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Manager Announcements
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ASX ANNOUNCEMENT

New Zealand Huinga 1B-ST Production Testing Status Report

EP 38716, Taranaki Basin.

Pancontinental: 6.6%

Production testing of the 4261- 4285 meter Murihiku fracture zone perforated interval commenced on 6 September with an acid wash to remove the impeding effects that cementing the casing and lost circulation material could have on the flow of hydrocarbons. Swabbing operations to encourage the Murihiku zone to flow have commenced, and minor gas, spent acid and mud filtrate that have been recovered at the surface. Although oil was recovered at the surface from this zone while drilling, no oil has been recovered at this early stage of testing.

These results are consistent with expectations which, given the high permeability of the zone as indicated by the severe lost circulation problems encountered while drilling, could require substantial swabbing to remove invaded fluids prior to the flow of hydrocarbons. Consequently, these operations could continue for a period of up to a few weeks.

The recovery of 21 barrels of 42 degree API oil from the deeper 4370-4428 meter Kapuni sandstone interval during the open-hole drill-stem-test (DST#1), demonstrated that moveable oil is present in this well. The top of the Kapuni Group is interpreted at 4378 meters.

The Murihiku test data will provide additional fluid and test information to assist in developing a definitive Kapuni sandstone and Murihiku fracture reservoir model to also explain the enigmatic Kapuni cased-hole production test results to date.

The production test data will also assist in determining the total thickness of the (interpreted minimum) 237 meter gross oil column, as no definitive lower oil/water contact, nor an upper gas/oil contact 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.

<i>(ASX* listed) Participants in the PEP 38716 Joint Venture are:</i>	<i>Equity %</i>
<u>*Pancontinental Oil & Gas NL</u> (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.