

16 September 2009

Company Announcements Office
ASX Limited

Via ASX Online

Dear Sirs,

Bo Rang New Oil Field Discoveries

- **Bo Rang “A” (Main Bo Rang Volcanic) flows 686 bopd plus 3.29 MMscfg/d on test, confirming new commercial oil discovery**
- **Bo Rang “B” (Shallow Bo Rang Volcanic) flows 36 bopd on test, confirming new commercial oil discovery**

Carnarvon Petroleum Limited (“Carnarvon”) is pleased to report that it has confirmed the testing of oil at commercial rates from two separate new field discoveries. The Bo Rang “A” field tested at 686 bopd plus 3.29 MMscfg/d and the Bo Rang “B” field tested at a restricted rate of 36 bopd.

Bo Rang “A” Field – BR-1RDST1 Exploration well (40-per-cent working interest and non-operator)

The Bo Rang “A” field discovery well BR-1RDST1 was drilled to a measured depth of 1,137 metres, encountering the inferred gas oil contact within the target volcanic reservoir at a depth of 663 metres true vertical depth (“TVD”) and drilling to a final depth of 676 metres TVD along a 336 metre horizontal section. Approximately 3,113 barrels of drilling fluid were lost to the formation while drilling the horizontal section, inferring excellent permeability.

The well is currently producing on a 90 day production test at a stabilised, restricted free flow rate of 686 bopd of 27-28° API gravity oil plus 3.29 MMscfg/d, and a decreasing water cut of approximately 3.8%, composed primarily of drilling fluids.

BR-1RDST1 is the first horizontal well drilled into the Bo Rang reservoir and confirms the successful application of this and other techniques used during the drilling of this well.

Bo Rang “B” Field – BR-2ST1 Exploration well (40-per-cent working interest and non-operator)

The Bo Rang “B” field discovery well BR-2ST1 was originally drilled to test the main lower volcanic reservoir at a depth of approximately 665 metres TVD, which had flowed fluid at rates up to approximately 1,348 bpd in the adjacent BR-2 wellbore (prior to having abandoned the well due to mechanical problems), but tight at the BR-2ST1 well location. Subsequently, the lower tight volcanic zone was isolated and a shallow volcanic, approximately 20 metres thick at a depth of 474 metres TVD, was perforated.

The well is currently on beam pump at a stabilised rate of approximately 35 bopd of 22-23° API gravity oil and a water cut of 0.86%. This result is remarkable given:

- a. the lack of drilling fluid losses observed during drilling (low permeability);
- b. the zone was a cased hole completion, which experience has shown generally flows at much lower rates than the typical open hole completions used on the majority of wells; and
- c. the BR-2 well penetrated the shallow volcanic zone at the extreme northern edge of where this zone is interpreted on 3D seismic to be present (drainage boundaries).

The current plan is to drill this same productive interval horizontally, and complete it open hole as detailed above for the successful BR-1RDST1 well.

Summary

The Bo Rang and L44-W areas have been somewhat challenging to date with both technical and operational issues encountered. The results of these two discovery wells indicate that the operator of these permits, Pan Orient, has managed to adapt our drilling program to these complex reservoirs and has outlined a potentially very substantial resource at Bo Rang "A" and Bo Rang "B" in addition to that at L44-W earlier this year.

Three well cellars remain at the Bo Rang drill pad and four at the L44-V drill pad (one well currently drilling, one awaiting testing) that will allow an additional seven wells to be drilled into the Bo Rang "A" and "B" pools prior to year end. This is in addition to another two to three wells at L44-W, one of which is currently drilling and two awaiting testing (simultaneous drilling and testing is not possible at L44-W due to physical constraints at the well site).

A contingent and prospective resource assessment is currently being conducted by an independent third party in support of the production license application to the Government of Thailand. The final results of this resource estimate are anticipated within the next week and will be announced upon receipt. It is expected that the majority of the contingent resources estimated in this third party report will be classified as reserves upon the granting of a production license by the Government of Thailand, expected at or prior to year end 2009.

Environmental impact assessments will be submitted to the Government of Thailand in late September 2009 for nineteen surface pad locations from which multiple wells will be drilled from each over the L44-W (in both the L44 and L33 concessions), Bo Rang "A", Bo Rang "B" and NSE-F1 discoveries in early 2010 once the production license has been granted.

In addition to the program outlined above, plans are to drill at least one well at the high impact Si Thep deep prospect in Concession L44 (40% owned and non-operated) by year end 2009.

Yours faithfully,
Carnarvon Petroleum Limited



Ted Jacobson
Chief Executive Officer

Permit Holders L44/43

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

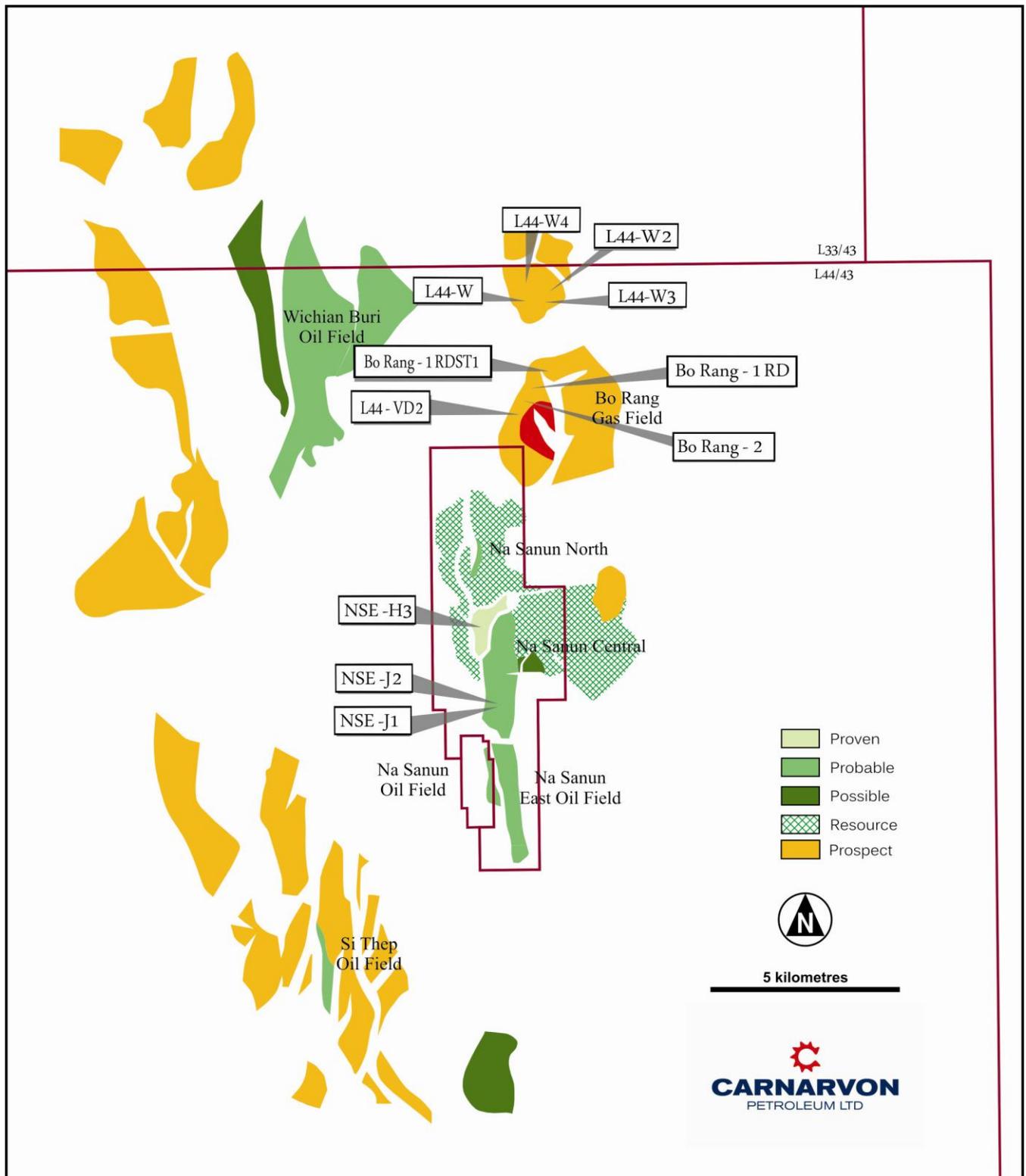


Figure 1: Approximate location of wells onshore Thailand L44/50 concession.