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5 September 2002

Manager Announcements  
Company Announcements Office  
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20 Bridge Street  
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## **ASX ANNOUNCEMENT**

### **New Zealand Huinga 1B-ST Production Testing Status Report**

**EP 38716, Taranaki Basin.**

**Pancontinental: 6.6%**

The Joint Venture has agreed to suspend further testing of the Kapuni sandstone 4387- 4409 meter perforated interval and commence testing of the overlying Murihiku Formation fracture zone perforated interval of 4261- 4285meters. This operation is scheduled to commence on Friday 5 September.

As with the Kapuni interval, the Murihiku zone will also be acid washed, to remove the effects of cementing the casing and lost circulation material that could impede the flow of hydrocarbons. The Murihiku zone will be flow tested separately over a period of several weeks.

The Murihiku fractured zone, because of the severe lost circulation problems encountered while drilling, is indicative of high permeability, and is expected to flow at higher rates than the Kapuni interval.

Swabbing operations to encourage the Kapuni sandstones to flow have provided enigmatic results, with sub commercial, intermittent, gas flows that have been flared at the surface. No oil has been recovered to date, but fluids interpreted as possible formation water were recovered. . The recovery of 21 barrels of 42 degree API oil from the 4370-4428 meter Kapuni sandstone interval during DST#1, demonstrated that this interval is oil productive. The top of the Kapuni Group is interpreted at 4378 meters.

The forthcoming Murihiku test data will provide additional fluid and test information to assist in developing a definitive Kapuni sandstone and Murihiku fracture reservoir model which will explain the test results to date.

The production test data will also assist in determining the possible total thickness of the current interpreted (minimum) 237 meter gross oil column, as no definitive oil/water contact and no clear indication of a gas oil contact has been established to date.

Sales contracts for oil produced during the Huinga testing program have been negotiated on an interim basis, with the option to extend once specific volumes are defined by the testing program.

In the Taranaki Basin, oil and gas are produced at commercial rates from Kapuni sandstone reservoirs as well as fractured limestones of the Tikorangi formation. Many large commercial oil and gas fields, both overseas and within Australia produce from fractured reservoirs.

PEP 38716 hosts all or part of three structures related to the eastern bounding fault of the Taranaki Basin, all being similar to that of the major Rimu/Kauri oil and gas discovery 18 kilometres south which is currently under development. The structures are named Huinga and Huinga South, both entirely within the Permit, and Makino, which is partly within the Permit but mostly within PEP38728, which adjoins to the south.

***(ASX\* listed) Participants in the PEP 38716  
Joint Venture are:***

***Equity %***

**\*Pancontinental Oil & Gas NL**

(through subsidiary Euro Pacific Pty Ltd)

**6.6%**

\*Marabella Enterprises Ltd (Operator)

(Subsidiary of Bligh Oil & Minerals NL)

24.8%

\*AWE (New Zealand) Pty Ltd.

(Subsidiary of Australian Worldwide Exploration Ltd.)

12.5%

\*Springfield Oil & Gas Ltd (1)

(Subsidiary of Impress Ventures Ltd )

4.8%

Preussag Energie GmbH

24.00%

Swift Energy NZ Limited

15.00%

Indo Pacific Energy (NZ) Limited

7.30%

PEP38716 Limited

5.00%

(1)Subject to Joint Venture and government approvals; Springfield Oil & Gas Limited is a wholly owned subsidiary of Impress Ventures Ltd.

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*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.*