



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

Dear Sirs,

### **3D SEISMIC IDENTIFIES SEVERAL HIGH IMPACT EXPLORATION TARGETS**

#### **Highlights**

- **Recent Joint Venture meeting in Thailand confirms increased prospectivity of Wichian Buri and acceleration of work programme**
- **Preliminary analysis of recent 3D seismic programme identifies several high impact exploration targets**
- **Large up-dip prospect of the Huai Phai-1 well to be drilled immediately as an additional well in Phase 1 programme**
- **Preparation for Phase 2 drilling underway with Government approvals requested and long-lead equipment being sourced**
- **Workover rig contracted and on-site. Workover programme underway with successful increase in existing production**

#### **Preliminary analysis of recently acquired 3D seismic**

Preliminary analysis of the 3D seismic data, together with reprocessed 2D data, has identified several prospects, which have confirmed the Joint Venture's positive assessment of the exploration potential of the field and the likelihood of significant reserve growth and further production opportunities elsewhere in the permits.

The most significant of these prospects is a large feature updip of the Huai Phai-1 well, drilled in 2003 by the previous operator Pacific Tiger Energy, in which oil was recovered at the level of the "F" sandstone which is the producing reservoir in the Wichian Buri Oil Field. Further details in respect of this well are included in Appendix A.

The updip Huai Phai prospect is considered by the Joint Venture to have substantial prospectivity and it has been decided to include this well as an additional well in the Phase 1 drill programme, to be drilled as soon as possible.

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## **Preparation for Phase 2 drilling underway**

It has been previously announced to the ASX that the Joint Venture plans to drill up to 20 wells in a second phase of drilling commencing at year end (in addition to a total of 6 wells (now 7 wells) in the current Phase 1 drilling programme).

The preliminary results of the reprocessed 2D and 3D seismic and the new 3D seismic have identified a number of exploration targets, many of similar geology to that described in Appendix A. Accordingly, the Joint Venture has agreed to order sufficient drill pipe, beam pumps and other long lead items to enable this programme to proceed with minimal risk of delay. Government approval is being sought for the Phase 2 drill programme, that will help to ensure that the Joint Venture will be in a position to immediately commence the development and exploration programme at the end of the year following completion of the Phase 1 development drilling on the Wichian Buri Oil Field.

## **Workover Programme**

The Joint Venture has contracted a smaller workover rig which has been mobilized on site. This drilling rig is currently carrying out some minor workovers on existing wells to improve production. Initial work has been successful with increased production rates from the N4 well.

## **Production Testing**

In September, the workover rig will commence preparation of the Phase 1 wells for production testing. Each well will be flowed for a minimum of 1 month with both the "F" and deeper "G" sandstone reservoirs tested for commercial flow potential.

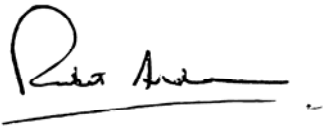
Following completion of production testing late in October, the rig will be deployed to extensively workover some of the existing production wells.

## **Carnarvon's CEO, Ted Jacobson commented:**

"I am delighted with the outcomes of the Joint Venture meeting in Thailand last week and the exciting targets generated by the recent 3D seismic programme. We continue to be surprised by the opportunities presented by the Wichian Buri Oil Field for further production from existing reserves and identification of new prospects outside the current production field."

Yours faithfully,

Carnarvon Petroleum Limited

A handwritten signature in black ink, appearing to read "RA Anderson", is written over a horizontal line. The signature is stylized and cursive.

RA Anderson  
Company Secretary

## APPENDIX A

### POE-7

As a result of the interpretation of the new 3D seismic data over the Wichian Buri area, several new prospects have been identified. One such prospect has been recognized updip of the previously drilled Huai Phai-1 well and a new well POE-7 is being planned to be drilled within the current Phase 1 drilling programme to evaluate the prospect.

Huai Phai-1 was drilled in 2003 (Figure 1) on a separate fault compartment to the west of the Wichian Buri Oil Field. Based on log data and RFT measurements, it is interpreted that the well intersected a 3 metre hydrocarbon column with good oil shows within the “F” sandstone reservoir. Testing produced a small amount of oil, limited by the thin oil column at this location. Importantly thick good quality sandstone reservoirs at both the “F” and “G” sandstone levels were intersected, with reservoir parameters better than those within the Wichian Buri Oil Field.

### POE-7 Drill Location

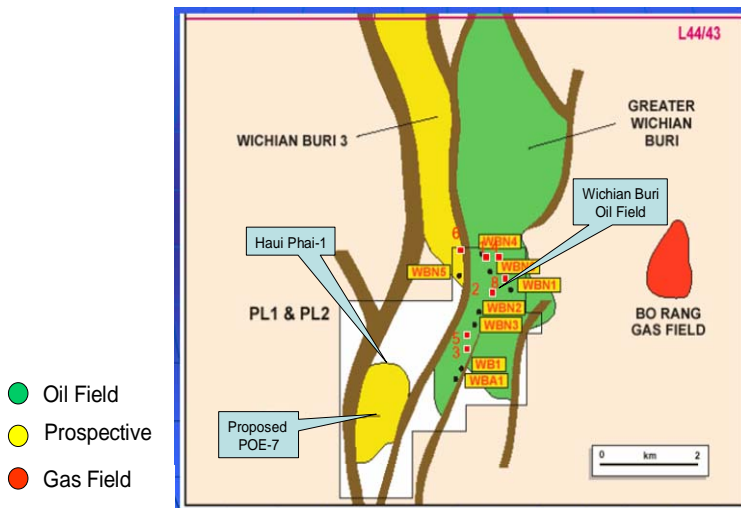
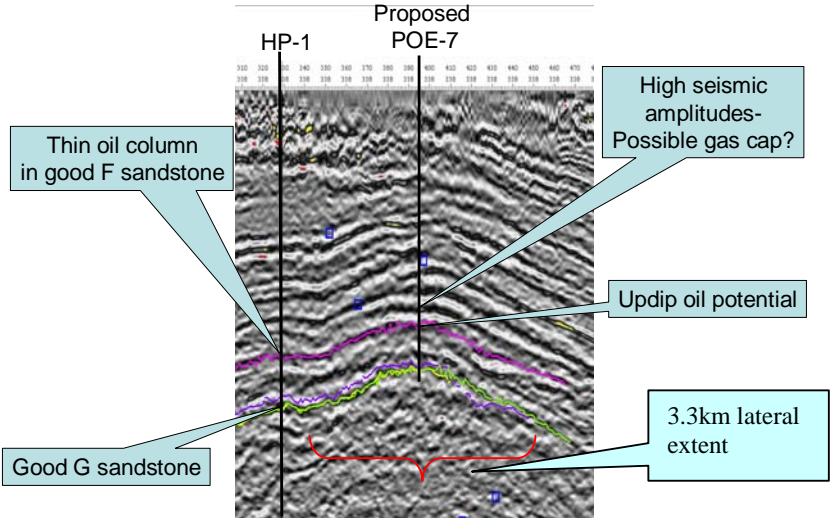


Figure 1: Location of programmed POE-7 updip of Huai Phai-1.

The new 3D seismic has identified significant structural potential over 100 metres updip of Huai Phai-1 (Figure 2). The structure has a lateral extent of approximately 3.3 kilometres and is sealed by bounding faults to the east and west of the structure.

## UPDIP Hai Phai-1



**Figure 2: New 3D seismic identifying significant new prospect**

The prospect is interpreted to be of possible high impact potential and rates highly on the Joint Venture’s prospect inventory. Accordingly, the Joint Venture is preparing the drill site for drilling as soon as possible, likely to be near the end of the Phase 1 drilling programme.