Carpenter Pacific Resources NL

16 April 2004

Australian Stock Exchange Limited
Company Announcements Office
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: CORPORATE RESTRUCTURE: RETURN OF CAPITAL AND HEADS OF AGREEMENT FOR RESTRUCTURE

The board of Carpenter Pacific Resources NL has resolved to make a return of capital to its shareholders, and has entered into a heads of agreement that will involve a corporate restructure that will strengthen the Company's position, through new management expertise and recapitalisation, as an emerging junior oil and gas company.

I - Background

The Board for some time has been looking at ways to add value to the Company, have its share price reflect the value of its assets and provide it with a stronger oil and gas focus. The restructure will result in Carpenter having a consolidated direct 5% ownership in the Maari Oil Project.

The Board believes that the proposed appointment of directors with an oil and gas background, the acquisition of the additional Maari interest and the proposed capital raisings will help Carpenter emerge as a strong junior oil and gas company.

In addition the Board has sought to reward shareholders for their patience by a return of capital of 33 cents per share, which at the time of this announcement is above the current share price, whilst still preserving their right to participate in the restructured company.

II - Return of Capital

The Board of Carpenter has resolved that, subject to shareholders approval, Carpenter will make a cash return of capital to all shareholders of 33 cents per share. The meeting to approve this return of capital will also consider the matters contained in the Heads of Agreement set out below. The timing of this meeting, and therefore the Record Date for the return, will in part be determined by the requirements to obtain independent experts reports for the meeting. The Directors do not expect the shareholders meeting to be held before mid-June 2004. The record date would be the day after such meeting is held. The Board will advise the Australian Stock Exchange of the proposed Record Date as soon as the notice of meeting has been sent to shareholders.

III – Corporate Restructuring: Heads of Agreement ("HOA")

A HOA has been entered into with the Company's major shareholder, Westgold Resources NL (Westgold), Petroleum Ventures Pty Ltd (PVG) and Montagu Corporate Pty Ltd. The main terms and conditions are as follows:

1. Carpenter will make the return of capital to all shareholders of 33 cents per share (as set out above).

2. Carpenter has agreed (subject to shareholders approval) to purchase the 50% of Delta Oilfield Developments Limited (Delta) owned by Westgold for a consideration of $3 million payable by:

   (i) A cash payment of $1.3 million and the issue of 10 million Carpenter shares at 17 cents per share to Westgold (being Carpenter's approximate net present value post the restructure).

   This would result in Carpenter owning a direct 5% interest in the Maari Oil Project in offshore New Zealand held via Delta's wholly owned subsidiary Delta Oil Taranaki Pty Ltd (DOT). Carpenter currently has an indirect 2.5% interest through its 50% holding in Delta. Carpenter will also reimburse Westgold its share of Delta joint venture cash calls in respect to its Maari interest incurred during the period between this HOA and settlement.

3. In order to re-capitalize the Company to cover the development of the Maari field, Carpenter will conduct a two-stage raising. Stage I will be a placement to clients of Montagu Corporate Pty Ltd at 14 cents per share to raise $5 million of which PVG will seek to subscribe $2 million.

4. For the second stage of the raising, Carpenter will offer a further capital raising to all existing Carpenter shareholders for a further maximum of $5 million at the same price as the shares issued to Montagu clients and PVG (on a pro-rata basis).

5. PVG appointing a minimum of 2 directors to the Board of Carpenter alongside Mr Michael Atkins and Mr Andrew Drummond. Messrs Hill and Spiers will resign from the Board at that time.

Each of the above points will be subject to the completion of a due diligence by PVG on Carpenter, a Carpenter shareholders meeting to approve the restructure, the requirements of the Corporations Act and the ASX Listing Rules and other regulatory requirements. An independent experts report on whether or not the restructure is fair and reasonable will be provided as part of the Notice of Meeting to go to shareholders.

During the period up to the approval by shareholders, both Carpenter and Westgold are free to accept offers for their interests in Maari more favourable than those set out above.

III – Involvement of Petroleum Ventures Pty Ltd (PVG)

Petroleum Ventures Pty Ltd, is a company established by a group of Australian oil and gas industry executives and professionals, which was formed in 2001 as an investment vehicle in the Australian oil and gas sector. Initially, PVG took a passive, but highly successful, investment strategy through placements/shares in start-ups such as Nexus Energy Limited and

Voyager Energy Limited and more mature companies such as ARC Energy Limited. When approached with the re-structuring of Carpenter, PVG reviewed the Maari asset and chose to take a more active role in the Company. In addition to supplying the industry expertise to guide the future of the Company at both the board and management level, PVG is pleased to be able to raise a minimum of $2 million towards recapitalisation of the Company.

IV – Carpenter Board Reorganization

PVG will nominate three members to the new board of Carpenter. Two of these nominees, David Whitby and James Brown, have agreed to join the Carpenter Board on completion of the above transactions.

David Whitby will join the Board as Managing Director, and will build a team of highly experienced oil executives to effectively shepherd the Maari development and to grow the business in the Asia-Pacific Region. Dave has 23 years of industry experience in Canada, Australia and Indonesia, working 10 years for Husky Oil, 11 years for Gulf Canada (now ConocoPhillips) and 2 years as an independent consultant. Dave has held the position of Vice President for heavy oil for Husky, Managing Director of Gulf Australia, Vice President for Corporate Development for ConocoPhillips Indonesia and Senior Advisor to the Board of Gulf Indonesia representing the interests of the minority shareholders in the takeover by Conoco.

Dave lives in Australia with his partner of 23 years, Laura and daughter Rebecca.

Also joining the Board will be James Brown, an energy consultant with over 23 years of experience in the Asia-Pacific energy and finance industries. Mr. Brown's work experience includes six years with Merrill Lynch where he was First Vice President and head of Merrill's Asia-Pacific energy research group, based in Singapore and Sydney. His prior work experience includes appointments with Morgan Stanley, Barings Securities and Esso Australia. James brings significant experience in the area of corporate planning and Investor Relations.

Upon the completion of due diligence and the independent experts report a Notice of Meeting and Explanatory Memorandum will be sent to shareholders covering the transaction in detail. In addition the Company expects to make progress announcements to keep shareholders and the market informed.

Yours sincerely,

ANDREW CHAPMAN
COMPANY SECRETARY

"For further information please contact Andrew Chapman (08) 9326 5700 or visit the Carpenter Pacific Resources NL website www.carpenterpacific.com.au".