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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%**

The Company has been advised by the operator that during the last week the safety plug in the tubing was successfully retrieved and the well has been swabbed to encourage both the Murihiku and Kapuni formations to flow. So far only drilling mud and filtrate have been recovered with minor quantities of gas. This is consistent with expectations, given the large volumes of mud and lost circulation material lost during drilling operations. It is now planned to perform an acid wash, first on the Kapuni, to remove any lost circulation material that is impeding flow, and allow cleanup of the formation at higher flow rates. After the clean-up phase, the Kapuni formation will be flow tested separately over periods of several days before proceeding to cleanup and test the overlying Murihiku formation.

These extended tests will provide critical data on reserves, production rates, reservoir characteristics, the quality and nature of the hydrocarbons and formation fluids in the Kapuni sandstones and the extensive fractures within the Murihiku Group metasediments.

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.

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

The DST#1 over the 4370-4428 meter Kapuni sandstone interval recovered 21 barrels of 42 degree API oil from the middle of the 4263m to 4500 metres gross interval. The top of the Kapuni Group is interpreted at 4378 meters.

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:***

	<b><i>Equity %</i></b>
<b><u>*Pancontinental Oil &amp; Gas NL</u></b> (through subsidiary Euro Pacific Pty Ltd)	<b>6.6%</b>
*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.*