

15 April 2008

Company Announcements Office  
ASX Limited

Via ASX Online

Dear Sirs

## **OIL RESERVES UPGRADE OF 300%**

### **Phetchabun Basin Thailand**

- Significant reserve upgrade by independent consulting firm Gaffney Cline & Associates Ltd.
- Net 2P oil reserves of 11.377 million barrels of oil to Carnarvon, an increase of over 300% above previously published oil reserves estimates.
- Drilling programme of up to 20 exploration, appraisal and development wells likely to add further reserves through 2008.

## **RESERVES**

Independent consulting firm Gaffney Cline & Associates Ltd has completed a reserves analysis of Carnarvon Petroleum Ltd's ("Carnarvon") Thailand oil assets as at 31 December 2007. The analysis has resulted in a significant increase on previously published reserves, amounting to an increase of over 300% in Proven and Probable reserves from the prior year estimate.

A summary of the new reserve estimates is provided in the table below. All numbers refer to Carnarvon's 40% net interest.

OIL FIELD	Proved	Proved + Probable	Proved + Probable + Possible	Reservoir type
	1P mmbbls	2P mmbbls	3P mmbbls	
Na Sanun East	2.181	8.275	31.980	Fractured Volcanic
Na Sanun	0.122	0.344	0.976	Fractured Volcanic
Wichian Buri	0.271	2.514	9.791	Sandstone
Si Thep	0.013	0.244	2.947	Sandstone
<b>TOTAL</b>	<b>2.587</b>	<b>11.377</b>	<b>45.694</b>	

The significant increase in reserves is a reflection of the tremendous success Carnarvon and its operating partner Pan Orient Energy Corp (“Pan Orient”) has achieved through its development, appraisal and exploration programmes over the last year.

The net 3P reserves of 45 mmbbls of oil indicates the large potential upside of the Na Sanun East and Wichian Buri fields, and bodes well for continued success in 2008 and beyond. Carnarvon’s 2008 drilling programme will work towards further increasing reserves across all categories.

Based on the success achieved to-date, the joint venture is currently finalising plans to accelerate its drill programme for 2008 and expects to release details of this programme soon.

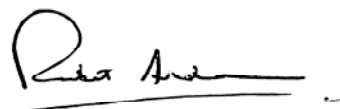
#### CEO COMMENT

Carnarvon’s CEO, Ted Jacobson, commented: “We are very pleased with the significant reserves increases as calculated by the independent consulting firm Gaffney Cline & Associates. These results well and truly place our company in the mid tier level of Australian oil and gas companies. With a continuing active drilling programme for 2008, we are hopeful that further significant reserve increases will be accomplished this year.”

#### INFORMATION REGARDING THE PREPARATION OF THIS RESERVES STATEMENT

The information in this Reserves Statement has been compiled by Philip Huizenga, a full-time employee of the Company. Philip Huizenga is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.

Yours faithfully  
Carnarvon Petroleum Limited



RA Anderson  
Company Secretary