

22 December 2009

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

Thailand Update: New Production Licence

Carnarvon is pleased to announce that the Operator of the L44/43 exploration concession, Pan Orient Energy Ltd, has been informed by the Thailand Department of Mineral Fuels (“DMF”) that the Bo Rang North (“BRN”) production licence has been approved. The BRN production licence is approximately 39 square kilometres in total area and encompasses the L44-W, Bo Rang “A”, Bo Rang “B” and NSE-F1 oil discoveries announced earlier this year. The production period is for 20 years and commences immediately.

Carnarvon is also pleased to announce that the Joint Venture has received environmental approval from the Government of Thailand for 18 surface drilling locations at which multi-purpose pads will be built with up to three deviated wells to be drilled from each (for a maximum of 54 wells) covering the L44-W, Bo Rang “A”, Bo Rang “B” and the NSE-F1 field areas. Construction will start in early January 2010 with drilling likely to commence later that same month.

The approval of this latest production licence brings to six the total number of production licences that the Joint venture has under management in onshore Thailand, arising from the two distinct exploration concessions SW1 and L44/43.

Yours faithfully,
Carnarvon Petroleum Limited



Ted Jacobson
Chief Executive Officer

Permit Holders L44/43

Pan Orient Energy (Operator)	60%
Carnarvon Petroleum	40%

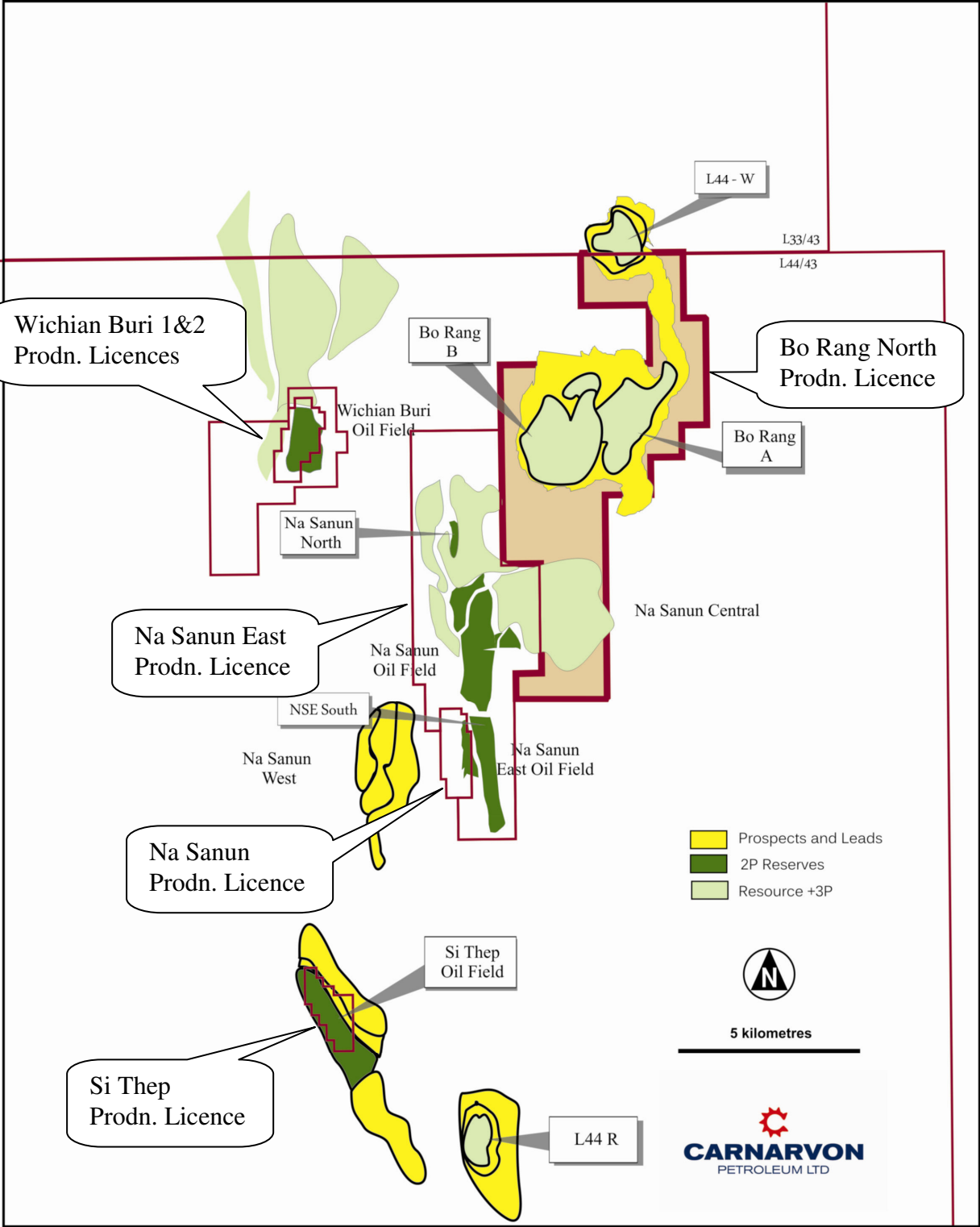


Figure 1: Production licenses in SW1 and L44/43 Thailand.