



16 July 2010

The Company Announcements Office
ASX Limited

Drilling Report
Panakawa-1 Exploration Well, PPL 267, PNG

New Guinea Energy Limited reports that at 0600 PNG time the well was at a depth of 1246 metres and preparing to cement the 9.625 inch casing over the Darai Limestone section. Progress for the week was 529 metres.

Biostratigraphic age dates from claystone samples immediately underlying the basal Darai Limestone confirm penetration of the uppermost Alene Member of the Ieru Formation. Compared to the preferred pre-drill model, formation tops are approximately 325 metres high to prognosis.

The well is targeting sandstone reservoirs in the Toro Formation (primary target) and secondary reservoirs in the Alene and Iagifu member sandstones as well as the Koi Iange Formation. Proposed total depth of the well is approximately 2250 metres in basement.

New Guinea Energy Limited is the sole participant in the Panakawa 1 well as the holder of a 100% interest in PPL 267.

Should you have any queries, please contact the Company Secretary on +61 (0)2 9250 1800.

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