

**29 July 2011**

## **ASX ANNOUNCEMENT (ASX: CVN) Quarterly Report**

Dear Shareholder,

We are pleased to provide the attached quarterly update. During the June 2011 quarter we've seen production levels steady at a sustainable, and cash flow positive, 2,500 to 3,000 bopd. Plans are being developed to build on these levels and reduce the level of volatility previously experienced by increasing the base of steady sandstone production. As covered in our recent update, Phoenix is a very exciting asset that is developing to plan. Work has commenced on interpreting the new 3D seismic data and initial results support multi Tcf gas prospects. Progress is also being made on the remainder of our exploration portfolio and we expect to see these mature further through to drilling next year and into 2013.

### **Production**

The primary source of Carnarvon's production, in the L44/43 joint venture, has been from fractured volcanic reservoirs. These reservoirs typically flow at strong flush production rates initially and need to be continuously replaced to maintain production at a high level due to their decline rates. As outlined in our recent operations update, the success rate in these reservoirs, with the exception of the most recent WBEXT-2B well, has been lower than we've experienced in the past, resulting in production dropping to rates around 2,500 to 3,000 bopd. These are expected to be sustainable levels sufficient to fund ongoing drilling activity in the Concession. Our plan is to build on these levels with a combination of stable sandstone production and more prolific but variable production from new volcanic reservoir wells.

Recent success in the WBEXT area resulted in a significant pool of oil being found within sandstone reservoirs. These shallower reservoirs tend to produce more stable and predictable flow rates, decline more slowly and last longer. The joint venture recently completed an appraisal of these sandstone reservoir fields. Environmental approval for multiple wells sites is now in progress in order to effectively access and exploit the sandstone reservoirs. In the mean time the joint venture will concentrate on infill wells in older production areas containing volcanic reservoirs.

Early in the quarter we were undertaking appraisal drilling around the L33-2 discovery well, which had previously been producing at a solid rate. Oil sold from the L33/43 Concession is more valuable than the L44/43 Concession because it has a lower effective tax rate. Accordingly the area warranted a concerted drilling program to appraise the L33-2 discovery. While the end result was a modest increase in production, the intervening sidetracks, as we looked for better reservoir, consumed a significant amount of rig time during the quarter.

After the above program was complete, we moved to further appraise the WBEXT field area, particularly around the WBEXT1A (volcanic) and WBEXT1B (sandstone) reservoirs. These wells helped to define potential production areas for future development but produced a limited amount of oil.

Late in the quarter a second rig was brought into the L44/43 production joint venture with the intention of simultaneously drilling sandstone and volcanic wells. But after one month of drilling the rig was stood down for operational reasons, including issues that could have impacted the safety of our drilling operations.

The near term focus for the L44/43 production joint venture is wells mostly targeting the more established production areas. We are also working on plans to drill sustainable sandstone wells as the environmental approvals are granted. To date sandstone development wells have been designed to also test deeper volcanic targets. One plan under consideration is for targeted sandstone development wells to be designed solely for the shallower targets at a reduced cost of between \$500,000 to \$1 million per well. These costs are up to a third of the cost of some of the more complex wells designed to test multiple sandstone and volcanic reservoirs.

## Phoenix

With regard to the Phoenix blocks, we are particularly excited by the quality of the data and pre-interpretation results that show the prospects we believed to be there, are there, and others that were not previously imaged are beginning to surface. The recent work has not only confirmed the robustness of Phoenix as a drillable prospect, but has highlighted two significant new leads with the potential for trillions of cubic feet of recoverable gas from within the 3D survey, according to the operator of the permits, FINDER Exploration. Having a large acreage position in such a gas-prone region of the world, close to infrastructure, in relatively shallow water, is the envy of our peers. Even more so considering the quality of the data and potential size of the prospects.

## Other exploration

Away from the L44/43 joint venture, we have been busy moving assets along the value chain. The L52/50 and L53/50 Concessions in Thailand have commenced seismic acquisition and the WA-399P permit in Australia has commenced seismic processing. The Rangkas block in Indonesia is undergoing seismic processing after acquisition last year and initial work on interpreting and generating leads and prospects is commencing. Work is progressing on the L20/50 Concession in Thailand where the next stage will include assessing test results from well samples to determine why these wells, drilled earlier this year, did not encounter the oil pools that we expected them to contain.

Carnarvon's outlook for the next quarter is encouraging. Although we anticipate only modest gains in production, we are laying the foundation for sustainable production and cash flow for the future.

Yours faithfully,



Adrian Cook  
Managing Director  
Carnarvon Petroleum Limited

For enquiries please contact:

<b>Adrian Cook</b>	<b>Managing Director</b>
<b>Telephone</b>	<b>+61 8 9321 2665</b>
<b>Email</b>	<b>admin@cvn.com.au</b>

# Quarterly Report



June 2011 Quarter

ASX: CVN

## Company

Carnarvon is an oil and gas exploration and production company with onshore and offshore interests in South East Asia and Australasia.

## Capital

	<u>At 30 Jun. 11</u>	<u>At 31 Mar. 11</u>
Share price	\$0.175	\$0.345
Market capitalisation	\$120 m	\$237m
Net cash / (debt)	\$15.2m	\$23.7m

## Reserves (net to CVN)

	<u>At 31 Dec. 10</u>
Proved (1P)	4.7 mmbbls
Proved & Probable (2P)	20.4 mmbbls
Proved, Probable & Possible (3P)	51.9 mmbbls

## Production (net to CVN)

	<u>30 Jun. 11 Qtr</u>	<u>31 Mar. 11 Qtr</u>
Production (bbls)	93,842	109,860
Average sale price (\$/bbl)	A\$94.73	A\$90.82
Net sales revenue (\$'m)	A\$8.89m	A\$10.0m

Carnarvon Petroleum Limited (ASX: CVN, "Carnarvon" or the Company) is pleased to provide shareholders with the June 2011 Quarterly Report, which details the progress made by the Company during the quarter.

Carnarvon has a 40% interest in the Phetchabun Basin onshore oil fields and exploration concessions in SW1, L33/43 and L44/43 in central Thailand.

Carnarvon also has exploration interests elsewhere in Thailand, in the Roebuck, Perth and Carnarvon Basins in Western Australia, the Taranaki Basin in New Zealand and onshore West Java in Indonesia.

## SIGNIFICANT EVENTS DURING THE QUARTER

- Production during the quarter was 93,842 barrels of oil net to Carnarvon from Thailand fields
  - 1,031 bopd net compared to 1,222 bopd in the previous quarter.
- Multi Tcf prospects confirmed in preliminary Phoenix 3D seismic data, offshore Western Australia
  - Seismic interpretation will commence shortly.
- Sandstone appraisal in the WBEXT area in Thailand was successful with the drilling of the WBEXT-1E well.
- Further sandstone potential was discovered in Thailand with new oil pools encountered at the WBEXT-1F well.
- New volcanic reservoir success occurred in Thailand in the WBEXT-2B well.
- 2D seismic data acquisition and processing in the Rangkas PSC in Indonesia was completed.
- 2D seismic data acquisition commenced in the L52/50 and L53/50 joint venture in Thailand.
- Operating cash flows before tax were \$6.7 million from the Thailand production operations.
- Cash reserves at 30 June 2011 were \$15.2 million, with no debt.

## **PRODUCTION IN THAILAND (IN L44/43 & L33/43 CONCESSIONS)**

**(Carnarvon 40% and non-operator)**

Oil sales and revenues net to Carnarvon for the past two quarters were as follows:

	June 11 Quarter	Mar 11 Quarter	Qrtly % Changes
Net sales revenue (A\$000)	8,890	9,987	(15%)
Net sales volumes (bbls)	93,842	109,960	(10%)
Average sales price achieved (A\$/bbl)	94.73	90.82	4%
Net average daily volume (bopd)	1,031	1,222	(15%)

Production rates were steady during the quarter at a sustainable and cash flow positive 1,000 bopd to 1,200 bopd. Drilling activities focused on the continuation of sandstone appraisal and drilling volcanic targets in the L33/43 Concession area.

Towards the end of the quarter, as a result of lower than anticipated production growth, the joint venture commenced operations with a second drilling rig at the POR-6A well site (detailed below) on 22 June 2011.

It was anticipated that the second rig be used through the September quarter to accelerate production growth. However, after one month of drilling the rig was stood down for operational reasons, including issues that could have impacted the safety of our drilling operations.

As highlighted in the drilling activities section of this report, drilling early in the quarter focussed on the area around the L33-2 well in the L33/43 Concession. Flow rates from the L33-2 discovery well had been prolific before being impacted by an increased water cut. With geological control determined from 2D seismic data, a number of sidetracks were required, resulting in a significant amount of rig time being used for modest production gains.

Early results from the sandstone appraisal drilling have been successful. However as indicated the initial test rates from these wells, while significant at 100 to 300 bopd per well, are an order of magnitude lower than volcanic test rates. Accordingly, a sandstone development program will take some time before it has a material impact on total production rates.

Appraisal of the sandstone reservoirs in the Wichian Buri and Extension areas has generally been designed with wells having the potential to include an exploration component into the deeper volcanic. Whilst an effective means of making maximum use of a well, testing of both zones does take additional time and cost compared to wells designed solely for sandstone development and appraisal.

Dedicated sandstone development is anticipated to commence at the end of the September quarter following regulatory and environmental approvals being granted.

## **DRILLING ACTIVITIES IN THAILAND (IN L44/43 & L33/43 CONCESSIONS)**

**(Carnarvon 40% and non-operator)**

### **Sandstone Exploration and Appraisal**

Wells drilled and / or completed during Quarter:

Well	Permit	Status
WBEXT-1E	L44/43	Encountered "E" sand and flowed on test around 200-300 bopd
WBEXT-1F	L44/43	New hydrocarbon pools in the "E" sand at 0.6 MM scf/d and "D" sand at 100 bopd
WBEXT-4B	L44/43	Completed as development well but initial testing did not produce commercial volumes
POR-6A	L44/43 & SW1A	Waiting to test – good oil shows in "F" and "G" sands

During the June 2011 quarter ten individual boreholes (including sidetracks) were drilled and completed as outlined below. These were targeting a mix of appraisal and exploration targets.

The **WBEXT-1E** appraisal well encountered an excellent quality "E" sand reservoir approximately 500 metres west of the original WBEXT-1B discovery well, and tested at rates between 200 and 300 bopd.

Two new sandstone reservoir pools were discovered during an appraisal program at **WBEXT-1F** in a fault compartment due east of the existing WBEXT field for which no proved or probable reserves were assigned in the December 31, 2010 evaluation. The "E" sand tested at approximately 0.6 million cubic feet per day of natural gas (gross) and the shallower D sand at 100 BOPD (gross) with no water.

Results from the **WBEXT field "E" and "D"** sand have been encouraging with stabilized rates of between 100 and 300 BOPD with an inventory of approximately 15-20 locations remaining in the main fault compartment alone. These reservoirs are expected to be incorporated into the sandstone development plan.

The **WBEXT-4B** well encountered reasonable oil shows in several sands, however initial testing has not resulted in commercial oil volumes. This well remains open to work over to test other potential reservoirs.

The **POE-6A** is the first appraisal of the 2006 POE-6 oil discovery well. POE-6 flowed at approximately 46 BOPD (gross). The well has shown a very low decline rate and water cut despite being drilled in close proximity to the field oil water contact. POE-6A encountered the top of the "G" sand target, approximately 70 meters high to the POE-6 discovery well with approximately 20 meters of net sand with good oil shows and elevated mud gas readings. This outcome is interpreted to be oil bearing on wireline logs. The overlying "F" sand, approximately 13 meters thick, is also interpreted to be hydrocarbon bearing in this well. The well will be tested over several of the discovered horizons.

Further sandstone wells will be drilled as more locations are built and appropriate environmental approvals have been obtained.

## **DRILLING ACTIVITIES IN THAILAND (IN L44/43 & L33/43 CONCESSIONS) continued**

**(Carnarvon 40% and non-operator)**

### **Volcanic Exploration and Appraisal**

Wells drilled and / or completed during Quarter:

Well	Permit	Status
L33-2ST3	L33/43	Tested minimal oil with high water cuts – well sidetracked
L33-2ST4	L33/43	Failed to encounter reservoir – well sidetracked
L33-2ST5	L33/43	Tested up to 60 bopd
L33-4	L33/43	Further appraisal of WBV2 volcanic in L33-2 area was unsuccessful on test
WBEXT-2B	L44/43	Well sidetracked due to mechanical issues
WBEXT-2BST1	L44/43	Tested up to 1,100 bopd from WBV2 volcanic

Wells commenced drilling post Quarter:

Well	Permit	Status
NS-2A	SW1A	Appraisal well into Na Sanun field – to be tested
NSW-A	L44/43	Exploration well to the west of Na Sanun

The original **L33-2** discovery well was shut in at the end of the 90 day production test at a rate of approximately 140 bopd with a high water cut. In order to effectively evaluate the WBV1 volcanic reservoir at L33-2 in an area defined as “prospective resources” in Gaffney Cline and Associates’ (“Gaffney Cline”) recent third party reserve report, the original well was sidetracked. As outlined in the previous quarterly report, **L33-2 ST1** lacked drilling fluid losses and a subsequent sidetrack, **L33-2 ST2**, intersected the main bounding fault prior to encountering the top of the volcanic target as a result of poor fault resolution on the 2D seismic data that this well was drilled on.

A third sidetrack, **L33-2 ST3**, drilled to the WBV1 reservoir in the vicinity of the original discovery well, intersected the WBV1 volcanic approximately 5 metres structurally lower than the original well. Testing resulted in initial oil cuts of approximately 30% that have since gone to 100% water.

The well was subsequently re-entered, with a fourth sidetrack, **L33-2ST4**, failing to encounter reservoir. The final sidetrack, **L33-2ST5**, was completed for testing but results were sub-optimal with rates in the order of 60 bopd.

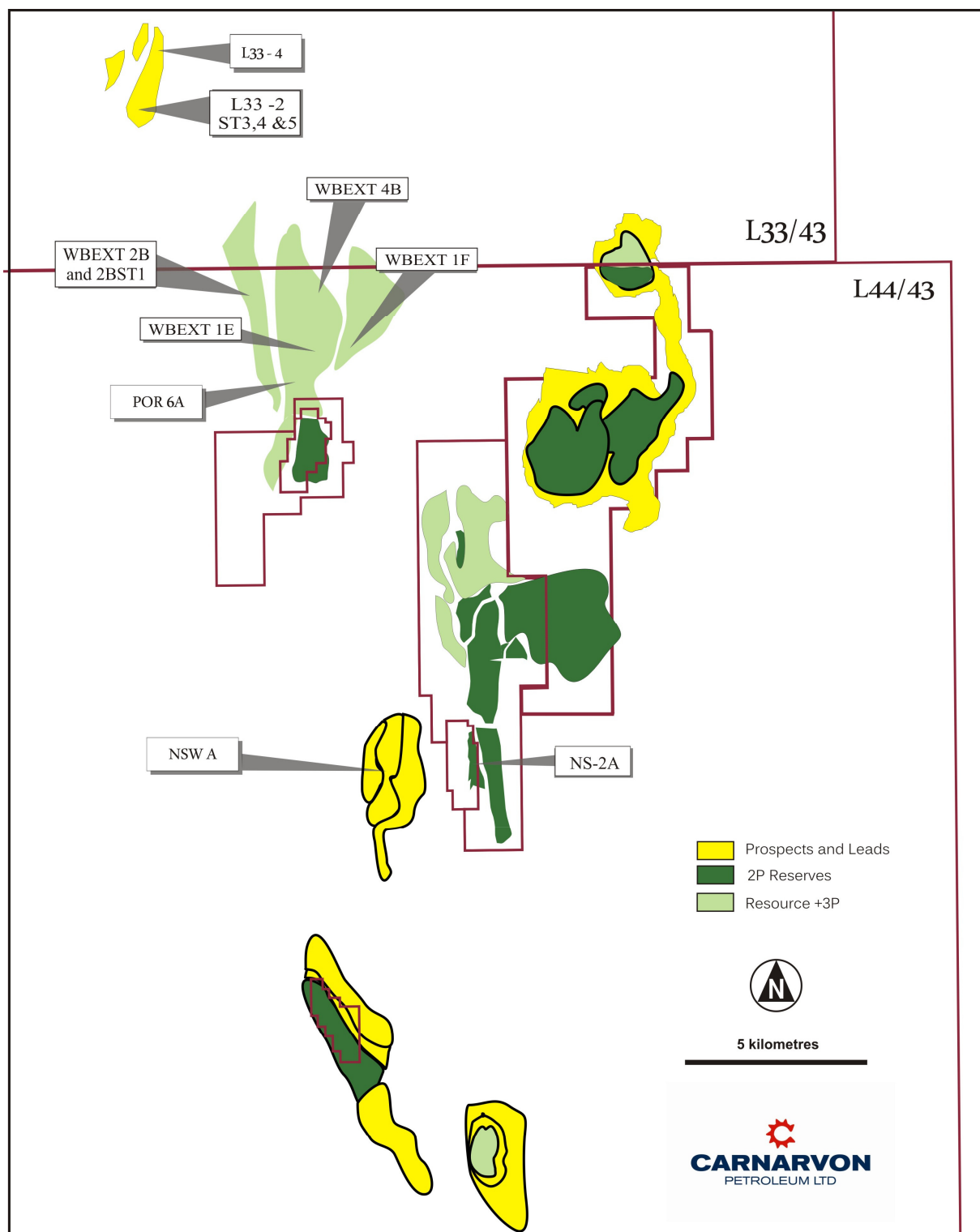
The **L33-4** well drilled the target WBV1 volcanic approximately 2.2 kilometres north of the L33-2 well oil discovery, in an area assigned as prospective resources in Gaffney Clines most recent reserve report. The well failed to produce on test and is currently suspended.

The original **WBEXT-2B** well was abandoned due to operational issues resulting in stuck downhole equipment. The subsequent sidetrack **WBEXT-2BST1** well, a step out appraisal of the 2010 WBEXT WBV2 volcanic reservoir oil discovery flowed on test at a restricted rate of approximately 1,100 BOPD (gross) with a water cut of approximately 28% as the well was cleaning up after approximately 1,800 barrels of fluid losses incurred while drilling the highly fractured volcanic reservoir interval. There remains potential upside to this encouraging step out appraisal well with up to four additional locations on the Concession L44/43 side of the structure, excluding the portion of the structure that extends to the north into Concession L33/43.

Further appraisal of the **WBEXT WBV2** volcanic reservoir is expected during the September quarter.

The **NS-2A** appraisal well drilled within the Na Sanun Production License area encountered the main Na Sanun volcanic reservoir at a depth approximately four meters higher than the original NS-1 discovery well, and is highly fractured based on the approximately 400 barrels per hour of drilling fluid losses observed while drilling through the zone.

The **NSW-A** (Na Sanun West-A) exploration well is targeting a separate structural closure at the same volcanic target level as the Na Sanun Field located approximately 3.3 kilometers to the east. Drilling has commenced on this well.





## **EXPLORATION IN THAILAND**

### **(a) L20/50 Concession – Thailand**

**(Carnarvon Petroleum 50% and Operator, Sun Resources 50%)**

During the June 2011 quarter Carnarvon continued to study and assess the results from the Tapao Kaew-1 and Krai Thong-1 wells drilled in early 2011.

Well cuttings and sidewall cores are being subjected to age dating and detailed geochemical analysis with the aim of better defining source rocks in the basin. Selective reprocessing of the seismic data is also being carried out to more clearly define depth to basement and structural integrity of the drilled prospects.

The drilling of two wells in the '1<sup>st</sup> Obligation Period' exceeded the commitment and consequently the credit for one well can be carried forward. After carrying out further studies through 2011, the joint venture will consider plans for the '2<sup>nd</sup> Obligation Period', requiring a 50% relinquishment, 3D survey and one well commitment.

### **(b) L52/50 & L53/50 Concession Applications - Thailand**

**(Carnarvon Petroleum 50%, Pearl Energy 50% and Operator)**

Preparations for the acquisition of 500 km of 2D seismic data across the combined L52/50 & L53/50 permits were well advanced, with land permitting and up-hole drilling in progress.

While both permits are lightly explored their potential is significant being on trend and in a similar basin to an offshore field that flowed up to 10,000 bopd from the single Nang Nuan well.

The L52/50 and L53/50 Concession Applications were granted in February of 2010 and the first year work program, consisting primarily of studies, has been completed. The work to date, including detailed surface geological mapping and studies of surface oil seeps, has given the joint venture confidence in accelerating planned exploration program.

## **EXPLORATION IN AUSTRALIA**

### **(a) WA-435-P, WA-436-P, WA-437-P and WA-438-P – Australia Offshore NW Shelf**

**(Carnarvon Petroleum 50%, Finder Exploration 50% and Operator)**

The WA-435-P, WA-436-P, WA-437-P and WA-438-P permits contain the Phoenix-1 and Phoenix-2 gas discoveries that have the potential to contain several Tcf's of gas close to onshore pipeline infrastructure at Port Hedland. Central to the appraisal of these discoveries is the acquisition and interpretation of new 3D and 2D seismic data.

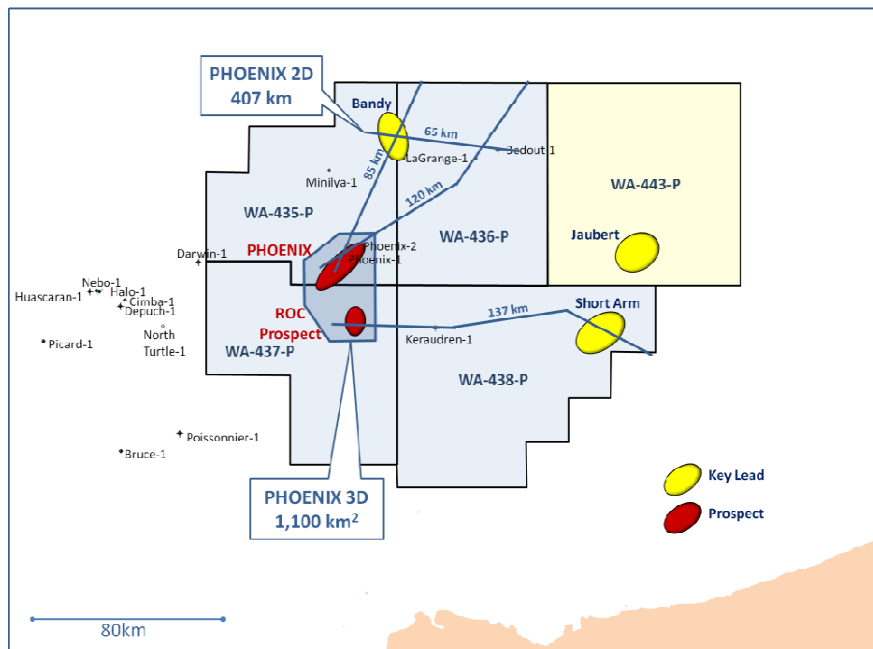
Processing of the Phoenix 3D seismic survey is nearing completion, with detailed velocity analyses and migration being carried out. This will be followed with detailed reservoir analysis and remapping of the Phoenix and Phoenix South structural complex in the WA-435-P permit and also the large Roc Prospect and other follow-up leads in the WA-437-P permit.

In conjunction with the 3D seismic program, 407 km of 2D seismic data was also acquired, providing important well ties and new data over key leads in the area. Seismic re-processing of pre-existing 2D seismic over the Bandy and other leads in the area is also underway.

In addition, a regional airborne gravity and magnetics survey, recorded over the western blocks in the Bedout Sub-basin, was also interpreted during the Quarter and has provided a regional set of maps to complement the seismic interpretation.

The four permits are situated in the north-western part of the Bedout Sub-basin within the greater Roebuck Basin, offshore Western Australia. The blocks lie in an under-explored area that has received little recent attention, between the prolific Carnarvon Basin hydrocarbon province to the southwest and the Browse Basin to the northeast. The town of Port Hedland lies approximately 150 km to the south of the permits and Broome lies 250 km to the northeast. Water depths range from 35 to 265 metres and the permits cover a very large area of more than 21,000 km<sup>2</sup> (268 graticular blocks).

A recent presentation is available on Carnarvon's website ([www.carnarvon.com.au](http://www.carnarvon.com.au)) which outlines recent results and plans for this series of blocks.



*Phoenix 3D & 2D seismic survey area*

**(b) WA-443-P– Australia Offshore NW Shelf  
(Carnarvon Petroleum 100% and Operator)**

No previous drilling has taken place in the WA-443-P block. A large Middle Triassic prospect, Jaubert, has previously been recorded in the block as a faulted anticlinal closure. The structural form and size of Jaubert are comparable to the adjacent Phoenix group of potentially large gas accumulations. Carnarvon acquired 1,500 km of reprocessed 2D seismic data over the quarter.

Geological and geophysical studies are being carried out in conjunction with similar work in the Phoenix permits.

### **(c) WA-399-P – Australia Offshore NW Shelf**

**(Carnarvon Petroleum 13%, Apache Energy Limited 60% and Operator, Jacka Resources 15% and Rialto Energy 12%)**

Processing of the “Gazelle” 3D seismic program covering the entire permit commenced on 16 May 2011. The Operator, Apache Northwest, reports that the processing of the data is making good progress and is on schedule for completion by end-3Q 2011. Incorporation of this 3D data set into a complete re-evaluation of the permit will enable the joint venture to fully evaluate the merits of future exploration drilling locations.

The Designated Authority of WA approved the joint venture’s request to move the one exploration well commitment from Permit Year 4 (7 Sept 2011 – 6 Sept 2012) to Permit Year 6 (7 Sept 2013 – 6 Sept 2014).

The WA-399-P exploration permit is situated offshore Western Australia within the Carnarvon Basin. The block is adjacent to the Pyrenees Oil development, a joint venture between BHP Billiton and Apache PVG Pty Ltd, which commenced oil production in February 2010. Nearby, there are several producing oil fields including Enfield and Vincent/Van Gogh, as well as the Macedon gas field, currently under development, and a number of other oil and gas field discoveries.

## **EXPLORATION IN NEW ZEALAND**

### **PEP 38524 – Offshore New Zealand**

**(Carnarvon Petroleum 10%, AWE 60% and Operator, ROC 20% and Kea Petroleum 10%)**

The New Zealand Government has approved the partial surrender of 620 km<sup>2</sup> (25%) of the original PEP 38524 permit, as required under permit conditions.

The joint venture is currently assessing the results of the Tuatara-1 well drilled in September 2010 and incorporating these into a re-evaluation of the prospectivity of the permit before determining whether additional seismic should be acquired in the final six months of the first permit term, by 31 March 2012, or else relinquish the permit.

## **EXPLORATION IN INDONESIA**

### **Rangkas PSC – Onshore Indonesia**

**(Carnarvon Petroleum 25%, Tap Oil 24%, Lundin Petroleum 51% and Operator)**

Recording of the 500 km Rangkas 2D seismic land acquisition program was completed on 1 April 2011 and processing of the data is continuing. This fulfils the requirements of the ‘1<sup>st</sup> Exploration Period’ and 25% of the area of the Rangkas Block was submitted for partial relinquishment, as stated in the PSC requirements.

These seismic data will enhance the 1,000 km of existing reprocessed 2D seismic data to refine geophysical mapping of some 11 significant leads. Seismic interpretation will also compliment a number of reservoir and basin modelling studies undertaken.

The Rangkas Block covers an area of 3,977 km<sup>2</sup> and is located onshore west Java, southwest of Jakarta. Previous exploration seismic and drilling in the block, along with the presence of surface oil seeps, indicates the presence of an active petroleum system.

## **CORPORATE**

### **Cash Balance**

Carnarvon's consolidated cash at the end of the June 2011 quarter was A\$15.2m, compared to A\$23.7m at the end of the previous quarter. These balances include cash held as security in relation to bank guarantees and minimum cash holding requirements by Thailand authorities. As at 30 June 2011, cash held as security in relation to bank guarantees and minimum cash holding requirements by Thailand authorities was A\$1.2m.

Net revenue for the quarter was A\$8.9m, generating operating cash flows before tax from the Thailand production joint venture of A\$6.7m. The joint venture also spent A\$3.2m (net to Carnarvon) on its drilling activities that are not included above. The payment of Thai income tax in the quarter had a material impact on cash reserves. Thai taxes fall due in May each year and the December 2010 taxes, paid in May 2011, were A\$7.9m net to Carnarvon.

The recent L20/50 exploration drilling campaign in Thailand cost A\$1.4m during the quarter and a further A\$1.0m was spent on seismic acquisition activities in Indonesia and Thailand. Further to this, the new ventures administrative costs of the Company were in the order of A\$1.5m for the quarter.

## **OUTLOOK**

### **(a) L44/43 & L33/43 Concessions - Thailand**

Since end of the quarter, to the date of this report, production net to Carnarvon has been 31,600 bbls or 1,171 bopd.

During the September 2011 quarter the joint venture plans to drill six to eight wells from among the following locations:

Na Sanun Volcanic	SW1A	Deeper volcanic below main producing volcanic in Na Sanun oil field currently drilling (NS-2A) with follow-up if successful
Na Sanun West	L44/43	Exploration well to the west of the Na Sanun and NSE fields. Well has commenced drilling (NSW-A) with potential further follow-up appraisal wells if successful.
WBEXTVolcanic	L44/43	1-2 further appraisal wells to follow up the WBEXT-2B results
NSE-F1 Area	L44/43	Horizontal appraisal well with follow up potential
NSE Central	L44/43	Appraisal of volcanic below main producing reservoir
NSE South	L44/43	Exploration and appraisal of deeper volcanic
NSE North	L44/43	Minimum two wells targeting appraisal of 2007 discoveries
WBExt Sandstone	L44/43	Development of the sandstone

*\* Final well numbers, locations and order of drilling are subject to ongoing Joint Venture discussion and Thai Department of Mineral Fuels approvals.*

The near term focus will be appraisal and development of reserves in older, more established areas such as Na Sanun, NSE and NSE-F1. Development of WBEXT sandstones will be delayed quarter as the joint venture awaits environmental approvals from the Thai regulatory authorities.

### **(b) Phoenix – Australia Offshore NW Shelf**

The Phoenix gas project is a low risk appraisal project centred around the 1980s BP gas discovery.

The 1,100 square kilometres of long offset 3D seismic data that have just been acquired is being processed and once interpreted the participants hope to better understand the Phoenix-1 gas discovery made by BP in 1980, where BP calculated 110m of net gas pay from a 767m column, but which could not be tested due to safety concerns arising from the influx of gas into the wellbore from the lowest sand intersected.

The partners expect to finalise their interpretation and complete reservoir characterisation and inversion studies prior to opening a farmout data room early in 2012. Current work is to identify reservoir “sweet-spots” with both gas charge and good quality reservoir.

Abbreviations	
API	American Petroleum Institute gravity measure
A\$	Australian dollars
Bopd	Barrels of oil per day
Bbls	Barrels of oil
CVN	Carnarvon Petroleum Limited
DMF	Department of Mineral Fuels Thailand
JV	Joint Venture
Km	Kilometres
Km <sup>2</sup>	Square kilometres
m	Millions
Qtr	Quarter
TVD	True vertical depth
Tcf	Trillion cubic feet (gas)
2D	Two dimension seismic data
3D	Three dimensional seismic data

The following table is provided to assist readers to understand some of the naming conventions used for wells in Thailand.

Term	Meaning
WBEExt	Wichian Buri field extension area
NS	Na Sanun field area
NSE	Na Sanun East field area
NSE-F1	Extension of NA Sanun East
NSW	Na Sanun West field area
WBV	Wichian Buri volcanic reservoir in which there are three key volcanic zones
L33	L33/43 exploration Concession which is to the north of the L44/43 exploration Concession.
ST	Sidetrack well
SW1A	This is a small exploration Concession within the larger L44/43 exploration Concession.