



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

12 December 2002

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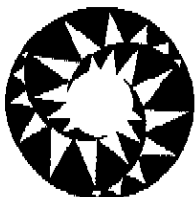
Dear Sirs,

UPDATE ON PRODUCTION TESTING OF NEW OIL WELLS

Please find attached Carnarvon Petroleum's announcement regarding an update on production testing of the three 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

Leonard Troncone
Company Secretary



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ASX RELEASE

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UPDATE ON PRODUCTION TESTING OF NEW OIL WELLS

The Operator of the SW1A Joint Venture, Pacific Tiger Energy Inc. of Canada, has announced its expectation that the total production from the Wichian Buri Oilfield will soon exceed 700 BOPD. Three new wells, WB-N4, N5 and N6, were drilled as part of the recently completed Phase II development program and are currently being commissioned for permanent production.

The Operator stated that the Joint Venture partners can expect the initial production from the Phase II wells to be over 500 barrels of oil per day (BOPD). Therefore, an increase in total production from the field to over 700 BOPD is expected once installation of permanent facilities and equipment optimisation are completed. This is expected to occur within December and represents a near quadrupling of oil production capability for the field. No significant additional capital expenditure is required to achieve this.

The Operator's conclusion has been derived from results from the recent well testing program. Preliminary well test analysis of the Phase II production testing data has now been completed including pressure build-up analysis. The results indicate that the reservoirs intersected in WB-N4 and WB-N6 have high oil deliverabilities and are of the best reservoir quality encountered in any of the Wichian Buri wells drilled to date.

A comparison by the Operator of the Phase II wells to the first Wichian Buri Oilfield discovery well, WB-1, may therefore provide a preview of what can be expected from the improved reservoir quality found in the Phase II wells. Specifically, the quality of the reservoir in the new Phase II wells appears much better than WB-1. For example, a key measure of well deliverability is the permeability-thickness product. For the F Sandstone reservoir of WB-1, this product is 600 mD-m as compared to around 1000 mD-m for WB-N4, indicating a significantly higher potential for WB-N4.

WB-1 was drilled in 1988 and put on production in 1995. During the first six months of production the oil rate increased from 250 BOPD to 330 BOPD as the well 'cleaned up'. This trend has been seen in most wells to date. WB-1 has since produced over 500,000 barrels of oil and has performed in a predictable fashion declining at around 18% per annum. It is still producing at oil rates ranging from 50 to 100 BOPD, depending on well workover operations.

Carnarvon Petroleum NL is a listed junior oil and gas exploration and production company. Carnarvon has oil and gas reserves and production in the Wichian Buri Oilfield in Thailand, and reserves in Papua New Guinea and the North West Shelf of Australia. The SW1A Joint Venture consists of Carnarvon Petroleum NL (40% interest) and Pacific Tiger Energy Inc (60% - Operator).

For further details please contact:

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