



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

19 June 2007

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

OPERATIONS UPDATE

Na Sanun-1 Re-drill (NS-1RD)

The NS-1RD has been cased and cemented to a depth of 948 metres above the potential volcanic reservoir section encountered in NS-1. Drilling ahead through the volcanic section is anticipated in the next day or two, and a successful evaluation will result in the well being completed for production testing which is anticipated to occur over the next 7-10 days.

Na Sanun-4 Appraisal Well (NS-4)

Flow testing at the NS-4 well is continuing.

NS-4 is currently flowing clean oil at a stable rate of around 720 bopd of 29.9 degree API crude through 24/64" choke.

Second Drill Rig

A second Aztec rig is on site and being prepared for drilling which is anticipated to commence in approximately two weeks. The first exploration well L44-G using this rig will be located 7.3 km north north-west of the POE-9 discovery well on the Na Sanun East Oil Field structure. The primary objective is the upper volcanic zone, similar reservoir to that producing at NS-4 and POE-9 discoveries.

Yours faithfully,

Carnarvon Petroleum Limited

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