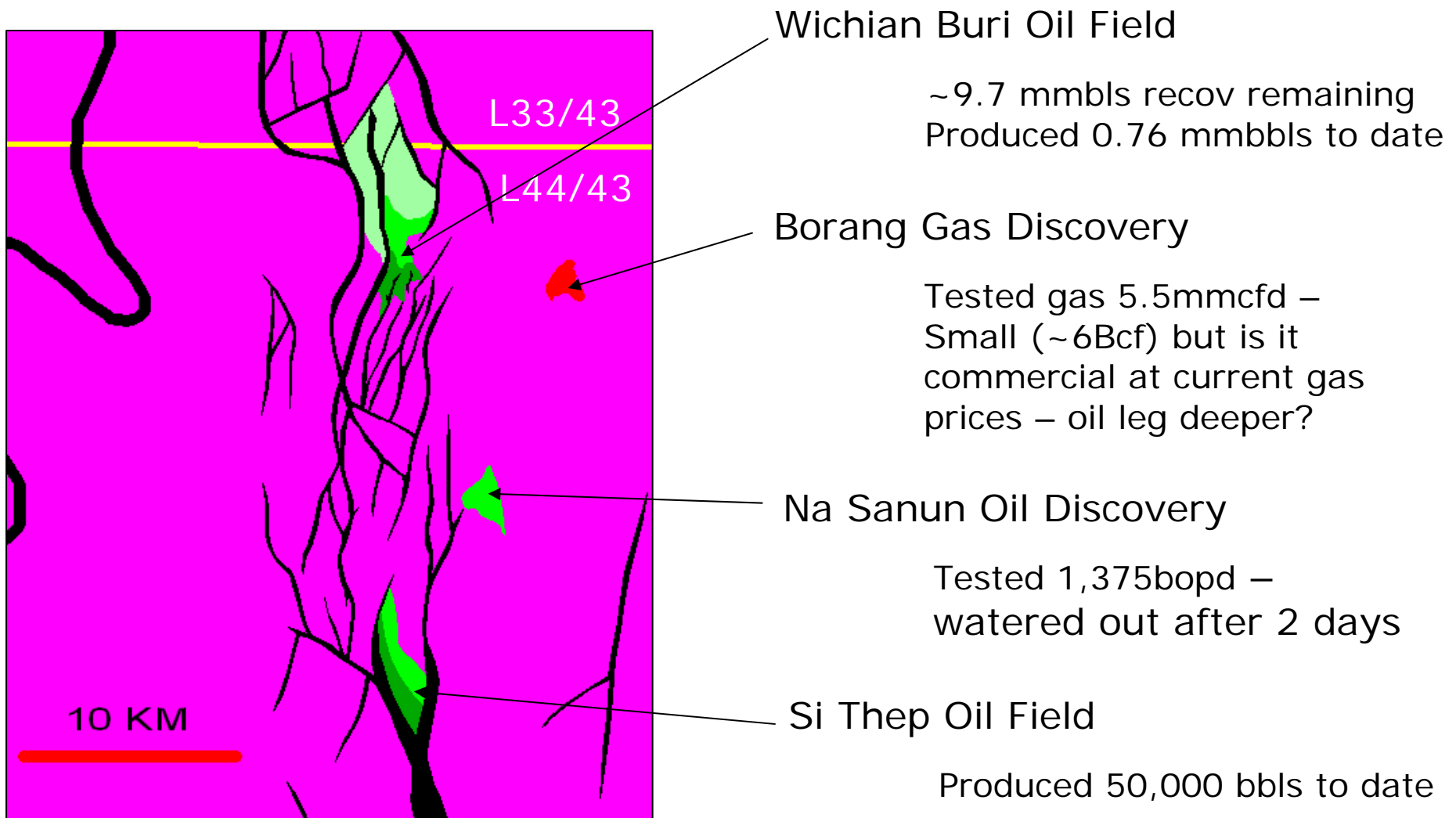
Going Forward – 2006

- 1Q 2006 - *Reprocessing 14km² 3D and 500km 2D seismic completed*
- 2Q 2006 - *Record 225km² new 3D seismic (US \$4.5m gross)*

- 2Q 2006 - Drilling 2 infill wells (Carnarvon carried on dryhole basis)
- 2nd hlf 2006 - Drilling further 12 development and exploration wells
(US\$6.7m gross)

- 2006 - Building on oil production

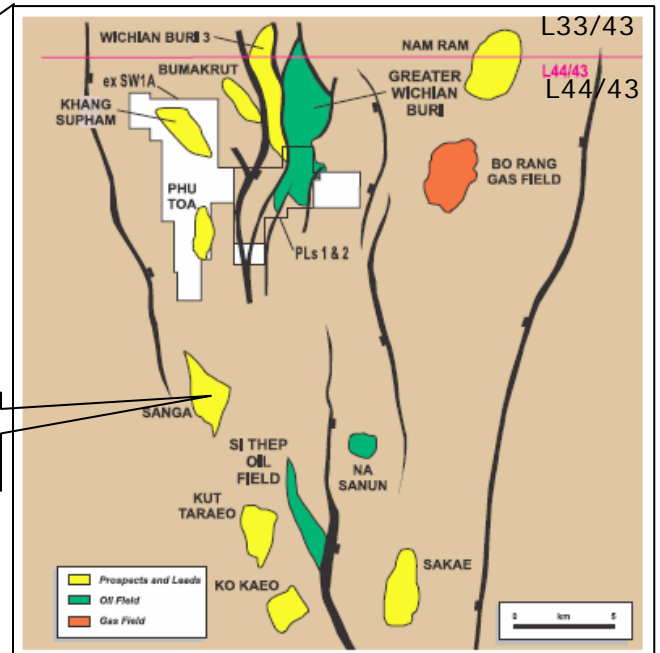
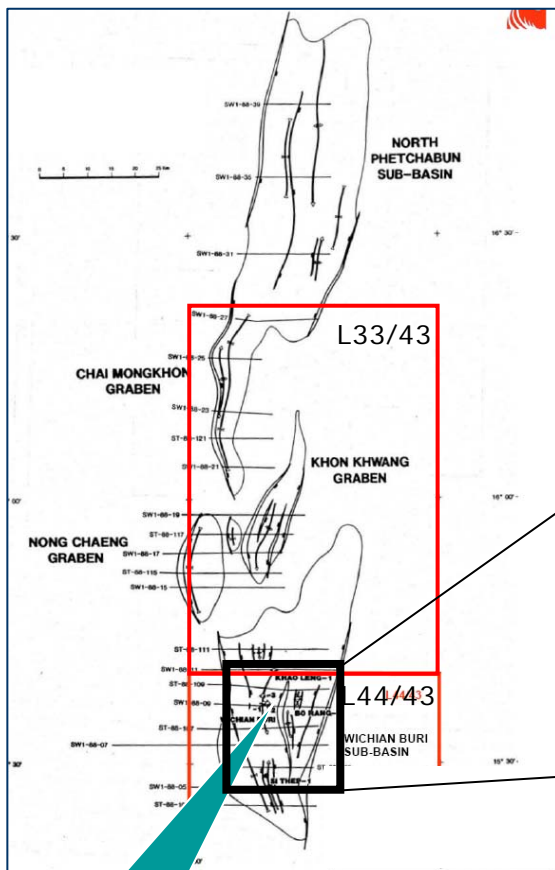
WICHIAN BURI OIL FIELD



WICHIAN BURI TREND UPSIDE

PROSPECTS IN L44/43

More potential in L33/43



Prospects in yellow
Currently being revised

**NEED GOOD QUALITY SEISMIC
TO MAP COMPLEX RESERVOIR
COMPARTMENTS**

Wichian Buri Oil
Field

The banner features a background image of an oil field with a large derrick on the right side. The text 'WICHIAN BURI OPERATIONS' is overlaid in large, white, sans-serif capital letters.

WICHIAN BURI OPERATIONS

- 10 wells producing on steady decline
 - Current production ~ 140 bopd
 - Oil is trucked to Bangkok refinery along 6 lane highway
 - Oil is waxy and requires heating – some extra costs
 - Substantial tax losses/credits
-
- | | |
|----------------------------------|---------------|
| ■ Sold 2 nd Half 2005 | 26,507 bbls |
| ■ Opex | US\$11.18/bbl |
| ■ Capex | US\$8.2/bbl |

Many costs are fixed and costs/bbl will improve substantially with increased production levels



UPSIDE

- Drill more wells – keep them simple & cheap
 - Fresh set of eyes – old concepts - new work
- Other targets deeper and shallower
- Other sandstone intervals - needs work
 - target fractured volcanics – higher flow rates
 - Deeper targets – large



WICHIAN BURI FIELD – 2006 ACTIVITY

Seismic Reprocessing

- Completed – Results excellent. Many drill locations identified

Mapping of Reprocessed Seismic

- Nearing completion – Updated prospects soon and reserves end April

3D Seismic

- New seismic will be acquired 2Q 2006
- Contract signed with CGG – April 10 startup of recording

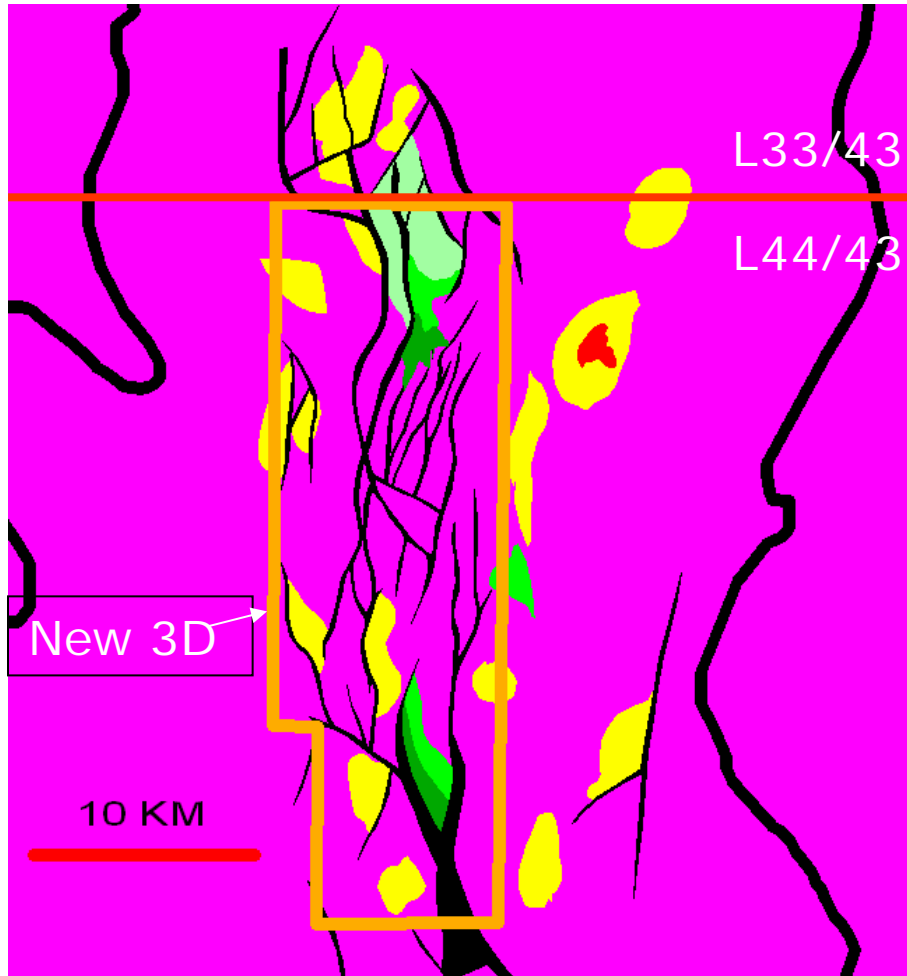
Extensive Drilling Campaign

- Well costs anticipated ~ US\$300,000 including testing & completion
- 2 carried infill development wells this half year – low risk locations - add further production
- Drilling rig contracted
- Tenders out for a truck mounted second rig
- Intensive drilling programme in planning – 12 further wells budgeted for 2006

Production

- Currently producing around 140 BOPD
- **2 infill development wells imminent** - low risk. If successful, will be brought on for immediate production.

2006 SEISMIC PROGRAMME



L44/43

- Reprocessing 14 km² 3D (Completed)
- 225 km² new 3D acquisition (Mid year completion)

L33/43 & L44/43

- Reprocessing 500 kms 2D (Completed)

2006 WORK PROGRAM

ITEM	2005			2006												
	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
										Early Monsoon			Peak Monsoon			
Reprocessing	█	█	█	█	█	█										
3D Seismic						█	█	█	█	█	█					
Drilling																
2 wells Carnarvon carried									█	█						
Budgeted 12 Wells																
1 rig operating										█	█	█	█			
2 rigs operating														█	█	█

OVERVIEW OF PAN ORIENT (JV OPERATOR)

- Listed on TSX-V (POE) with 27.7 million shares on issue – Market Cap A\$105 million
- Has assembled a strong management and technical team with significant international and domestic oil & gas experience
- Well funded with approximately A\$11 million cash and zero debt
- Agreement with Pan Orient addresses past JV concerns and provides the platform for a strong working relationship going forward





TECHNICAL COMPETENCE OF JV

Technical Management

CARNARVON

Ted Jacobson CEO

Geologist/geophysicist with 36 years experience
TOTAL, BP, UNOCAL, SANTOS, Petroz, Discovery, Tap Oil

David Orth

Geologist with 25 years experience
BHP, Triton

PAN ORIENT

Jeff Chisolm CEO

Geophysicist with 16 years experience
Bow Valley, Can Occidental Petroleum, PanCanadian, Niko Resources

Waleed Jazrawi

Engineer with 35 years experience
CanOxy, Syncrude

Gerry Macey

Geologist with 32 years experience
PanCanadian, Encana, Verenex

Cam Taylor

Geologist with 18 years experience
Canadian 88 Energy, Keystone Energy

Ian Halstead

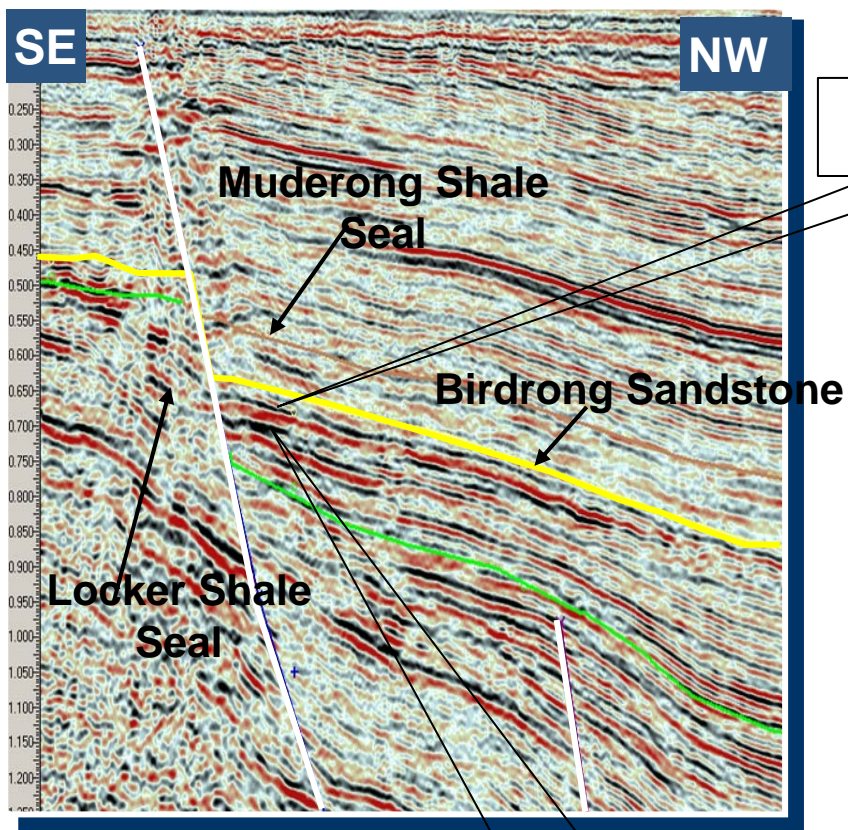
Operations Manager with 20+ years experience
Cairn Energy, Cambrian Sea, Intera/ECL, Lasmo, Turksee Shell
Has previously worked on Wichian Buri Oil Field

CARNARVON BASIN ASSETS

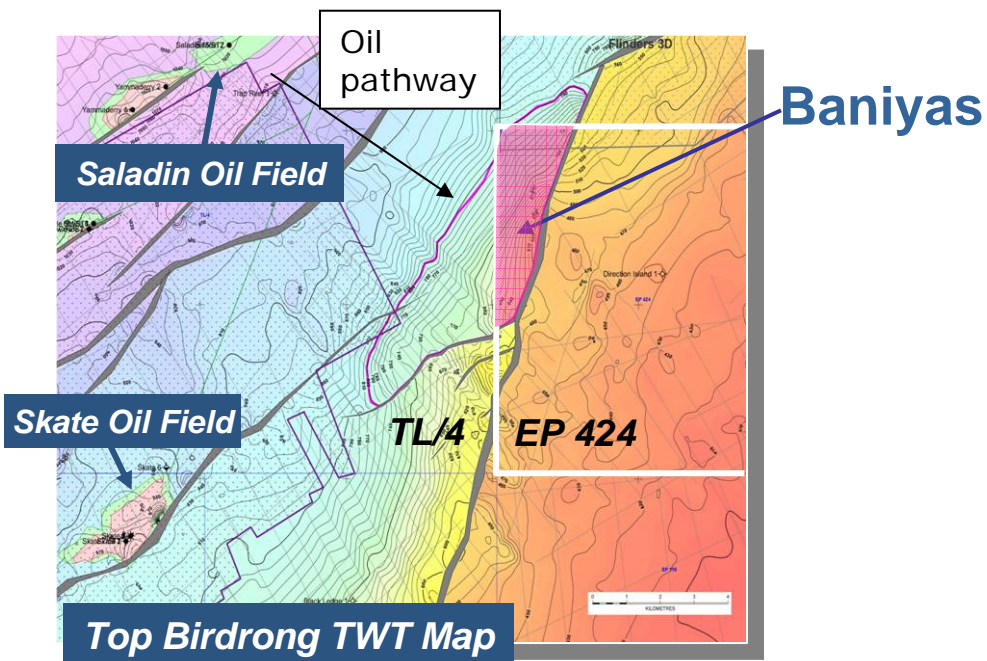
EP 424

BANIYAS PROSPECT

Large – Carnarvon 35%
Approximately 30% in EP 424
Rest in Chevron Block TL/4
Updip of Saladin Oil Field



Bright amplitudes-
may indicate
hydrocarbons



COMPARISON WITH LARGER AUSTRALIAN OIL COMPANIES

Net Oil Reserves P50 (Gas not included)

	Net Oil Reserves Attributable	As at	Current Market Cap
Carnarvon	3.8 mmbbls in WB	Current	\$18 million
Pan Orient	5.9 mmbbls in WB	Current	\$105 million
Tap Oil	4 mmbbls	March 2005	\$410 million
Arc Energy	4.2 mmbbls	Oct 2005	\$400 million
AWE	8.8 mmbbls	June 2005	\$993 million
ROC oil	16.5 mmbbls	June 2005	\$678 million

Although Carnarvon doesn't yet have the asset spread of the larger Australian companies, it does have an attributable oil reserve base that could drive significant growth



CONCLUSION

2006 will be a year of consolidation and growth for Carnarvon. The key success drivers will be:

Exciting 2006 work program

- 3D Seismic programme (US \$4.5m gross)
- Drilling – 2 carried & 12 firm budgeted development and exploration wells (US \$6.7m gross)
- Continued production currently at 140 BOPD

New JV partner

- Recent agreement with Pan Orient provides a sound platform for a strong working relationship with new partner
- Strong management, exploration and development teams that should assist Carnarvon in ensuring further success in the Joint Venture property

New Director appointments

- The recent appointments of Ted Jacobson, Peter Leonhardt and Ken Judge create a strong Board and add significant commercial and technical credibility to Carnarvon
- Carnarvon will seek to leverage off these appointments to create wealth for shareholders

Strong operating environment

- Oil prices currently around US\$60 - \$70 barrel. We are in a bull market for energy
- World is now using 27 billion barrels of oil, 9 times more than we are finding (3 billion) on an annual basis

Corporate Growth

- Other asset opportunities being evaluated – these take time to fully consider
- Carnarvon is preparing for additional asset growth mid to late this year – immediate focus on Wichian Buri essential
- Carnarvon has a very large technical database spanning 21 years

CONTACTS

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The Carnarvon website is under much needed renovation – please be patient
For further information please contact Ted Jacobson



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