



CARNARVON  
PETROLEUM  
L I M I T E D  
ABN 60 002 688 851

30 October 2006

Company Announcements Office  
Australian Stock Exchange Limited

Via ASX Online

Dear Sirs,

### **WEEKLY OPERATIONS OIL FLOW FROM G SANDSTONE**

The Phase 1 drilling programme at the Wichian Buri Oil Field, onshore Thailand, commenced on 11th July 2006 and is currently progressing with the drilling of the POE-5 development well.

Production testing of the Phase 1 wells began on 22<sup>nd</sup> October 2006 and is currently progressing with the flow testing of the "G" sandstone in POE-6 and preparation for flow testing of POE-2, 3 and 8. For each well it is planned to commence production testing of the deepest oil interval first and progressively test shallower zones moving up the well. This will provide a full analysis of all oil intersections found in the wells. This detailed testing programme will be undertaken over at least the next two months.

#### **1. POE-6 Production Testing**

The POE-6 development well is currently on pump and oil is flowing to the surface. Modifications are currently being made to the production infrastructure to optimise production and to establish a stabilised flow rate of clean oil for commercial production. This is the first time that oil has been produced from the deeper "G" sandstone level and bodes well for oil found at the same level in other wells in the programme. This is a good result, especially given the nature of POE-6 as an exploration well. Oil produced from this deeper level will provide additional reserves to the field.

#### **2. POE-2 Production Testing**

The POE-2 well is being readied for production testing and should be on flow test in the next few days.

### **3. POE-3 & POE-8 Production Testing**

The workover rig has completed drilling operations on POE-3 and POE-8 to prepare both for production testing operations.

### **4. POE-5 Development Well**

The POE-5 well is currently at a depth of 1,092 metres and drilling ahead. Numerous oil shows at several levels have been encountered in the well, which will require logging at the completion of drilling to evaluate their potential.

### **5. POE-7 Exploration Well**

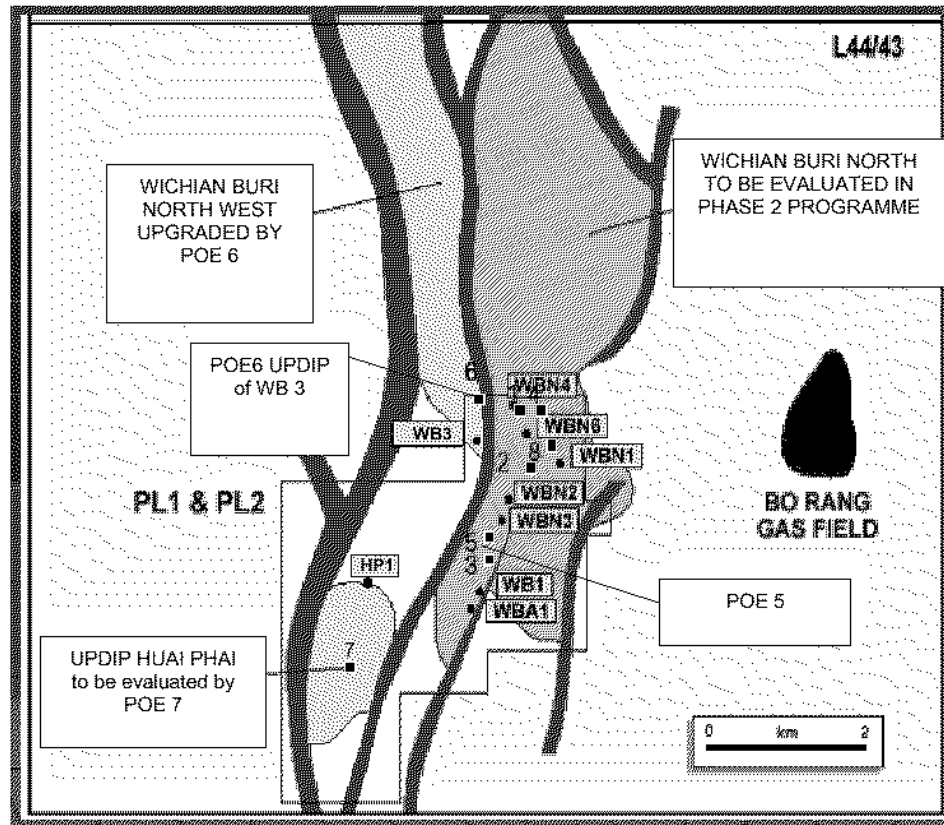
The POE-7 exploration well has been upgraded by the discovery of oil in the exploration well POE-6 currently being flow tested. The POE-7 well is located in the same fault block as POE-6 and is approximately 100 metres up dip of and 1.5 kilometres to the south of Huai Phai-I which intersected a small oil column of approximately 3 metres in good sandstone reservoir.

Building of the drilling pad for the exploration well POE-7 has commenced. Following the completion of drilling of the POE-5 well, the drilling rig will return to POE-1 to remove the previously stuck drill pipe and finish drilling, before being mobilised to POE-7. This additional work is expected to take a couple of weeks.

*Future ASX releases on drilling and production testing at Wichian Buri will continue to be made weekly at the beginning of each week.*

### **Permit Holders**

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



- Oil Field
- Prospective
- Gas Field
- Existing wells
- Phase 1 wells

**Figure 1: Location of POE-5 and POE-6**

Yours faithfully,

Carnarvon Petroleum Limited

RA Anderson  
Company Secretary