

9 July 2008

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

The following summarises current drilling operations in Carnarvon's Phetchabun Basin permits in Thailand.

THAILAND DRILLING UPDATE L33/43, L44/43 and SW-1A

L33-3 Exploration Well (40% WI)

The L33-3 exploration well is located in the northern L33/43 exploration permit. This well was drilled to a total depth of 1,084 metres. As previously reported, potential volcanic reservoir was intersected over a number of intervals throughout the well.

The well is located within the previously untested Khon Khwang graben. Extensive testing is ongoing in this newfield wildcat well to fully evaluate the potential of the area. An update will be provided once operations have been completed.

NS9-H1 Horizontal Appraisal Well (40% WI)

The NS9-H1 horizontal appraisal/development well is located within the Na Sanun oil field located on the downthrown western side of the Na Sanun bounding fault and separate from the adjacent Na Sanun East oilfield on the upthrown eastern side of the bounding fault. Drilling has been completed to a depth of 1,246 metres MD (961 metres TVD) and testing has commenced on this well.

NSE-A1 Appraisal Well (40% WI)

The NSE-A1 appraisal well is located within the Na Sanun East oil field targeting the main producing reservoir. Drilling had been completed however some minor bore hole stability issues has required the well to be re-entered to set a liner.

NSE-A3 Development Well (40% WI)

The NSE-A3 horizontal development well is located within the Na Sanun East oil field. Drilling has commenced, targeting the main producing formation of the Na Sanun East oil field and current operations are setting the casing just above the target zone.

L44-C Appraisal Well (40% WI)

The L44-C well is located in the SW-1A licence within the Wichian Buri oil field. The well is designed to appraise the POE-6 fault block extension to the field, discovered in the 2006 drilling programme. Although drilling had commenced, operations have been temporarily suspended at a depth of around 200 m MD due to other operational requirements for the drilling rig. Drilling will resume upon completion of the workover of NSE-A1.

Comment from the CEO

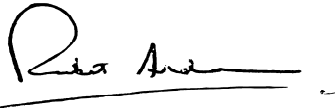
Carnarvon CEO “Ted Jacobson” commented

“Progress has been slower than anticipated in the last few weeks due to some minor operational issues. However, operations are proceeding as planned with the development of the Na Sanun East oil field, including the preparation of a number of drilling locations to enable the Joint Venture to realise its aim of 15,000 bopd (gross) by 2008 year end.”

Permit Holders

Pan Orient Energy (Operator)	60%
Carnarvon Petroleum	40%

Yours faithfully
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

