

Thailand Operations Update

20 May 2010



Carnarvon Petroleum Limited (ASX:CVN) provides the following update on the current situation in Thailand.

At 4:10 p.m. Bangkok time Pan Orient, the Operator of the L44 permit in Thailand received a request from PTT, the Thailand national oil company, to curtail crude oil deliveries to the PTT operated Bangkok refinery for the next 24 hours. This request by PTT was a precautionary measure instituted in response to recent events in the Thai capital, Bangkok. Upon receipt of notice from PTT, Pan Orient staff immediately instituted a reduction in field production rates to 5,600 BOPD in order to have the option to continue producing for a three to four day period into approximately 24,000 barrels of onsite oil storage capacity.

The Operator has experienced no security related issues at the company's production site, located approximately 260 kilometres north of Bangkok. The company is also not aware of any security related issues at the PTT operated Bangkok refinery, other than this 24 hour production curtailment request.

The Operator has no way of knowing the length of time the present situation will continue and has been informed by PTT that it will be updated every 24 hours on the status of deliveries to the Bangkok refinery. As detailed above, production operations will continue at reduced rates into existing tank storage at the Wichian Buri production site.

Carnarvon will provide immediate updates to the current situation as further information becomes available or the company becomes aware of any changes to the current situation.

Update on unrest in Bangkok

PTT requests Operator to curtail crude oil deliveries

Operator to scale back production and store crude in tanks pending commencement of deliveries to PTT

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