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ASX Announcement

To: Announcements, ASX Online
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Date: 11 October 2005

Title: Oru-1 Exploration Well **Report #** 1

Pancontinental Oil & Gas NL Equity: 9.41512%

Permit: PEP-38716 **Location:** Onshore Taranaki Basin, New Zealand

It is advised in accordance with Australian Stock Exchange Limited Listing Rule 5.11 that the report on the above project has been prepared by Mr Andrew Svalbe, AAPG, PESA, ASEG, FESWA who has had more than the required five years experience and is a competent person as defined in the Listing Rules of Australian Stock Exchange Limited and has consented in writing to the inclusion of this report as it appears here.

Pancontinental Oil & Gas NL has been advised by the Operator, Austral Pacific, that the anticipated spud date for the Oru-1 well is October 19th 2005.

Land access and site preparation is now complete for the Oru-1 exploration well. The current operation is setting the conductor pipe and preparing the site in readiness for the arrival of the drilling rig; OD&E #19. The drilling rig is currently on the Richmond-1 drill site onshore Taranaki, and the unit will move to the Oru-1 site after the completion of that well.

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 are the Mako 'A' & 'B' sandstones of the Basal Mount Messenger Formation. Extensive oil and gas shows were recorded in these sandstones in the Wingrove-1 well, drilled 1.5 kilometres to the north in 1993. A subsequent drill stem test recovered small amounts of oil.

Dry Hole drilling Time: 14 days

Days Since Spud: 0

9 5/8th Casing Depth:	400mMDRT	Actual 95/8th Casing	__m
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 imminent 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 is also considering drilling a second exploration well on the Pukengahu prospect, immediately to the south east of Oru, within this drilling cycle and before year end. “

Yours Faithfully

Andrew Svalbe
Director and Chief Executive Officer
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