



CARNARVON  
PETROLEUM  
LIMITED  
ABN 60 002 688 851

19 July 2007

Company Announcements Office  
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs

## **OPERATION UPDATE THAILAND**

### **EXPLORATION PERMIT L33/43**

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

The L33-D exploration well has been drilled to total depth of approximately 1,420 metres and casing has been set. Drilling mud losses of 15 barrels per hour (suggesting reservoir development) were recorded at the top of, and while drilling through, an 11 metre thick volcanic interval at 812 metres. Flow testing of this volcanic zone will now be carried out and it is anticipated that testing will commence within eight days.

### **EXPLORATION PERMIT L44/43**

#### **NA SANUN EAST APPRAISAL DRILLING**

The Na Sanun East (POE-9) multi-well appraisal drilling program has commenced with the drilling of L44-G using the newly operational second rig Aztec #14. With the startup of this second rig, the joint venture has accelerated the drilling programme with the two contracted rigs planned for continuous drilling through the remainder of 2007 and into 2008.

#### **L44-G APPRAISAL WELL**

The L44-G appraisal well is located approximately 7.3 kilometres north of the POE-9 discovery well. The well has commenced drilling and is currently at a depth of 264 metres. It is anticipated to take approximately 20 days to reach a projected total depth of 1,600 metres, targeting at least four potential volcanic reservoir zones.

The L44-G appraisal well lies on the northernmost extent of the Na Sanun East structure and will be an important well for establishing the northern extent of the POE-9 oil discovery prior to applying for a production licence.

### **NS-3D1 APPRAISAL WELL**

Drilling at location NS-3D1 will commence within the next five days.

NS-3D1 will be directionally drilled from the existing Na Sanun-3 well site into the adjacent POE-9 fault block and into the main volcanic reservoir zone at a subsurface location approximately 1.5 kilometres south of the POE-9 discovery well. NS-3D1 is the first of a four to five deviated well program that will appraise the southernmost two fault compartments of the POE-9 oil discovery announced in January 2007. It is anticipated this initial deviated well program, pending results, will be followed up with a multi horizontal well infill program of the southernmost two POE-9 fault compartments.

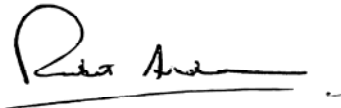
### **L44-H APPRAISAL WELL**

The drilling pad for the L44-H appraisal well, located 1.7 kilometres north of the original POE-9 discovery, is currently under construction with completion anticipated in approximately three weeks.

### **NS-1RD**

Operations are continuing to evaluate the commercial potential of the NS-1RD appraisal well on the Na Sanun Oil Field. Results will be reported in due course.

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