



PANCONTINENTAL Oil & Gas NL
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Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

ASX ANNOUNCEMENT

New Zealand Huinga 1B-ST Status Report

EP 38716, Taranaki Basin.

Pancontinental: 6.6%

A meeting of the PEP 38716 Joint Venture parties was convened at the Operator's offices on 22 November to review the results of an exhaustive study of all geological and engineering data related to the drilling, open hole and production testing of the Huinga 1B wells. Based on this study, the operator was to prepare recommendations for future additional work aimed at determining the commerciality of the indicated oil accumulation in the Huinga prospect.

As described in previous reports by the Company, the results of the Murihiku fracture zone and Kapuni sandstone production tests have been enigmatic, and appeared to be in conflict with the recovery of approximately 21 barrels of 42 degree API oil plus associated mud and water from the 4370-4428 meter Kapuni sandstone interval during the open-hole drill-stem-test (DST#1). The DST#1 results appeared to demonstrate that moveable oil was present in this well.

The main interpretative conclusion drawn by the study was that there was a high probability that the perforations at both the Murihiku and Kapuni zones were in communication with the respective formations, and the recovered water and minor (dissolved) gas were sourced from those intervals. The oil and gas recovered during DST #1 was "residual", and was trapped in limited and unconnected fractures.

Based also on the conclusions of the current study, the operator has recommended to the Joint Venture that additional testing operations at this time are not warranted. However, the gathering and analysis of existing pressure and temperature information, related to the production tests, is yet to be completed and may influence those recommendations.

Plans for the ongoing exploration of the permit are also being formulated, given that 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. In addition to Huinga, there is the Huinga South prospect, entirely within the Permit, and the Makino prospect, which is partly within the Permit but mostly within PEP38728, which adjoins to the south. The Makino well intersected a reported sub-commercial 30 meter gross hydrocarbon column in Kapuni sandstones, the significance of which, together with the up-dip Tariki sandstone target, is yet to be fully evaluated.

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

<u>*Pancontinental Oil & Gas NL</u> (through subsidiary Euro Pacific Pty Ltd)	6.6%
*Marabella Enterprises Ltd (Operator) (Subsidiary of Horizon Oil 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.