



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

INVESTMENT IN AUSAM ENERGY CORPORATION

Melbourne, 16 August 2004, – Carnarvon Petroleum Limited (ASX:CVN) is pleased to announce that the Toronto-listed company, Ausam Energy Corporation, has completed the acquisition of Australian-based Ausam Resources Limited, and its previously announced financings.

Carnarvon has an investment in Ausam Energy with a value of approximately A\$480,000 based on the issue price of C\$0.75 at which Ausam Energy undertook its recent capital raising.

The TSX Venture Exchange has given conditional approval of the acquisition and once all documents have been filed and approved by the TSX it is anticipated that Ausam Energy shares should recommence trading before the end of this month under the new symbol "AUZ".

Ausam Energy has raised C\$4.7 million in new capital at a price of C\$0.75 and anticipates closing on a further C\$2 million before the end of August.

Mark Avery, Chairman and CEO of Ausam Energy stated, "The TSX Venture Exchange listing now provides us with a solid public platform from which to finance our aggressive natural gas drilling plans in Queensland. The company plans to drill over 100 development and exploratory wells over the next few years and drilling is planned to commence within 60 days."

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