



PANCONTINENTAL Oil & Gas NL
ACN 003 029 543



Ground Floor
288 Stirling Street
Perth Western Australia 6000
P O Box 8260
Perth Business Centre
Western Australia 6849

Tel: (61 8) 9227 3220
Fax: (61 8) 9227 3211
Email: svalbe@pancon.com.au
Web: www.pancon.com.au

26 October 2005

ASX Announcement

Oru-1 Exploration Well
PEP-38716 Onshore Taranaki Basin, New Zealand
Pancontinental Oil & Gas NL Equity: 9.41512%

Pancontinental Oil & Gas NL has been advised by the Operator, Austral Pacific, that the rig to drill the Oru-1 exploration well has been released from the Richmond-1 site.

Mechanical problems at Richmond -1 delayed arrival of the rig for the earlier announced October 19th 2005 Oru-1 spud date. Spudding of Oru-1 will take place following rigging up and once rig mechanical issues are remedied to the operator's satisfaction.

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 sandstones (Mako 'A' and 'B') developed within the basal part of the Mt Messenger Formation, as were encountered at Wingrove-1 drilled 1.5 kilometres to the north in 1993. Secondary objectives are present within 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:	0
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. Since our last announcement the Joint Venture has 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. “

Andrew Svalbe
Director and Chief Executive Officer
 Tel: +61 8 9227 3200
 Email: svalbe@pancon.com.au

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.