



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

24 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: Phase III Drilling

Carnarvon Petroleum Limited announce that the WB-N7 well has reached its total measured depth of approximately 1874 meters, equivalent to 959 meters true vertical depth. The well has been completed with a pre-perforated production liner run through the F Sandstone interval. WB-N7 is a horizontal well drilled into Exploration Block L33/43, immediately north of the existing production licenses to extend the existing oil field and to enable the Joint Venture to apply for an additional production license.

On WB-N8, the first multi-lateral leg (Leg 3) has been successfully drilled to a total measured depth of 1672 meters. Drilling of the second multi-lateral leg (Leg 2) has also been completed. Drilling operations are continuing on the third multilateral leg (Leg 1). The main bore of the well will be drilled on completion of Leg 1 and ND completed with a pre-perforated production liner. WB-N8 is a horizontal well, with three multilateral legs, drilled within an existing production license area to increase production.

Upon completion of all drilling activities on both WB-n7 and WB-N8, anticipated mid week, the Deutag T48 will be rigged down and demobilized and production operations will commence thereafter.

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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