



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

16 February 2004

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

Page: 1 of 2

Dear Sirs,

SUBJECT: Phase III Drilling: Planned Sequence of Events/Progress to date.

Carnarvon Petroleum Limited wishes to announce progress achieved thus far in the Phase III Drilling Programme and the sequence of events which will occur over the course of the programme, as follows:

The planned sequence of operations for WB-N7 and N8 will be as follows:

1. WBN7 - 17 1/2" hole section to 250 m measured depth (MD) **completed**
2. WBN8 - 17 1/2" hole section to 250 m MD **completed**
3. WBN8 - 12 1/4" hole section to 1170 m MD **completed #**
4. WBN7 - 12 1/4" hole section to 1323 m MD
5. WBN7 - 8 1/2" hole section to 1658 m MD (882 m TVD)
6. WBN8 - 8 1/2" hole section to 1743 m MD (910 m TVD)
7. WBN8 - Leg 1, Leg 3, Leg 2

At 08:00 hrs Thailand local time well WBN8 was at 1178 m MD (955.5 m TVD) section TD in the 12 1/4" hole section. The 9 5/8" casing has been successfully ran and preparations were in progress to cement the casing in place. The Operator expects to complete the 9 5/8" casing cement job before skidding the rig to the WBN7 location and commence drilling with the 12 1/4" hole section today.

Upon reaching total depth in both WBN7 and WBN8, 7 inch pre-perforated production liners will be run into the holes followed by coiled tubing and the wells will be temporarily completed with drilling mud. The Deutag T48 will then be released and demobilized from the drilling location.

The next stage in the process will be the displacement of the oil based mud (OBM) from the cased portion of the wells, that is, from surface to where 9 5/8 casing had been set prior to

drilling into the F Sandstone interval, and recovered for future use. This procedure may take up to a week from the time the WBN8 reaches total depth. The wells will then be put on pump to begin the extraction of both the remaining OBM and new crude oil from the perforated sections in WBN7 and WBN8 wells and the multi-lateral sections in the WBN8 well. It may take as long as another week for the wells to clean up and establish flow rates.

Yours faithfully,
CARNARVON PETROLEUM LIMITED

Trevor Irwin
Company Secretary

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