



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

15 October 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

INDONESIAN JOINT STUDY LICENCE

Carnarvon Petroleum Ltd ("Carnarvon") is pleased to announce that on 11th October 2007, the company was awarded a Joint Study Licence by the Indonesian petroleum regulatory authority (MIGAS) covering an area of 14,400 square kilometres within the highly prospective North West Natuna Basin, offshore Indonesia.

Carnarvon will be part of a joint venture (NW Natuna Joint Study Group) also comprising Enovation Resources Ltd, Natuna Ventures Pte Ltd and PT Gema Terra, which has been granted exclusive rights to carry out a detailed geological and geophysical programme to evaluate the petroleum prospectivity of the area. Carnarvon will have a 32.5% interest in the joint venture and will be dual operator with Enovation Resources for the duration of a 6 month study period. On the completion of the programme the Joint Study group will have a right of first refusal to conclude a direct award for a block within the Joint Study area under Indonesia's Production Sharing Contract (PSC) terms.

The Joint Study area is currently vacant acreage located in the under-explored offshore North West Natuna Basin, situated north east of the prolific oil & gas provinces of the West Natuna and Malay Basins and south west of the recent oil discoveries within the southern part of the Nam Con Son Basin, Vietnam. The establishment of a study licence over this area enables Carnarvon to fully appraise the potential of this large area before committing the company to a significant work programme. It will also enable the joint venture to tailor a work programme as part of a PSC with the government to best suit exploration of the area.

Carnarvon is in the final stages of evaluating several other international growth opportunities with which it can likewise exploit its highly recognised technical strength but which also require minimal upfront expenditure in the initial stages of prospect evaluation.

Yours faithfully,

RA Anderson
Company Secretary

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

Joint Study
Licence

