



1 August 2011

The Company Announcements Office
ASX Limited

Drilling Report
Siphon-1 Exploration Well, PPL 269, PNG

New Guinea Energy Limited reports that at 0600 PNG time, Sunday 31 July the well was at a depth of 1,170 m MD. Planned operations are to make up the 12.25" bottom hole assembly and prepare to drill the next hole section.

The Siphon – 1 prospect is a wet gas prospect located in PPL 269 in Papua New Guinea. It is a fault-bounded, north-south elongated basement drape structure, adjacent to and at approximately the same subsurface depth as the Stanley – 1 discovery in PRL 4.

The participants in PPL 269 are:

Talisman Niugini Pty Limited (Operator) (a wholly owned subsidiary of Talisman Energy Inc)	50%
Kirkland Limited (a wholly-owned subsidiary of New Guinea Energy Limited) (ASX:NGE)	50%

Should you have any queries, please contact the Company Secretary on +61 (0)2 9252 0010.

Lucy Rowe
Company Secretary

Competent Person's Statement

The information in this announcement that relates to NGE's resources is based on information compiled by Dan Kendrick (PhD Geology), an employee of NGE with over 15 years experience as a practising geologist.

Dan Kendrick consents to the inclusion in this announcement of his information in the form and context in which it appears.

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About New Guinea Energy

NGE, listed on the Australian Securities Exchange (**ASX**), the Port Moresby Stock Exchange (**POMSOX**) and the OTCQX, is focused on petroleum exploration and production in Papua New Guinea. The Company possesses six onshore licences encompassing 53,000 km² (13 million net acres) which represents one of the last available highly prospective, onshore, non-aligned acreage positions in SE Asia. To date there has been 1 billion bbls of oil and 15 Tcf of gas discovered in adjacent licences. NGE has farm-in agreements on two of its six blocks (PPL 268 and 269) with a subsidiary of Talisman Energy Inc. Talisman's subsidiary is committed to spending US\$11 million on seismic programs and may drill up to three wells on each of NGE's licences over the next two years. NGE is advancing its exploration programs on its four remaining wholly owned licences.

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