

L20/50 Drilling Update

29 November 2010



Thailand L20/50 Concession

Road works and well site preparations underway

Carnarvon Petroleum, as operator of the L20/50 permit advises that following improved weather conditions, construction of road works and well sites is now underway for the drilling of up to three wells in the permit.

Drilling programme

The objective of this first drilling programme of up to three wells is to establish the presence of a potentially commercial petroleum system in this sub-basin of the Phitsanulok Basin. If the results of drilling are sufficiently encouraging, this will be followed up with a targeted 3D seismic programme later in 2011 to better define prospects for further drilling.

The environmental impact assessment for the three prospect locations chosen by the Joint Venture has been approved by the Thai government authority. Furthermore, the joint venture has now agreed to drill two firm wells on the Tapao Kaew and Krai Thong prospects and one contingent well on the Chalawan prospect in the current drilling programme. Drilling is targetted to commence mid January 2011 dependent on weather conditions and time for site construction. Each well will take approximately two to three weeks to drill and evaluate.

Prospects

Whilst the drilling of these prospects is highly exploratory, due to the paucity of previous exploration drilling information and broad 2D seismic grid on which the prospect interpretation is based, mapped prospect sizes are substantial ranging from a gross mid-case recoverable oil volume estimate, if successful, of 21 mmbbls for Tapao Kaew, 37 mmbbls for Krai Thong and 32 mmbbls for Chalawan.

The three wells will evaluate three different prospect styles. The first well planned to be at Tapao Kaew will evaluate a potential stacked reservoir, hanging wall anticlinal closure on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen. The well will be drilled to a planned total depth of 1,715 metres.

SUMMARY

Well site preparations are underway

2 firm wells &
1 contingent well to
be drilled 1st Quarter
2011

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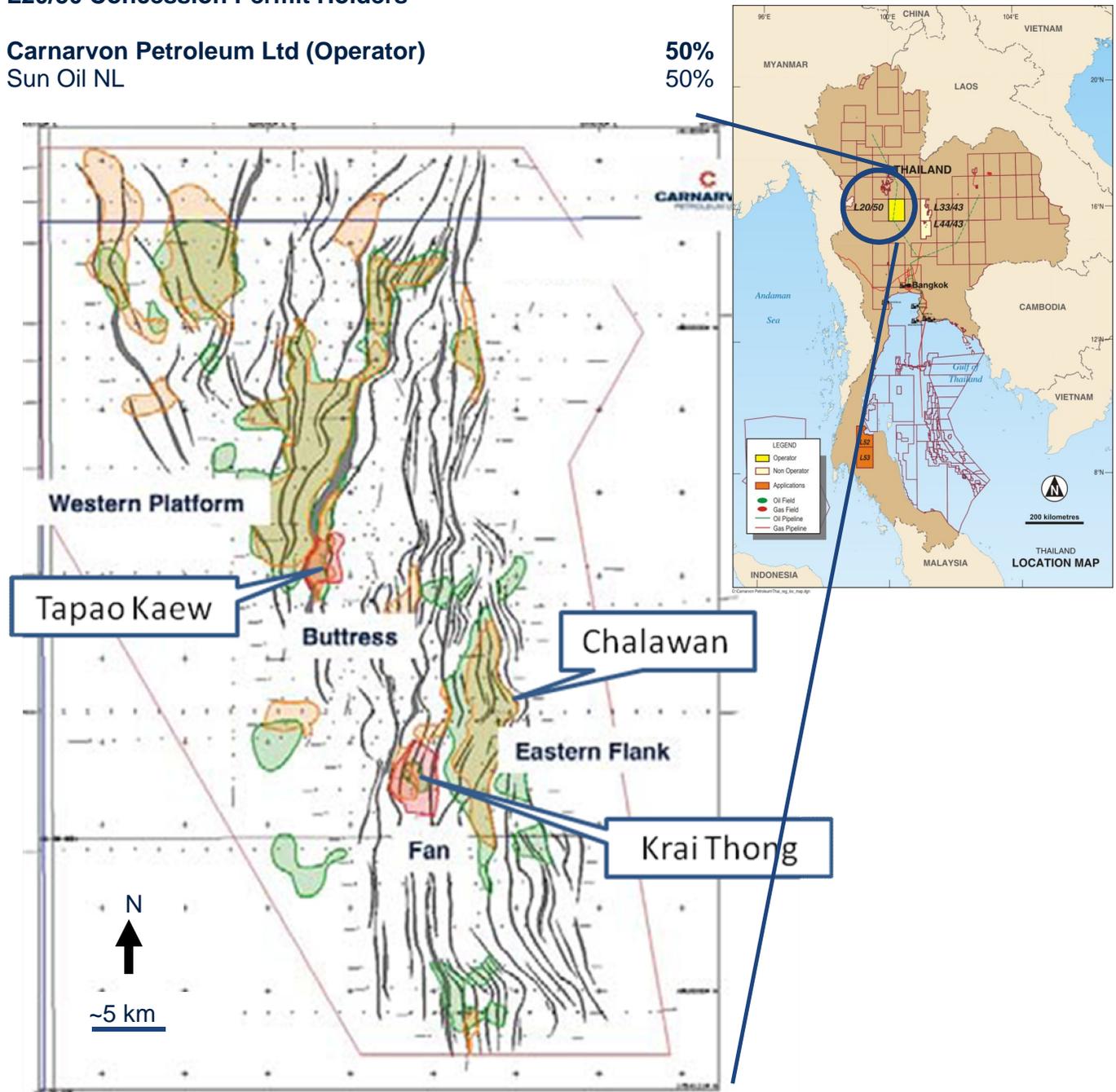
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The second well at Krai Thong will evaluate interpreted four way dip closures with potential stacked and mounded alluvial fan deltas further to the south of the basin. The planned total depth of the well is 1450 metres.

If these two wells provide sufficient encouragement, a third well may be drilled at Chalawan. This structure comprises a series of tilted fault closures on the eastern edge of the basin. This is planned to be a shallow well to a depth of 950 metres.

L20/50 Concession Permit Holders

Carnarvon Petroleum Ltd (Operator)
Sun Oil NL



50%
50%

Location of proposed three well programme