



CARNARVON
PETROLEUM
LIMITED
ABN 60 002 688 851

23 October 2006

Company Announcements Office
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

WEEKLY OPERATIONS PRODUCTION TESTING COMMENCED

The Phase 1 drilling programme at the Wichian Buri Oil Field, onshore Thailand, commenced on 11 July 2006 and is currently progressing with the flow testing of POE-6 and the drilling of POE-5, the 6th well of the planned 7 well programme.

1. POE-5 Development Well

The POE-5 development well is currently drilling ahead at 317 metres to a prognosed total depth of 1,362 metres. The well will test the productive F-Sand package northwards from the Wichian Buri-1 well and is designed to appraise the extent of the Greater Wichian Buri field. It will also evaluate the reservoir quality, hydrocarbons and potential flow rates of the deeper G Sands as a secondary objective.

2. Production Testing POE-6

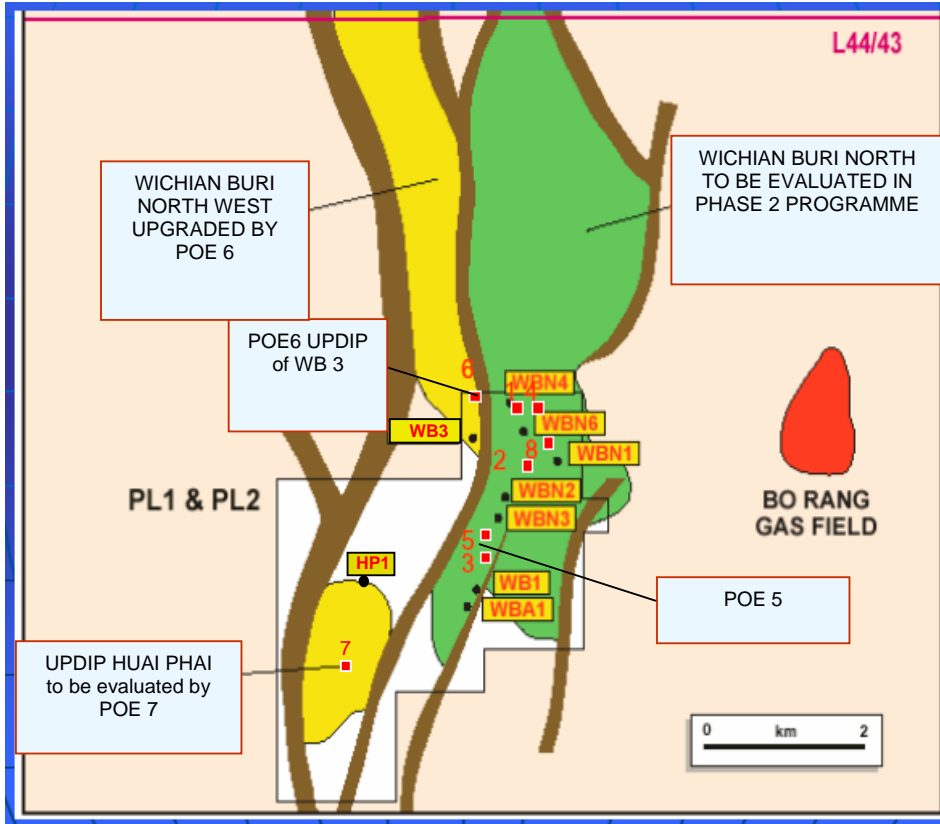
Flow testing of the G sandstones intersected in POE-6 commenced on 22 October. The flow is currently cleaning up and results will be announced when a stabilised production rate is achieved.

3. Production testing POE-8 and POE-2

The workover rig has completed drilling operations on POE-8 to prepare it for production testing operations and has been moved to POE-2 to commence drilling operations on this next well.

Permit Holders

Pan Orient (Operator) 60%
Carnarvon Petroleum 40%



- Oil Field
- Prospective
- Gas Field
- Existing wells
- Phase 1 wells

Figure 1: Location of POE-5 and POE-6

Yours faithfully,

Carnarvon Petroleum Limited

RA Anderson
Company Secretary