



**CARNARVON
PETROLEUM
LIMITED**
ABN 60 002 688 851

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

Dear Sirs,

WICHIAN BURI PRODUCTION UPDATE

Pacific Tiger Energy Inc., Operator of the Wichian Buri Oilfield has confirmed its expectation that production rates from the recently drilled Phase III wells will increase with further clean-up of the wells. Initial production rates from the N8 well were in the range of 150-220 BOPD. Sustained production at that rate will double production from the Wichian Buri field and materially increase cash flow to Carnarvon Petroleum. Any increase in production from clean-up activities will further improve cash flow. The Joint Venture is already cash-flow positive.

In a first step to increase deliverability from the recently drilled horizontal wells N7 and N8, the Pacific Tiger reports that it will shortly commence chemical and/or enzyme washes in early May to facilitate well clean up by removal of remnant drilling mud and filter cake. As is often the case with horizontal wells, they may not clean up quickly and satisfactorily on their own. An enzyme wash is a first step in assisted clean-up. With the right clean-up combination, improved production rates are expected. The two wells intersected a combined 500 metres of net pay, confirming the presence of oil.

The Operator anticipates that the well clean up operation will take two to three weeks and the wells will be back on production by end of May. Pacific Tiger has reported that N8 has had variable results on production testing, initially ranging from 100 to 250 BOPD. N7 continues to clog when put on pump and has yet to produce commercial amounts of oil but, as with N8, it should be a producer once cleaned of mud.

The N7 and N8 wells were drilled to test a new well-design configured by Pacific Tiger's geoscientists to optimize deliverability. N8, the first multi-lateral well drilled in Thailand, is a test to effectively drain the same amount of oil as three individually drilled wells and thus improve drilling economies. Pacific Tiger and the Company will continue to post updated reports on their websites.

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

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