



23 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 1991 metres in 8.5 inch hole and drilling ahead in the Middle Jurassic Magobu Formation. Progress for the week was 745 metres.

No oil shows were recorded in the primary Toro Formation target or in the secondary reservoirs.

Elevated gas readings in the Toro Formation and several other potential reservoirs will be evaluated during the upcoming wireline logging and sampling program.

In addition to the Toro Formation, the well is targeting 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.

The information in this announcement that relates to NGE's resources is based on information compiled by Mr Francis Waina (BSc Geology) and Mr Dan Kendrick (PhD Geology), employees of NGE each with over 15 years experience each as practising geologists.

Mr Francis Waina and Mr Dan Kendrick consent to the inclusion in this announcement of their information in the form and context in which it appears.

Lucy Rowe
Company Secretary

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