



CARNARVON
PETROLEUM
LIMITED
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Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000
Via ASX Online

WICHIAN BURI OIL FIELD OPERATIONS UPDATE

2006 Work Programme Confirmed

The Wichian Buri Joint Venture has confirmed the two stage work programme commencing next month and has planned an aggressive drilling program for the remainder of 2006 that will extend into early 2007.

Phase 1 - With the reprocessed 3D seismic over the Wichian Buri Field now completed and interpreted, the first phase will commence in June with a local Thailand based drilling rig contracted from RDS Asia. This programme will comprise 4 to 6 wells (including the two free carried wells for Carnarvon) to be drilled prior to the mid-monsoon season around September. The Phase 1 wells will comprise appraisal/development wells entirely within the production licences with the aim of improving on oil production.

Phase 2 - Following the completion of the current 3D seismic survey operations, it is planned to bring in a second truck mounted rig in October to accelerate the drilling programme. The second phase will comprise 10 to 15 wells mostly outside the production areas, with the aim of finding new reserves. Being onshore, any new discovery can be quickly tied into production.

The progress of the 2006 work programme to date is as follows:

- Field operations for the new 3D seismic survey began in March 2006 with the commencement of recording on April 15, 2006.
- The scope of the 3D seismic survey was increased to 245 sq kms to cover the Na Sanun oil discovery which flowed 1,375 bbls/day of oil for a short period from fractured volcanics.
- The signing by the operator, Pan Orient Energy Corp. (POE-TSXV), of an 18 month, multi-well rig agreement with RDS Asia.

- Carrying out repairs and maintenance on the RDS rig in preparation for the drilling programme.
- Reprocessing and interpretation of the pre-existing 14 square km 3D seismic survey over the Wichian Buri Oil Field, upon which the Phase 1 drilling is based and scheduled for June 2006.
- Commencement of the building of drilling pads and preparation for the Phase 1 drilling.
- Purchase and receipt of well casing in Thailand for 12 wells.
- Active and continuing negotiations for a second rig to accelerate the second phase of drilling scheduled for October 2006.
- Preparation of 25 environmental impact assessment (EIA) applications for the Phase 2 wells. The Phase 1 of drilling will be in the production areas and will not require EIA approval.

Reserve Assessment

The assessment of reserves for the Wichian Buri Oil Field has now been completed by Gaffney, Cline and Associates, a recognised independent petroleum consulting company based in Singapore. Pan Orient, operator of the Wichian Buri permits, has received a Reserve Certificate as of the 31 December 2005 prepared by Gaffney, Cline and Associates and has announced the results of this reserve assessment on the Toronto Stock Exchange (TSE:POE). The press release can be found at the website www.tsx.com (Stock symbol POE).

This assessment has attributed proven and probable reserves of 14.2 mmbbls gross (5.68 mmbbls net to Carnarvon) for the Wichian Buri Oil Field and nearby small Si Thep Oil Field. Furthermore, Gaffney, Cline and Associates estimate a net present value for Pan Orient's 60% interest of US\$121.7m (discounted 10% after tax - based on net proven and probable reserves of 8.52 mmbbls of oil).

The Wichian Buri Oil Field currently produces at the modest rate of approximately 75 bbls/day of oil. The Gaffney Cline reserves assessment places a considerable value on Carnarvon's 40% interest based on current knowledge of the Wichian Buri Field. Further development of these reserves will require a significant and continuing appraisal and drilling programme as planned and due to start next month (June).

Sale of New Guinea interests

The completion of the sale of Carnarvon's interest in the permits PRL/4 and PRL/5 in New Guinea for A\$500,000 is nearing finalization and proceeds of the sale will be put towards the 2006 work programme at Wichian Buri.

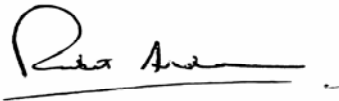
Wichian Buri Permit Interest Holders

Pan Orient	60%	Operator
Carnarvon	40%	

**For further information contact Ted Jacobson, CEO of Carnarvon Petroleum
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Yours faithfully,

CARNARVON PETROLEUM LIMITED



Bob Anderson
COMPANY SECRETARY