



CARNARVON  
PETROLEUM  
LIMITED  
ABN 60 002 688 851

30 July 2003

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
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Via ASX Online

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Caltex Tower  
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Via Email

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Dear Sirs,

### **QUARTERLY REPORT FOR JUNE 2003**

Please find attached Carnarvon Petroleum Limited's Mining Exploration Entity Quarterly Report for the quarter ended 30 June 2003 incorporating:

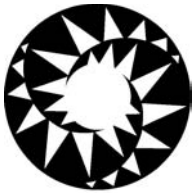
- Report on activities for the June 2003 quarter (3 pages); and
- Appendix 5B (5 pages) (Separate PDF File).

Yours faithfully,  
CARNARVON PETROLEUM LIMITED

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**Company Secretary**

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## REPORT FOR JUNE 2003 QUARTER

### HIGHLIGHTS

Key financial results for the quarter were:

- The SW1A Joint Venture in Thailand had a cash operating profit of US\$145,700 for the June quarter, which is a 260% increase over the corresponding quarter in 2002.
- Carnarvon received a cash distribution before royalty from the SW1A Joint Venture of US\$90,600 for the quarter.
- Carnarvon has significantly reduced its administration costs, with the full benefits to flow during the next quarter and onwards.

Operational activities during the quarter included:

- Exploration License L44/43 was granted on July 17
- Various in-field operations were conducted during the Quarter as part of normal industry practice to sustain optimum production from existing wells.
- Discussions continue with the Operator for the implementation of the long term development of the Wichian Buri Oil Field.

### EXPLORATION & DEVELOPMENT ACTIVITIES

#### SW1A Concession – Thailand (Carnarvon 40%)

The operating results for the SW1A Joint Venture for the June 2003 quarter and of the two preceding quarters are shown in the following table:

Operating Results Before Gemini Royalty	Dec 2002 QTR	Mar 2003 QTR	June 2003 QTR	YTD
Oil production rate	243 BOPD	315 BOPD	267 BOPD	237 BOPD
Average sale price	US\$23.03/bbl	US\$26.80/bbl	US\$22.91/bbl	US\$24.32/bbl
Cash operating profit/(loss)	US\$186,000	US\$344,000	US\$145,700	US\$659,000
Cash distributed to Carnarvon	A\$133,000	A\$232,000	A\$90,600	A\$447,100

The decline in production experienced during the quarter within the Wichian Buri Oil Field is within industry norms for similar fields and reservoirs in the region. Remedial workovers of several production wells were conducted during the quarter as part of normal oilfield practice, a process that will continue periodically throughout the life of the field to maintain production levels.

The SW1A JV partners are continuing the planning for further development of the Wichian Buri Oilfield. The Partners plan to drill an exploration well on the Huai Phai Prospect with commitments already made to purchase long lead time items such as casing. Site preparation is largely complete and rig selection is in progress. If the exploration well is successful, a number of development wells on the Huai Phai structure would be drilled in due course.

Planning is also focused on a multi-well drilling program, Phase III, and on means of improving oil recovery and well performance. The Phase III program will target all the discovered E, F and G Sandstones in the Production Licences and the surrounding Exploration Block L44/43, final approval for which was granted on July 17. At this stage, the timing for Phase III has not been finalised but, subject to drilling rig availability and funding, it is expected to commence during Qtr4 of this calendar year or Qtr 1 early next year.

#### **Carnarvon Basin (Western Australia)**

##### **EP 110 (Carnarvon 25.8585%)**

This permit is located onshore/offshore at Onslow, Western Australia, and is adjacent to the Tubridgi Gas Field. Interpretation of seismic data over the block continues, with a well to be drilled late 2005 to early 2006. The proximity to Tubridgi will make the economics very attractive and reduce the time required to bring on stream a new discovery.

#### **Papuan Basin (Papua New Guinea)**

##### **PRL 4 and PRL 5 including the Stanley, Elevala, and Ketu discoveries. (Carnarvon 15%)**

These licenses are located in the foreland of the Papuan Basin in Papua New Guinea near the port town of Kiunga on the Fly River. Three gas/condensate discoveries were made in the old PPL 157 and are now retained in the Production Retention Licenses (PRLs) 4 and 5.

Discussions are ongoing amongst the Joint Venture Partners regarding the various options for commercializing the reserves. One such option is the proposed PNG to Queensland gas pipeline the status of which is still unclear.

### **CORPORATE ACTIVITIES**

The Company has completed the centralisation of its administration and technical functions in Melbourne. This process was completed during the quarter and will result in considerable cost savings from July, 2003. Corporate overhead costs will be further reduced when the current Managing Director and Chief Executive Officer steps down later this year, as previously announced to the Australian Stock Exchange.

For and on behalf of  
**CARNARVON PETROLEUM LIMITED**

**30 July 2003**

Enquiries can be directed to:

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