



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

18 July 2006

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000
Via ASX Online

Dear Sirs,

CARNARVON WEEKLY DRILLING REPORT

POE-2 Development Well - Thailand

The POE-2 well is located in the northern part of the Wichian Buri Oil Field (Figure 1) 0.24 kms northeast of the Wichian Buri N-2 production well which has been one of the best producing wells in this northern part of the field. The well is being drilled to a total depth of 1,310 metres. Primary objective is the "F" sandstone which is the current producing reservoir at Wichian Buri. However the well will be drilled deep enough to ensure that other potential reservoirs including the "G" sandstone are also intersected.

Location

The well is located at latitude 15° 37' 31.722" and longitude 101° 9' 2.2001" within the Petchabun Basin onshore Thailand.

Progress

As at 6.00 am this morning the well had reached a depth of 510.5 metres. The 7 inch casing has been run in the hole and cementing of the casing is in progress in readiness to drill ahead as planned. The hole is in good condition and the drilling is proceeding as planned.

Permit Holders

Pan Orient (Operator)	60%
Carnarvon Petroleum	40%

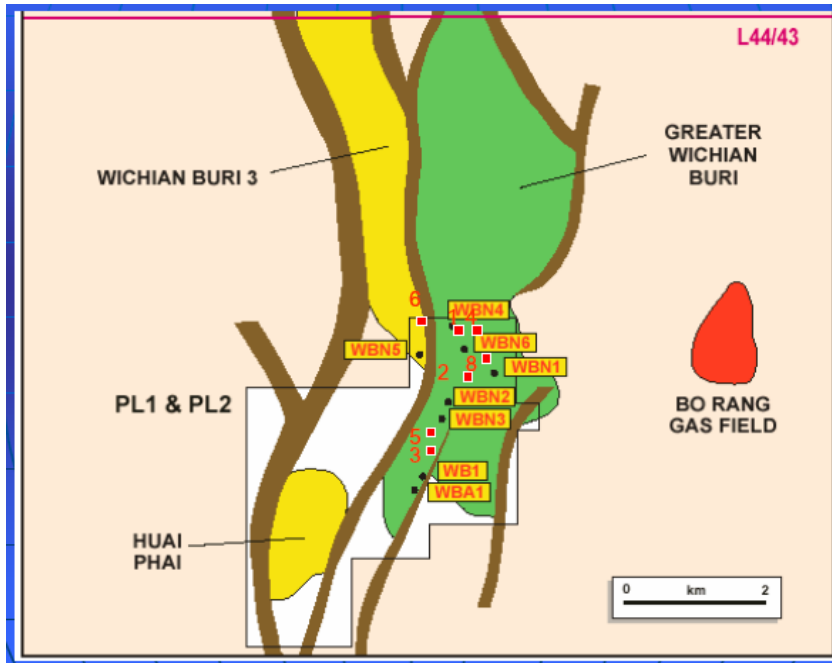


Figure 1: Location of POE-2

Yours faithfully,

Carnarvon Petroleum Limited

RA Anderson
Company Secretary