



CARNARVON  
PETROLEUM  
LIMITED  
ABN 60 002 688 851

26 June 2007

Company Announcements Office  
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs

## **OPERATIONS UPDATE**

### **THAILAND**

#### **NS-1RD APPRAISAL WELL**

The appraisal well Na Sanun-1RD (“NS-1RD”) is located 16 meters northeast of the original Na Sanun-1 well location, which was drilled in 1994 by a previous operator and was flow tested for 1.5 days at 1,400 bopd.

NS-1RD has been drilled to a total depth of 990 meters. The top 30 meters of the first volcanic reservoir was penetrated with live oil observed at surface during the drilling of this section. The setting of a 7” casing string just above this target zone allowed mud weights to be significantly reduced in comparison to previous wells (8.7 ppg versus 10.5 ppg) and appears to have resolved drilling difficulties from the lost circulation encountered in earlier wells. NS-1RD has been completed “bare foot” with no casing in the prospective reservoir zone to allow potentially higher flow rates on production. Test equipment is currently being set up and flow testing is anticipated to commence shortly.

#### **L33-D EXPLORATION WELL**

The Aztec #7 rig has been demobilised from NS-1RD and is currently rigging up on location L33-D, in the south west corner of the northern exploration permit L33/43. L33-D is an exploration well that must be drilled prior to July 11, 2007 in order to fulfil L33 concession work program obligations.

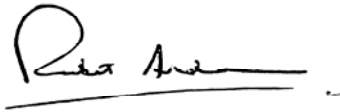
## **L44-G APPRAISAL WELL**

The recently mobilised second rig, the Aztec rig #14, is currently on location at L44-G and is undergoing the final stages of refurbishment that are anticipated to take an additional two to three weeks. L44-G is located 7.3 kms north of Pan Orient's POE-9 discovery well located on the Na Sanun East oil field structure. The well is designed to appraise the most northerly extent of the Na Sanun East structure prior to application for a production licence.

## **OIL PRODUCTION UPDATE**

The current gross oil production from Carnarvon's Thailand permits is approximately 1,400 barrels of oil per day (560 barrels of oil per day net to Carnarvon). Further production gains are anticipated with the installation of a new tubing pump on POE-9 and an ongoing multi-rig exploration and appraisal drilling campaign that will be carried out throughout 2007 and into 2008.

Yours faithfully  
Carnarvon Petroleum Limited

A handwritten signature in black ink, appearing to read 'RA Anderson', is written over a horizontal line.

RA Anderson  
Company Secretary