

8 October 2008

Company Announcements Office  
ASX Limited

Via ASX Online

Dear Sirs,

### **NSE-B1 TESTS AT 2,650 BOPD**

#### **NA SANUN EAST OIL FIELD DEVELOPMENT PROGRAMME**

##### **NSE-B1 Development Well (CVN 40%)**

The NSE-B1 development well has been drilled to a total depth of approximately 713 metres TVD (true vertical depth) at a subsurface location approximately 100 metres south of the NSE-B drilling pad, structurally located across a large fault at the ultimate crest of the NSE central fault compartment. Approximately 87 metres of total volcanic section was drilled.

The well has tested at a stabilised rate of 2,650 bopd. Upon completion of the drilling of NSE-B1, the rig was re-located to the NSE-D1 drilling location (see below).

##### **NSE-A4 Development Well (CVN 40%)**

The NSE-A4 development well has been drilled to a total depth of 787 metres TVD after penetrating the top of the target volcanic reservoir at 730 metres TVD. Mud losses were encountered while drilling, indicating extensive fracturing in the volcanic reservoir. Flow testing will commence once the well is drilled to total depth. Testing results will be announced at completion of operations. On completion of drilling at NSE-A4, the rig will be moved to the NSE-C1 appraisal well location (see below).

##### **NSE-D1 Development Well (CVN 40%)**

The NSE-D1 development well, located approximately 455 metres north of the NSE-B drill pad, is currently drilling ahead at a depth of 645 metres TVD.

##### **NSE-C1 Appraisal Well (CVN 40%)**

The NSE-C1 appraisal well will commence drilling following the completion of drilling operations on NSE-A4. The well will be located approximately 1,000 metres east of the NSE-B drill pad, targeting an area defined as having Possible Reserves by Gaffney Cline & Associates in the year end 2007 reserves report. Success in this well may result in some of the reported 3P reserves (Proven plus Probable plus Possible) being re-classified as 2P reserves (Proven plus Probable) in the 2008 year end reserves assessment.

## CEO COMMENT

Carnarvon's CEO Ted Jacobson commented "The flow of 2,650 bopd at NSE-B1 is another very good result from the Na Sanun East Development Programme. Prior to testing of the NSE-B1 well, total oil production from our Phetchabun Basin oil fields was in excess of 11,000 bopd. The addition of this well will significantly increase overall production. The results reinforce the joint venture's optimism that the production target of 15,000 bopd should be met by year's end. To give an idea of the significance of these results, at current oil prices of around US\$91/bbl, an exchange rate of around AUD/USD 0.72 and flow rates at around 13,000 bopd, this represents revenue to Carnarvon of approximately A\$17.5 million per month."

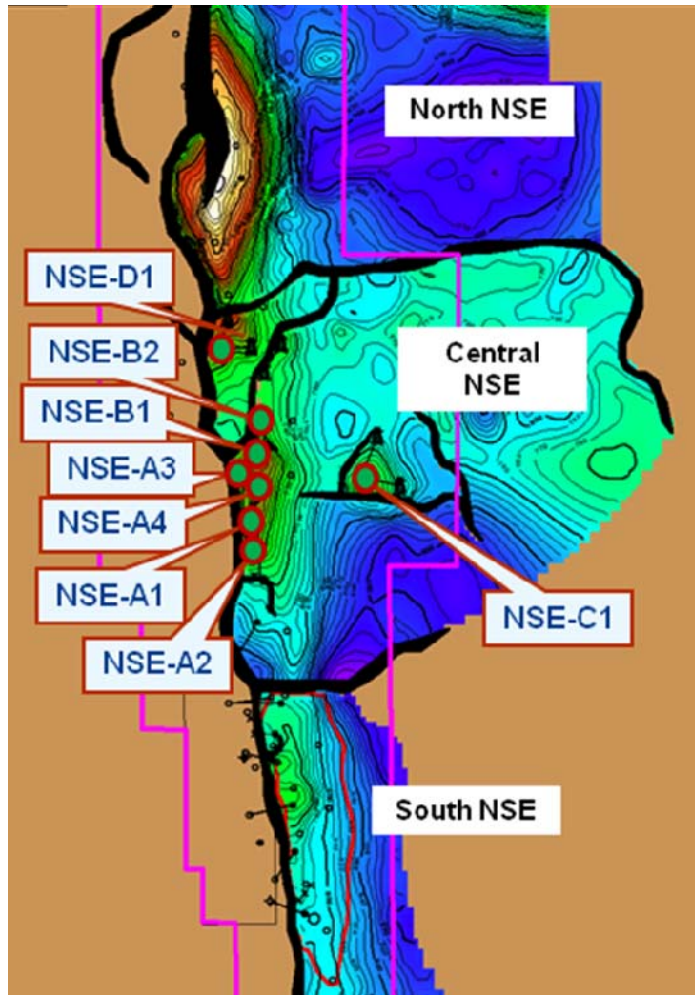


Figure 1: Na Sanun East Field showing development wells to date

Yours faithfully  
Carnarvon Petroleum Limited

RA Anderson  
Company Secretary