7 September 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, Wednesday 7 September, the well was at 3,762m MD in the Juha Member of the Ieru Formation.

While drilling the upper Ieru Formation, overpressures were encountered that required increasing the mudweight to 13 pounds per gallon. These elevated pressures continued through the underlying Bawia and Juha members. To enable drilling of the reservoir at an optimum mudweight, a decision has been made to run a 7" liner across the Ieru Formation.

After setting the liner at 3,835m MD, the well will be drilled ahead approximately 35m into the main target Toro Formation reservoir.

Elevated mud gas readings of 10,000-30,000+ ppm were noted across several interbedded sandstones in the Ieru Formation, including persistent readings of C4-C5 'heavy' gas fractions throughout the interval. These gas readings are noteworthy because they continue despite the high mudweights that tend to inhibit gas inflow to the well bore.

The main reservoir target is the Toro Sandstone predicted at approximately 3,870m MD. Prognosed total depth of the well is 3975m MD in basement.

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.

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 km^2 (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.

New Guinea Energy Ltd
ABN 31 112 618 238

Suite 401, Level 4, 2-10 Loftus Street, Sydney NSW 2000 T +61 2 9252 0010 ı F:+61 2 9252 0039
PO Box 592 Port Moresby, NCD, Papua New Guinea T: (675) 321 1785 ı F: (675) 321 1782
www.ngenergy.com.au