



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

31 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

Carnarvon Petroleum is pleased to announce that current production rates from the recently drilled WB-N8 well in Thailand are in the range of 150 to 220 barrels of oil per day. While these rates are not necessarily indicative of the long-term production rate, the Company is encouraged by the early results. A sustained production rate of 150 BOPD would increase by more than 75 percent production levels from the Wichian Buri Oil Field and would have a material positive impact on the Company's cash flow.

Pacific Tiger Energy Inc, Operator of the Wichian Buri Oil Field, is continuing work over operations on the WB-N8 well to remedy issues related to the physical characteristics of the different fluid phases in the well. The Operator believes flow rates may improve from the clean-up of the well. Multi-rate production tests with down-hole pressure tests will be continued to establish optimum long-term production from the well. Long-term flow rates will be reported as soon as they become available.

Pacific Tiger is also continuing production testing on WB-N7 following the work over operation to clean out the well. The Operator is now planning to perforate a further 12 meter interval that is behind casing. The results of this operation will be announced shortly.

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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