



13 April 2010

The Company Announcements Office
ASX Limited

Increase in size of Panakawa Prospect in PNG Foreland

New Guinea Energy Ltd (**NGE**) wishes to advise that following external review of the Panakawa Prospect, the Prospective Resource volumes have increased.

With the addition of new regional seismic data enabling ties to key offset wells, remapping of the Panakawa Prospect has increased the area of potential closure and improved overall prospect risking.

Significantly, four-way closure of 6.5km² is now recognised at Toro Formation (primary reservoir) level providing an improved P90 area estimate (see figure). A maximum area (P10) of 30.5 km² is delineated by the lowest closing contour and requires a component of fault-seal.

The Panakawa Prospect is estimated to have the following Prospective Resource Distribution (in barrels of Original Oil in Place):

Panakawa Prospect (mmbbl)(OOIP)

	Mean	P90
April 2010	202	24
March 2009	187	9
Increase	8%	267%

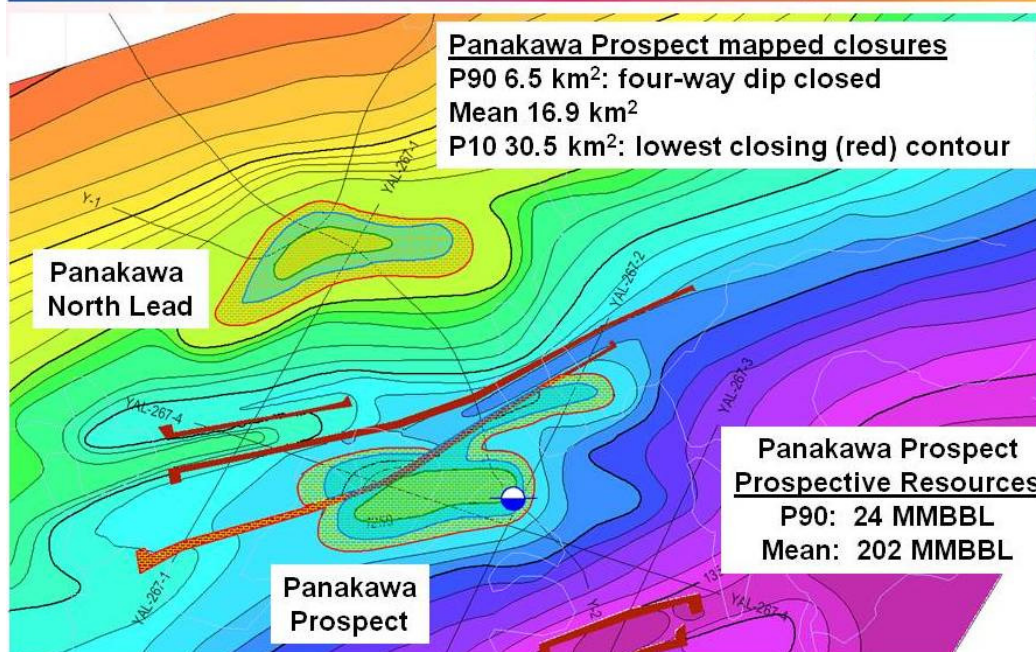
In addition, a new lead has been delineated approximately 10 km from the Panakawa drilling location. Mapping suggests that areal closure of the Panakawa North Lead is approximately 60% of that mapped at Panakawa.. This lead provides a potential follow up drilling opportunity for NGE in a location accessible via existing logging tracks.

Set out below is the updated interpretation of the Panakawa Prospect and Panakawa North Lead in NGE's 100% owned PPL 267.

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PPL 267: Top Toro Structure TWT



NGE is now finalising the contractual arrangements with the rig provider and the third party services required for the drilling program.

NGE is an oil and gas explorer, listed on the Australian Securities Exchange and Port Moresby Stock Exchange, holding one of the few available highly prospective, on shore, non-aligned large acreage positions in South East Asia. With a significant interest in six petroleum prospecting licences spanning 52,000 km² in Papua New Guinea, NGE is committed to the development of potentially world class petroleum assets.

Competent Persons Statement

The information in this announcement that relates to NGE's resources is based on information compiled by Mr Francis Waina, an employee of NGE with over 15 years experience as a practising geologist and who holds a Bachelor of Science, majoring in Geology, and by Mr Dan Kendrick, an independent Geology Consultant who holds a PhD (Geology) with over 15 years experience as a practising geologist. The external review and remapping was conducted by Mr Henk van Paridon of Geosolve Pty Ltd, an independent Geophysical Consultant who holds a Bachelor of Science (Geophysics), with 30 years experience as a practising geophysicist.

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

Michael Arnett
Executive Chairman

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