



**CARNARVON
PETROLEUM N.L.**
ACN 002 688 851

22 November 2002

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Dear Sirs,

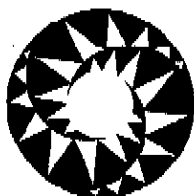
UPDATE ON PRODUCTION TESTING OF NEW OIL WELLS

Please find attached Carnarvon Petroleum's announcement regarding an update on the testing of the recently drilled successful wells at the Wichian Buri Oil Field in the SW1A Concession in Central Thailand in which the Company has a 40% interest.

Yours faithfully,
CARNARVON PETROLEUM NL

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ASX RELEASE

UPDATE ON PRODUCTION TESTING OF NEW OILWELLS

Production testing of the Phase II wells began on November 3rd. The three development wells WB-N4, WB-N5 and WB-N6, were first tested under natural flow conditions without artificial lift. To date only the F-Sandstone reservoir has been tested. The purpose of the natural flow test was to establish indicative well deliverability for design and installation of the appropriate production facilities and the chosen artificial lift method, jet pumping.

Over the past two weeks the Operator has been constructing surface facilities while intermittently flow testing the WB-N4 and WB-N6 wells. Installation of equipment such as flanges, high pressure pipe work, circulating pumps, tanks, heater treaters, meters, venturi nozzles for the jet pumps, etc has limited production testing duration. This is part of the overall and ongoing program to bring the Phase II wells on production in such a way that they achieve the potential evidenced by the reservoirs in the three new wells.

Testing of the jet pumping equipment commenced on 18 November at WB-N6 and the first stage of the testing was completed on 21 November when WB-N4 jet pump testing commenced. Optimisation of production equipment and facilities will continue through the test period primarily aimed at achieving the best throat/nozzle configuration for each of the jet pumps.

The Operator's engineers have made following observations based on the testing to date:

- The wells are cleaning-up and production rates continue to improve.
- Pressure data retrieved from gauges in WB-N4 indicates that the well has the original reservoir pressure consistent with the rest of the oil field. This provides confirmation of the continuity of the oil accumulation from the wells in south including WB-1 and WB-A1 to these Phase II wells in the north.
- WB-N4 pressure gauge data also shows a rapid pressure build-up after flow tests and indicates an absence of any near well-bore damage, i.e., a negligible skin factor. These observations are suggestive of high well deliverability.

The objective of the forward Test Program is to obtain a consistent and reliable indication of the combined deliverability of the Phase II wells as a predictor of long term production potential. The test program may change in response to operational results but as it is presently scheduled, operations over the coming week are:

- Stop jet pump test on WB-N6 and commence jet pumping WB-N4 with oil as a power fluid;
- Commence wireline operations on WB-N6, retrieve the jet pump and change out throat/nozzle configuration. New jet-pump and gauges will then be re-run;
- Stop jet pumping WB-N4, retrieve pump and commence pumping WB-N6 with new jet pump throat/nozzle configuration and pressure gauges;
- Stop jet pumping WB-N6, shut-in for build-up testing and commence pumping WB-N4 with new jet pump throat/nozzle configuration; and
- Continue pumping WB-N4 and commence pumping WB-N6.

It is anticipated that a press release will be made on testing results and well deliverability by late next week.