

L20/50 Drilling 2010

9 March 2010



Thailand L20/50 Concession

Seismic Interpretation Completed

Carnarvon Petroleum, as operator of the L20/50 permit, has completed interpretation of the 550 kms of 2D seismic data acquired late last year by the Carnarvon Petroleum (50%) and Sun Resources (ASX:SUR) (50%) Joint Venture. This seismic is of good depth penetration forming a broad grid of lines approximately 1 km apart over the most prospective part of the licence.

Results of the Interpretation

Interpretation of the seismic has identified five substantially different prospective styles (play types) being (1) basin margin antithetic fault blocks (akin to the Sirikit Oil Field style structuring), (2) lacustrine fans which may contain sandstone reservoirs deposited via river channels, (3) elevated large horst structures, (4) buttress fault traps (akin to the Na Sanun structure) and (5) possible volcanic intervals indicated by bright seismic amplitudes.

Within these five play types 23 leads have been identified, of which five to six have been high graded. The high graded prospects will be presented to the Joint Venture over the coming weeks to determine which three will be selected for the 2010 drilling programme.

Interpretation of data from the previous three wells drilled in the licence and the addition of the new seismic indicates that the basin is deep enough to generate oil. In support of this, oil shows were recorded in Nong Bua-1 within thin sandstone reservoirs in three intervals at depths of 2,456 metres, 2,743 metres and 3,086 metres within the central part of the basin.

2010 Drilling Programme

The operator considers that to properly evaluate the licence, up to three new wells will be initially required into three different play types. Carnarvon has commenced work on an environmental impact assessment (EIA) for the approval of nine drilling locations for 2010 and 2011 from which three will be chosen for a 2010 drill programme of one firm well and two contingent wells.

SUMMARY

Seismic Interpretation completed

23 leads identified

9 drill locations identified for environmental approval

1 Firm Well & 2 Contingent Wells to be drilled 4th Quarter 2010

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The Joint Venture has commenced planning for drilling in fourth quarter of this year, subject to granting of appropriate government and environmental approvals. This timing takes into account the lead time required to obtain environmental approvals and to subsequently prepare the drill pads. Due to the lead times involved, nine drill locations are being submitted for environmental approval which will provide maximum flexibility to the Joint Venture's 2010 and 2011 drilling programmes.

Carnarvon's CEO Ted Jacobson explained: "The new seismic has upgraded the prospectivity of the L20/50 licence. From the interpretation of this data 23 leads from five play concepts have been identified. Whilst this is a "grass roots" area, we are so far encouraged by the results of the seismic and look forward to the upcoming drill programme later this year. Although the primary aim of this drilling is to establish the presence of a significant oil source and good reservoir, wells will be drilled to maximise the chance of commercial success. On a success case it is likely the joint venture would embark on a 3D seismic survey with parallel drilling during 2011 to accelerate exploration and the early environmental approval for drilling locations this year will assist this. We look forward to providing further updates in the coming weeks once the Joint Venture has approved the final 2010 drilling programme."

L20/50 – Background

L20/50 is located between Thailand's two largest producing onshore fields, being the next basin along from Carnarvon's Phetchabun Basin Oil Fields (up to ~14,000 bopd) and 20 kilometres south and in the same basin as the prolific Sirikit Oil Field (>200 mboe reserves & ~20,000 bopd).

L20/50 Concession Permit Holders

Carnarvon Petroleum Ltd (Operator)	50%
Sun Resources NL (ASX:SUR)	50%



