

18 September 2009

Company Announcements Office  
ASX Limited

Via ASX Online

Dear Sirs,

**CARNARVON PETROLEUM ENTERS INTO FARM-IN AGREEMENT FOR THE RANGKAS BLOCK,  
ONSHORE INDONESIA**

Carnarvon Petroleum (Indonesia) Pty Ltd ("Carnarvon"), a subsidiary of Carnarvon Petroleum Limited of Australia, is pleased to announce that it has entered into a farm-in agreement with Lundin Rangkas B.V, a wholly owned subsidiary of Lundin Petroleum AB ("Lundin Petroleum"), in respect of the Rangkas block onshore West Java, Indonesia.

Carnarvon will acquire a 25 percent interest in the Rangkas block onshore Indonesia. The block covers an area of 3,977 km<sup>2</sup>. Previous drilling in the Block and surface oil seeps have confirmed an active petroleum system. Several prospects and leads have been identified in the Block from earlier 2D seismic. A 2D seismic acquisition program is due to commence in 2010.

Lundin Petroleum is the operator of the Rangkas block and will have the remaining 75 percent working interest. The completion of this transaction is subject to the approval of the Government of Indonesia.

Yours faithfully,  
Carnarvon Petroleum Limited



Ted Jacobson  
Chief Executive Officer

**RANGKAS PSC**

<b>Carnarvon Petroleum (Indonesia) Pty Ltd</b>	<b>25%</b>
Lundin Rangkas B.V (operator)	75%

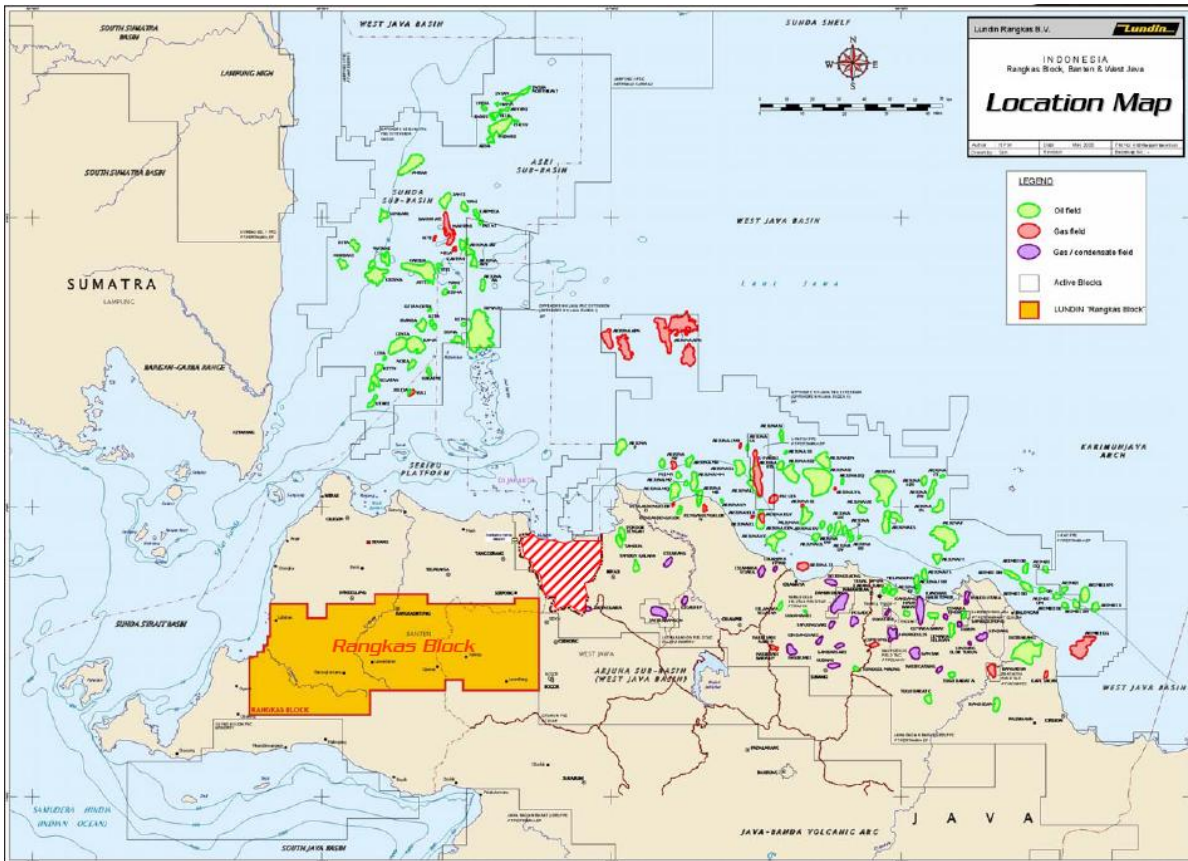


Figure 1 Rangkas Block Location