

Thailand Operations Update

4 June 2010



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

On 20 May 2010 Carnarvon advised ASX that Pan Orient, the Operator of the L44 permit in Thailand, had received a request from PTT, the Thailand national oil company, to curtail crude oil deliveries to the PTT operated Bangkok refinery for 24 hours. This request by PTT was a precautionary measure instituted in response to recent events in the Thailand capital, Bangkok. Upon receipt of notice from PTT, Pan Orient 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.

On 21 May 2010 Carnarvon announced to ASX that Pan Orient, the Operator of the L44 permit in Thailand, was notified that crude oil deliveries were able to be resumed to the Bangkok refinery on 21 and 22 May restricted to between the hours of 7 a.m. to 3 p.m.

The Government of Thailand announced curfew was in effect until May 23, at which time the Company re-commenced deliveries to the refinery as normal.

Disruption to Carnarvon's Thailand operations has been minimal, without incident and was limited to less than 48 hours during which time oil was produced into tank storage at modestly restricted rates and experienced no impact to its development drilling program in the L44 permit.

There are currently no limitations or restrictions on deliveries to the refinery in Bangkok. At no time was Carnarvon's production materially impacted and eventually all stored crude oil was trucked to the refinery and sold under normal operating arrangements. Currently the field is producing around 6,500 bopd (2,600 bopd net to Carnarvon).

Update on activities
in Bangkok

Oil deliveries were
temporarily curtailed
on 20 May 2010

Oil deliveries
recommenced on 21
May 2010

Current operations
back to normal

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