

Phoenix Update

20 May 2010



Carnarvon Petroleum Limited (ASX:CVN) provides the following update on operations in the Bedout sub-basin offshore Western Australia.

Aeromagnetic Data Acquisition Complete

The planned acquisition of 15,856 km² of aeromagnetic data, with the main focus on Permits WA-436-P and WA-438-P (Figure 1 below) has been completed. This data was acquired to tie to the existing Barrow/Dampier dataset. The data acquired will satisfy the aeromagnetic component of the Work Program Commitments within WA-436-P and WA-438-P.

The technical rationale for acquiring the aeromagnetic data is to gain a better understanding of the structural configuration of the Bedout sub-basin in areas with sparse seismic control. The aeromagnetic data will be used to target shallow leads in the south of WA-438-P and also investigate the potentially fractured basement within WA-436-P.

Phoenix 3D Acquisition Update

The planned acquisition of 1,100 km² of new multi-client 3D seismic data, with the main focus on Permits WA-435-P and WA-437-P (Figure 1 below) is on schedule for commencement in mid to late July. This data is being acquired to specifically target the Phoenix Gas Field and adjacent prospectivity. Acquisition of the 3D survey should take around 6 weeks to complete.

At the same time 410 km of 2D multi-client seismic data will be acquired to provide well ties and recent data over a lead in WA-438-P. This acquisition accelerates the acquisition components of the Work Program from Permit Year Four.

CVN's acreage in the Bedout Sub-Basin:

- 15,856 km² aeromagnetic data acquisition complete
- 1,100 km² 3D seismic survey scheduled for commencement mid-late July
- 410 km 2D seismic survey planned simultaneously with 3D survey

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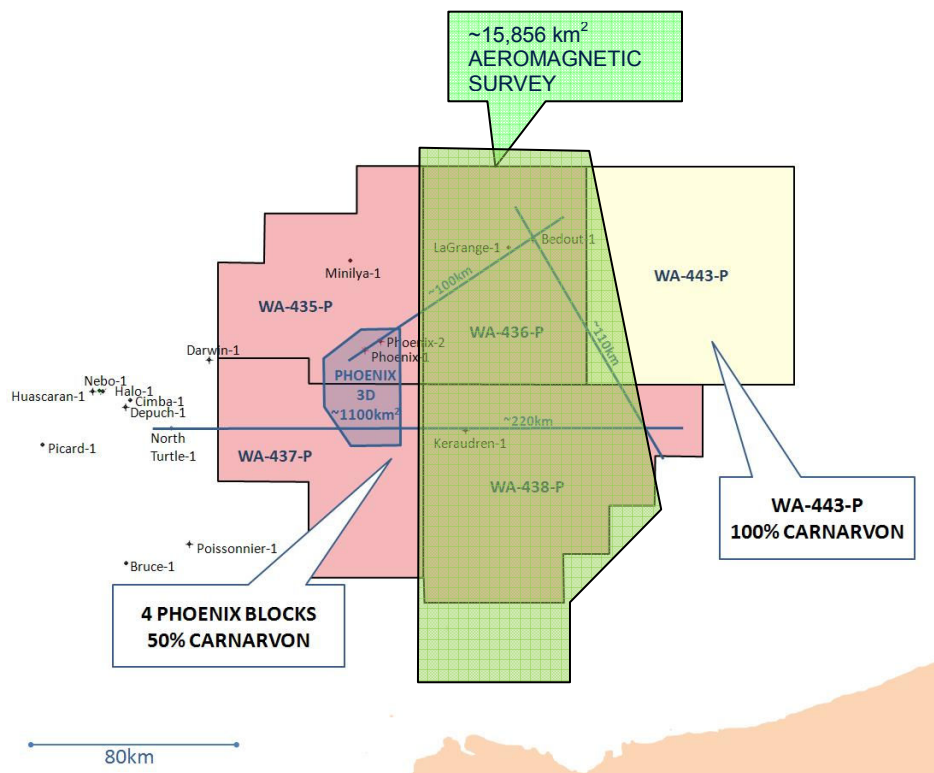


Figure 1: Approximate outline of 2D and 3D seismic surveys and aeromagnetic survey

WA-435, WA-436, WA-437 and WA-439 Permit Holders

Finder Exploration (Operator)	50%
Carnarvon Petroleum	50%

WA-443 Permit Holders

Carnarvon Petroleum (Operator)	100%
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