

Thailand Drilling Update

18 June 2014



Highlights

- **Drilling recommences onshore Thailand**
- **First well is L33-5A targeting igneous reservoir in the L33/43 concession**
- **Further wells planned in WBEXT production area and L33/43 production area**
- **Current drilling campaign will include five to seven new wells**

Carnarvon Petroleum Limited (“Carnarvon”, or “the Company”) (ASX:CVN) is pleased to provide shareholders with the following update in relation to the L44/43 and L33/43 Concessions in Thailand, in which Carnarvon holds a 20% interest.

As of 18 June 2014, the drill rig has arrived on site and is now in the process of drilling the surface conductor.

The first well in this campaign is the L33-5A well, which was identified from 3D seismic data acquired in 2013 in the L33/43 Concession. L33-5A is a deviated exploration well located to the southwest of the L33 production area.

The primary objective for the L33-5A well is to test the productive igneous reservoir, which is expected to be penetrated in a structurally high position bounded by a major North-West trending fault. A secondary objective is shallower sandstone zones which are also expected to be encountered.

The Operator is expected to take around three weeks to complete the drilling of the first well.

Following on from the drilling of the first well, the joint venture will drill a further one to two wells in the WBEXT production area targeting development locations. Following this, additional development wells are planned in the L33/43 Concession.

It is expected that between five to seven new wells will be drilled in this campaign.

This drilling program is being funded from ongoing operations with field production maintaining around 4,000 bopd gross.

Equity holders in the L33/43 and L44/43 Concessions are:

Carnarvon Petroleum	20%
Eco Orient Energy (Operator)	60%
Loyz Energy	20%

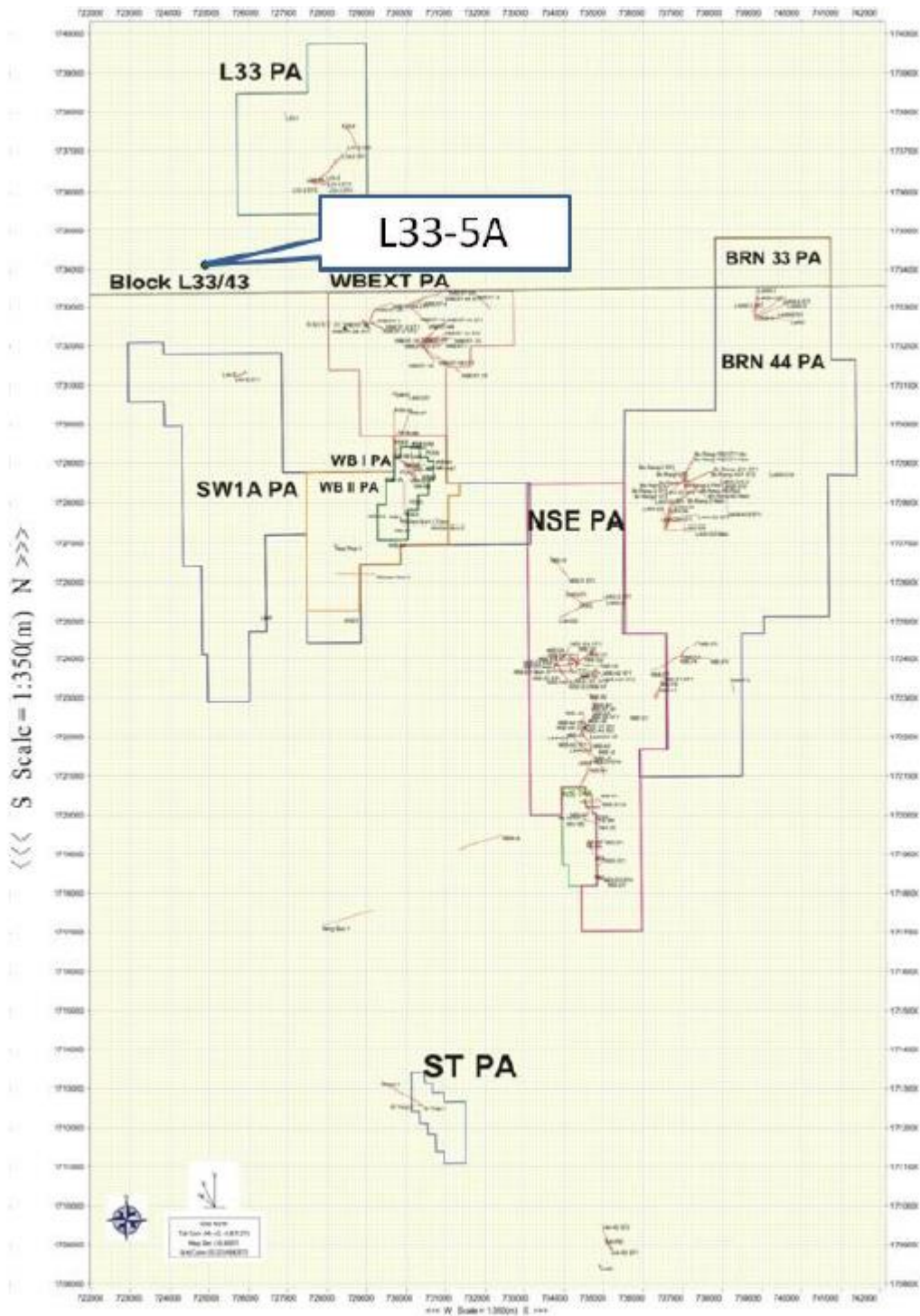


Figure 1: L44/43 and L33/43 Concession map

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Yours faithfully



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