



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

25 September 2003

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW
Via ASX Online

Market Information Services Section
New Zealand Stock Exchange
Caltex Tower
286 – 292 Lambton Quay
WELLINGTON NZ
Via Email

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Dear Sirs,

DRILLING OF HUAI PHAI PROSPECT, ONSHORE THAILAND

Please find attached Carnarvon Petroleum Limited's announcement regarding the drilling of the Huai Phai Prospect, onshore Thailand.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Trevor Irwin
Company Secretary

Level 50, 120 Collins Street Melbourne 3000
Telephone: 61 3 9225 5400 Facsimile: 61 3 9225 5050

e-mail: admin@carnarvonpetroleum.com



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Carnarvon Petroleum wishes to announce that it has reached agreement in principle with its joint venture partner, Pacific Tiger Energy, on the drilling of the attractive Huai Phai Prospect, onshore Thailand. Discussions are ongoing with drilling and service contractors but it is likely that the well will be spudded during October of this year and will take about 11 days to drill plus additional time to complete.

Huai Phai is a four way dip closed anticlinal structure delineated by a 2D and 3D seismic grid and lies two kilometers immediately to the west of the producing Wichian Buri oil field. The well will be drilled to approximately 1050 meters to test the regionally extensive F Sandstone as the primary target with the G Sandstone providing a secondary target. A mature hydrocarbon source is known to exist in the adjacent fault block and oils shows have been encountered up dip from Huai Phai suggesting that it is within the migration fairway. Huai Phai has an areal closure of 2.2 square kilometers (550 acres) and the Operator has indicated that Huai Phai could contain some 14 MMBO in place based on locally derived reservoir parameters with 2.5 MMBO recoverable. The Huai Phai-1 site location is fully constructed and consumables have been purchased.

Enquiries can be directed to:

David Orth or Trevor Irwin on +61 3 9225 5400