

Two rigs operating in Thailand

20 June 2011



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) is pleased to provide an update covering its producing onshore Thailand assets, being a 40% interest in the SW1A, L33/43 and L44/43 exploration Concessions (within which the existing production licences reside).

TWO RIGS OPERATING IN SW1A, L33/43 AND L44/43 CONCESSIONS

The Joint Venture will commence operations with a second drilling rig, being the EMAS 700 drilling rig, currently being used by our Joint Venture partner Pan Orient Energy on another Concession.

Recent drilling with the L44 Concession has focused on the development of conventional sandstone reservoirs in order to establish a more stable platform of production on which to add the high impact production from volcanic reservoirs. The second rig will commence this week with drilling allowing focus on both volcanic and sandstone targets.

The first well to spud with the new rig is expected to be targeting the WBEXT sandstones north of the existing POE-6 well.

The current drilling rig, being the Elite 01 drilling rig, will target the WBEXT volcanics in the short term.

A list of wells, and indicative targets, that a continuous program with two rigs is targeting is supplied below.

SW1A, L33 and L44 Concession Permit Holders

Carnarvon Petroleum Ltd	40%
Pan Orient Energy (Operator)	60%

SUMMARY

Two rigs operating in Thailand production licences

Simultaneous development of sandstone and volcanic reservoirs

Registered Office

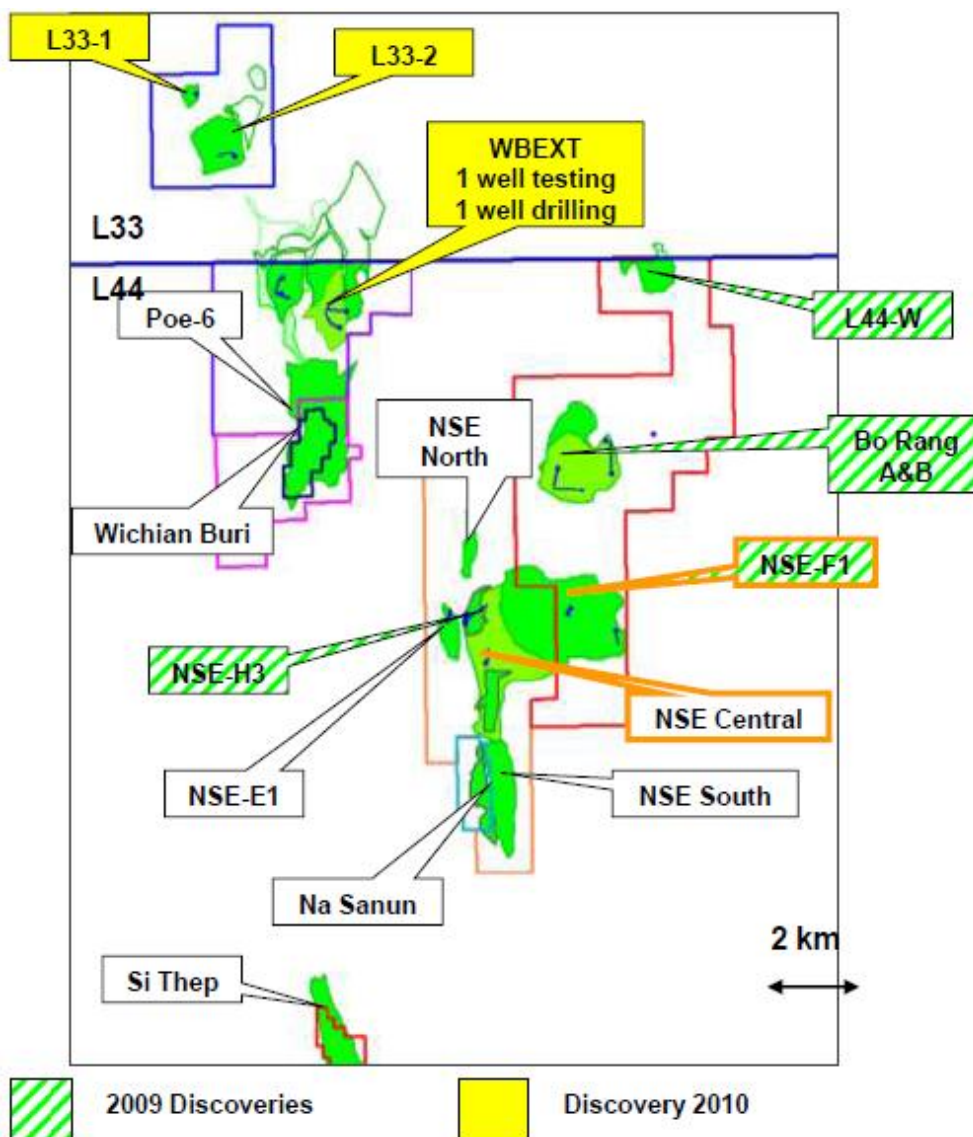
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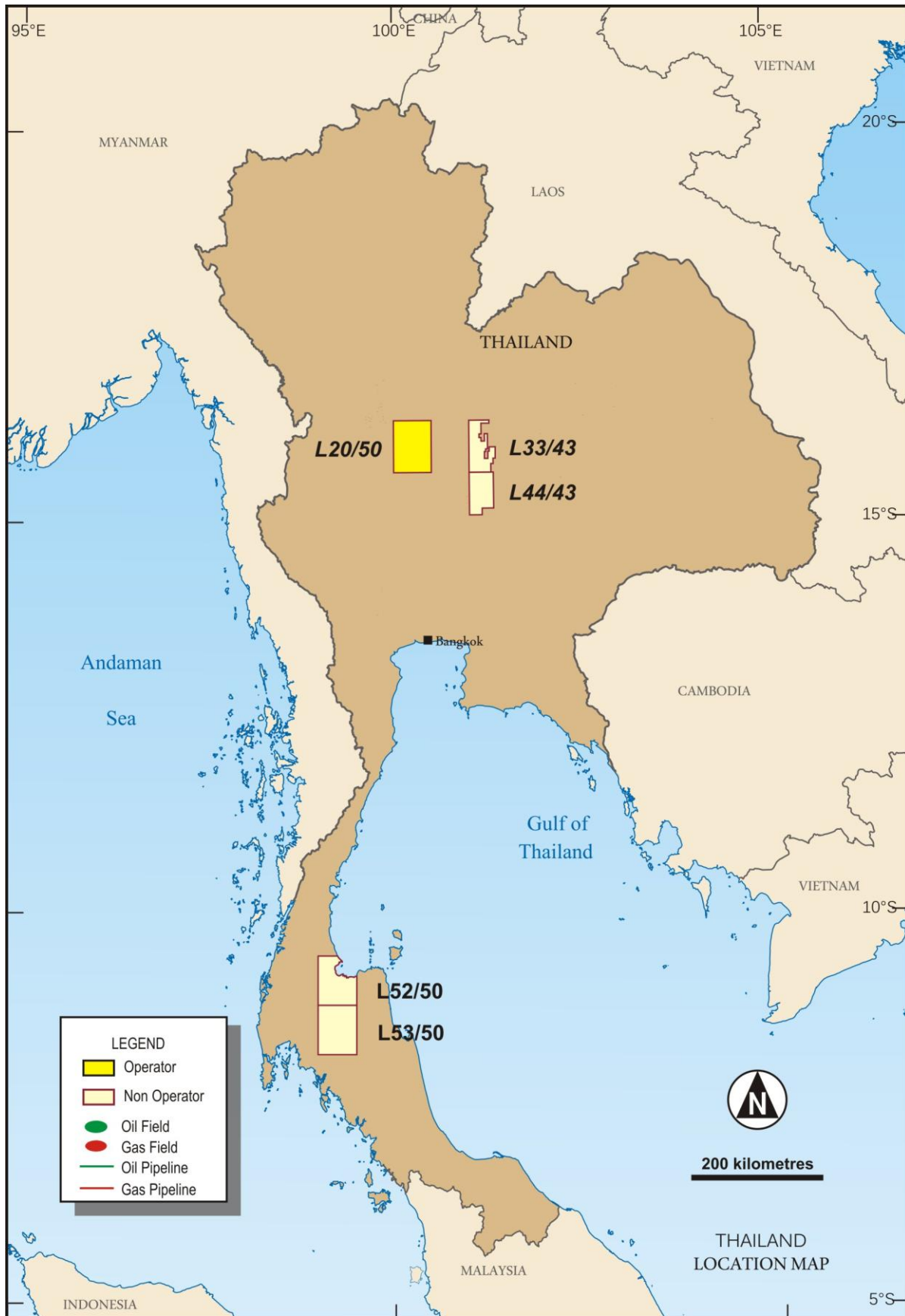
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Indicative remaining 2011 Program (subject to ongoing JV approvals):

L33-1 / L33-2	4 wells
L44-W	1 well
WBEXT sand	5 wells
WBEXT volcanic	2 wells
Bo Rang A	2 wells
Bo Rang B	1 well
Na Sanun	1 well
NSE-F1	1 well
NSE North	2 wells
NSE Central	1 well
NSE South	1 well
Exploration	4 wells
Total	26 wells



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Carnarvon Concessions onshore Thailand.