

Thailand Drilling Update – NSE-H4

20th December 2012



Carnarvon Petroleum Limited (“Carnarvon”) (ASX:CVN) provides shareholders with the following update on the drilling operations at the NSE-H4 well as at 06:00hrs, 20th December 2012.

Key points

- NSE-H4 is a new well that commenced drilling on 13th December 2012
- The well is targeting an igneous (volcanic) reservoir in a proven producing area at NSE
- Progress is according to plan with the current depth at 929 meters in a planned 1,014 meter well
- The well is expected to take a further 3 days to drill and a further 7 days to test if it is successful

The NSE-H4 well commenced drilling operations on 13th December 2012. As at 06:00hrs on 20th December the well is drilling ahead to planned total depth in 8 ½” hole size.

The well will be directionally drilled to a total depth of 1014m MD and is expected to take a further 3 days to complete.

The well is targeting the NSE main volcanic in an area where wells have produced up to 1,200 bopd (gross) and recovered around 700,000 barrels of oil (gross).

It is expected that, if successful, the well will be placed on production within 7 days following the completion of the well and production from this well is planned to be restricted to preserve flow rates and maximise recovery rates.

Dependent on the results of this well, one further infill well into the NSE reservoir based on revised seismic interpretation of fracture analysis is considered for the 2012 drill program.

For all enquiries please contact:

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Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook".

Adrian Cook
Managing Director
Carnarvon Petroleum

NSE-H4

Permit	L44/43
Location	Easting: 734,641.34 m E Northing: 1,723,606.20 m N
CVN Interest	40%
Target Formation	Main Volcanic Reservoirs
Commencement Date	13 th December 2012
Days on Location	7
Planned Total Depth	1014.71 m MD (845.05 m TVD)
Current Depth	929 m MD (774 m TVD)
Current Status	Drilling 8-1/2" hole section
Forward Operations	Drill ahead as planned to total depth.

