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ASX Online

Oru-1 Exploration Well

Pancontinental Oil & Gas NL has been advised by the Operator, Austral Pacific, that the Oru -1 exploration well was spudded yesterday and is drilling ahead at 360metres this morning.

The Oru-1 drilling site is located 8 kilometres ESE of the town of Stratford and 2 kilometres east of the Waihapa oil field and associated production facilities. The well will be directionally drilled to a target location approximately 250 meters NNE of the surface location. The well will be drilled to a total measured depth of 1677m below ground level over a 14 day period, once spudded.

The Oru Prospect is a simple anticlinal structure mapped on seismic near the base of the Mid Miocene-aged Mount Messenger Formation. The primary objectives for Oru-1 are the Mako 'A' and 'B' sandstones, as were encountered at Wingrove-1 drilled 1.5 kilometres to the north in 1993. These sandstones are similar to those producing oil at the nearby Cheal field. Secondary objectives are the thin bedded sandstone units of the upper Mt Messenger and intra-Urenui Formations. In Wingrove-1 extensive oil and gas shows were documented while drilling and coring this interval. These were subsequently drill stem tested in Wingrove-1 resulting in a minor oil recovery.

Dry Hole drilling Time:	14 days	Days Since Spud:	1
Reservoir Target Depth:	1500mMDRT	Actual Target Depth:	0m
	1,467mTVDRT		0m
	1,253mTVDSS		0m

Participant in PEP 38716 Joint Venture	Equity %
Euro Pacific Energy Proprietary Limited <i>(A fully owned subsidiary of Pancontinental Oil & Gas NL)</i>	9.41512
Austral Pacific Energy NZ Limited (<i>Operator</i>)	45.79173
Swift Energy New Zealand Limited	21.39801
Todd Pohokura Limited	9.41512
Rata Energy Limited	7.13266
Springfield Oil and Gas Limited	6.84736

Commenting on the start of drilling, Pancontinental Chief Executive Officer, Andrew Svalbe said:

“The Oru 1 well will be an interesting test of a known oil and gas productive target zone in the onshore Taranaki basin. Given success, the Joint Venture will have the opportunity to quickly commercialise the discovery by utilising the nearby Waihapa oil and gas processing facilities. The Joint Venture has also approved construction of the site and access road into the Pukengahu prospect, immediately to the south east of Oru. The Joint venture will make the final decision to drill Pukengahu-1 after the results of Oru-1. “

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