

# Thailand Operations Update

10 June 2014



## Highlights

- Joint venture technical meetings held in Thailand recently
- New drilling program expected to commence in July 2014
- Production steady at around 4,000 bopd gross (CVN : 20%)
- New 3D seismic acquisition program planned for late 2014

Carnarvon Petroleum Ltd (“Carnarvon” or “the Company”) is pleased to provide the following operational update with regard to its 20% interest in L44/43, L33/43 and SW1 Concessions in Thailand.

## Drilling program

The next drilling program is expected to commence in July 2014 and encompass five to seven new wells. Approximately half of the planned wells are expected to be drilled on new 3D seismic data in the L33/43 Concession with the balance being drilled in the adjoining L44/43 Concession.

## Technical work

The Operator continues to undertake technical work on this active field with the view to further increase production levels in the future. This work includes planning for the acquisition of new 3D seismic data expected to be acquired in late 2014 in the L44/43 Concession.

## Production

As outlined in the previous Thailand Operations Update (Dated 30 April 2014) the Operator had planned to choke back high flowing wells to restrict field production to around the 4,000 bopd gross mark.

To date the Operator has been successful in achieving this objective with the average production being around 4,000 bopd gross during April and May 2014. The process of restricting oil field production is progressing well and in line with the Operator’s expectations.

## Managing Director’s Comments:

*“We are encouraged by the progress being made in Thailand around both sustaining production levels and advancing technical work for future improvements. Whilst we need to be mindful that more time is needed before we can conclude that restrained flow rates are successful in managing and controlling production from these igneous (volcanic) reservoirs, it has been encouraging so far,”* Managing director Adrian Cook said.

*“At current production levels the asset generates material cash flows for the Company, both from the company’s 20% interest in the field and in due course from the US\$32 million receivable from Loyz Energy who acquired half of Carnarvon’s interest as announced on 1 May 2014. With this activity in Thailand, together with a strong balance sheet containing over \$50 million in cash and a high impact well being drilled in the North West Shelf, we are in an exciting phase of the business.”*

*“In addition to this near term activity we recently announced acquiring over 3,000km<sup>2</sup> of new North West Shelf acreage that provides the next platform of growth opportunities for the future.”*

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Yours faithfully



**Adrian Cook**  
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