



CARNARVON  
PETROLEUM  
LIMITED  
ABN 60 002 688 851

20 November 2007

Company Announcements Office  
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

### **OPERATIONS UPDATE**

#### **NS5-D1 TESTS AT 240-440 BOPD**

##### **NS5-D1 Well (Carnarvon 40%)**

The recently drilled well NS5-D1, located on the Na Sanun East ("NSE") oil field, has been put on test and has been flowing at rates of between 240 and 440 barrels per day ("bopd") of 35 degree API crude oil with associated water of between 4% and 6%. The well will be put on beam pump over the next few days and flowed through both tubing and casing.

All other NSE wells continue to perform with restricted oil rates and very low water cuts.

NS5-D1 was drilled within the central fault compartment of the NSE oil field, approximately 400 metres south of L44-H. The well penetrated the main volcanic reservoir in the structurally lowest position of any well drilled to date and reached total depth approximately 8 metres deeper than any previous well, below initially interpreted structural closure.

### **PRODUCTION**

Current total field production capacity is now over 6,000 bopd (2,400 bopd net to CVN) with average deliveries to the refinery of over 5,000 bopd (2,000 bopd net to CVN), the difference being the capacity of the current number of available trucks to deliver oil to the refinery. This trucking capacity is being addressed and oil production is anticipated to increase to 5,800 bopd by month end. Negotiations are currently underway to bring on a third loading bay with 3,000 bopd capacity at the existing refinery and for a new sales contract at a second refinery, for an additional 6,000 bopd capacity, that would be subject to government approval of the Na Sanun East production license.

Suite 3  
Ground Floor  
16 Ord Street  
West Perth WA 6005  
Australia

Telephone +61 8 9321 2665  
Facsimile +61 8 9321 8867  
e-mail: [admin@carnarvonpetroleum.com](mailto:admin@carnarvonpetroleum.com)

**L44H-D1 (Carnarvon 40%)**

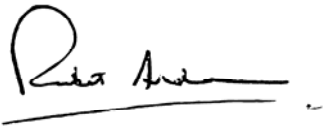
The Aztec #14 is currently setting casing just above target on deviated well L44H-D1, located within the central fault compartment of the NSE structural closure with a subsurface target location approximately 700 meters south of L44-H. Total depth is anticipated to be reached within 5 days. This will be the third well drilled into NSE's central fault compartment.

**NS6-D1A Sidetrack (Carnarvon 40%)**

The Aztec #7 rig is currently setting casing just above target on deviated well NS6-D1A, located within the south fault compartment of the NSE structural closure approximately 400 metres north of the original POE-9 discovery well. Total depth is anticipated to be reached within 5 days. This will be the fifth well drilled into NSE's southern fault compartment.

Yours faithfully,

Carnarvon Petroleum Limited

A handwritten signature in black ink, appearing to read 'RA Anderson', is written over a horizontal line. The signature is cursive and somewhat stylized.

RA Anderson  
Company Secretary