

# Thailand Operations Update

## 29 September 2010



### THAILAND L44/43 CONCESSION (CVN 40%)

#### **WBEXT-2 Appraisal well (Wichian Buri Extension) Field**

The WBEXT-2 appraisal well is currently flowing gas at a rate of approximately 1.6 million cubic feet per day through a ¼" choke and with a flowing bottom hole pressure of 1,331 psia. There is no water.

The WBEXT-2 well, drilled from the WBEXT-2 pad approximately 1.4 kilometres northwest of the WBEXT-1 pad, encountered the top of the WBV2 target volcanic at a true vertical depth ("TVD") of 971 metres, approximately 52 metres high to the top of the WBV2 zone encountered at WBEXT-1A well. The WBEXT-1A well is flowing 5,300 barrels of oil per day ("BOPD") gross (2,120 BOPD net to CVN) from the WBV2 volcanic reservoir and is located approximately 1.8 kilometres to the east of the WBEXT-2 well at the top WBV2 volcanic reservoir level.

Total drilling fluid losses were observed while drilling the upper seven metres of the volcanic zone of the WBEXT-2 well when the decision was made to stop drilling at 978 metres true vertical depth. While displacing the drilling mud with weighted brine during the completion, approximately 2% oil was observed in the drilling mud suggesting the base of the open hole volcanic reservoir section of this well may be in close proximity the gas / oil contact. An oil / water contact has yet to be defined in any fault compartment in the WBV2 volcanic zone.

The well will continue to be flowed at higher natural gas rates in order to observe any possible influx of oil into the wellbore. In the event no influx of oil is observed, the well will be deepened approximately 25 metres and the upper 15 metres of open hole volcanic reservoir will be isolated. This operation is anticipated to take three or four days to complete, and would commence immediately upon the completion of the drilling of the WBEXT-2A exploration well in approximately ten days.

WBExt-2 flowing gas at 1.6 million cubic feet per day

WBExt-2 flowing from the WBV-2 volcanic

WBExt-2 located 52 metres high to and 1.8 km east of the WBExt-1A well which is flowing 5,300 BOPD of oil from the same WBV2 volcanic reservoir

WBExt-2A well spudded to target the deeper WBV-3 volcanic

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While natural gas was not the target of this well, the presence of hydrocarbons in a large fault compartment 1.8 kilometres west of the WBEXT-1A discovery well is very encouraging. It is highly likely that an oil column exists down structure based on the WBEXT-1A well currently producing 5,300 BOPD (2,120 BOPD net to CVN) from the same reservoir WBV2 volcanic zone 52 metres structurally lower.

## **WBEXT-2A Exploration well (Wichian Buri Extension) Field**

The WBEXT-2A exploration well, drilling from the same surface pad as the WBEXT-2 well, is currently drilling ahead at a depth of 150 metres and is targeting the WBV3 volcanic target which has not been drilled previously. The WBV3 volcanic target is interpreted on 3D seismic to be present approximately 180 metres below the WBV2 volcanic zone. Drilling is anticipated to be completed in the next ten days at which time testing will be conducted if technically justified.

### **Permit Equity**

#### ***L33, L44 and SW1A***

Pan Orient Energy (TSX:POE):	60% and Operator
<b>Carnarvon Petroleum</b> (ASX:CVN):	40% and Non Operator