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15 July 2002

Manager Announcements
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ASX ANNOUNCEMENT

New Zealand Huinga 1B-ST Drilling and Project Status Report

EP 38716, Taranaki Basin.

Pancontinental: 6.6%

At 0600 hrs, 15 July 2002, the well was pulling the test string out of the hole after completing the drill stem-test (DST) over the 4370- 4428 meter open hole interval of the Kapuni sandstones.

During a 12 hour main flow period, gas flowed to the surface in 2 hours and a small flare was maintained. Fluids did not reach the surface, but were measured at a depth of 700 metres before the test tools were plugged with sediments prohibiting any further flow of oil into the test string. Yellow to dark brown oil with mud and mud filtrate (subject to analytical confirmation) were recovered on reverse circulating the recovered fluids. Volumes of these fluids are presently being determined and will be reported when received. On retrieval of the pressure gauges from the base of the test string, the duration of the flow, potential flow rates and pressure information will be determined.

Given this very positive result, the operator has recommended that a 5 inch casing liner be run and cemented through the Kapuni section so that further longer term testing of the Kapuni sandstones can take place. It was known prior to this test that the ability of the Kapuni sandstones to flow and produce hydrocarbons and other formation fluids might be inhibited by the prolonged exposure to lost circulation material (LCM) present in the mud during drilling and subsequent operations. As the detrimental effects of the LCM materials are designed to be removed and neutralized with a hydrochloric acid wash, this procedure will be carried out after casing is run and perforated. The Kapuni zone will then be re-tested to determine the true oil production rates and reservoir characteristics.

At the same time, the Murihiku fracture zone will be perforated and tested.

The objectives of the forward testing program, which is planned to take place over the next 2-3 weeks, will be to determine the production rates, reservoir characteristics, quality and nature of the hydrocarbons and formation fluids in the Kapuni formation sandstones and the extensive fractures within the Murihiku Group metasediments.

As reported previously, strong mud gas shows commenced at 3828m, and further strong gas shows with associated live oil shows were recorded over a 237 meter gross interval while drilling from 4263m down to the current total depth of 4500 metres. The top of the Kapuni Group is interpreted from drilling data at 4378 metres.

Hydrocarbons are produced at commercial rates from Kapuni sandstone reservoirs as well as the Tariki sandstones in the Taranaki basin. Internationally, and within Australia, many large commercial oil and gas fields 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.

Huinga 1B commenced re-entry:	8 April 2002.
Location of well:	NZMG: 2 631 910.93 mE. 6 205 424.34 mN.
Operation since last report:	Conduct drill stem test of 4370- 4428m interval.
Drilling Rig:	Parker Rig -188.
Proposed Total Depth:	4,500 metres – subject to deepening.
Primary Objectives:	Fracture zones within the Murihiku Group. Sandstones units of the Kapuni Group.
Last hydrocarbon indications:	Yellow to dark brown oil recovered during drill stem test.

Note: All reported depths are referred to the rig rotary table (mAHRBT).

<i>(ASX* listed) Participants in the PEP 38716 Joint Venture are:</i>	<i>Equity %</i>
*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.