

29 April 2009

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

THAILAND OPERATIONS UPDATE

NSE-E2ST1 appraisal well (CVN 40% working interest and non-operator)

The NSE-E2ST1 sidetrack appraisal well has been successful and is currently producing 32 degree API oil at a stabilized rate of 1,350 barrels per day through casing and tubing choke settings of 26/48" and 14/48" respectively, with no water. The well is on free flow with flowing casing and tubing head pressures of 210 and 170 psig respectively.

This well is a sidetrack of the earlier drilled NSE-E2 where the main reservoir target was faulted-out but 15 barrels of oil was recovered from a different volcanic zone located in a separate fault compartment from the NSE-E1 structure. That volcanic zone is yet to be appraised.

At least one additional well is planned for the NSE-E1 structure in 2009.

L44-W exploration well (CVN 40% working interest and non-operator)

The L44-W exploration well is currently shut-in while a cement plug is being run to isolate an upper 36 metre thick volcanic from a deeper 16 metre thick volcanic after testing carried out over both volcanics produced oil and water. The two volcanic zones are separated by 63 metres of intervening shale and thin volcanic stringers. Drilling fluid losses indicating good permeability had been encountered in both volcanic zones, while drilling.

Testing of these combined zones was carried out in two periods. During test period #1 the well initially flowed at a maximum of 1,200 barrels of fluid per day (bfpd) with a 30% water cut that climbed to approximately 80% after approximately three hours. At the termination of the test, flowing casing head and tubing head pressures had decreased to 20-30 psig. A subsequent shut-in period saw well head pressures increase to 322 psig.

During test period #2 the flow rate was restricted to 540 bfpd initially and then further restricted to 250 bfpd with no water (all oil, approximately 32 degree API), the tubing was shut-in and a flowing casing head pressure of 120 psig was observed. After eight hours, the water cut increased immediately to 90% and the test was terminated 9 hours later.

Interpretation of the test data combined with observations from well tests on prior wells suggests that the water is being sourced from the deeper 16 metre thick volcanic zone. This deeper zone is being isolated with a cement plug and testing of the 36 metre thick upper zone is expected to start within the next five days.

Production testing is being conducted under a 90 day production test allowance from the Thailand Department of Mineral Fuels ("DMF"), as the well is outside any existing production license.

NSE-H2 appraisal well (CVN 40% working interest and non-operator)

The NSE-H2 appraisal well, drilled into the northern structure portion of the NSE central fault compartment, is currently on production at approximately 420 barrels of oil per day with a 26% water cut as the well continues to clean up, much the same as the nearby NSE-H1 well (currently less than 1% water cut).

NSE-I1 appraisal/exploration well (CVN 40% working interest and non-operator)

The NSE-I1 appraisal/exploration well, located in the NSE north fault compartment, is currently drilling ahead at a depth of 64 metres. This is the first well to be drilled in the NSE north fault compartment since the modest L44G-D1 discovery made in 2007 (0.05 MM barrels of proved and probable reserves net to Carnarvon assigned in the reserve report as at December 31, 2008 evaluated by Gaffney Cline & Associates Ltd.). The well is located 1.1 kilometres northwest of L44G-D1 and in a separate down thrown fault compartment related to, up dip and larger than that of the NSE-E1 discovery made in 2008.

The targets include three different volcanic zones between 731 and 1,100 metres (TVD) within a 1.64 square kilometre structural closure entirely outside of the L44G-D1 3P reserve envelope. Success in any one of the 3 targeted volcanic zones has the potential to substantially increase the reserves currently assigned to the NSE north fault compartment.

Drilling is anticipated to be completed in the next 14 days at which time testing of multiple zones, if warranted by drilling results, will be initiated.

NSE-H3 appraisal well (CVN 40% working interest and non-operator)

The NSE-H3 appraisal well is currently drilling ahead at a depth of 570 metres true vertical depth (TVD) towards the top of the main volcanic objective at approximately 850 metres TVD. Drilling is anticipated to be completed in the next 8 days with testing to commence shortly thereafter.

Permit Holders

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

Yours faithfully,
Carnarvon Petroleum Limited



Ted Jacobson
Chief Executive Officer

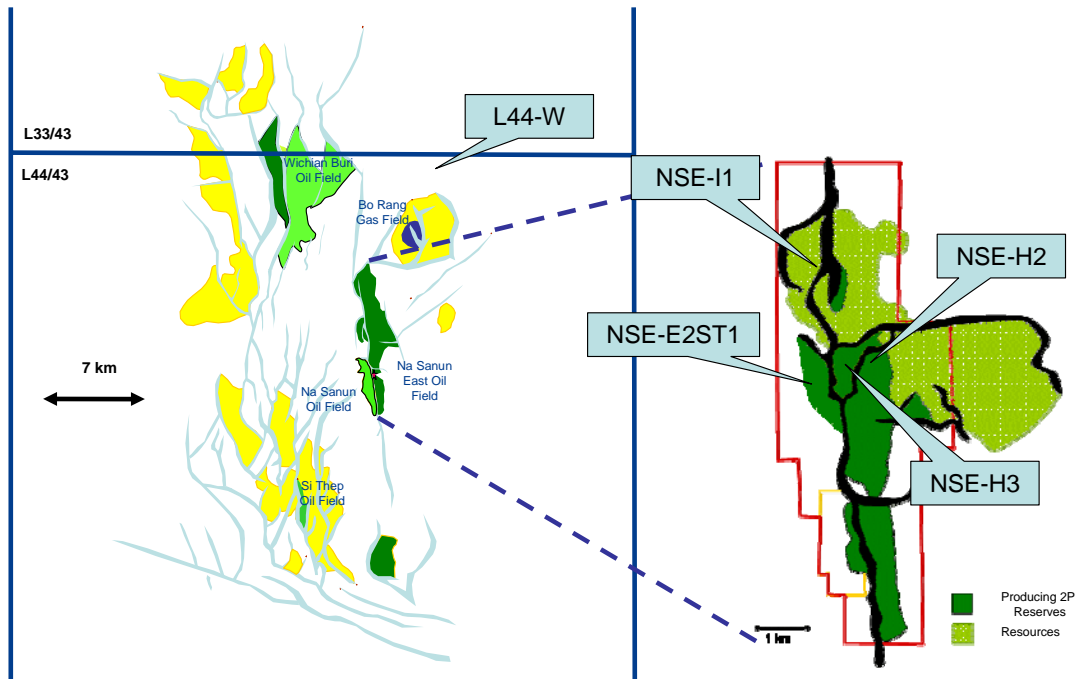
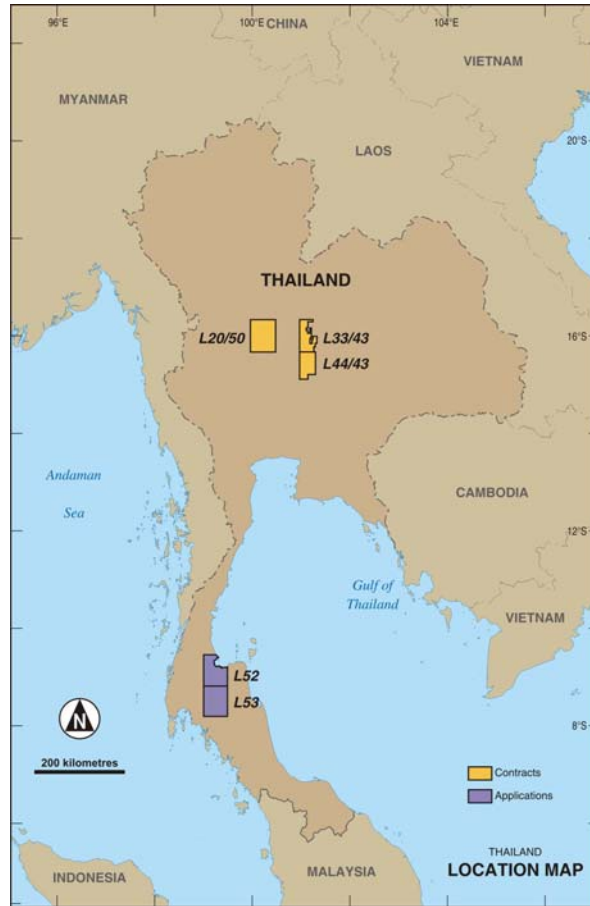


Figure 1: Indicative well positions, onshore Thailand exploration and production concession L44/43