



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

14 May 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

OPERATIONS UPDATE THAILAND

NA SANUN-4

Na Sanun-4 Appraisal Well

The Na Sanun-4 appraisal well, located approximately midway between Na Sanun-1 and Na Sanun-3, has penetrated the top of the first of 5 potential volcanic reservoir intervals at a depth of approximately 952 metres. Within the top 5 metres of this volcanic interval, severe lost circulation was encountered indicating a highly fractured reservoir. Significant quantities of crude oil have been recovered at the surface due to the reduction of the mud weight as a result of gas influx into the well and “gas cutting” of the drilling mud. After initially regaining circulation control, severe mud losses were once again encountered whilst drilling down to 993 metres.

Due to the severity of the lost circulation the operator is assessing the forward programme with the setting casing and immediately testing the well.

Carnarvon CEO Ted Jacobson commented:

“Whilst we are very encouraged by these initial indications of reservoir development and hydrocarbons in the top 39 metres of the main target zone, logging and testing of the reservoir interval will be required to fully evaluate the potential of the well.”

Carnarvon Petroleum Limited

RA Anderson
Company Secretary

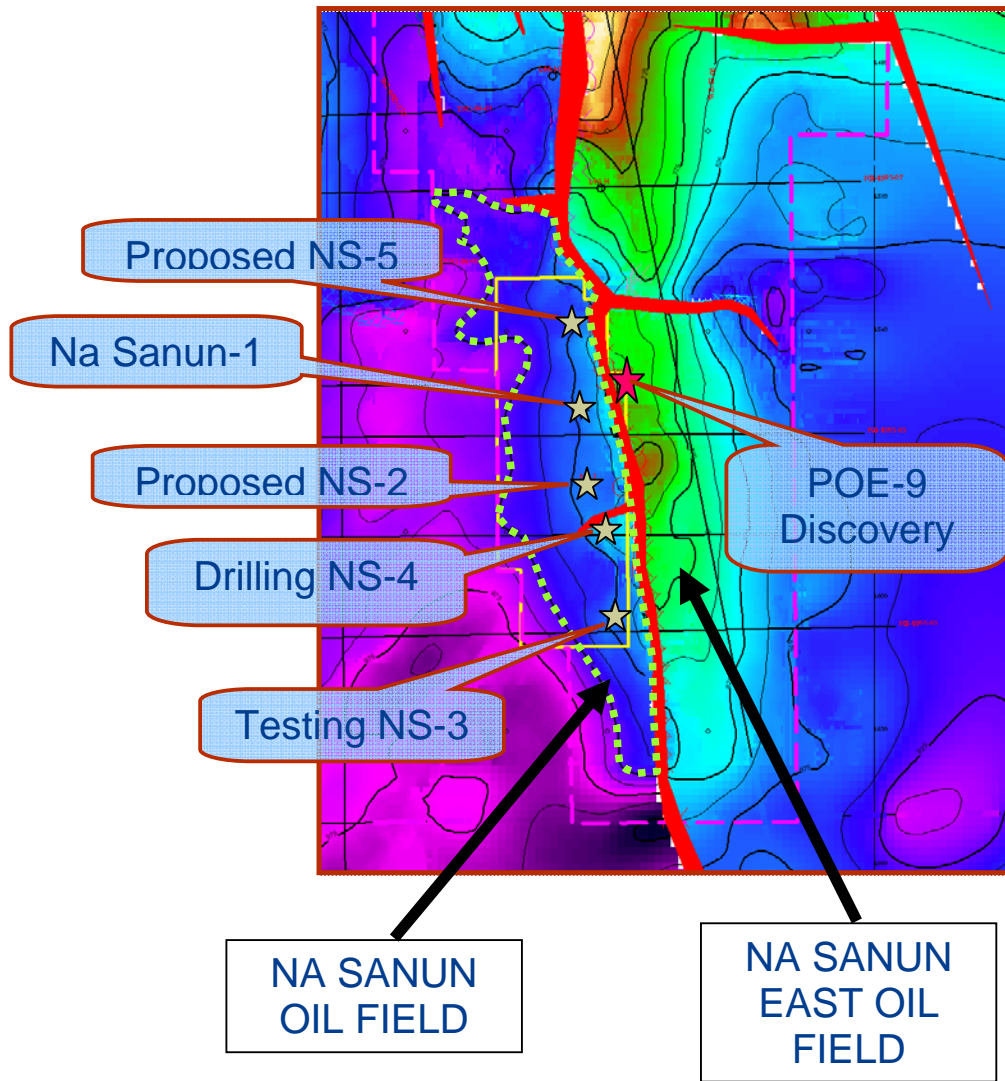


Figure 1: Na Sanun Oil Field and Na Sanun East (POE-9) Oil Field