



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

19 March 2004

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

Dear Sirs,

SUBJECT: Phase III Drilling

The Operator, Pacific Tiger Energy, has reported that production testing of the horizontal wells WB-N7 and WB-N8 is continuing in the Wichian Buri Oil Field, central Thailand. Oil production from N8 has commenced and flow rates are being monitored. Initial flow rates are variable within expected parameters for the field. Recording of down hole parameters and subsequent pump optimization is continuing as per industry practice. This weekend, the N7 well bore will be circulated to clean the build up of fine-grained drilling solids that have remained in the hole since drilling. Upon completion of this standard maintenance, production testing of N7 is expected to begin early next week.

The results of the production tests will be the subject of a joint press release once stabilized production rates have been established.

Carnarvon's interest in the SW1A Joint Venture is 40% with Pacific Tiger Energy Inc. being the remaining participant at 60%.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Trevor Irwin
Company Secretary

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