



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

12 February 2004

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

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Dear Sirs,

SUBJECT: SW1A Joint Venture - Phase III Drilling Commenced

Carnarvon Petroleum Limited is pleased to announce that operations commenced on the Phase III drilling campaign yesterday at 19.00 Thailand local time, with the spudding of the WBN-7 well. Preparations are currently being made to run casing at 259 metres.

The WBN-7 well has been designed as a horizontal well to potentially extend the Wichian Buri Oil Field to the north into exploration license L44/43. The well will be drilled from a site within the existing production licenses and will test the producing F Sandstone some 700 meters north of the WBN-4 well. Upon successful completion of WBN-7, application for a new production license will be lodged with the Thailand Department of Minerals and Fuel.

WBN-8 will spud immediately following on from the completion of the WBN-7 well and is designed with a number of multilateral completions to augment production. The bottom hole locations will all be within the currently producing area of the Wichian Buri Field.

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

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

Level 50, 120 Collins Street, Melbourne, Victoria 3000
Telephone: 61 3 9225 5400 Facsimile: 61 3 9225 5050
e-mail: admin@carnarvonpetroleum.com