

28 July 2009

Company Announcements Office  
ASX Limited

Via ASX Online

Dear Sirs,

## **AWARD OF NEW PERMIT – OFFSHORE WESTERN AUSTRALIA**

### **AUSTRALIA**

Carnarvon Petroleum Ltd is pleased to announce that its application to the Australian Government to acquire 100% of a new offshore West Australian permit covering application block W08-11 (permit number to be advised) has been successful.

The application block W08-11 is situated in the north-western part of the Bedout Sub-basin within the greater Roebuck Basin. The block lies in an under-explored area that has received little recent attention, adjacent to the prolific Carnarvon Basin hydrocarbon province to the south-west. The town of Port Hedland lies 180 kms to the south. Water depths range from 120 to 265 metres and the block covers a large area of 4,955km<sup>2</sup>.

Three wells have been drilled in the block to date. The two wells, Phoenix-1 and Phoenix-2, drilled on the large Phoenix structure both intersected extensive gas columns within low porosity mid Triassic reservoir. In particular, Phoenix-1 recorded 110 metres of net gas-bearing section, however further work is required to determine reservoir parameters and whether the discovery could flow at commercial rates.

Carnarvon has agreed to a firm commitment to reprocess 2,500kms of seismic and carry out technical studies for the first three years estimated to cost \$500,000. Following the completion of this work, Carnarvon intends to acquire seismic and drill at least one well in the following three year indicative programme.

### **CEO Comment**

Ted Jacobson, Carnarvon CEO, commented:

“This is good work by our technical team, resulting in the acquisition of a large permit with an excellent address and a potential large gas discovery, while ensuring minimal upfront expenditure commitments for the company.

While the current time frame is for reprocessing and studies, Carnarvon is looking at ways to accelerate the drilling of appraisal wells on the Phoenix and adjacent structures.”

Yours faithfully,  
Carnarvon Petroleum Limited



Ted Jacobson  
Chief Executive Officer

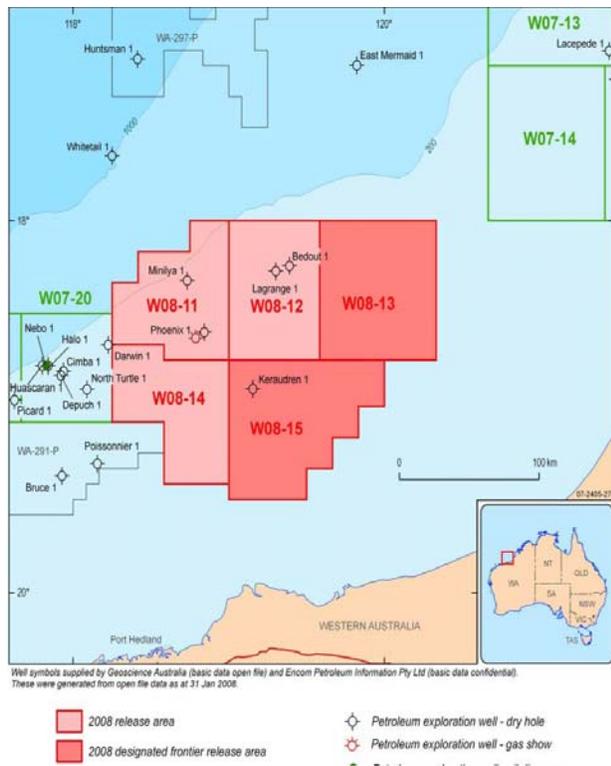


Figure 1: 2008 acreage release map outlining Carnarvon's successful W08-11 application block.