



PPL326

Exploration Summary

NPE AGM 5th April 2011



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PPL326 Road Access



Region very unlike the Highlands

PPL326 Infrastructure



Region has relatively good infrastructure

PPL326 Mountain Building



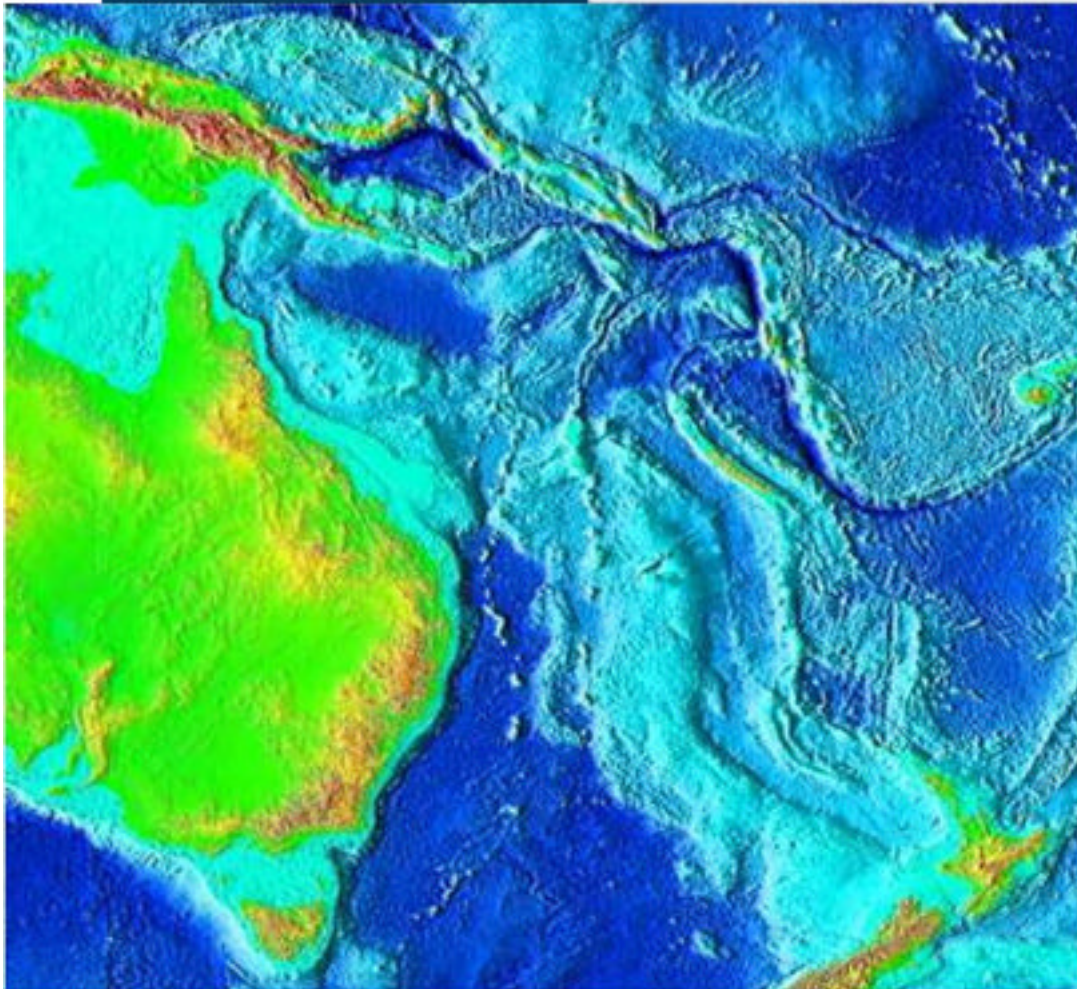
Mountain geology has deterred petroleum exploration in the past

PPL326 Anticline Building

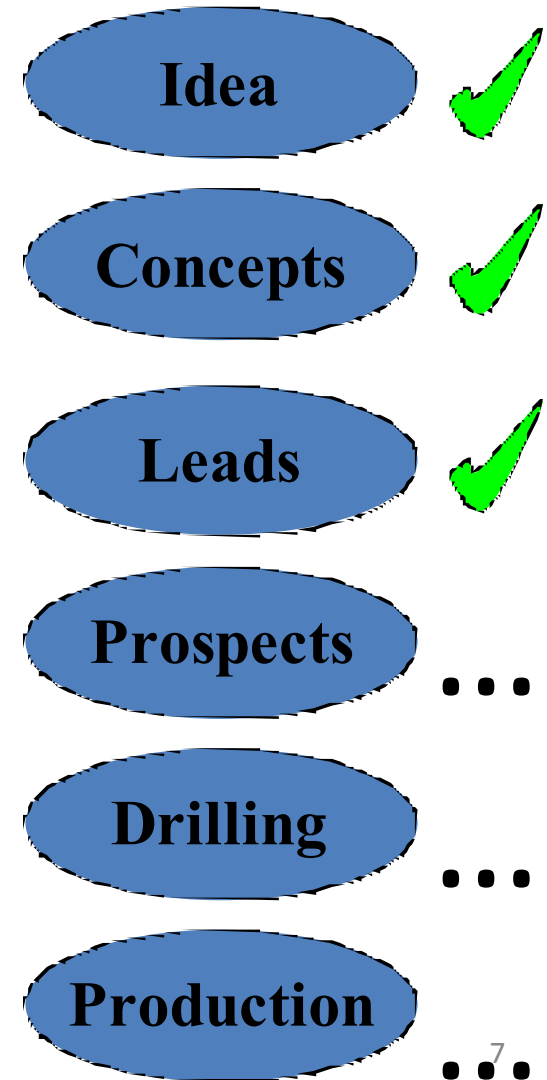


But mountain building has its up-side – anticlines!

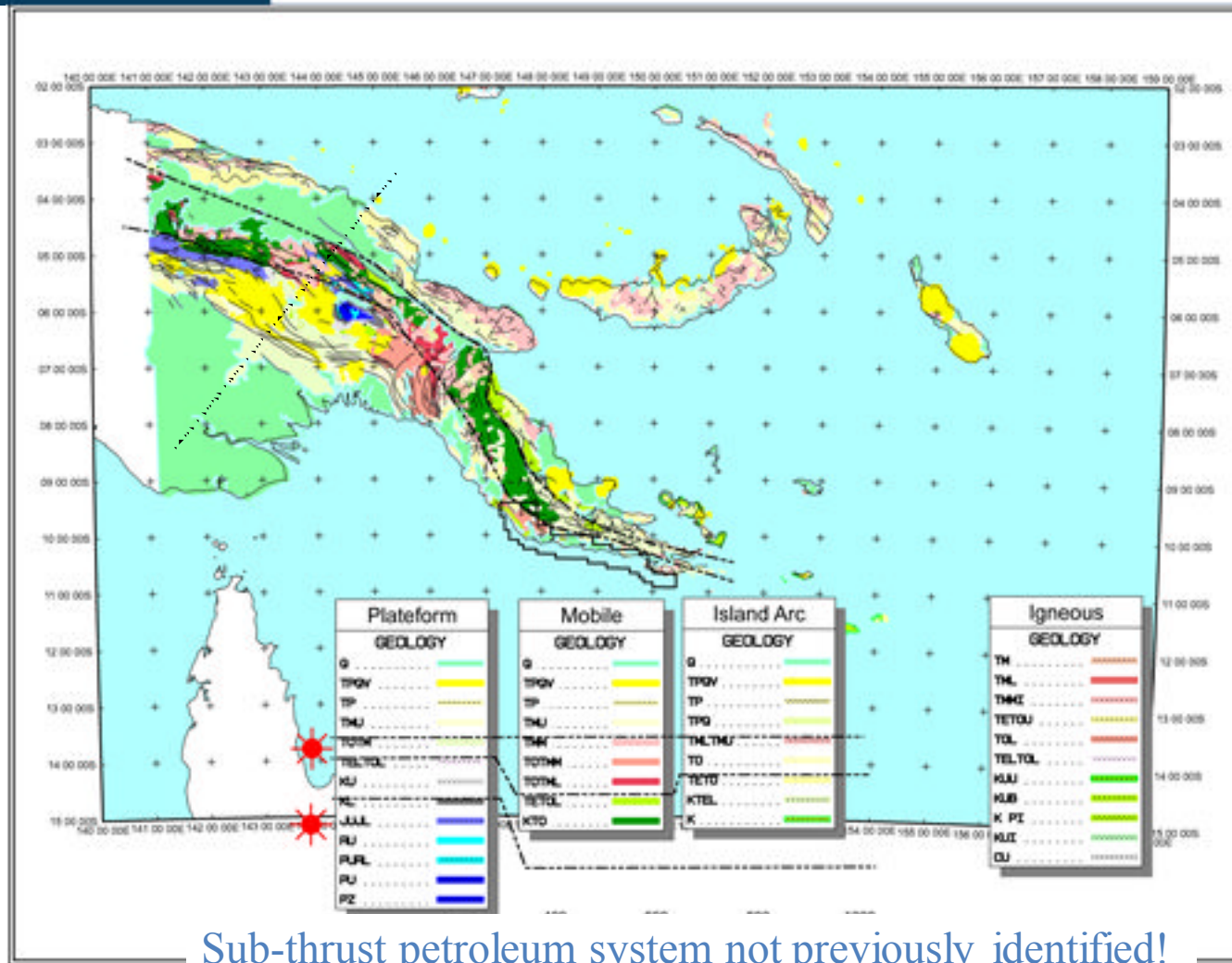
Exploration Strategy



Region is perhaps last un-drilled Thetyan Basin

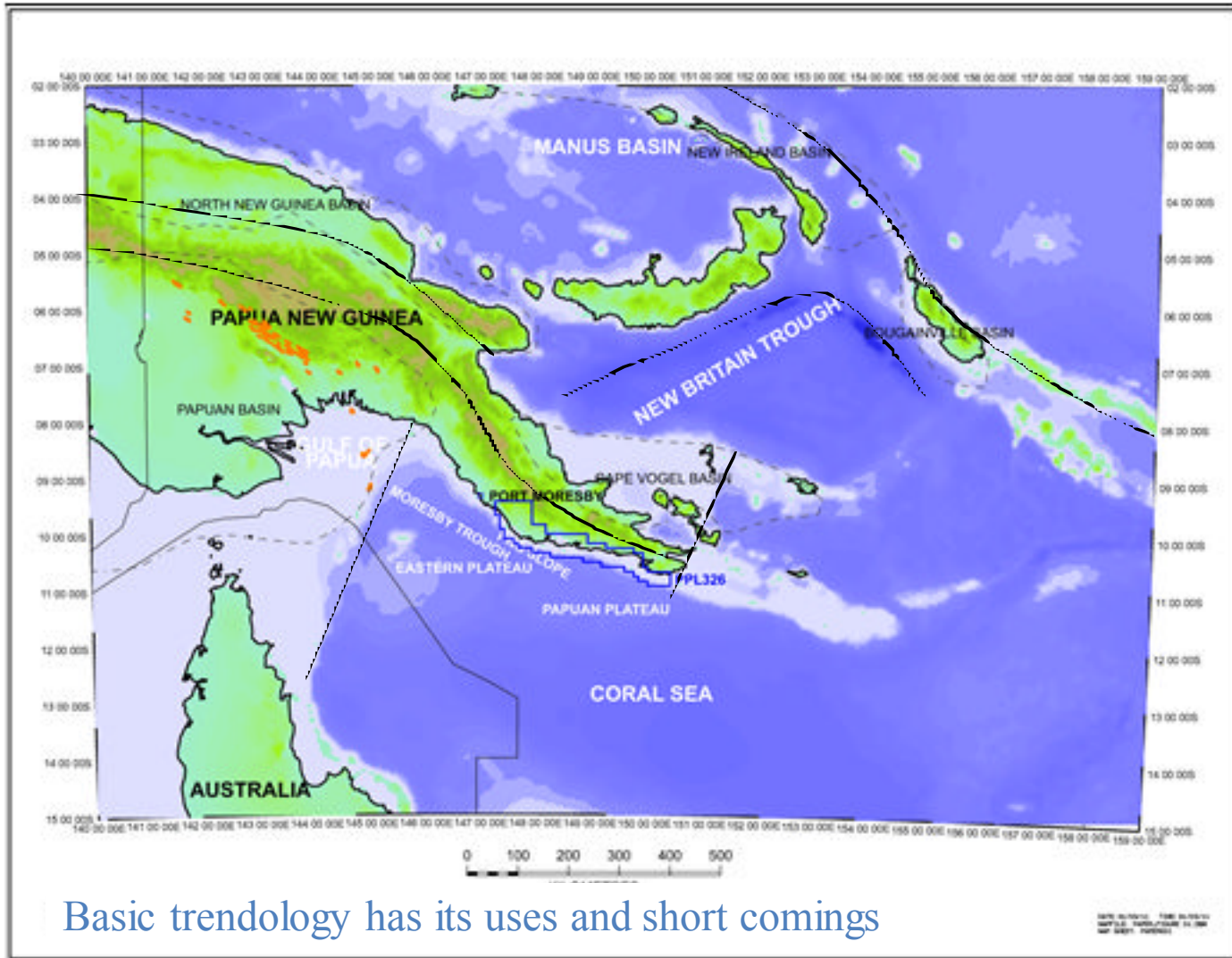


PPL326 and Surface Geology

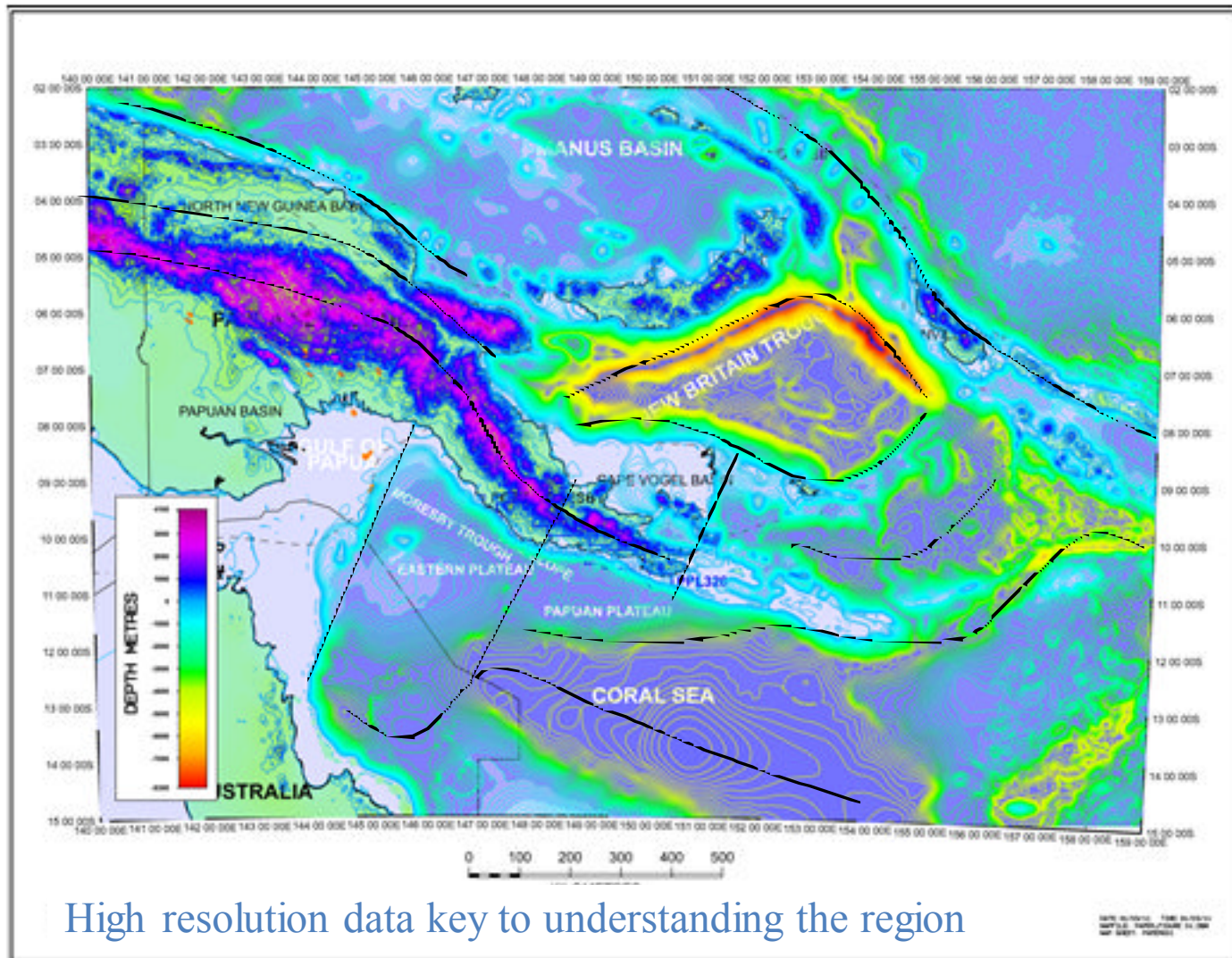


Basic trendology has its uses and short comings

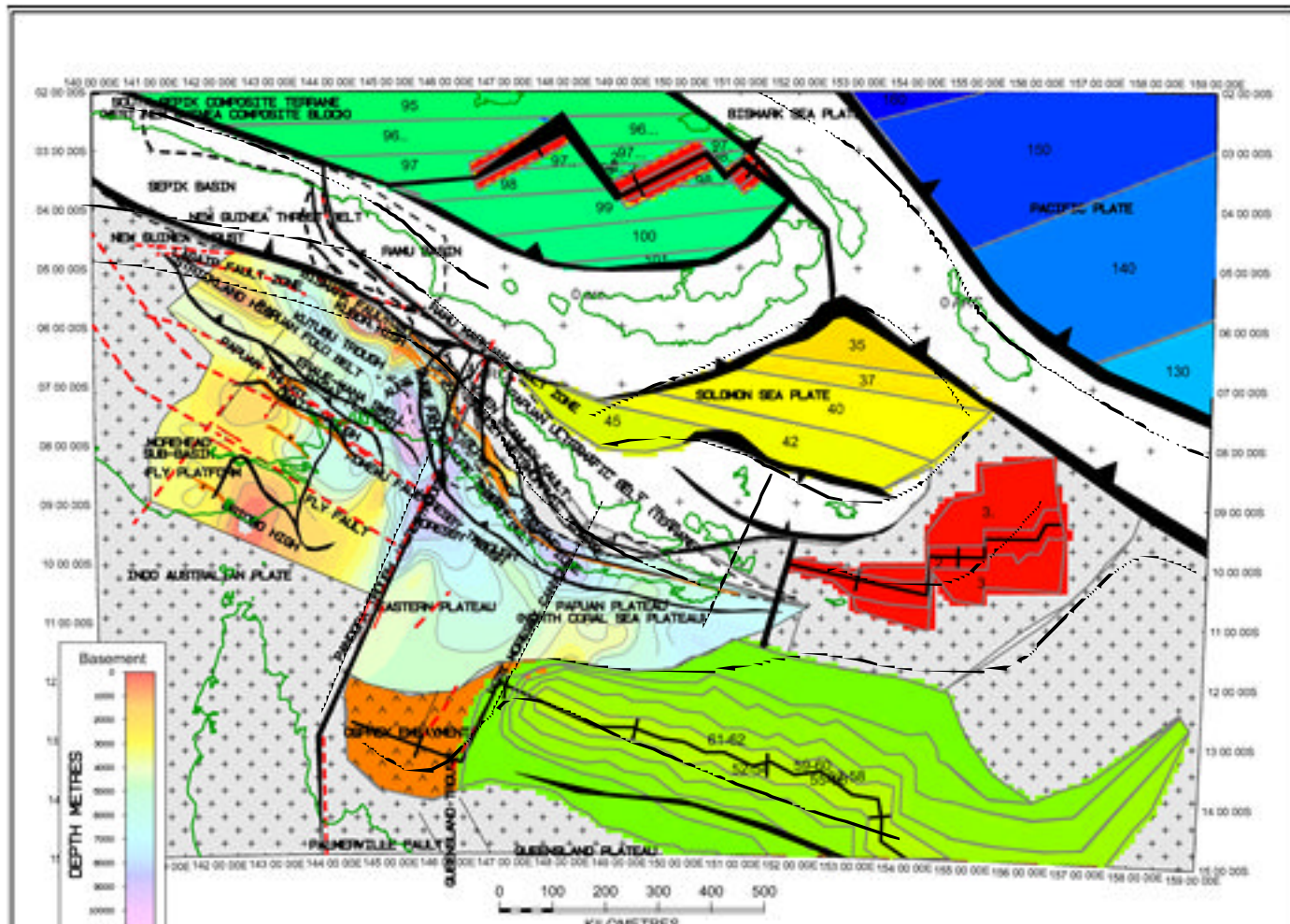
PPL326 in Papua New Guinea



PPL326 in Regional Context

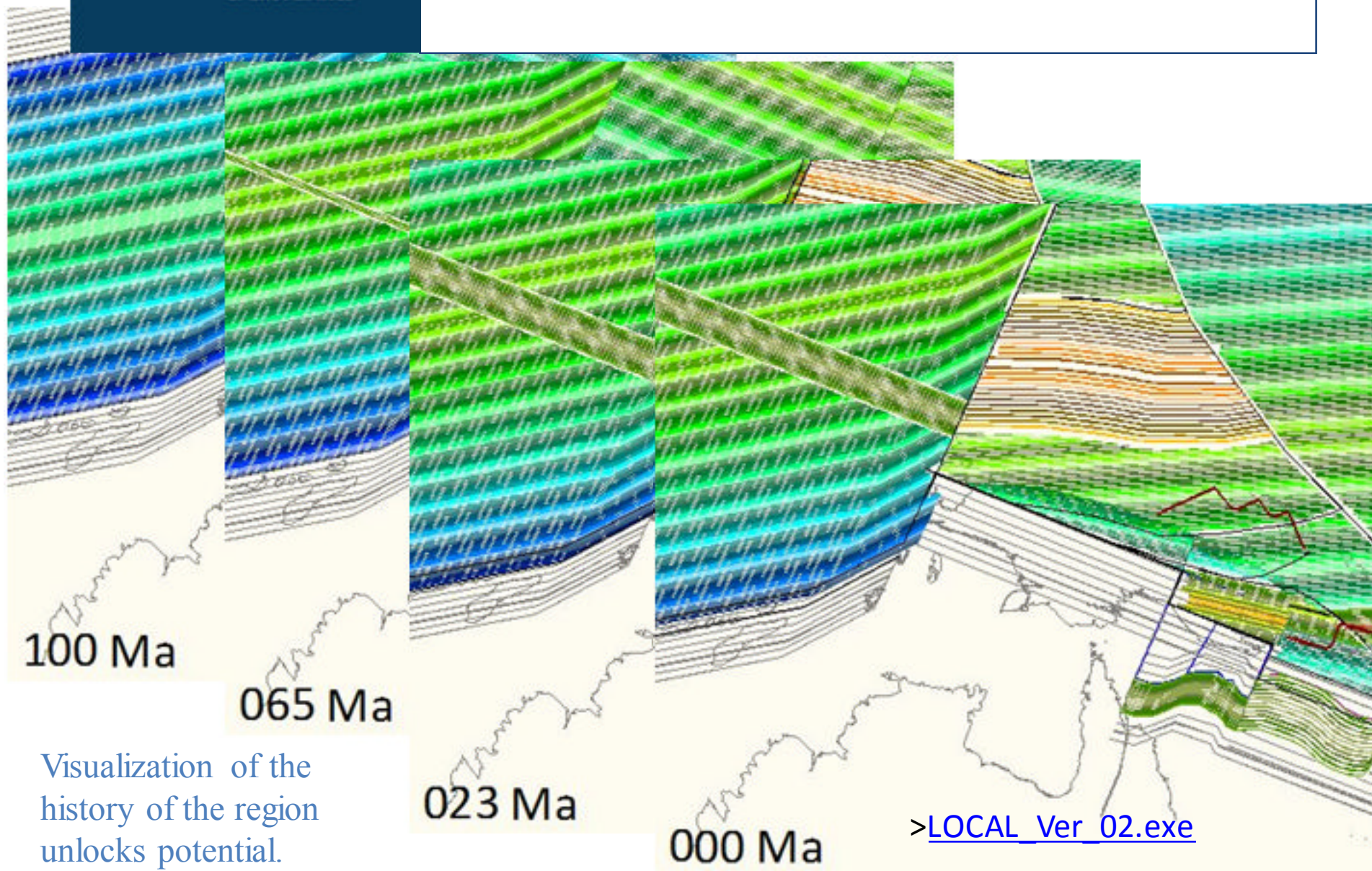


PPL326 on Major Geology



Complexity and igneous rocks have held back exploration effort in the past

PNG Tectonic Development



Visualization of the history of the region unlocks potential.

Work Commitment Yr's 1 & 2

- Standardise aeromagnetic and gravity data and plan future surveys
- Conduct complete geological and geophysical review of the licence area
- Field geological mapping, seep sampling and analysis, where applicable.
- Interpret remote sensing data including aerial photographs and SAR where available.
- Compile preliminary prospects and leads inventory.
- Plan new seismic acquisition program to mature best leads into prospects.
- Year 3-4 planning
 - Acquire 300 km seismic
 - Drill onshore stratigraphic or exploration well
 - Review and plan for Years 5-6.
 - Financial resources statement
 - 50% relin' at end so stills substantial region to explore and develop

Other work.....

- Liaison with PNG University
- Social mapping of PPL
- University Honours bursary and project support

NEWPORT ENERGY LIMITED
NSO/BPNG Reporting – Annual Report
Year ending 07 Feb 20099

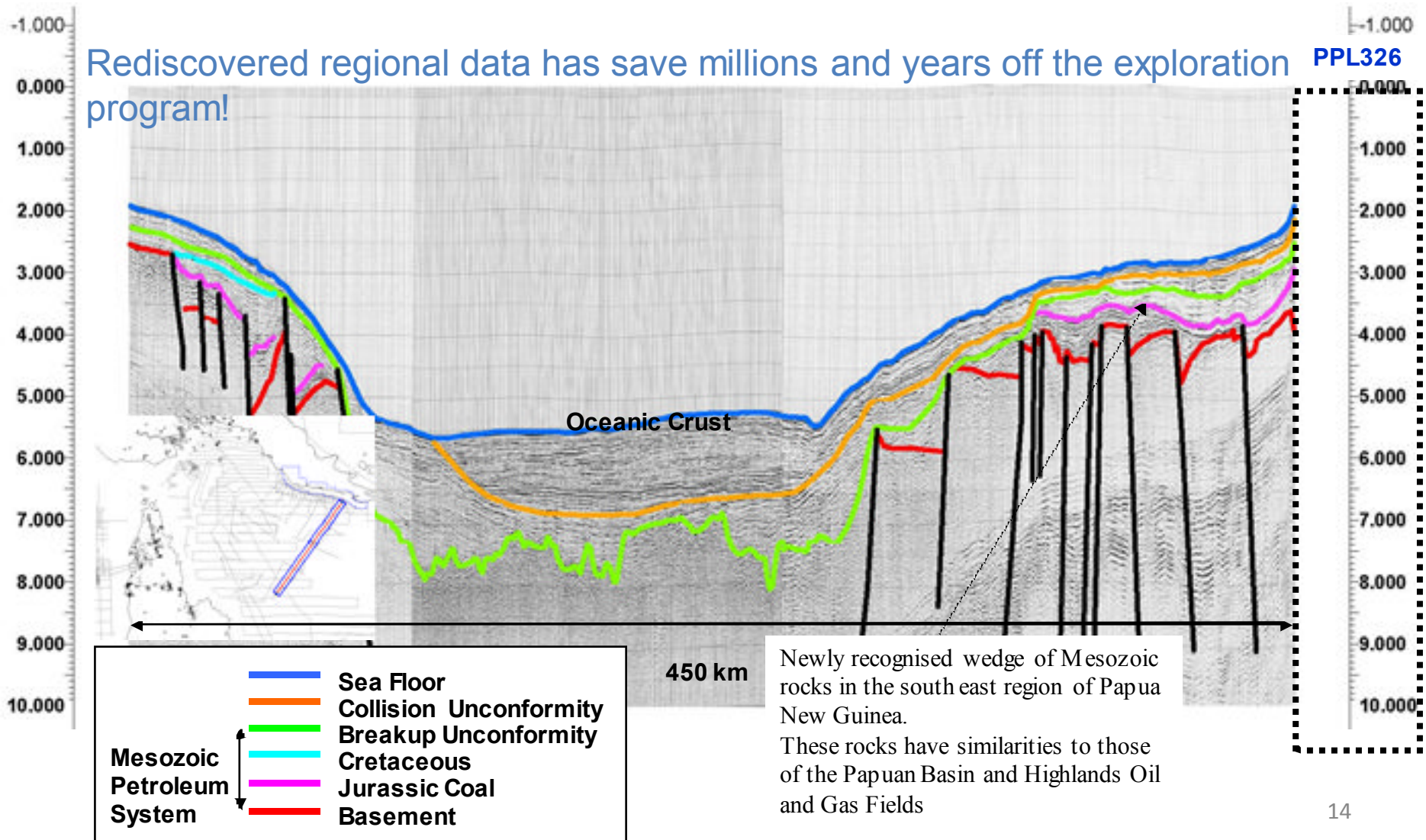
Description/Costs	Paid in Kina	Paid in AUS
IMPORTS	Within PNG	Outside PNG
Salaries and benefits		183,798
Technical services :	0	88,145
Exploration seismic	0	0
Exploration drilling	0	0
Exploration development	0	0
Miscellaneous supplies & services	0	236,206
Overhead and administration		
Sub total	0	508,149
DOMESTIC		
Salaries and benefits	0	0
Technical services :	87,495	0
Exploration seismic	0	0
Exploration drilling	0	0
Exploration development	0	0
Miscellaneous supplies & services	2,876	0
Overhead and administration	44,538	
Sub total	134,909	0
SOURCES OF FUNDS		
OFFSHORE SOURCES		
Equity Drawdown from Offshore:	134,909	508,149
Loan Drawdown from Offshore:	Nil	Nil
DOMESTIC SOURCES		
Loan:	Nil	Nil
Equity:	Nil	Nil
TOTAL SOURCES	134,909	508,149

Permit in good standing with minimal spend.

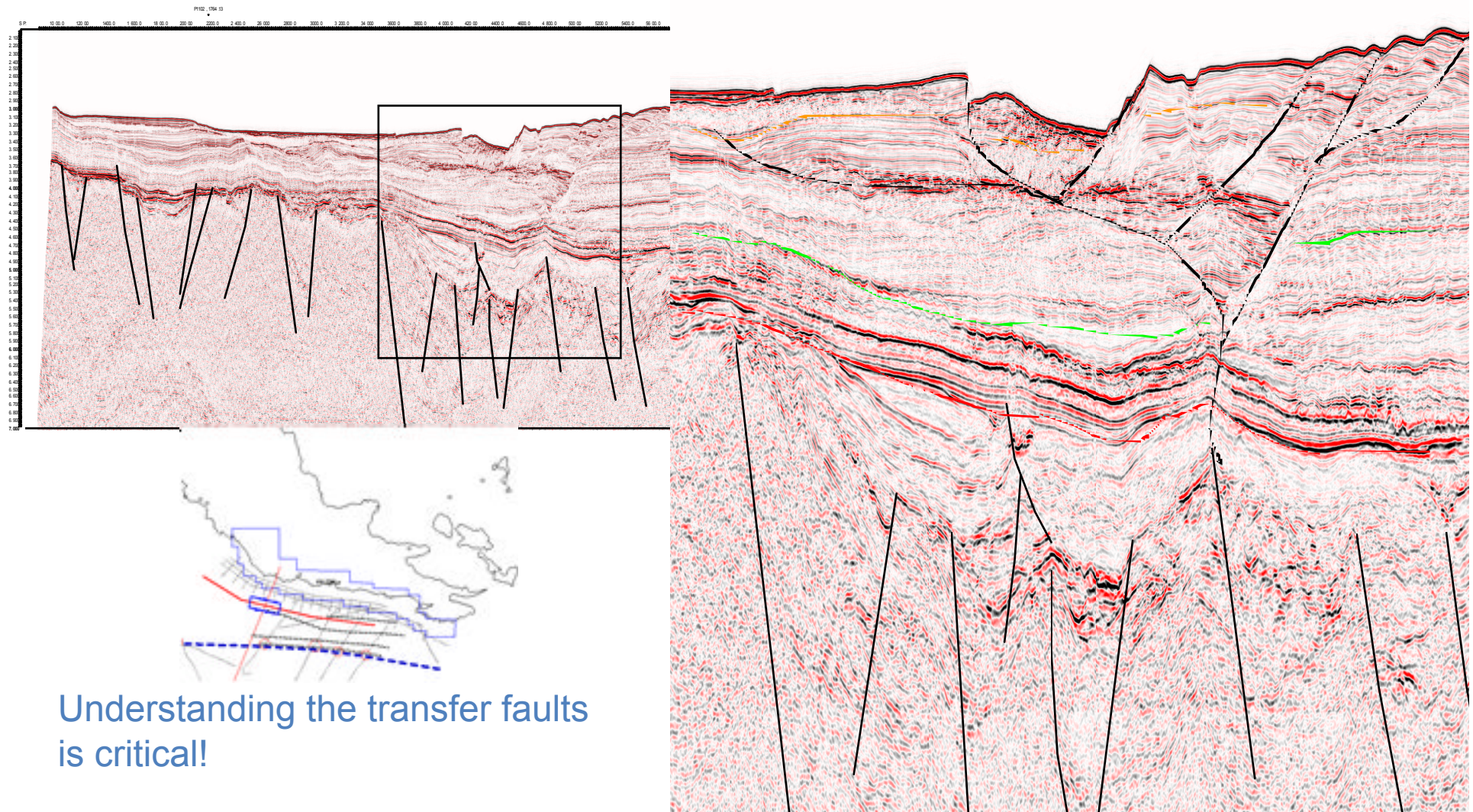
1981's Regional Seismic Data

Rediscovered regional data has save millions and years off the exploration program!

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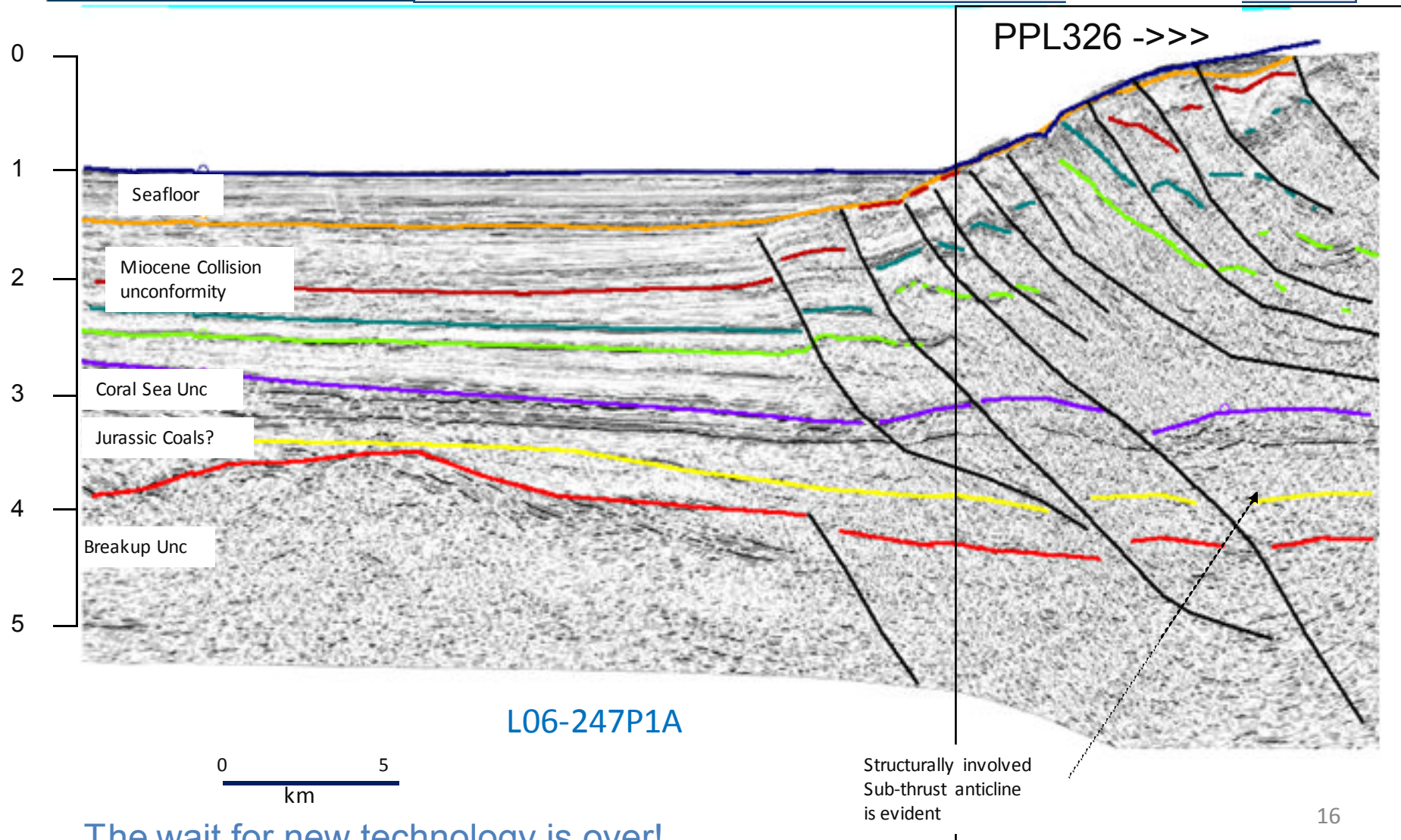


2006's Semi-Regional Seismic Data



Understanding the transfer faults
is critical!

High Resolution Seismic

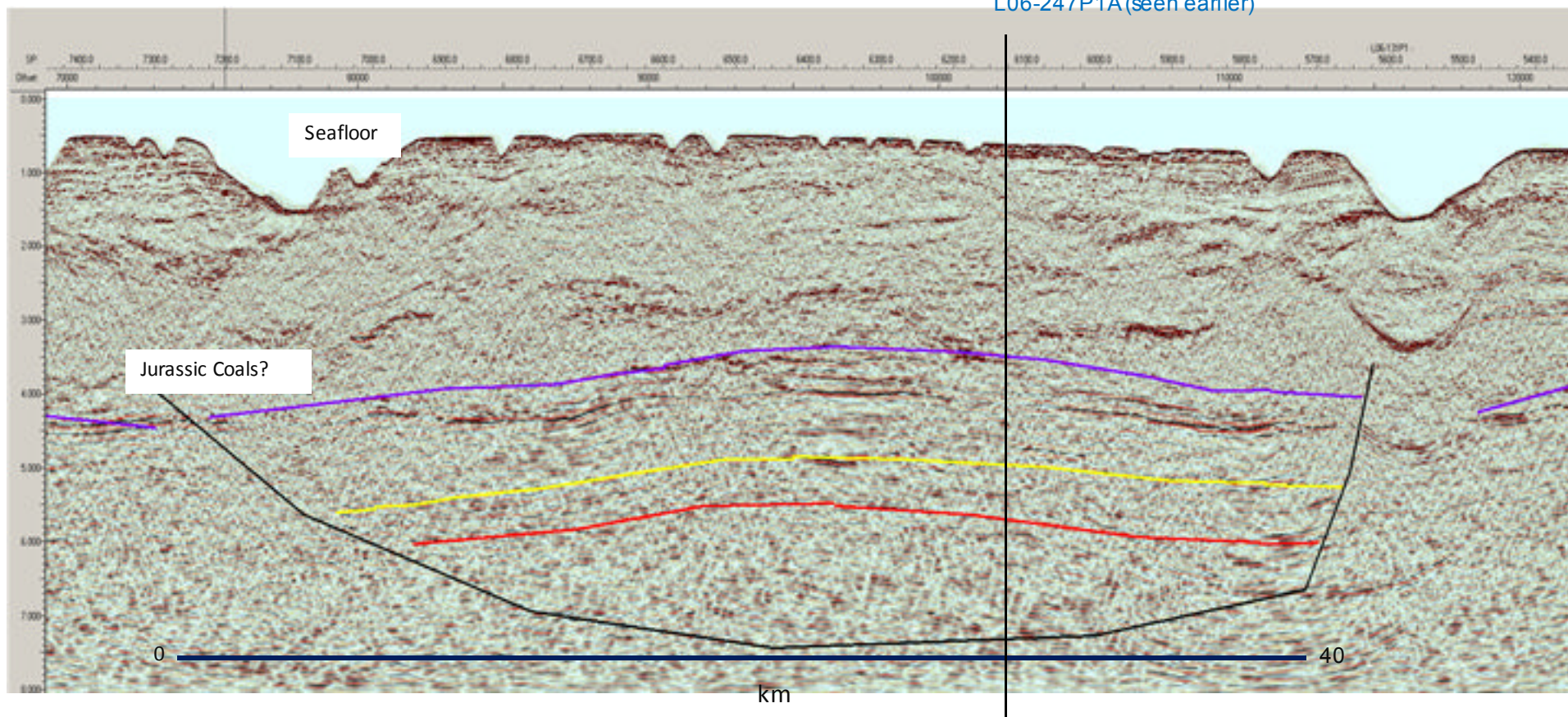


The wait for new technology is over!

Sunday Lead – Strike Line

Regional Seismic Line – L06-131P1

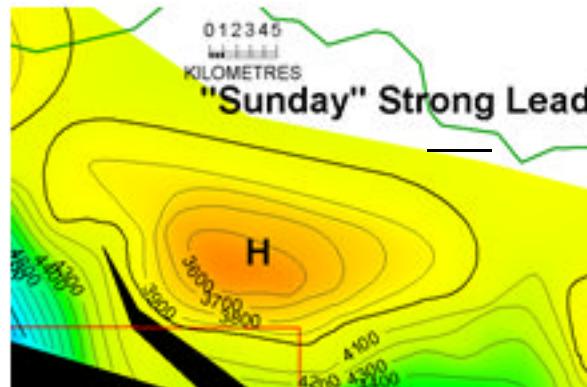
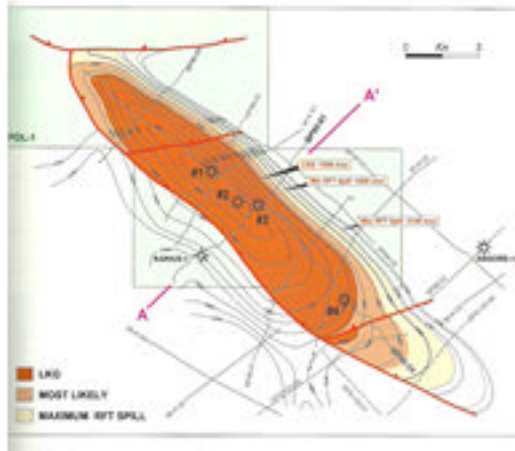
L06-247P1A (seen earlier)



This anticline is a world class exploration target!!

Sunday Strong Lead Metrics

Field Analogy – Hides (Papuan Basin)



	Low	High
Net/Gross %	44	62
Porosity %	7	11
Sw %	15.8	19.6
Perm md	0.01	800
Recovery	75	
Toro Sst m	100	
Column m	1240	1800 Gas on rock
Anticline m	2000	35km long 5 km wide
Target Depth m	3000	
Initial Flow MMscfd	15.9	
bopd	39.6	
Pressure PSI	5600	5950
CGR stb/MMcf	36	
Condensate API	50	56

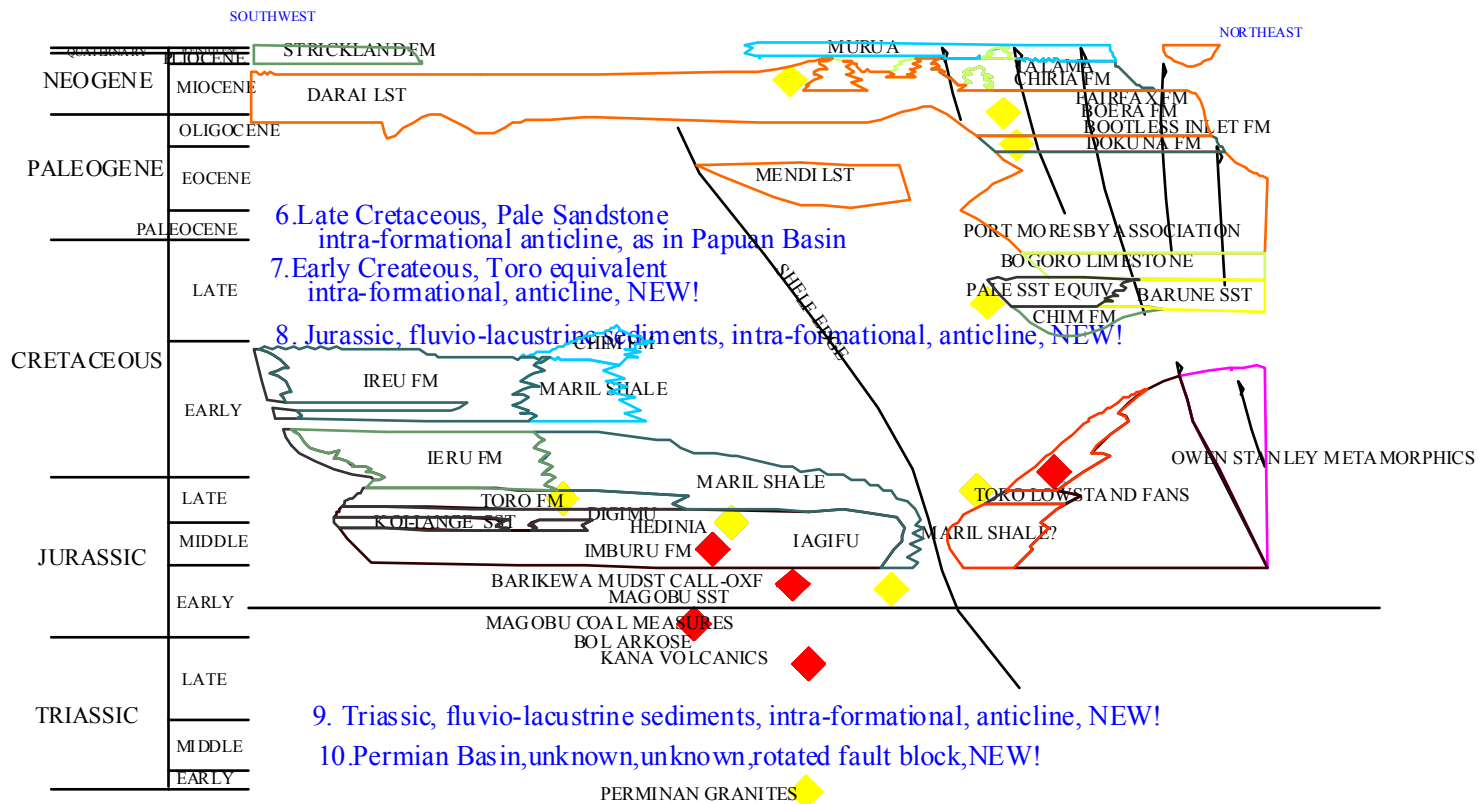
Hide data from Johnstone and Emmett 2000
 Petroleum Geology of the Hides Gas Field...
 Proc 4th PNG Petroleum Conf

	AREA acre	AREA KM*KM	HEIGHT FEET	GEOMETRIGRV FACTOR	GRV MM m cub	net	POROSITY PHI	So	1/Bo	OIL/GAS TOTAL	OIP [MMbbls]	Recovery factor	
Hides	43209	174.99645	300	16001.675	0.8	12,801	0.55	0.1	0.82	1	0.03	100.87	1 100.8715 OIL MMBBLS
Hides	43209	174.99645	300	16001.675	0.8	12,801	0.55	0.1	0.82	0.0025	1.00	8155.44	0.7 5708.809 GAS BCF
	OIP = 6.28983 * GRV * Phi * So * 1/Bo [MMbbls]												
	GIP = 0.00353 * GRV * Phi * So * 1/Bo [BCF]												
Sunday Lead	69135	279.99675	300	25602.903	0.8	20,482	0.55	0.1	0.82	1	0.03	161.40	1 161.3958 OIL MMBBLS
Sunday Lead	69135	279.99675	300	25602.903	0.8	20,482	0.55	0.1	0.82	0.0025	1.00	13048.82	0.7 9134.174 GAS BCF

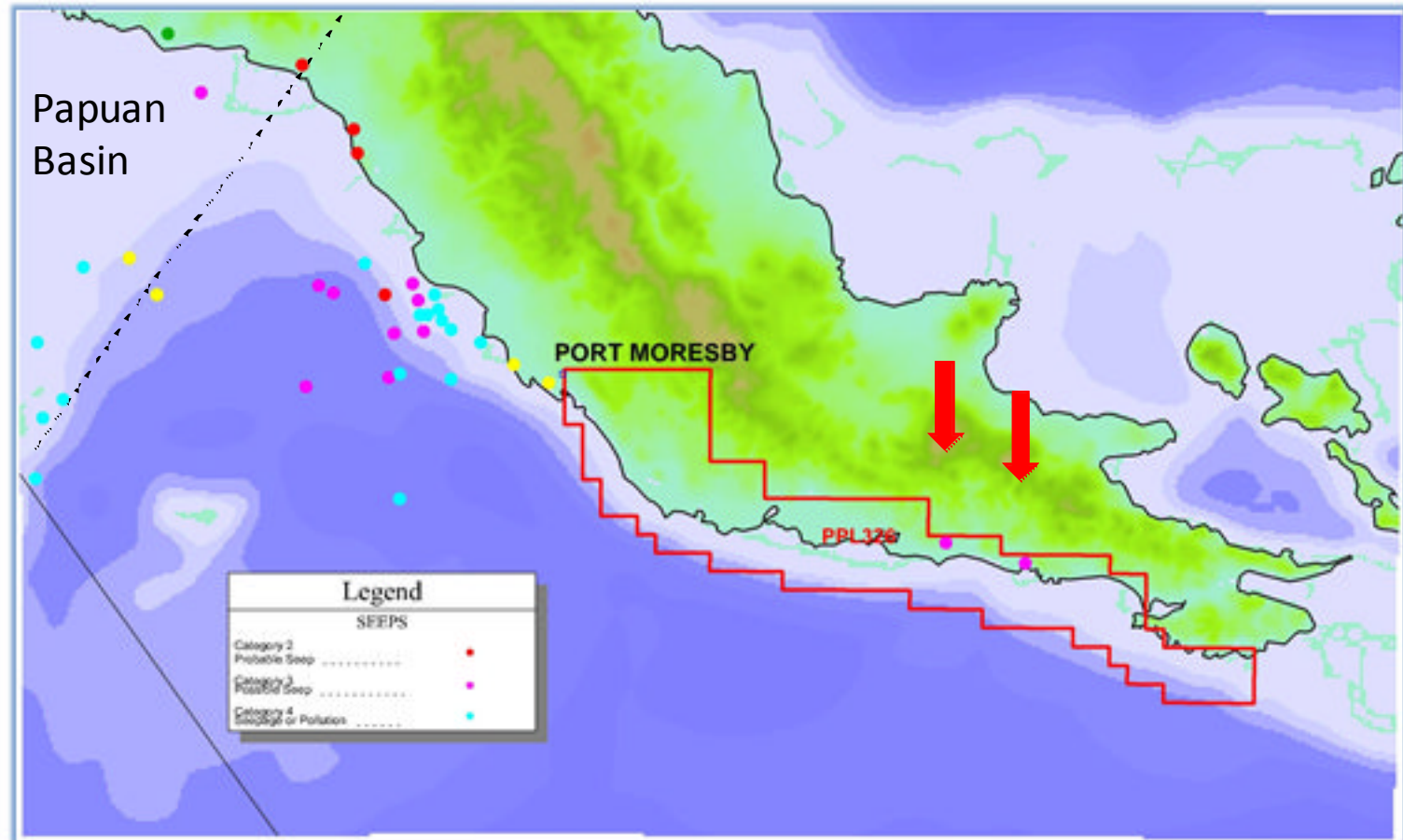
Unrisked reserves of 9TCF and 160 MMBbbls oil – a must drill!

Plays

1. Miocene, Lavao-Talama Sandstone, Orubadi Shale, thrust anticline, as in Papuan Basin
2. Miocene, Limestones -reefal ,Orubadi Shale,reefal, as in Papuan Basin
3. Miocene, Limestones(fractured) ,Orubadi Shale, sub-thurst, as in Papuan Basin
4. Miocene Limestones(fractured), Orubadi Shale, anticline, as in Papuan Basin
5. Mid-Miocene, Chiria Formation fans, intra-formational, anticline, as in Papuan Basin.

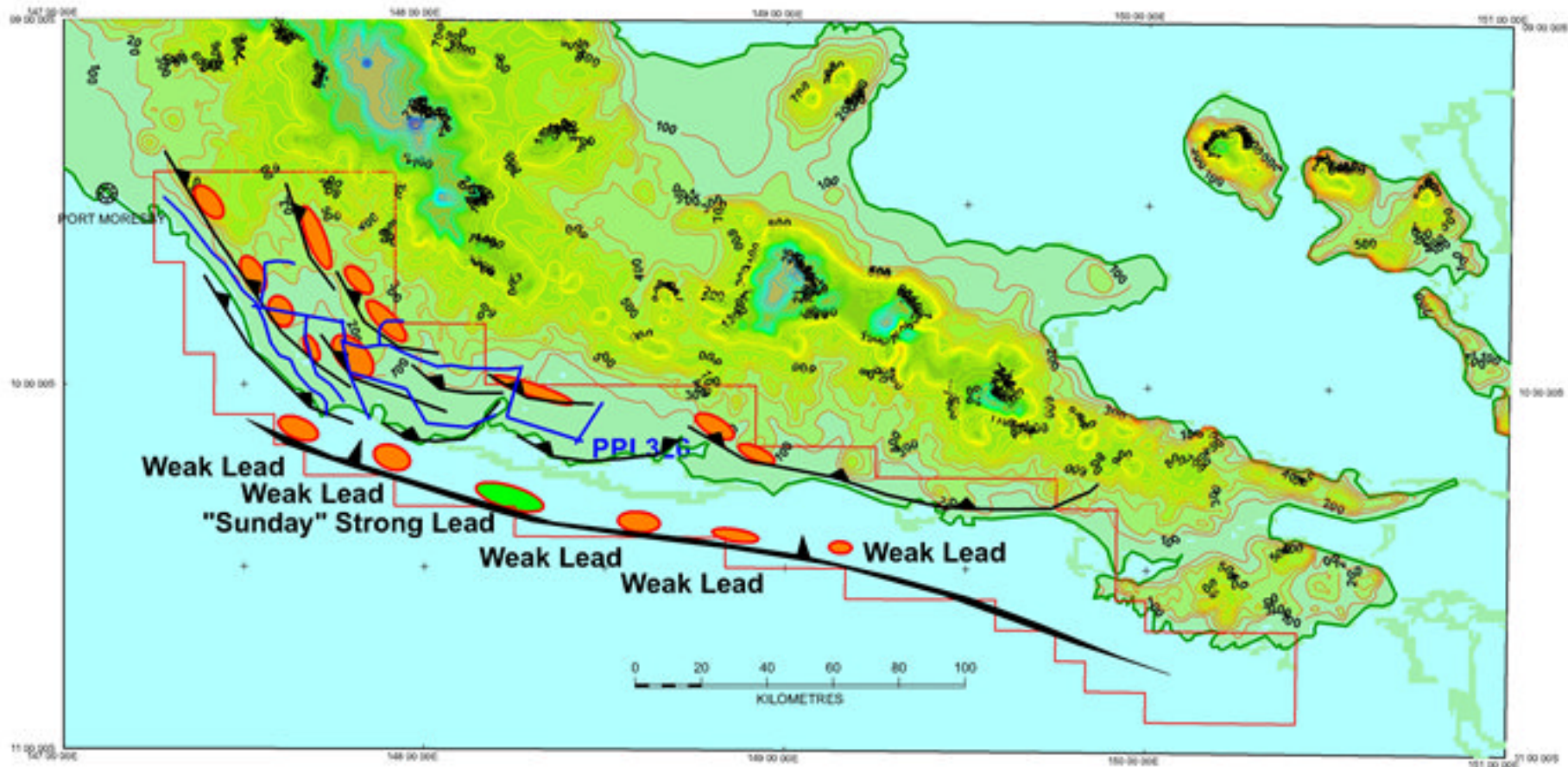


Direct Evidence for Petroleum Systems



Oil seeps within the new basin indicate an active petroleum system

PPL326 Map of Leads



Based on studies to date – further seismic will give further exploration fairways 21

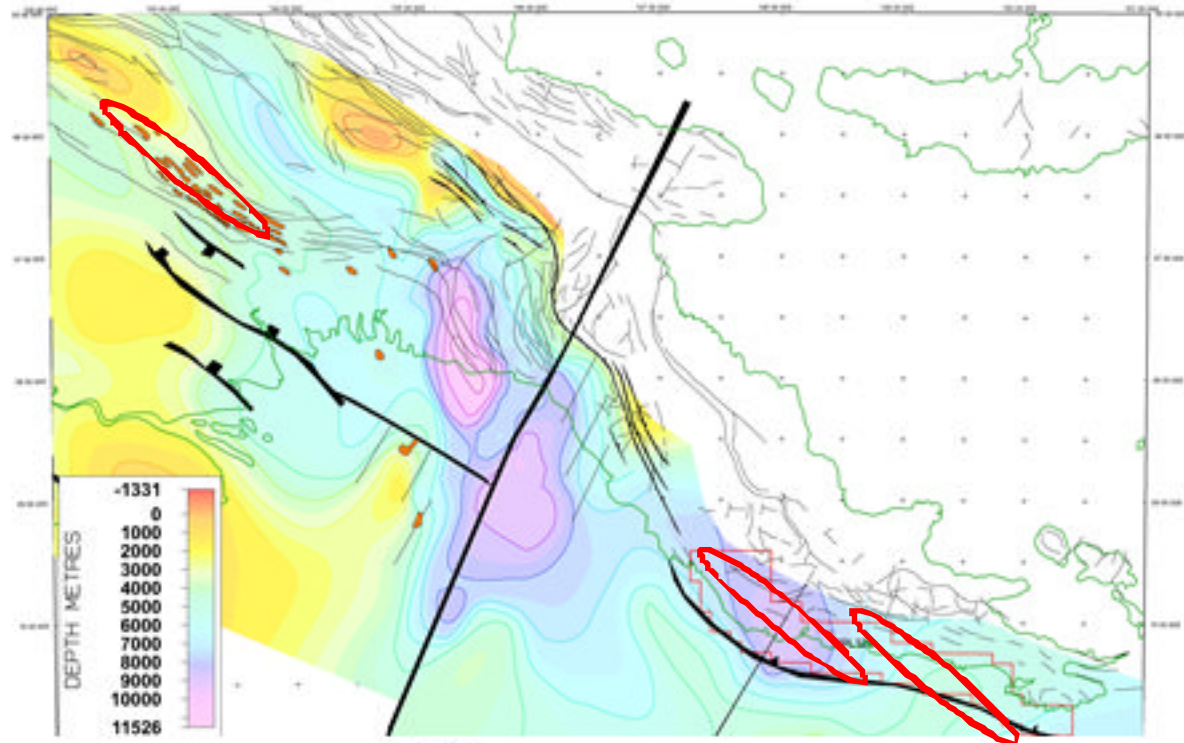
Onshore Seismic Planning



500 km road seismic survey has been scoped.

New Geological Model

The new basement depth map shows we are dealing with a new un-drilled basin, with all the potential of being another Highlands Province – albeit “buried”. Data to date has continued to be encouraging – the potential is huge.



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