



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

16 October 2003

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SYDNEY NSW
Via ASX Online

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Dear Sirs,

SUBJECT: AGREEMENT REACHED ON FORWARD WORK PROGRAM

Carnarvon Petroleum Ltd. has reached agreement in principle with Pacific Tiger Energy Ltd., Operator for Production Licenses 1 & 2 and Exploration License L44/43 in central Thailand, on the forward work program for the remainder of 2003 and 2004. The work included in the agreement is the drilling of the attractive Huai Phai Prospect, the drilling of Wichian Buri N7 and N8 wells as multilateral completions and the acquisition of a 3D seismic survey in the northern portion of L44/43.

Huai Phai will be drilled as a vertical hole in the fault block immediately adjacent to the producing Wichian Buri Field to test a four way dip closure that could reservoir some 2.5 MMBO. Well WB-N7 will be drilled into Block L44/43 to both prove up additional reserves in the Greater Wichian Buri area and to allow for application for PL3. WB-N8 will be completed as a multilateral in an area of known oil and is designed to increase production. The seismic program will provide better definition of the northern portion of the field and will be the precursor to drilling during 2004.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Trevor Irwin
Company Secretary

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