

11 December 2008

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

THAILAND UPDATE

- **New oil pool discovery with oil flows from NSE-E1**
- **Bo Rang appraisal well spudded**

NSE-E1 exploration well (CVN 40% working interest and non-operator)

The NSE-E1 exploration well, located approximately 260 metres due west of the NSE-D1 drill pad, is producing at a rate of approximately 448 bbls of fluid per day (173 barrels of oil and 275 barrels of water) from the main volcanic reservoir target. Both oil gravity and pressure measurements confirm the well is located in a distinctly separate pool to the Na Sanun East (“NSE”) Central compartment. The well is located on the downthrown side and west of a large fault relative to the NSE field. On the basis of these NSE-E1 results, NSE-E2 will be drilled approximately 360 metres southeast and 40 metres up dip of the NSE-E1 location. NSE-E2 is interpreted to be significantly up dip of the oil water contact that is believed to have been encountered at the bottom of the main volcanic objective encountered at NSE-E1.

NSE-E1 was an exploration well designed to test an approximately 1 square kilometre structural closure located on the down thrown side of the main NSE field central fault. There had been no reserves, of any category, assigned to this closure, called NSE Central B, in the year end 2007 Gaffney, Cline and Associates (“CGA”) reserves report.

NSE-D2 appraisal well sidetrack (CVN 40% working interest and non-operator)

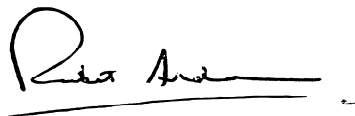
The original wellbore of the NSE-D2 appraisal well encountered the top of the main volcanic reservoir at a depth of depth of 754 metres true vertical depth (TVD), approximately 330 metres north of the NSE-D1 location. Approximately 34 metres of highly fractured volcanic reservoir was drilled with mud losses of approximately 1,200 barrels. The well was put on test, flowing mainly gas with some oil, indicating close proximity to an interpreted gas/oil contact.

The rig was remobilised to this location and a sidetrack wellbore has subsequently been drilled, targeting the main reservoir in a structurally lower position. The NSE-D2 side track encountered the main volcanic reservoir approximately 30 metres structurally lower than in the original well bore and believed to be below the gas/oil contact. Severe losses were encountered indicating good fractured reservoir is present. Testing is anticipated to commence once the current logging operations are complete and the rig has been moved off site to NSE-E2. Test results will be reported when stabilised rates have been achieved.

L44-V appraisal well (CVN 40% working interest and non-operator)

The L44-V appraisal well, drilled from a surface location approximately 1.3 kilometres south west of the Bo Rang-1 gas discovery, is currently setting intermediate casing at a depth of 484 metres (true vertical depth), approximately 200 metres above the main volcanic objective. L44-V is targeting a potential down dip oil leg within a volcanic reservoir that tested 5.5MMscf/d of gas at the structurally higher Bo Rang-1 well. The original well was drilled by an earlier operator of the L44 concession area. Drilling is anticipated to be completed by year end.

Yours faithfully
Carnarvon Petroleum Limited



RA Anderson
Company Secretary

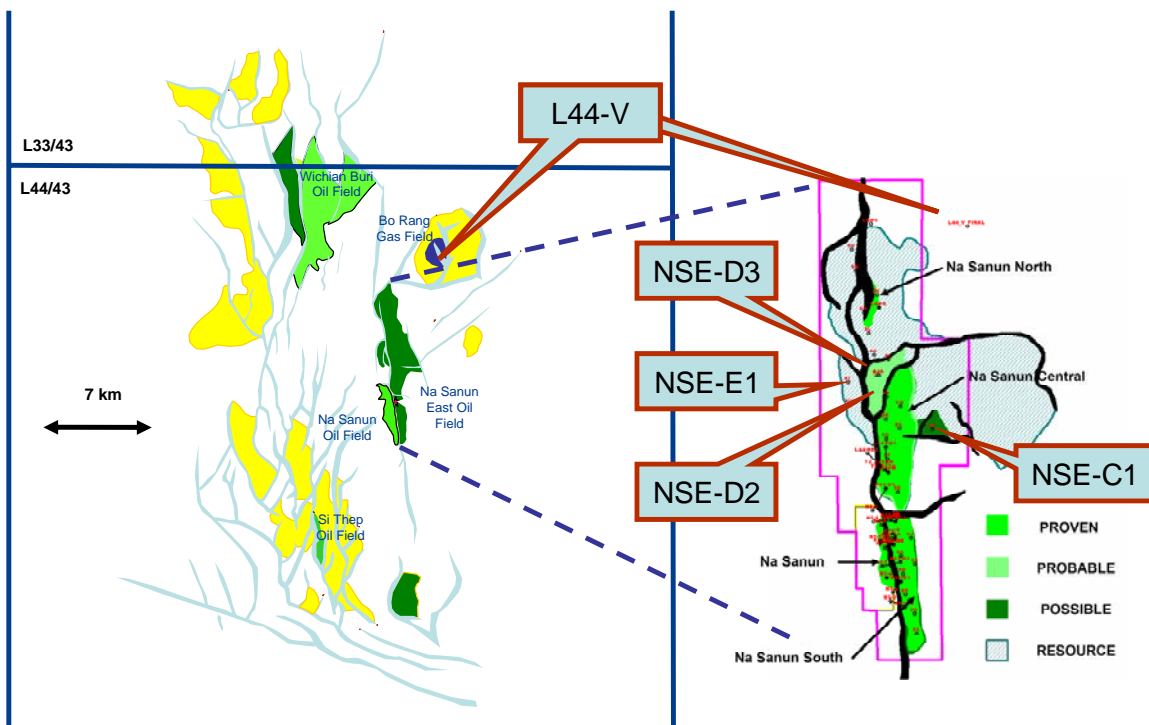


Figure 1: Thailand Concessions and Na Sanun East Oil Field