



CARNARVON
PETROLEUM
LIMITED
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Dear Sirs,

**SUBJECT: JOINT VENTURE AGREEMENT - DRILLING OF THE HUAI PHAI
PROSPECT (HP-1)**

Carnarvon Petroleum wishes to announce that it has reached agreement with its joint venture partner, Pacific Tiger Energy, on the drilling of the attractive Huai Phai Prospect, onshore Thailand. Huai Phai is a discrete target which forms part of the development strategy of the company to maximise the value of the Thailand assets. If the well is successful, it will immediately add to production as it lies within the existing production licenses.

HP-1 will be spudded on or about November 9 and will take approximately eleven days to drill plus additional time to complete. The well will be drilled as a vertical exploration hole in the fault block immediately adjacent to the producing Wichian Buri Field to test a four way dip closure that could contain some 2.5 MMBO of recoverable oil. This exploration well will be drilled to approximately 1050 meters to test the regionally extensive F Sandstone as the primary target with the E and G Sandstones providing secondary targets. Huai Phai has an areal closure of 2.2 square kilometres and could contain 2.5 MM barrels of recoverable oil.

The drilling of HP-1 is expected to be part of a three well program to be completed by January 2004. Two further wells are planned to be drilled shortly after the completion of HP-1. These wells comprise the drilling of Wichian Buri N7 and N8 wells as horizontal and/or multilateral completions. Well WB-N7 will be drilled with two drainage points into Block L44/43 to both prove up additional reserves in the Greater Wichian Buri area and to allow for application for Production License 3. WB-N8 will be completed as a multilateral well with up to five drainage points in an area of known oil accumulations and is designed to increase production. The joint venture partners are in the final stages of planning for these additional wells.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Trevor Irwin
Company Secretary

Enquiries can be directed to: David Orth or Trevor Irwin on 61 3 9225 5400