

28 February 2008

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

**OPERATIONS UPDATE L20/50 CONCESSION
ONSHORE THAILAND**

Following on from the L20/50 concession block ("Concession") official signing in Bangkok with the Minister of Energy on 21 January 2008, Carnarvon Petroleum Ltd ("Carnarvon") is pleased to announce that exploration activities are about to commence on the Concession.

The L20/50 concession is a large 3,947 km² block area located in the southern extent of the Phitsanulok Basin, 30 kms south of the large Sirikit oil and gas field.

A high resolution aeromagnetic survey is being planned to be flown over the new concession in April 2008 subject to gaining necessary Government and environmental approvals. These new data with existing broadly spaced seismic data will provide a 3 dimensional view of the subsurface. This will define optimum areas for the recording of new seismic in the most prospective parts of the concession, in a cost effective manner.

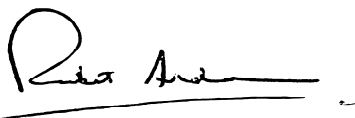
A previously drilled well in the Concession, Nong Bua #1, encountered positive oil shows in sandstone reservoir however due to testing limitations a flow to surface was not achieved. Carnarvon considers that a redrill together with required artificial lift may result in a commercial flow of oil from the well.

The re-drill of Nong Bua #1 is now being planned, depending on appropriate environmental and government requirements, and a technical assessment of all available data. The earliest timing for a redrill of Nong Bua #1 is late 2008.

Permit Holders

Carnarvon Petroleum Ltd (Operator)	50%
Sun Resources NL	50%

Yours faithfully
Carnarvon Petroleum Limited



RA Anderson
Company Secretary