

Asia-Pacific Oil and Gas Assembly Presentation

7 May 2014



Carnarvon Petroleum Limited (“Carnarvon”) (ASX:CVN) is pleased to provide shareholders with the following presentation provided today at Oil Council’s Asia-Pacific Assembly in Hong Kong by Carnarvon’s Chief Executive Officer and Managing Director, Mr Adrian Cook.

Carnarvon’s strategy is to use experienced people, quality information and sound financial resources to generate value for shareholders. By thinking and acting different, Carnarvon is able to apply those resources sometimes unconventionally to achieve the required aim of securing quality acreage, and leveraging that acreage via farm-out or sales agreement to achieve value for shareholders.

Mr Cook explained how Carnarvon acquired a low flow rate sandstone oil field in Thailand and transformed it into a high flowing and valuable producing asset. The realisation that somewhat unconventional deeper fractured igneous reservoirs could hold commercial oil resources turned an overall A\$20 million investment into free cash flows of A\$43 million and a sales agreement (for half of Carnarvon’s holdings) for up to A\$72 million, as was outlined in the ASX releases on 3 March 2014.

Mr Cook also outlined how despite being a junior ASX listed exploration and production company, Carnarvon was able to secure 28,000 km² of North West Shelf acreage ahead of a significant exploration focus into the region by major oil and gas companies.

For these Phoenix blocks, the ability to see past the short term effects of the Global Financial Crisis in 2008 allowed Carnarvon to pick up its interest in five blocks covering a total of 28,000 km² between the Carnarvon and Browse basins. Five years later, Carnarvon and partner Finder Exploration have farmed out two of these blocks to Apache and JX Nippon. Apache have also taken an option over two more blocks, but just as importantly the majors (including Woodside and Shell) have picked up neighbouring acreage and have committed to significant exploration spend in the region.

In simple terms, following the Thailand asset sale Carnarvon has a net cash position of over A\$50 million and future earnings from the sales agreement of up to A\$35 million. Carnarvon maintains leverage to success in Thailand by retaining a 20% interest in the production and exploration assets (with a look through consideration of up to A\$72 million).

Importantly the Company is well funded through the upcoming drilling of the Phoenix South-1 and contingent Roc-1 wells, and the path to monetisation of these assets is soon to commence.

Finally Carnarvon continues to act and think differently in order to maximise value from the remaining portfolio, and also new additions to this portfolio.

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Yours faithfully



Adrian Cook

Managing Director

Carnarvon Petroleum

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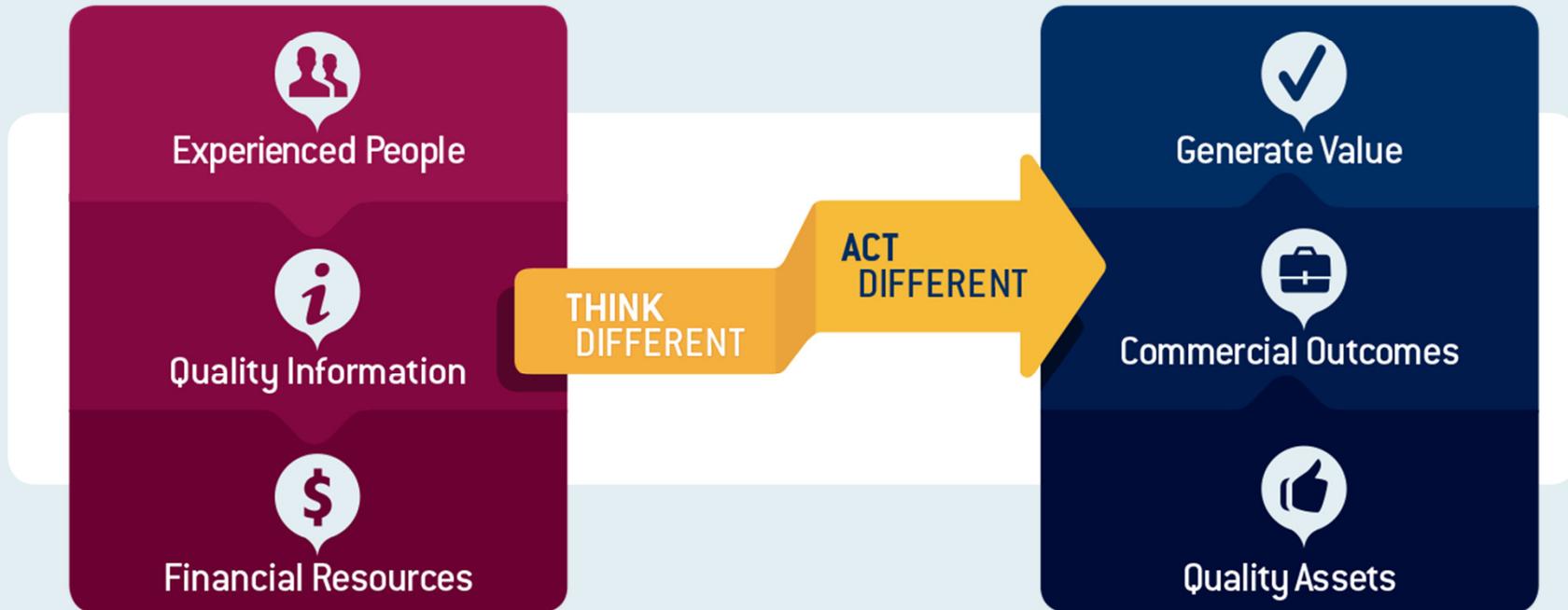
ASX: CVN

“ **Think** Different;
Act Different ”

Adrian Cook
Managing Director
Carnarvon Petroleum
Oil Barrel Asia-Pacific Assembly Presentation

May 2014

Create Something Remarkable



Experienced People

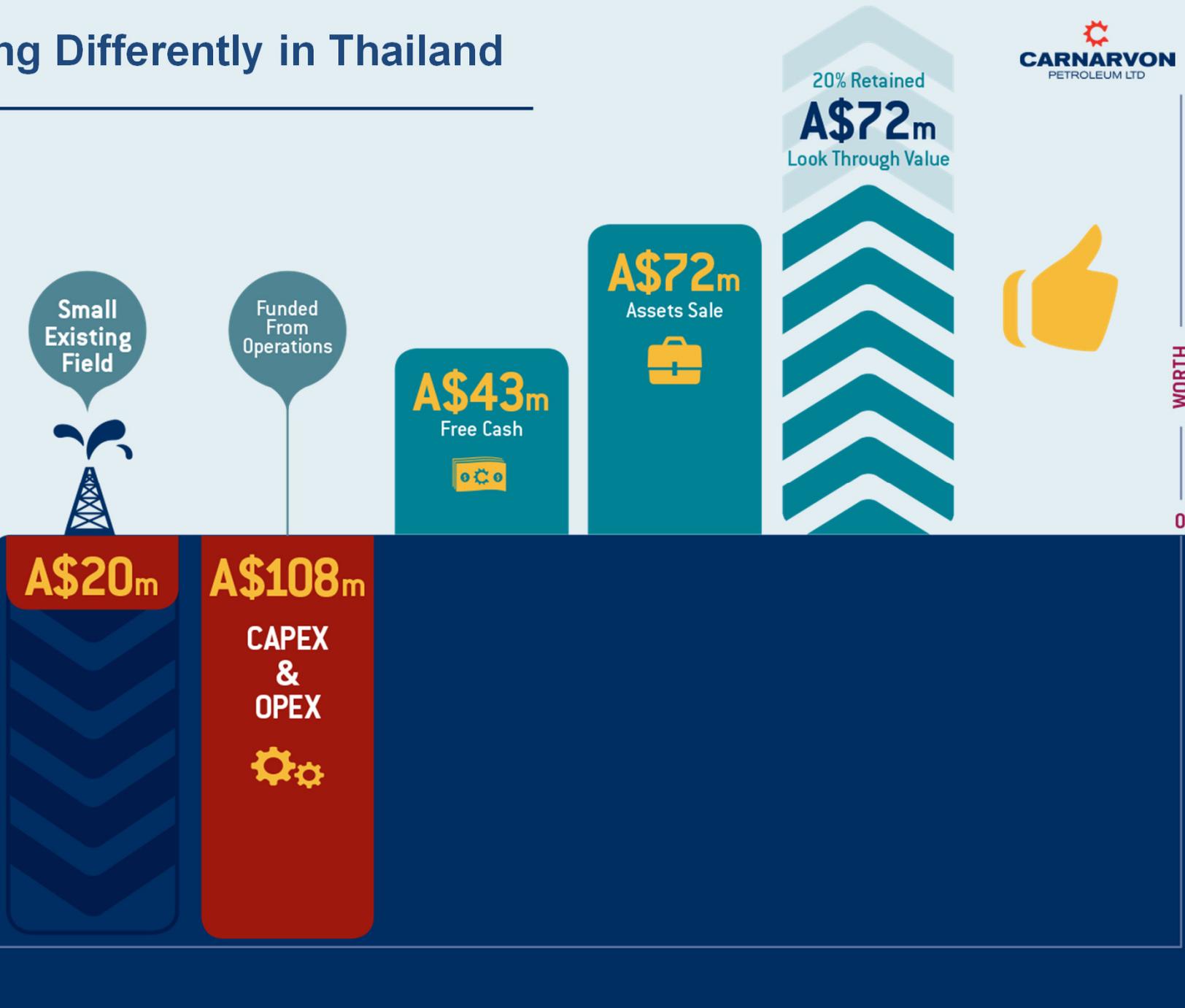


Financial Resources

\$



Thinking Differently in Thailand



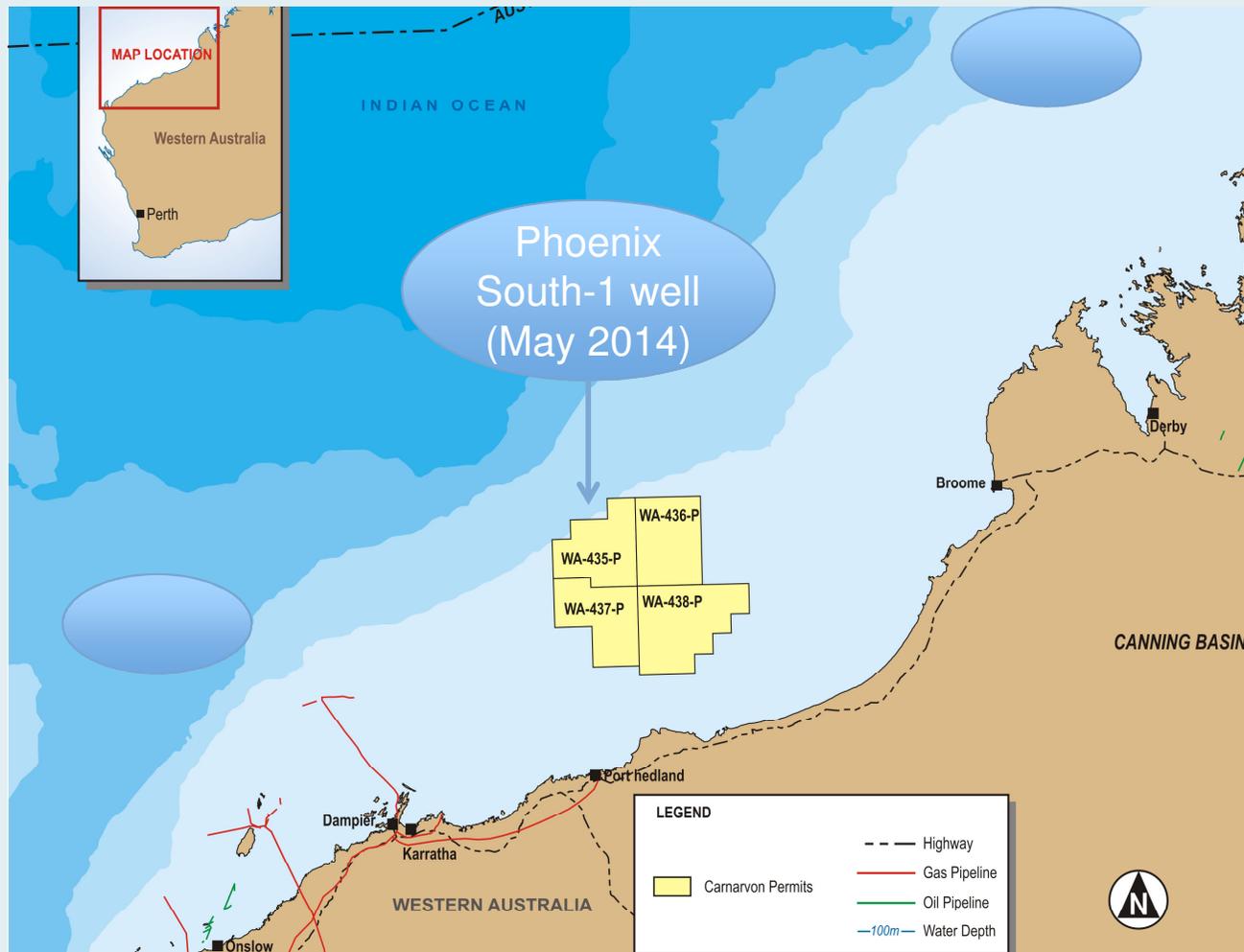
WORTH

TIME

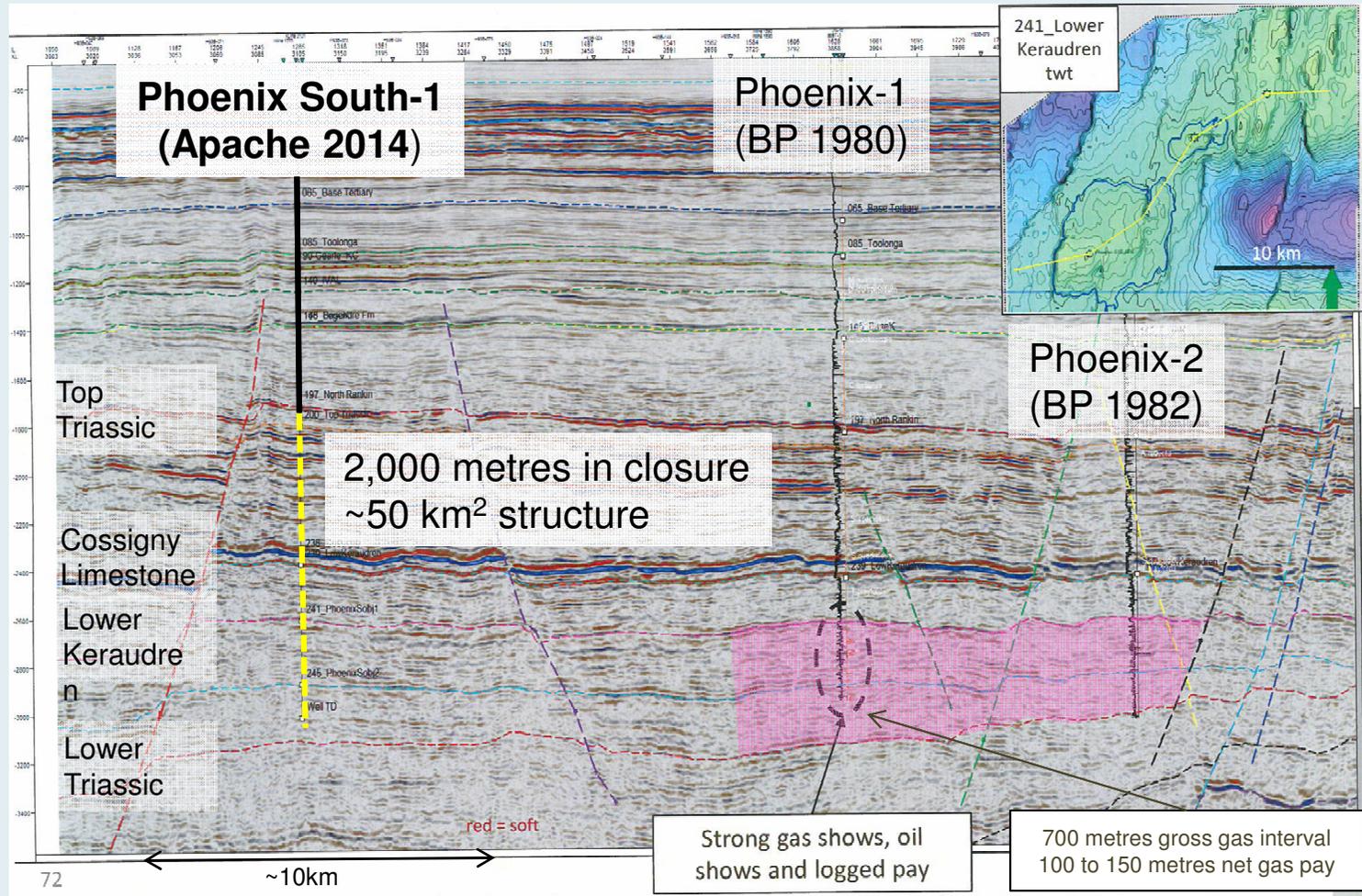


Western Australia

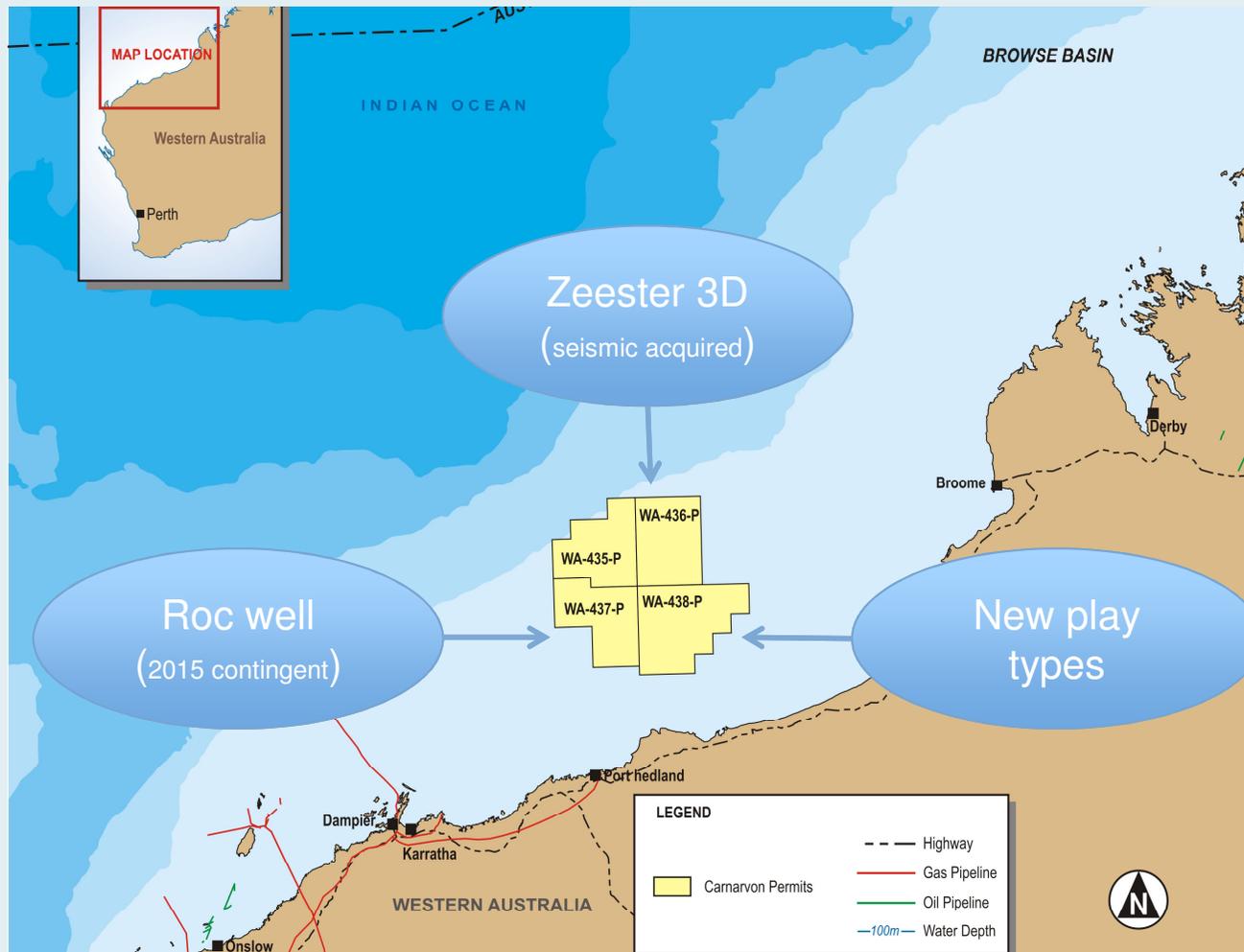
The North West Shelf Opportunity



Our Focus: Phoenix South - 1



Future Regional Focus: Roc and beyond



Simplifying the Value Proposition



**WE ARE
HERE**

Future Farm Out and Drilling on New Blocks

Roc Well Contingent on Phoenix South-1 (free carried to US\$70m gross)

Phoenix South-1 Well (free carried to US\$70m gross)

20% interest in Thailand production (look through consideration up to A\$72m)

A\$50 million cash + up to \$35m in future royalty payments

VALUE



TIME

Disclaimer



The information in this document, that relates to oil exploration results and reserves, is based on information compiled by the Company's Chief Operating Officer, Mr Philip Huizenga, who is a full-time employee of the Company. Mr Huizenga consents to the inclusion of the reserves and resource statements in the form and context in which they appear.

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Think different
Act different

Addendum

May 2014

Addendum 1: Key Achievements



- Farmed out two North West Shelf exploration wells (Phoenix South-1 and Roc) to Apache and JX Nippon in which we recovered all our costs and retained a 20% free carried through these wells;
- Increased the farm out well cost caps on the above wells to cover the projected success case outcomes, meaning we expect to be prudently covered for success case outcomes in the upcoming drilling program;
- Materially increased oil production in Thailand in the recent drilling program;
- Divested half of our Thai oil production asset for US\$33m in cash to strengthen our financial position in preparation for success in the next North West Shelf well (Phoenix South-1 well); and
- Retained upside exposure in the divestment (in addition to retaining 20% interest in the asset) with up to US\$32m in future payments linked very simply to a percentage of field revenue.

Addendum 2: Business snapshot



- Positioned to capitalize on success from the Phoenix South-1 well and to secure new opportunities capable of replicating the Phoenix model;
- A\$50 million in cash;
- No debt and minimal commitments;
- Phoenix South-1 well, with CVN free carried, is expected to spud in May 2014, timing subject to Apache completing its current drilling activities;
- Plans are in progress for the Roc well, CVN also free carried, to spud in 2015 if the Phoenix South-1 well is a success;
- Thailand oil production circa 4,000 bopd gross (CVN 20% interest); and
- Further drilling in Thailand oil fields is planned Q3, 2014 following completion of the next round of technical work.

Addendum 3: Corporate snapshot



Closing share price and volume over 12 months for ASX:CVN

- Issued shares 987m
- Share price (ASX:CVN) 8.7c
- Issued options (10c) 49m
- Option price (ASX:CVNO) 3.6c

- Market Cap A\$86m
- Cash A\$50m
- Debt nil
- Hedging nil
- Enterprise value A\$36m