



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

26 April 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

NS-3 Appraisal Well

Na Sanun-3 ("NS-3") was drilled and cased to a total depth of 1,060 meters on April 23, 2007.

The equivalent of the productive volcanic interval at POE-9 and Na Sanun-1 ("NS-1") was encountered at 961 meters with a thickness of 77 meters. Oil shows were recorded while drilling through the top 20 meters of this interval. To isolate the interpreted water bearing zone encountered at NS-1, the decision was made to terminate the drilling of NS-3 prior to penetrating the equivalent of this zone. Preliminary open hole log analysis suggests potential reservoir development very similar to that encountered at POE-9.

Upon casing of NS-3, the Aztec #7 rig will move on to the Na Sanun-4 location and testing operations will take place at NS-3 immediately with perforations over the upper 20 meters of the main target volcanic zone. Initial testing results are anticipated in ten to twelve days. Extended testing is a required to confirm the hydrocarbon potential of this type of complex volcanic reservoir.

Yours faithfully,
Carnarvon Petroleum Limited

RA Anderson
Company Secretary