



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

4 June 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

OPERATIONS UPDATE

FLOW TESTING COMMENCED AT NS-4

Na Sanun-4 Appraisal Well

Flow testing of the NS-4 well commenced over the weekend with initial production of oil. Details will be released over the next few days once the well has cleaned up and flow rates stabilised.

Second Drill Rig

A second Aztec rig is anticipated to commence drilling operations in approximately two to three weeks with mobilisation starting this week from northeast Thailand.

Na Sanun-1RD

On 2nd June 2007 drilling commenced on NS-1RD, a re-drill of the earlier well Na Sanun-1 drilled in 1994 and which flowed oil at 1,400 bopd before suddenly watering out after 1.5 days. NS-1RD is located approximately 800 metres north of NS-4 and within the same fault compartment. Drilling is anticipated to take 10-12 days.

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