PANCONTINENTAL Oil & Gas NL
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6 January 2011

Tonia Oliveira
Advisor, Listings (Perth)
ASX Compliance Pty Limited
GPO Box D187
Perth WA 6840

Pancontinental Oil & Gas NL – Response to ASX query

I refer to your letter dated 5 January 2011 regarding ASX's concerns that the company did not comply with listing rules 3.19A and 3.19B. Please find below a response to each of your queries.

1. An administrative oversight is the reason why the Appendix 3X for Mr Maslin was lodged late.

2. Upon appointment each director is advised of their responsibilities and disclosure obligations. Further, the company has recently adopted an amended share trading policy which must be adhered to.

3. The company is satisfied that procedures with regard to ensuring disclosure compliance are adequate and are adhered to.

For and on behalf of
Pancontinental Oil & Gas NL

Vesna Petrovic
Company Secretary

ASX Compliance Pty Limited
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2 The Esplanade
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5 January 2011

Ms Vesna Petrovic
Company secretary
Pancontinental Oil & Gas NL

By email: *vesna@pancon.com.au*

Dear Vesna

Pancontinental Oil & Gas NL (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 5 January 2011 regarding an initial director's interest notice for Mr Anthony Robert Fredrick Maslin ("Appendix 3X").

2. Listing rule 3.19A which requires an entity to tell ASX the following:

   3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:

   - On the date that the entity is admitted to the official list.
   - On the date that a director is appointed.

   The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

   3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

   3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

   An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

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4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3X indicates that Mr Anthony Robert Fredrick Maslin was appointed on 17 December 2010. It appears that the Initial Director's Interest Notice should have been lodged with ASX by 24 December 2010. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3X was lodged late.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3 If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to tonia.oliveira@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **9:00am WST on Monday 10 January 2011.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

Tonia Oliveira
Adviser, Listings (Perth)