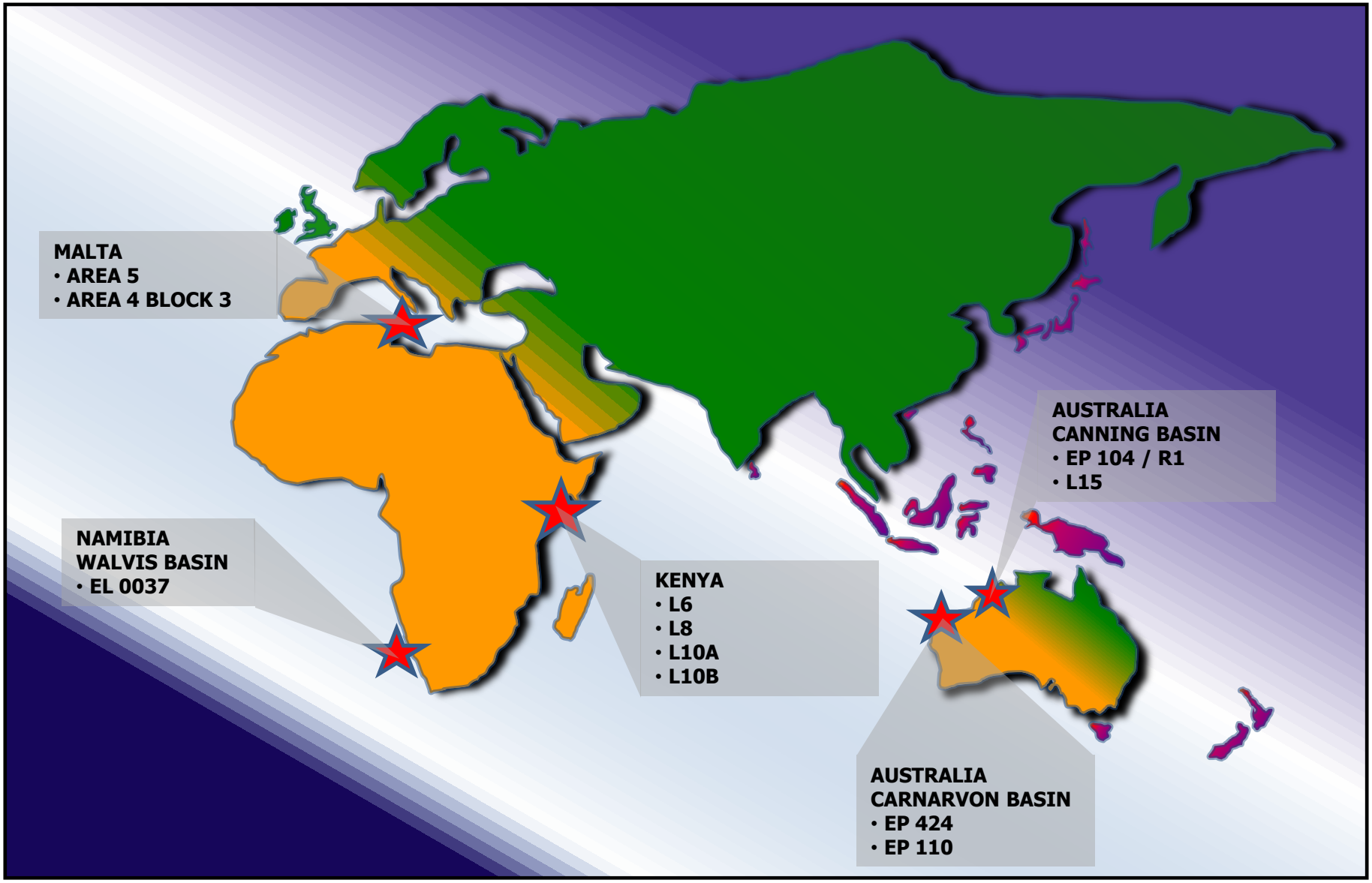
Investor Presentation
August 2011

PANCONTINENTAL
ASX : PCL



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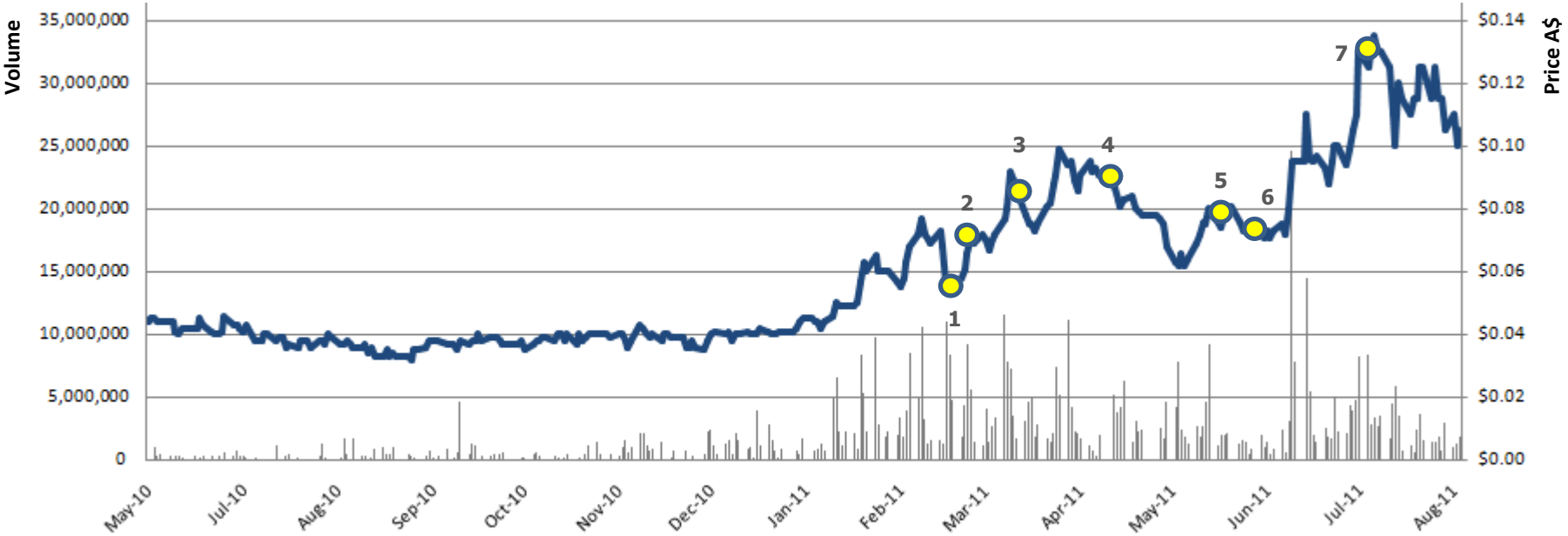
The summary report on the oil and gas projects is based on information compiled by Mr R B Rushworth, BSc, MAAPG, MPESGB, MPESA, Chief Executive Officer of Pancontinental Oil & Gas NL. Mr Rushworth has the relevant degree in geology and has been practising petroleum geology for more than 30 years.
Mr Rushworth is a Director of Pancontinental Oil & Gas NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.

Introduction

- ASX listed E&P company focussed on Kenya (East Africa), Namibia (West Africa) and Malta
- Early mover advantage for African oil & gas ensuring PCL is well positioned relative to peers
- Interests in four offshore Kenya licences as well as a large 17,000km^2 licence area offshore Namibia
    - Major oil and gas companies (BG, Origin, Apache, Tullow and Cove) have partnered with PCL on its acreage – confirming the world class prospectivity of PCL's acreage
    - PCL is free carried for its first well on the drill-ready billion barrel potential Mbawa prospect offshore Kenya
    - Up to 6 wells by surrounding players in Namibia in the next 18 months – potential to significantly re-rate PCL's Namibian acreage
- Experienced management team with long operational track record in Africa
- Funded work program offering significant upside potential
- PCL also holds oil and gas interests and pending interests in Malta, Australia and Morocco

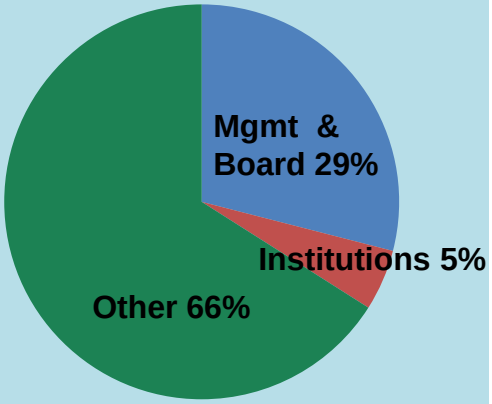
Corporate Overview



Capital Structure

ASX Code:	PCL
Share Price:	A$0.10
Shares on Issue:	c.661M
Market Cap:	A$66M
Cash:	A$5.7M
Debt:	Nil
52 Week High/Low (A$):	3.1c / 14.5c

Shareholders



Company Progress

1. Origin Energy divestment of Block L8 to Apache
2. Kenya Government offers new PSC on Blocks L10A & L10B
3. New 3D seismic report on Mbawa potential in Block L8
4. PCL announces share placement to raise A$5M
5. PCL signs PSC contract for Blocks L10A & L10B
6. PCL and Tullow sign farm-out agreement for Block L8
7. Signed PA & EL for Namibia Blocks

Asset Overview

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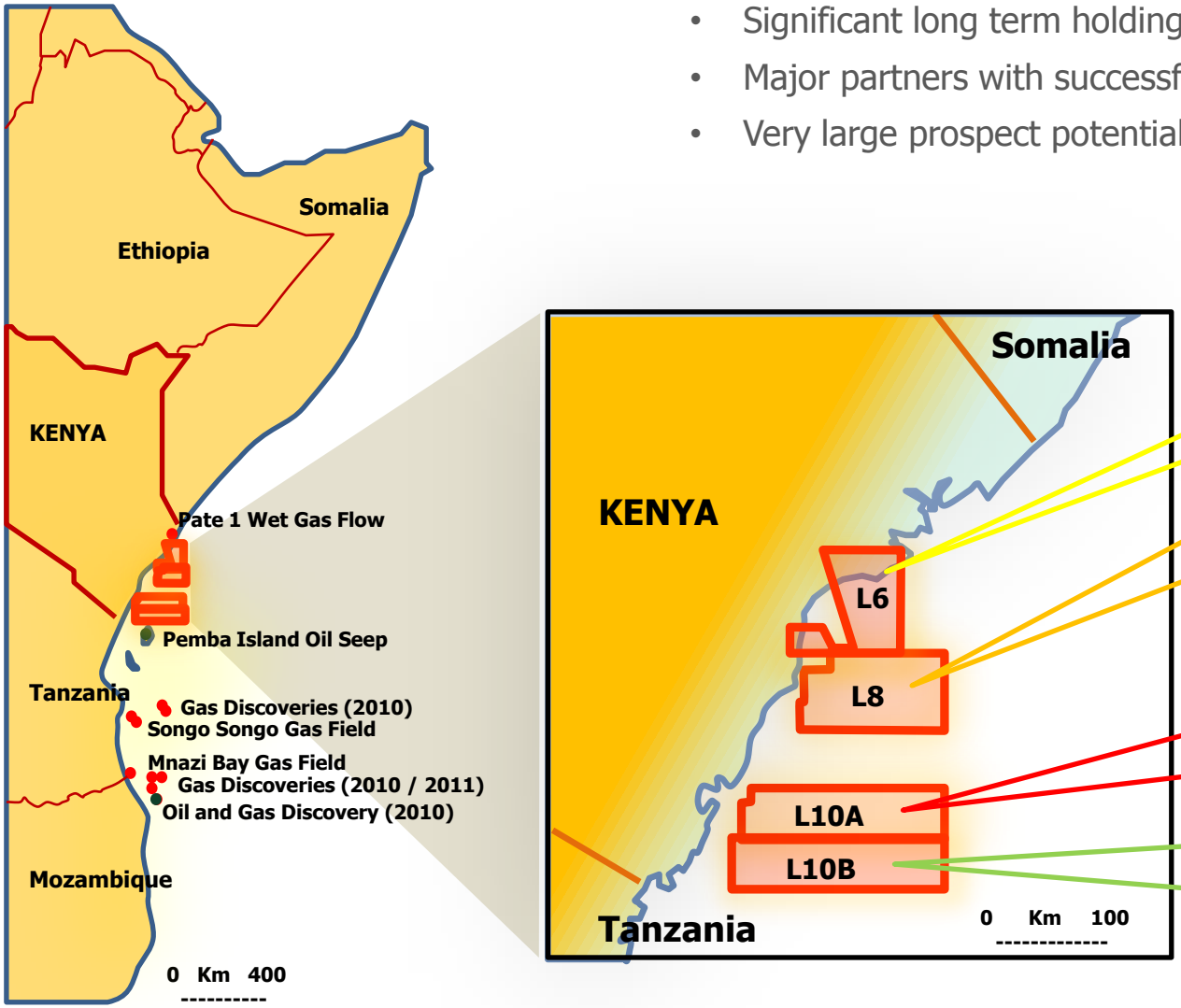
- **Kenya, East Africa (PCL 15% - 40% interests)**
  - Interest in 4 permits, 2 of which are advanced and contain drill ready prospects
  - PCL is free carried for its first well on the billion barrel potential Mbawa prospect – targeting spud in H1 2012
- **Namibia, West Africa (PCL 85% interest)**
  - Geology similar to offshore Brazil where large multibillion barrel oil discoveries have recently been made
  - Large resource estimates by regional peers on surrounding acreage
  - Up to 6 wells by surrounding players in next 18 months – potential to significantly re-rate PCL's acreage
  - PCL in the sweet spot based on oil seep density analysis and source rock maturity
- **Oil & Gas interests and pending interests in Malta, Australia and Morocco (see below)**

Block	Area (km^2)	PCL Interest (%)	Operator (%)	Partners (%)
Kenya L6	3,100	40.0%	Flow Energy (60%)	Flow Energy (60%)
Kenya L8	5,115	15.0%	Apache (50%)	Apache (50%) Origin Energy (25%), Tullow (10%)
Kenya L10A	4,962	15.0%	BG (40%)	BG (40%) Cove (25%), Premier (20%)
Kenya L10B	5,585	15.0%	BG (45%)	BG (45%) Cove (15%), Premier (25%)
Namibia EL0037	17,295	85.0%	PCL (85%)	Paragon (Local Partner) (15%)
Malta Area 5 *	8,000	80.0%	PCL (80%)	Sun Resources (20%)
Malta Block 3 – Area 4 *	1,500	80.0%	PCL (80%)	Sun Resources (20%)
EP 424 (Australia)	79	38.5%	Strike Oil (61.5%)	Strike Oil (61.5%)
EP 110 (Australia)	750	38.5%	Strike Oil (61.5%)	Strike Oil (61.5%)
EP 104 / R1 (Australia)	736	10.0%	Buru Energy (38.95%)	Buru Energy (38.95%) Emerald Gas (12.75%), Gulliver (14.8%), Phoenix Resources (10%), FAR (8%), Indigo Oil (5.5%)
L15 (Australia)	150	12.0%	Buru Energy (15.5%)	Buru Energy (15.5%) Gulliver (49%), FAR (12%), Indigo Oil (11.5%)

** Subject to renegotiation*

Kenya

- Significant long term holdings in prime exploration areas
- Major partners with successful East African track record
- Very large prospect potential



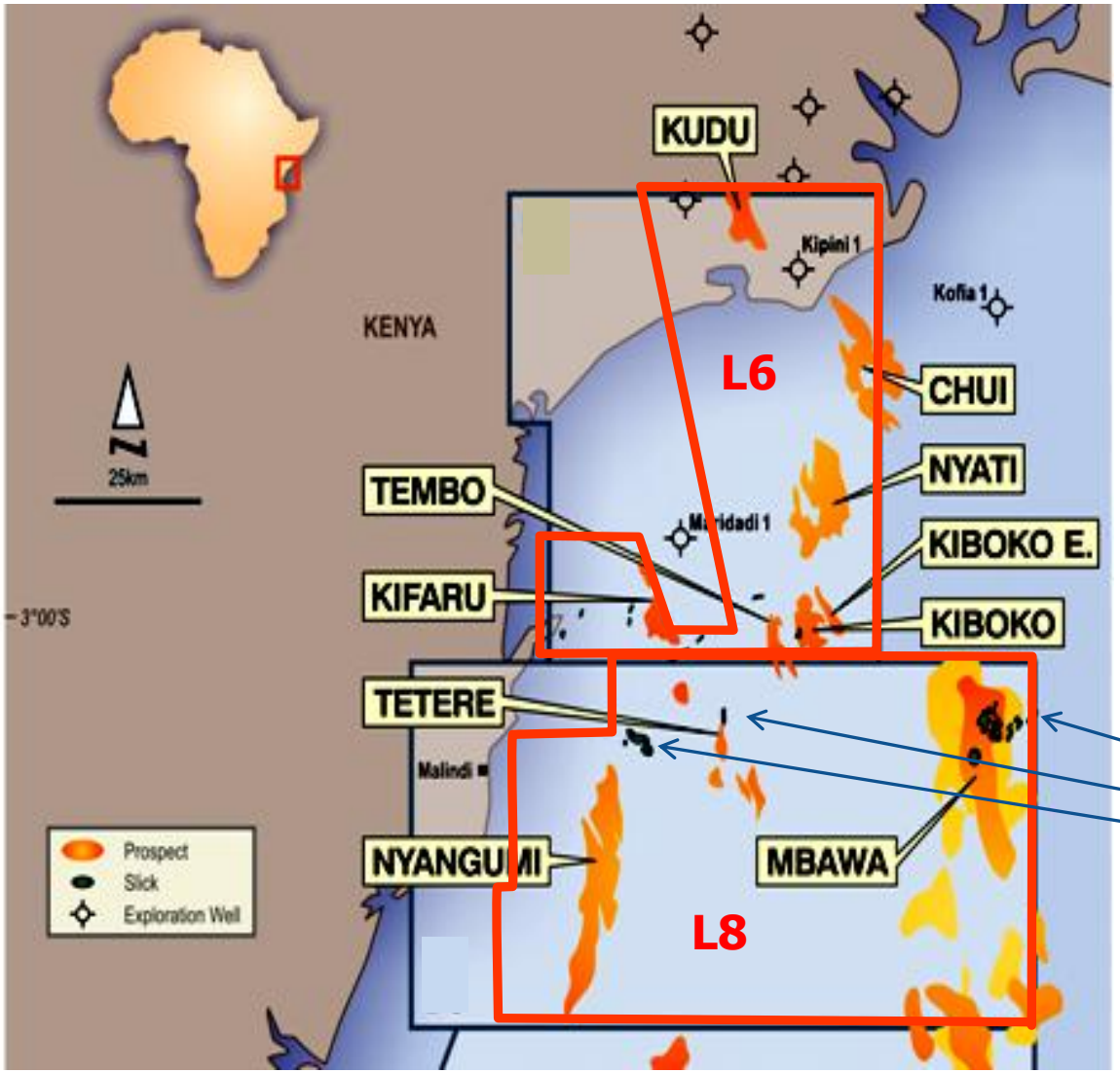
L6 - 3,100km^2
Flow 60%
Pancontinental 40%

L8 – 5,115km^2
Apache 50%
Origin 25%
Pancontinental 15%
Tullow 10%

L10A – 4,962km^2
BG 40%
Cove 25%
Premier 20%
Pancontinental 15%

L10B – 5,585km^2
BG 45%
Premier 25%
Pancontinental 15%
Cove 15%

Kenya L6 & L8 Slicks

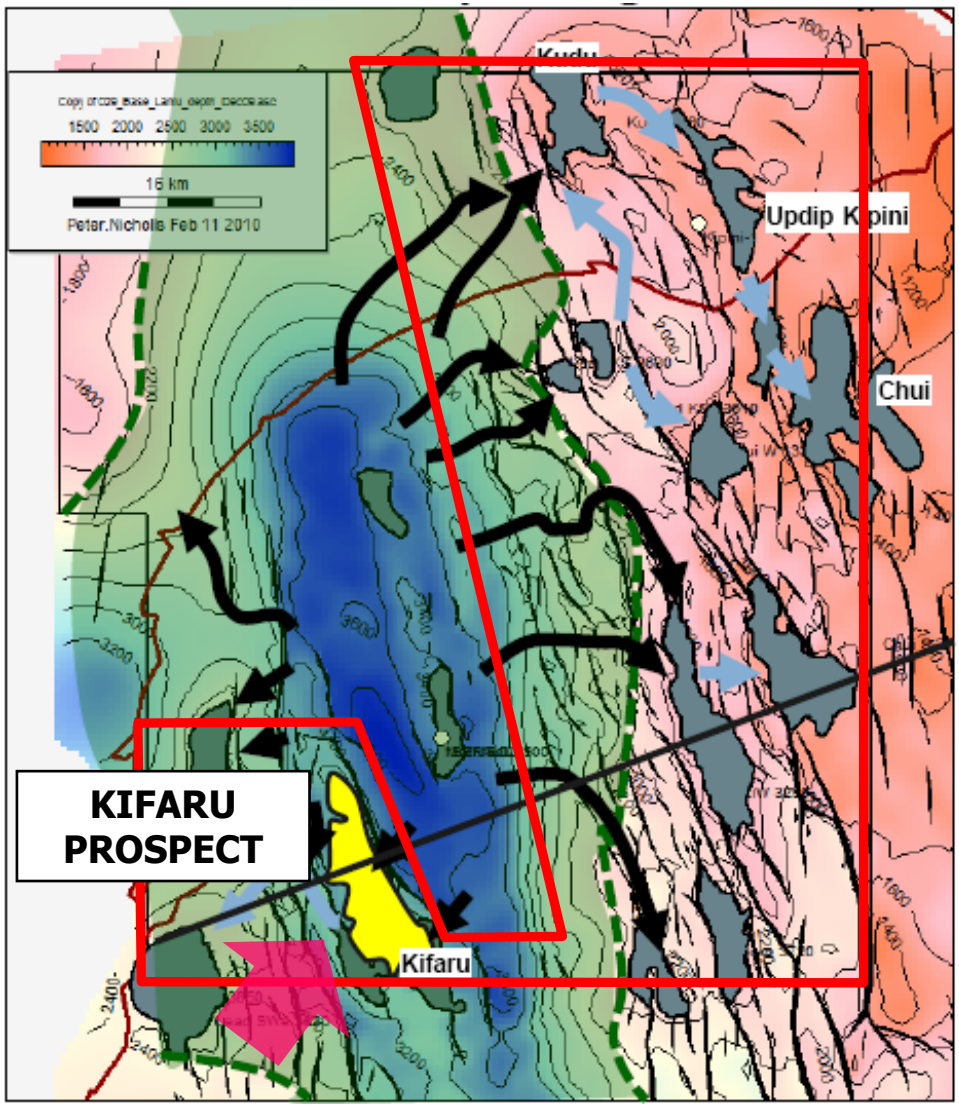


KENYA L6 & L8

- L6 + L8 Total 8,200km^2
- Water depths 0 to 1300m & onshore
- Prospects associated with slicks in both areas

Slicks

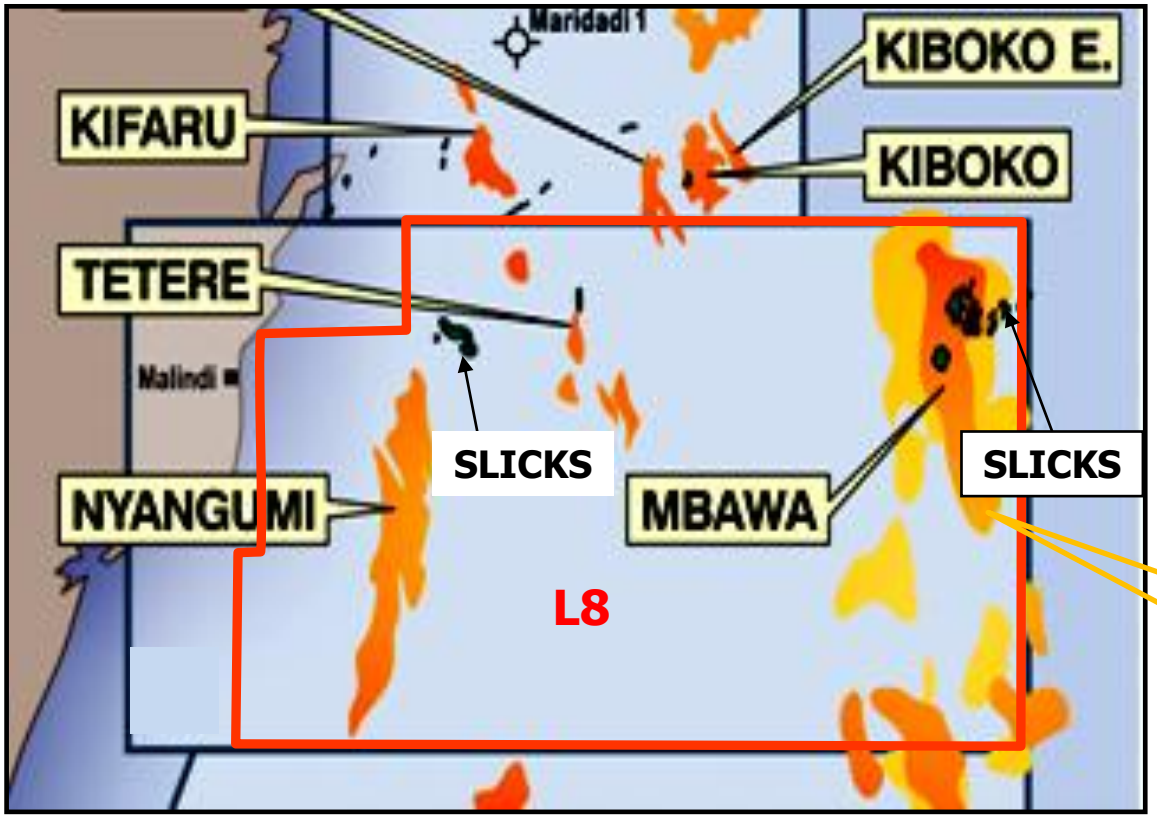
Kenya L6 Kifaru Prospect



Kenya L6

- 3,100 Km^2
- Water depth 0 to 300m
- Kifaru- main prospect adjacent to interpreted hydrocarbon kitchen / trough
- 3D over 2 prospects 2011
- Drilling 2012

Kenya L8



L8- 5,100 Km²

- Water depth 0 to 1,300m
- Mbawa drilling 2011 / 2012
- Farmins by Apache and Tullow
- New operator Apache looking at rig availability

**NOTE-Potential volumes are Pancontinental projections and do not necessarily reflect those of other joint venture participants and may not necessarily prove to be correct in the future.*

Mbawa Potential *

Tertiary / Cretaceous (P10):

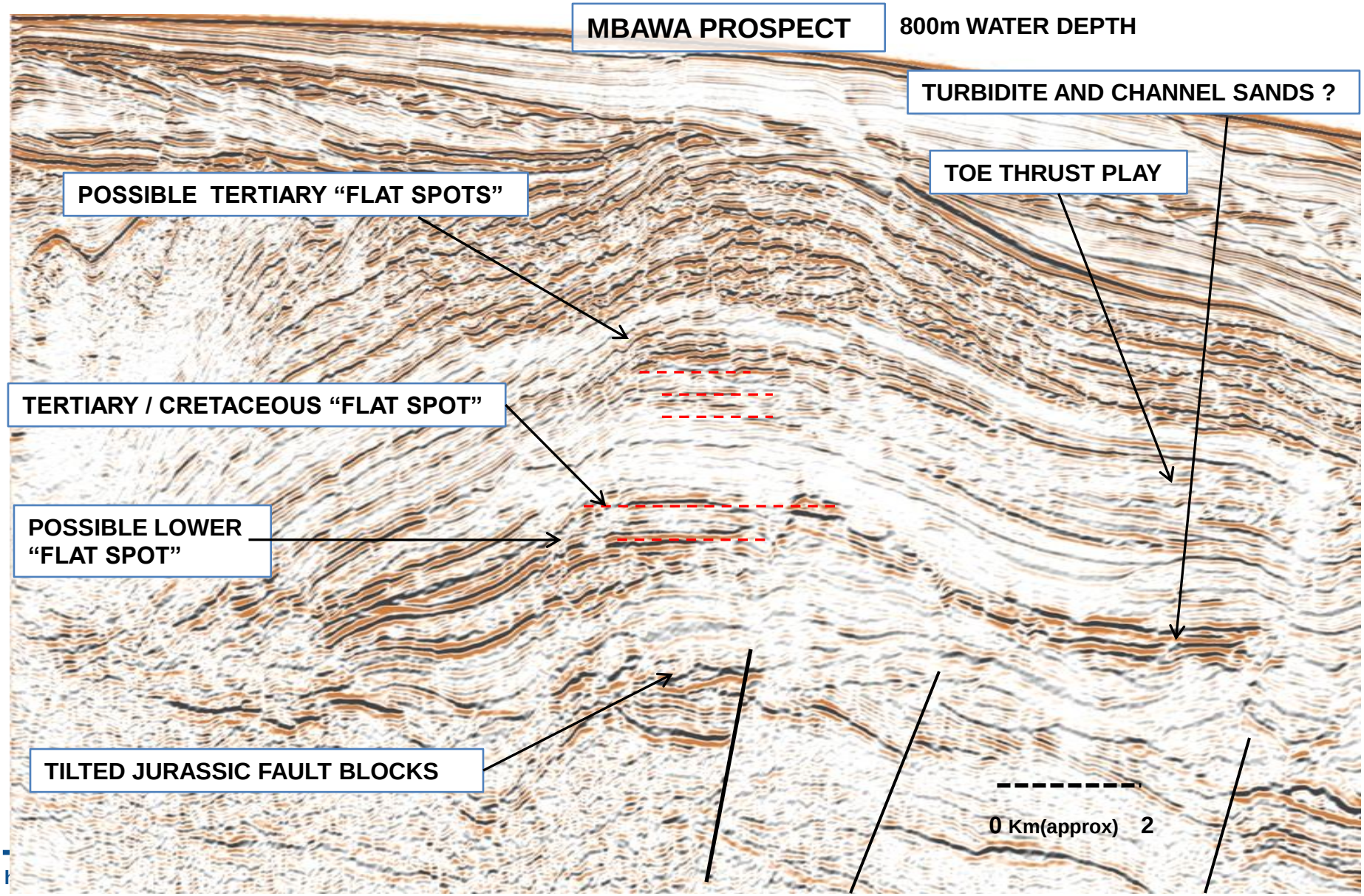
- 4.9 Billion Barrels oil in place plus-
- 284 Billion Cubic Feet gas in place plus-

Jurassic (P10)

- 323 Million Barrels oil in place or
- 525 Bcf in place gas cap plus--

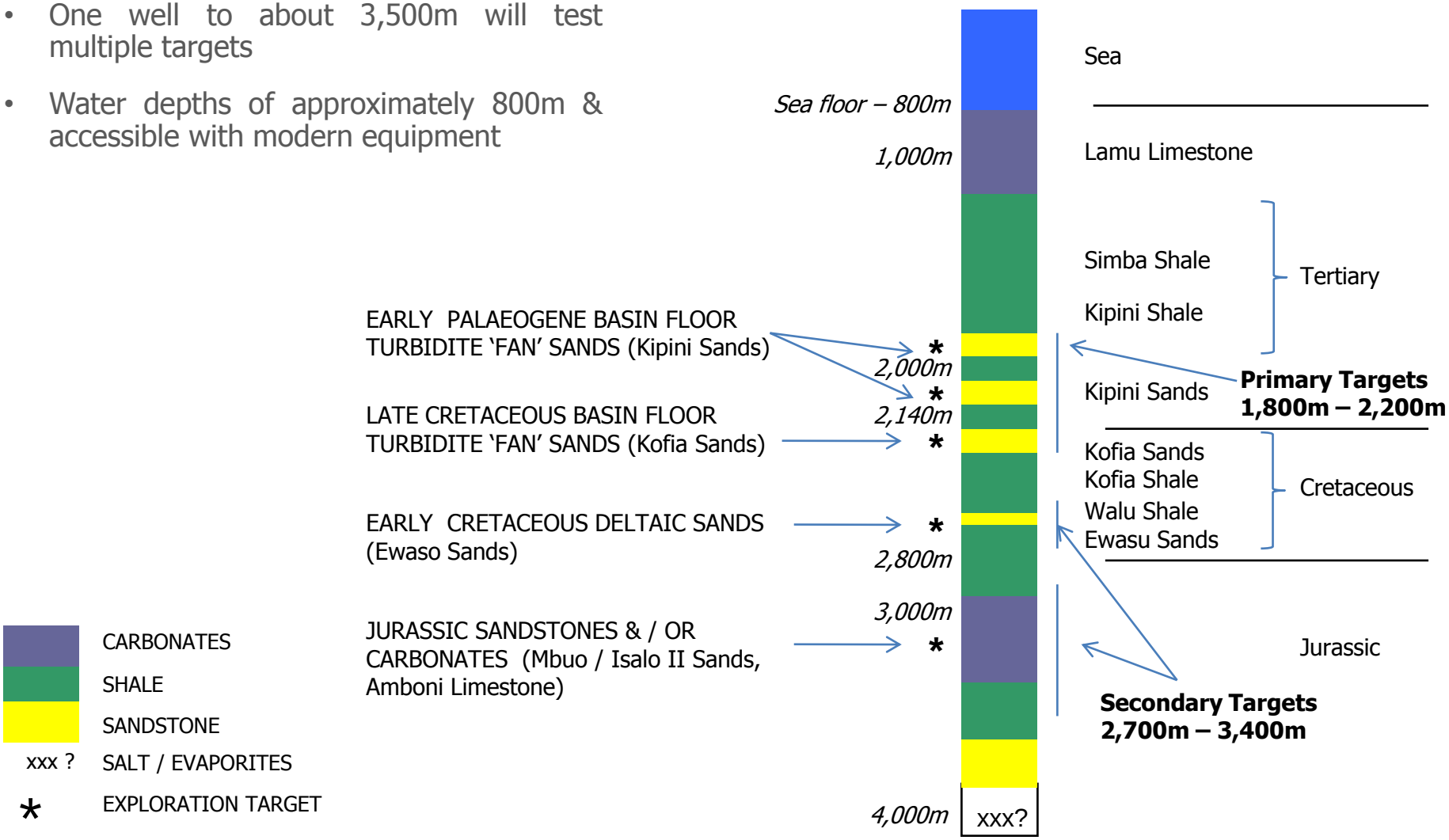
Tertiary has further potential

Kenya L8 – Mbawa



Kenya L8 – Mbawa

- One well to about 3,500m will test multiple targets
- Water depths of approximately 800m & accessible with modern equipment



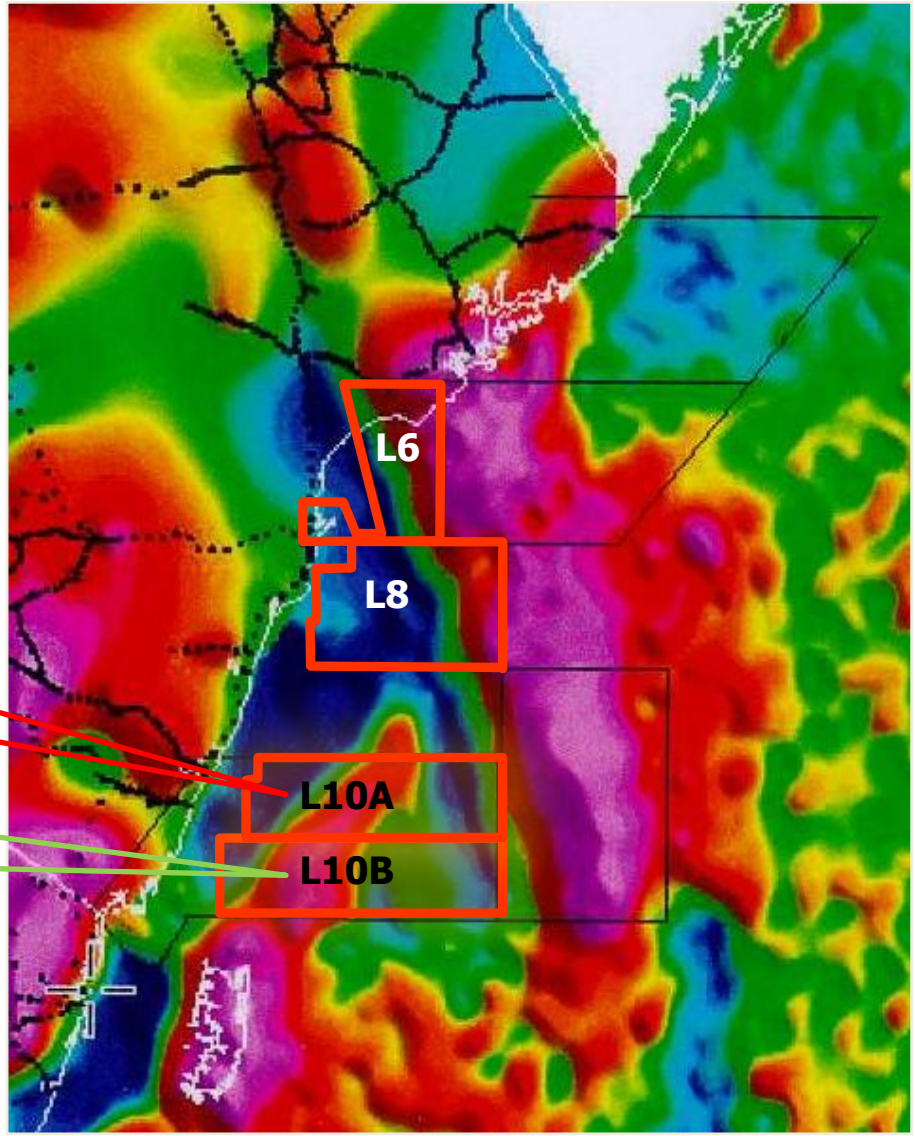
Kenya L10A & L10B

Two new blocks awarded on 17 May 2011

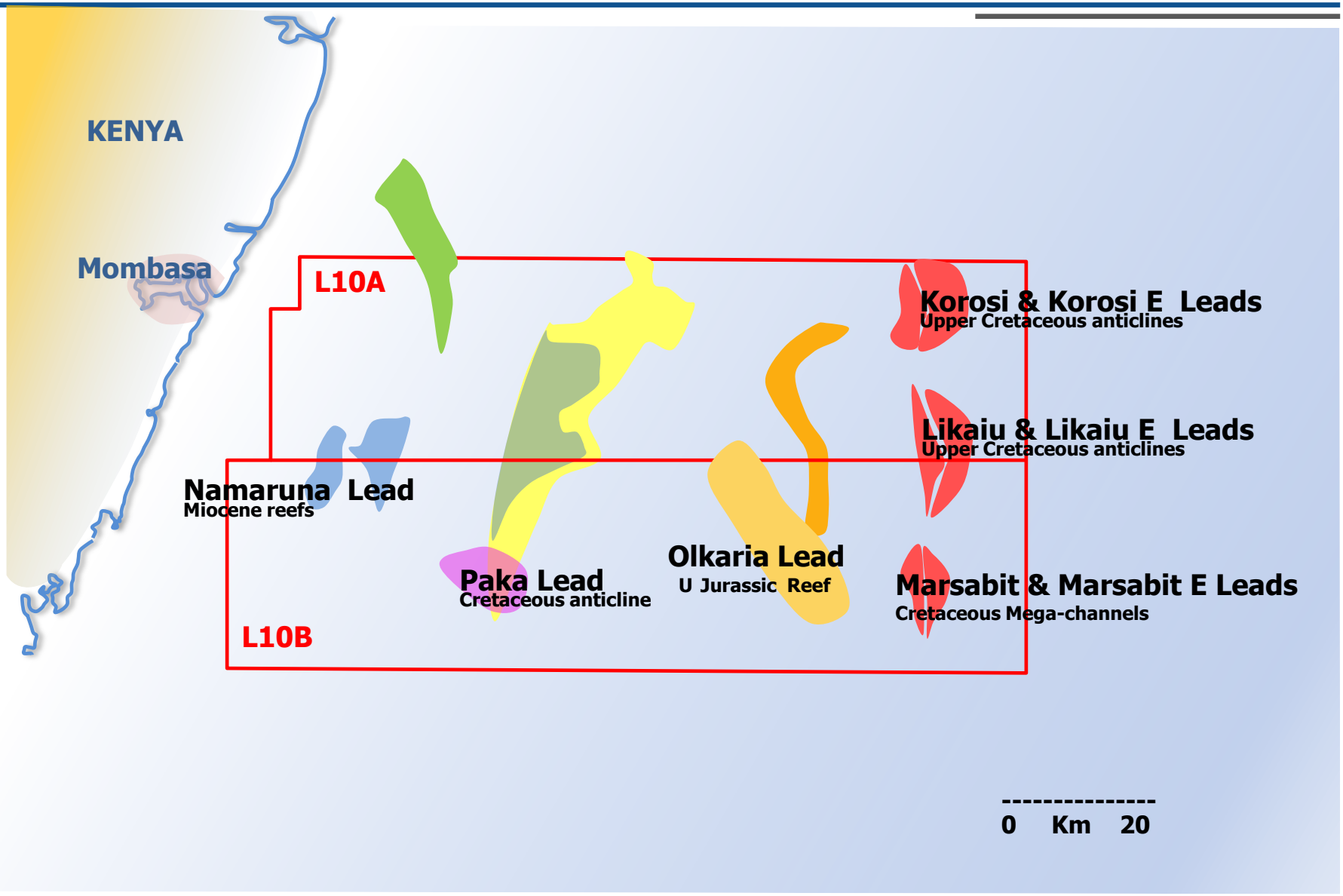
- Effective Date 17 August 2011
- 10,000 km^2
- Water depth 200m to 1,800m
- Interpreted oil "kitchen" troughs
- Notable partners- BG Group, Premier Oil, Cove Energy
- "Fast Track" exploration programme

L10A – 4,962km^2
BG 40%
Cove 25%
Premier 20%
Pancontinental 15%

L10B – 5,585km^2
BG 45%
Premier 25%
Pancontinental 15%
Cove 15%

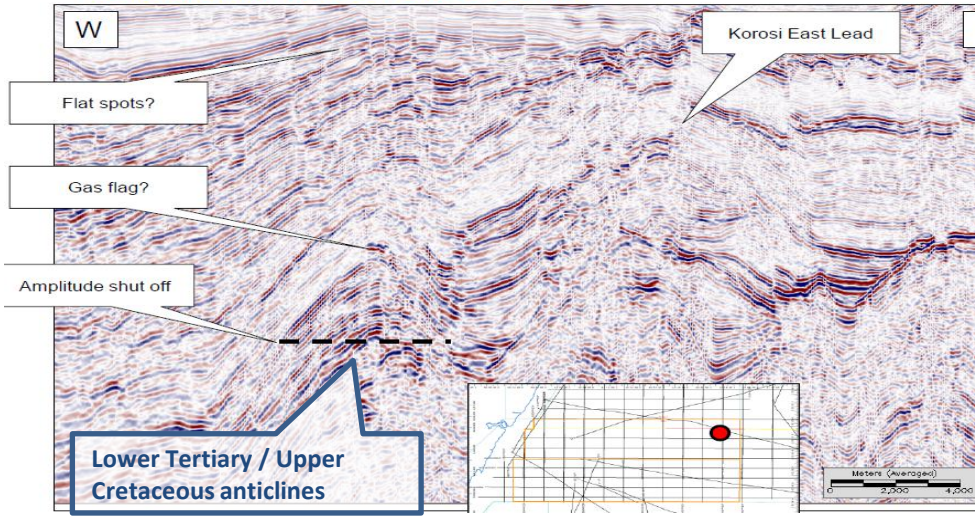


Kenya L10A & L10B – Leads

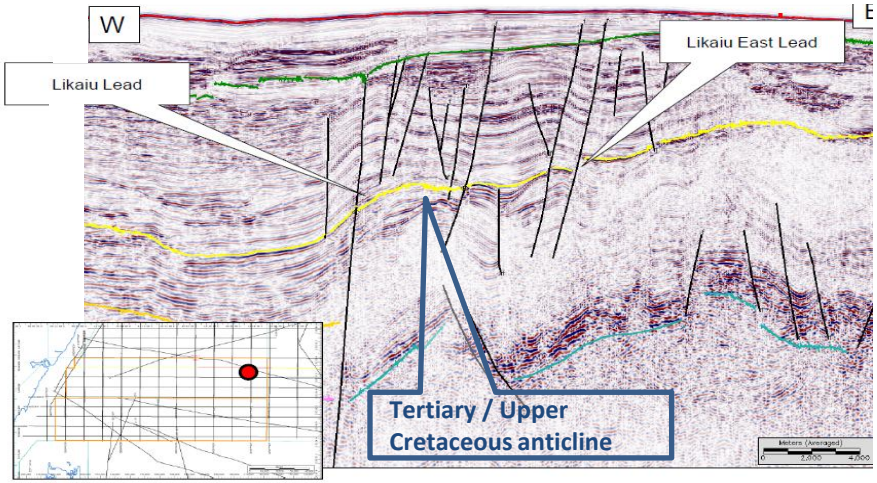


Kenya L10A & L10B – Leads

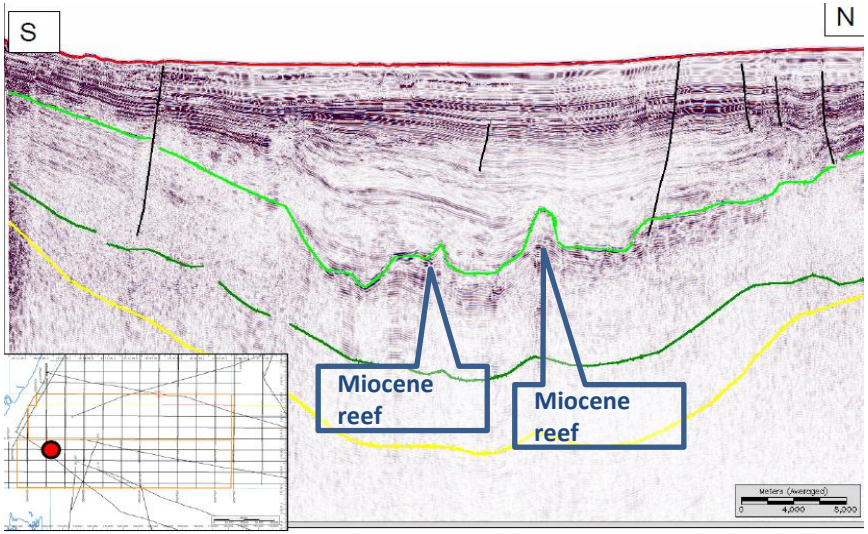
Korosi and Korosi East Leads



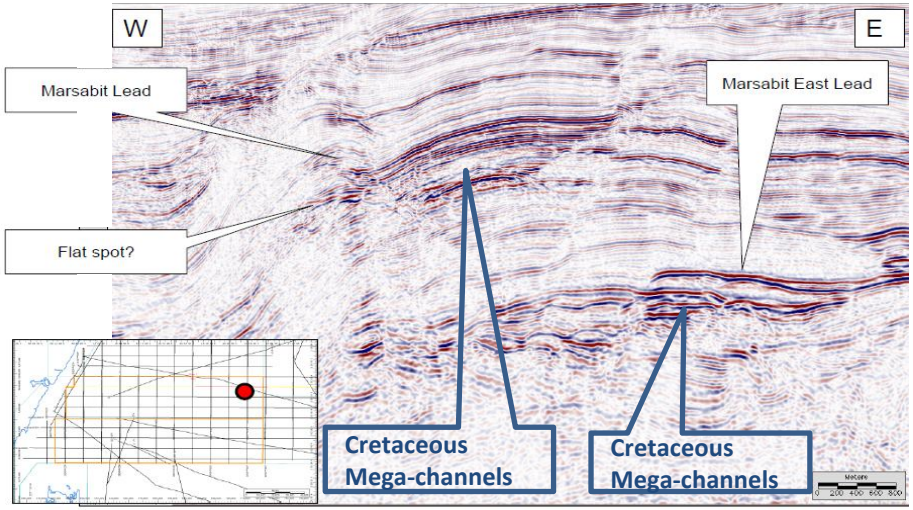
Likaiu and Likaiu East Leads



Namarunu Lead

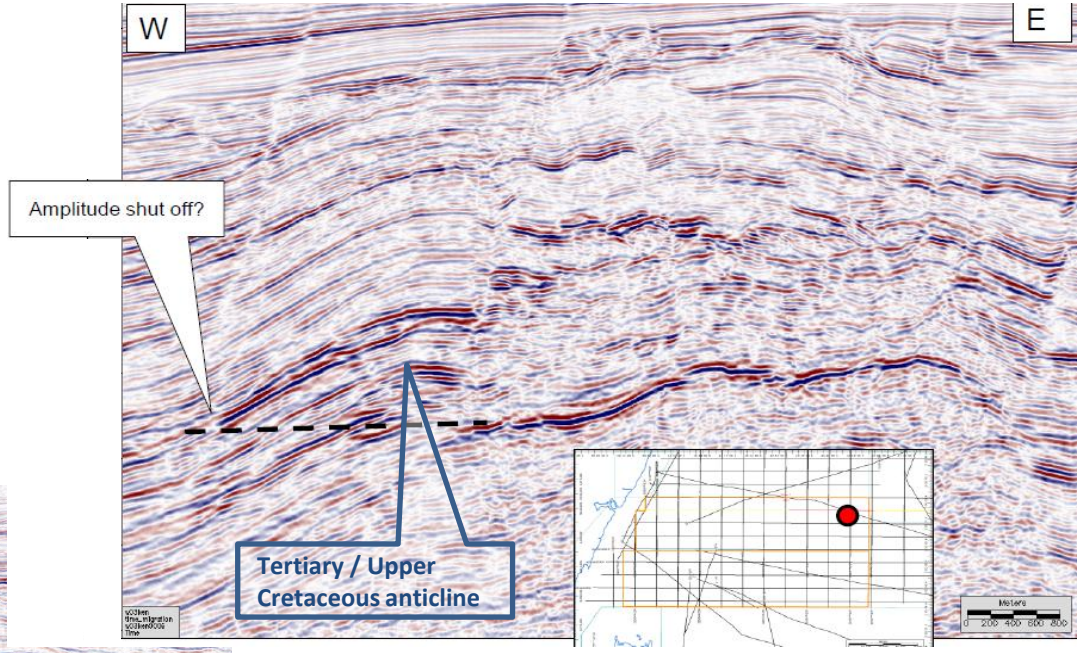


Marsabit and Marsabit East Lead

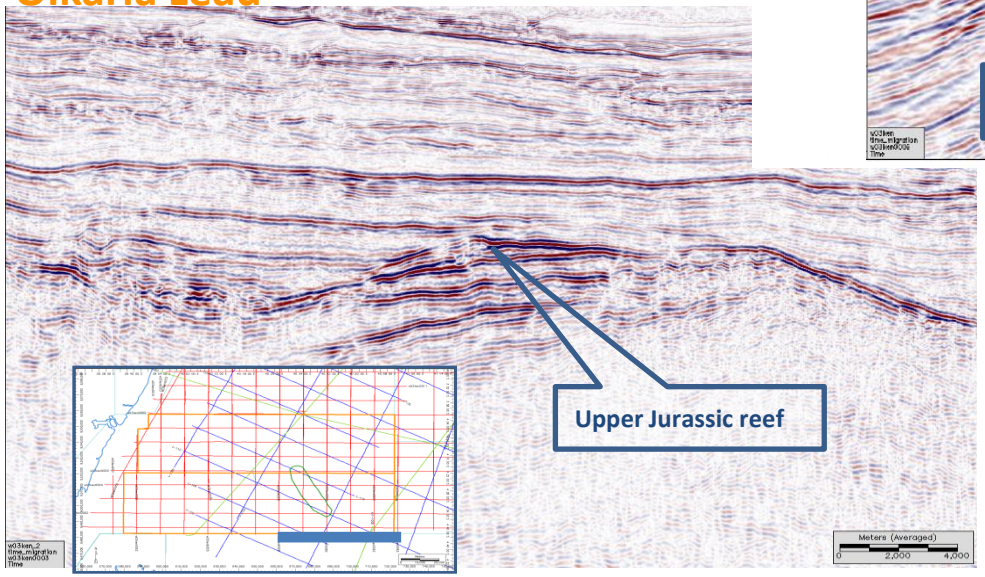


Kenya L10A & L10B – Leads

Likaiu Lead



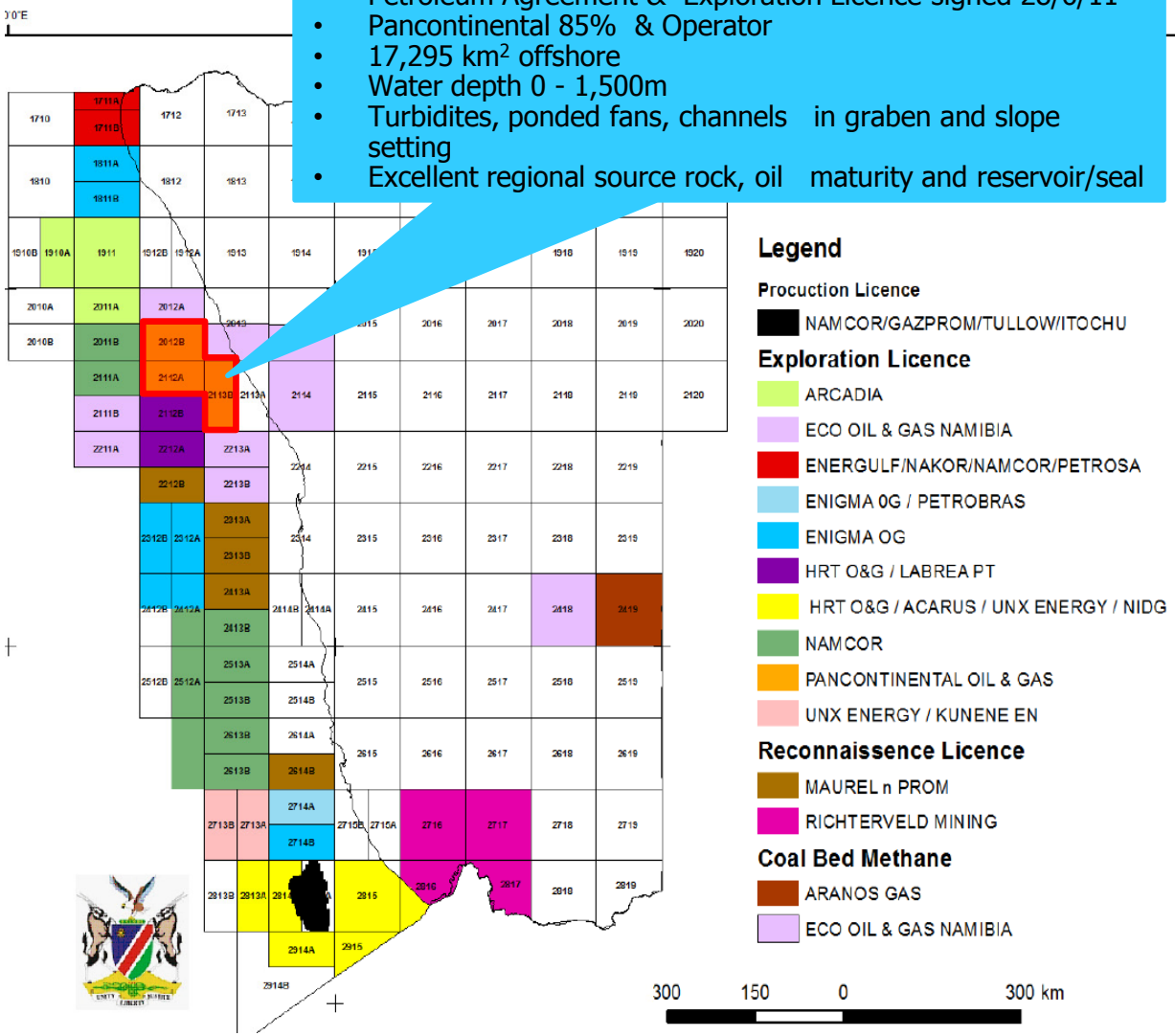
Olkaria Lead

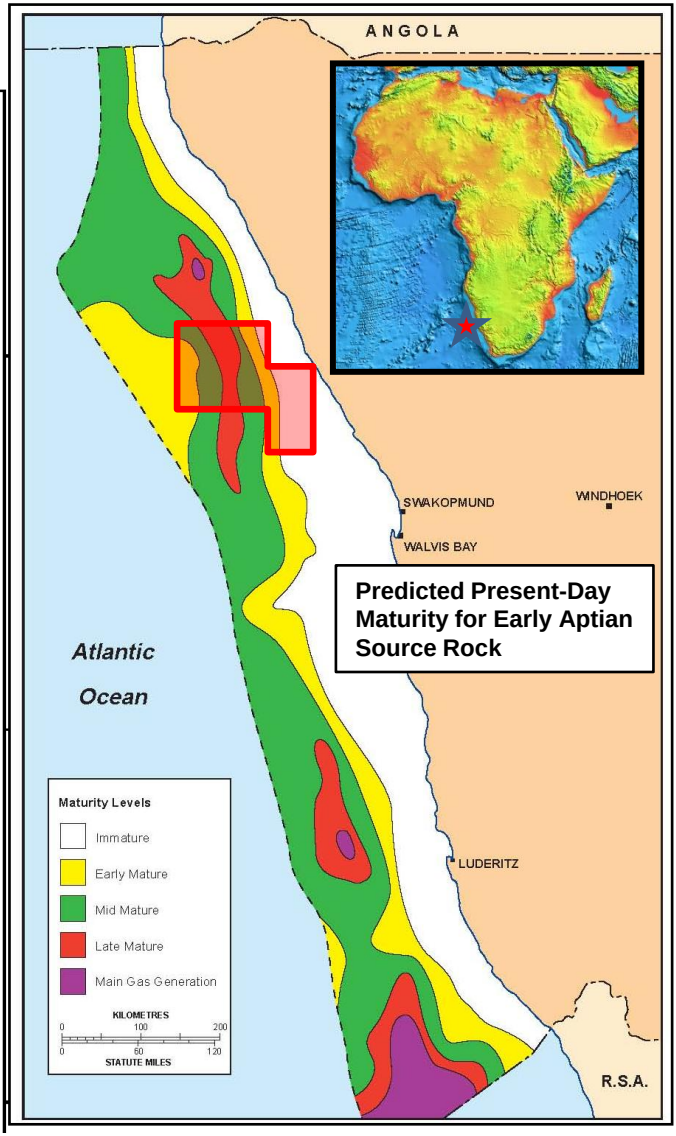


Namibia EL 0037

NAMIBIA NEW LICENCE EL0037

- Petroleum Agreement & Exploration Licence signed 28/6/11
- Pancontinental 85% & Operator
- 17,295 km^2 offshore
- Water depth 0 - 1,500m
- Turbidites, ponded fans, channels in graben and slope setting
- Excellent regional source rock, oil maturity and reservoir/seal





Namibia – Prospectivity

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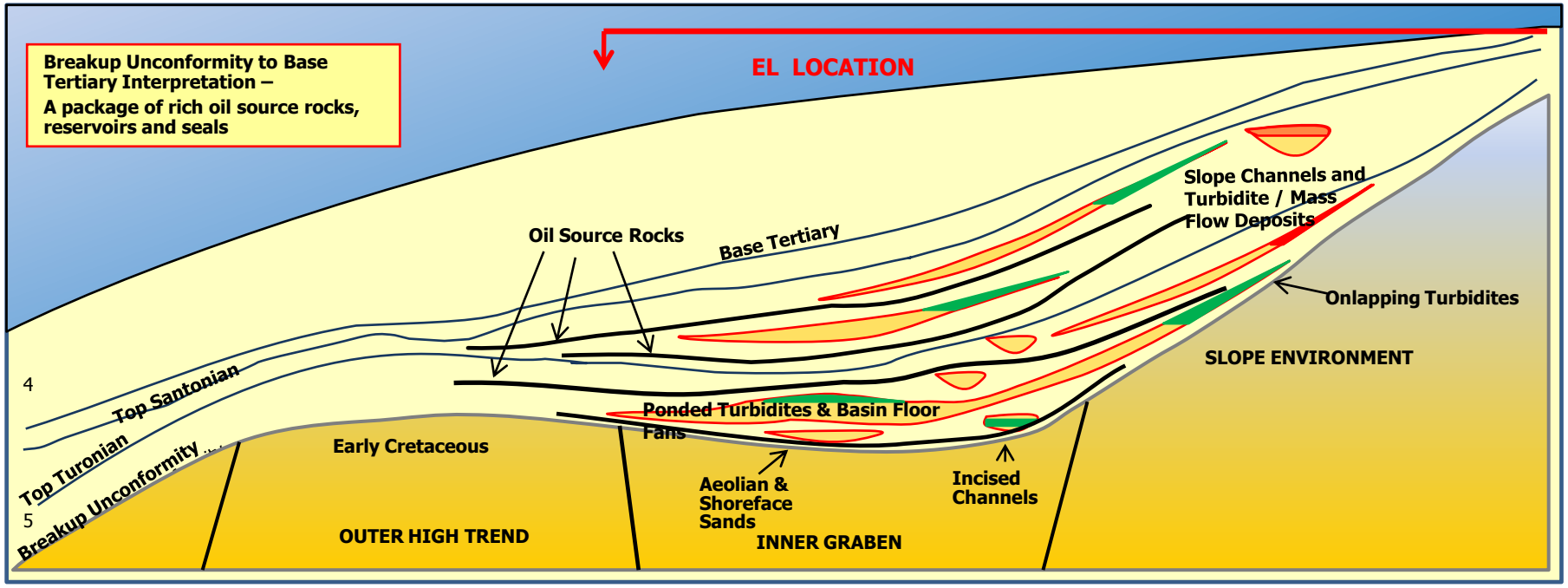
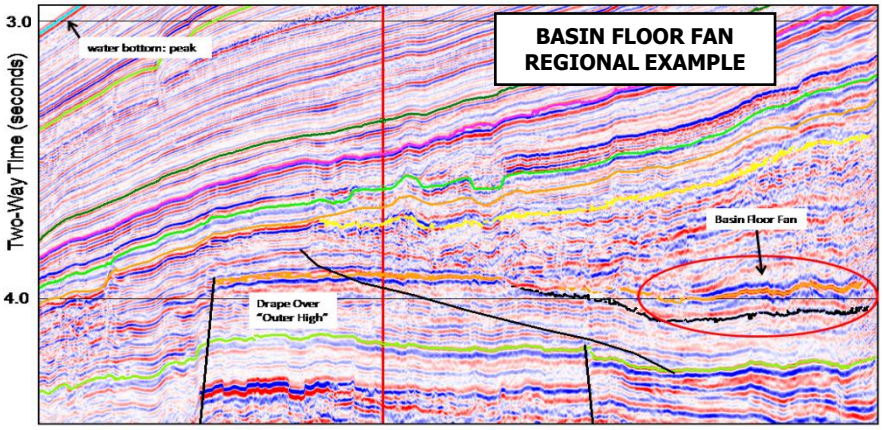
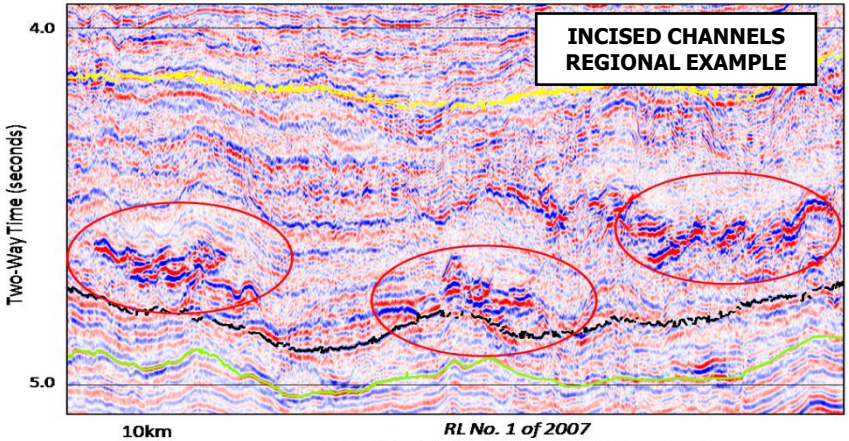


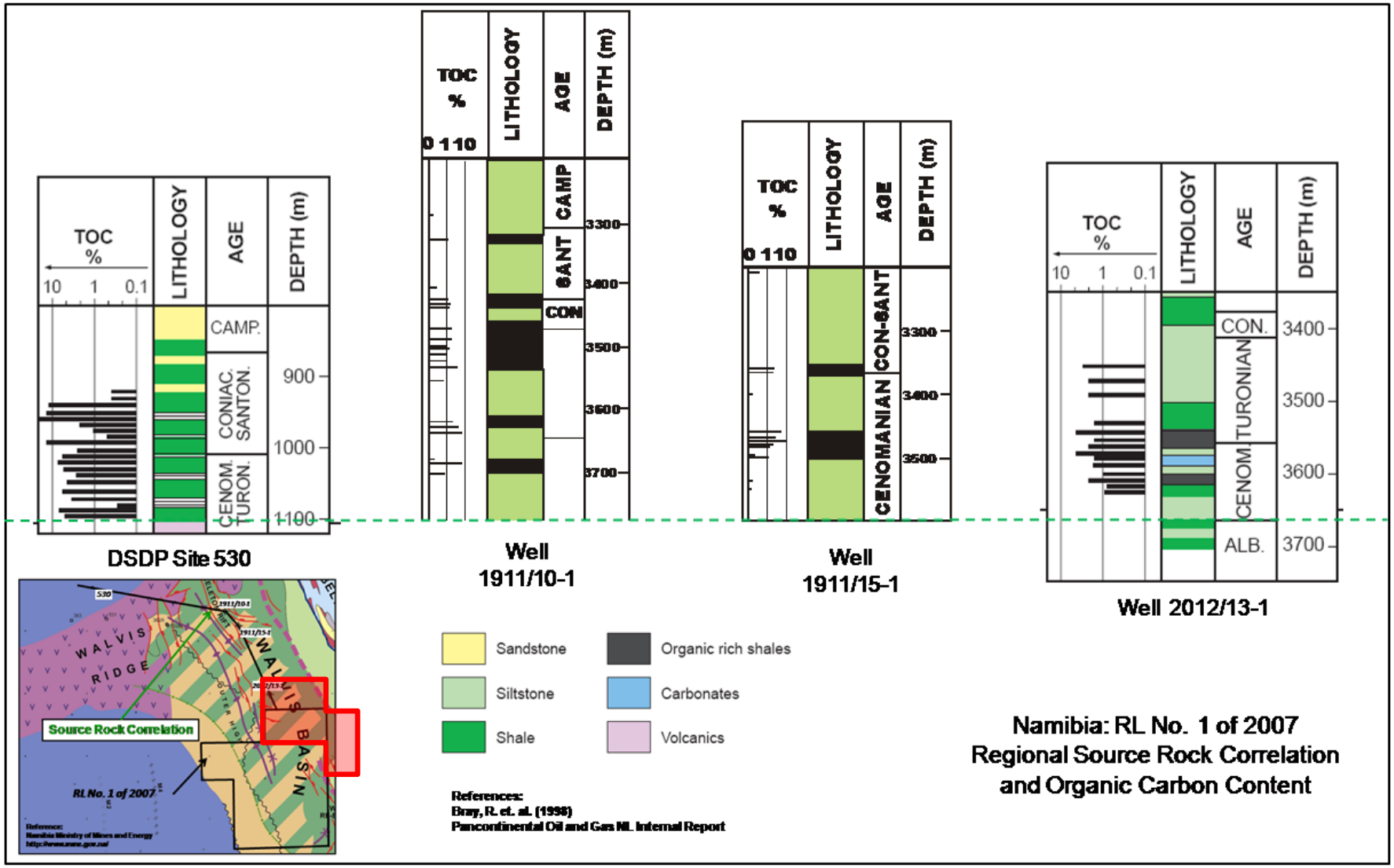


RL No. 1 of 2007
Basin Floor Fan on-lapping "Outer High"

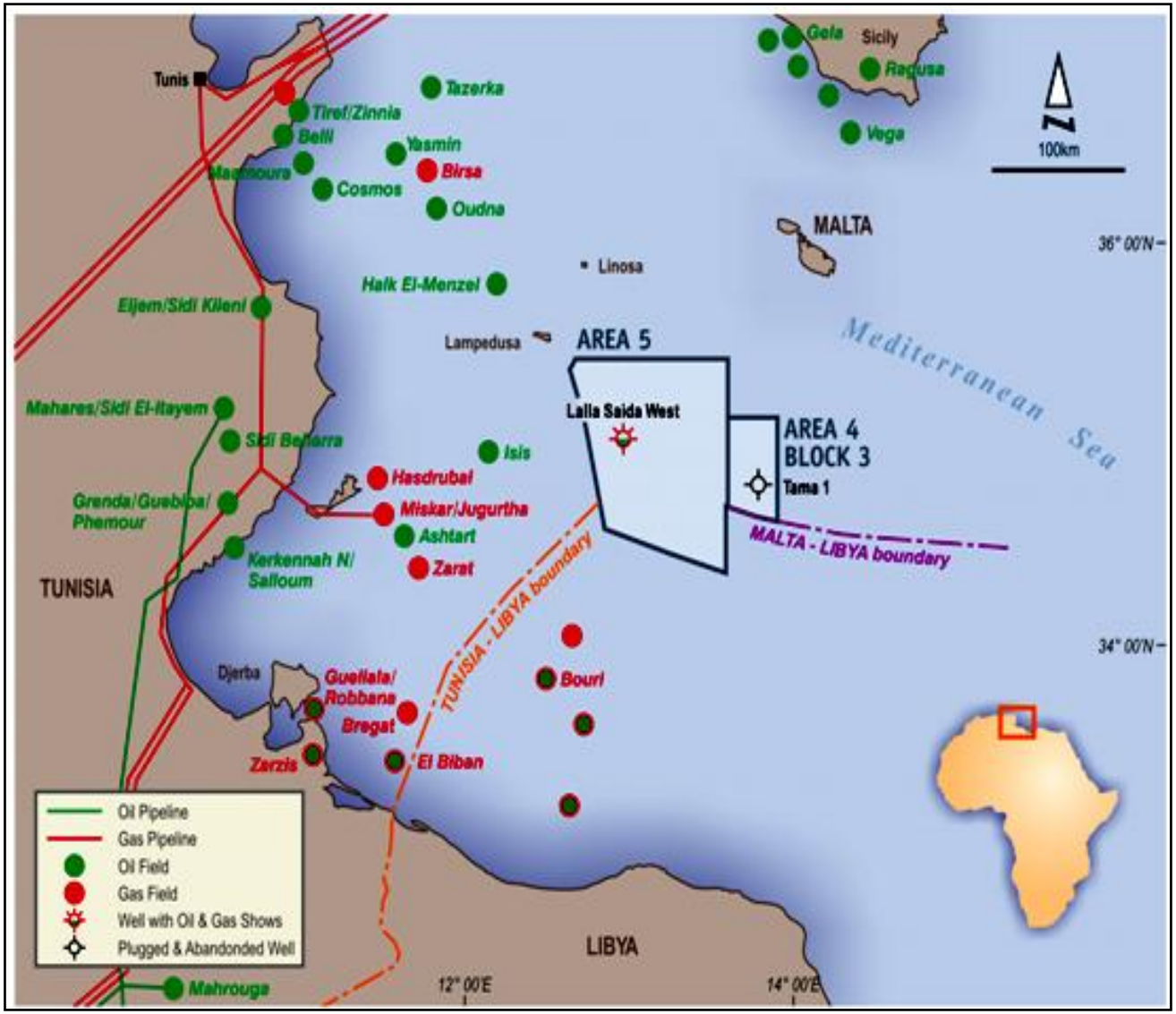


RL No. 1 of 2007
Lower Shelf Slope Confined Incised Channels

Namibia – Source Rock



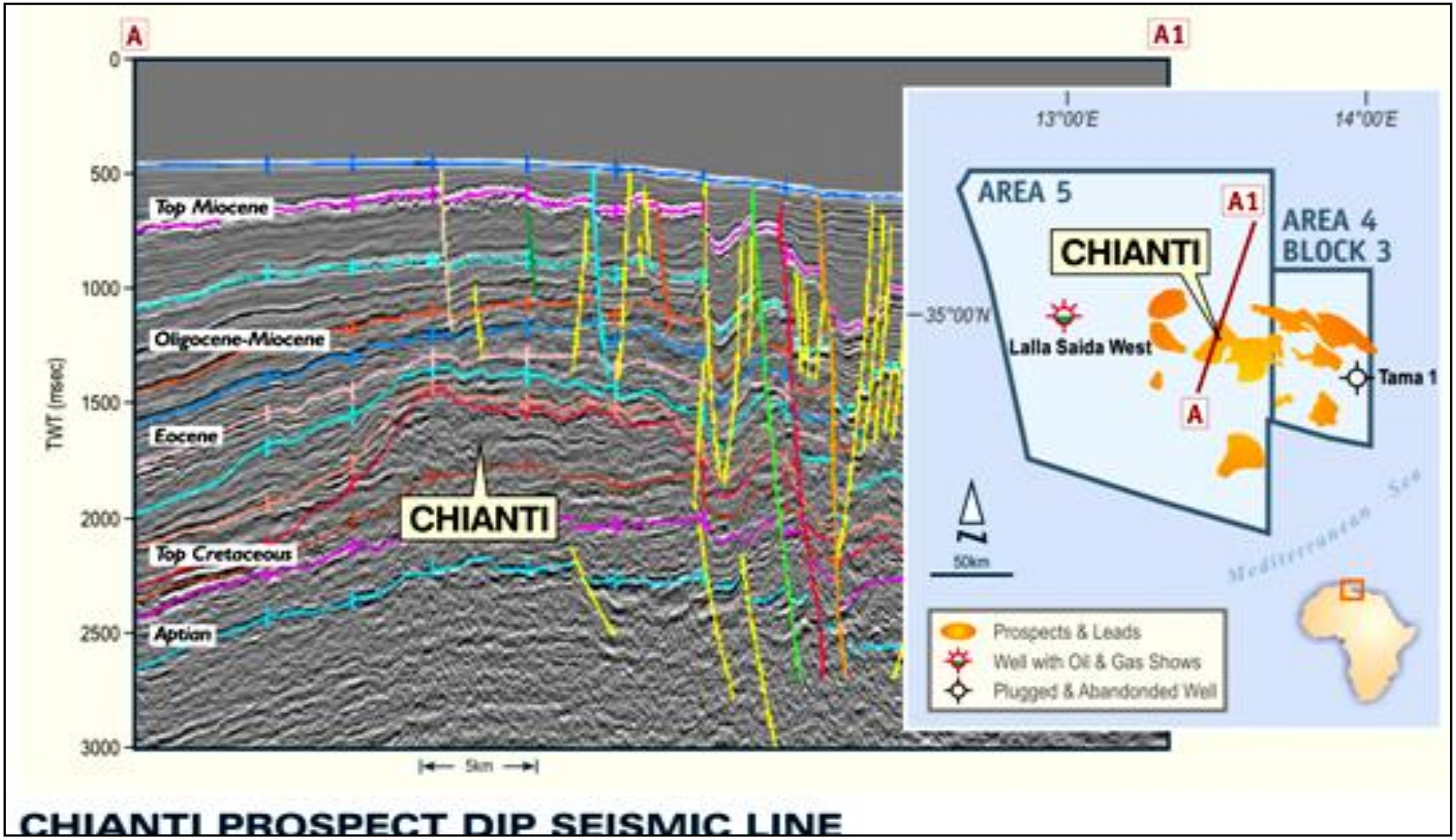
Malta: Area 5 & Area 4 – Block 3



Malta:

- Libyan geology in Maltese waters
- Several Prospects already identified- now requiring 3D
- Very large volumetric potential in main prospects
- Negotiating reinstatement of ESA

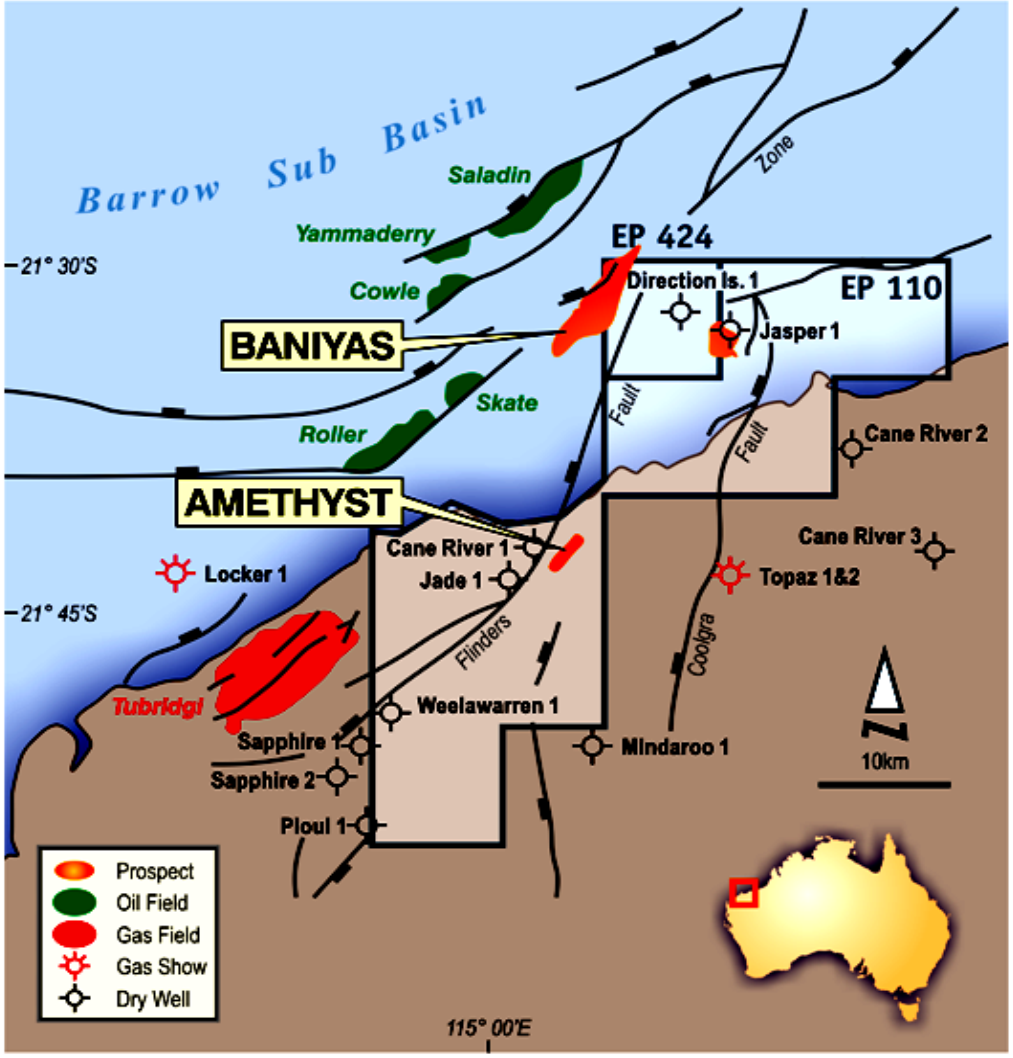
Malta – Chianti Prospect



CHIANTI PROSPECT DIP SEISMIC LINE

- Libyan geology in Maltese waters
- Chianti Prospect – interpreted large carbonate "reef" prospect

Australia – EP 110 & EP 424

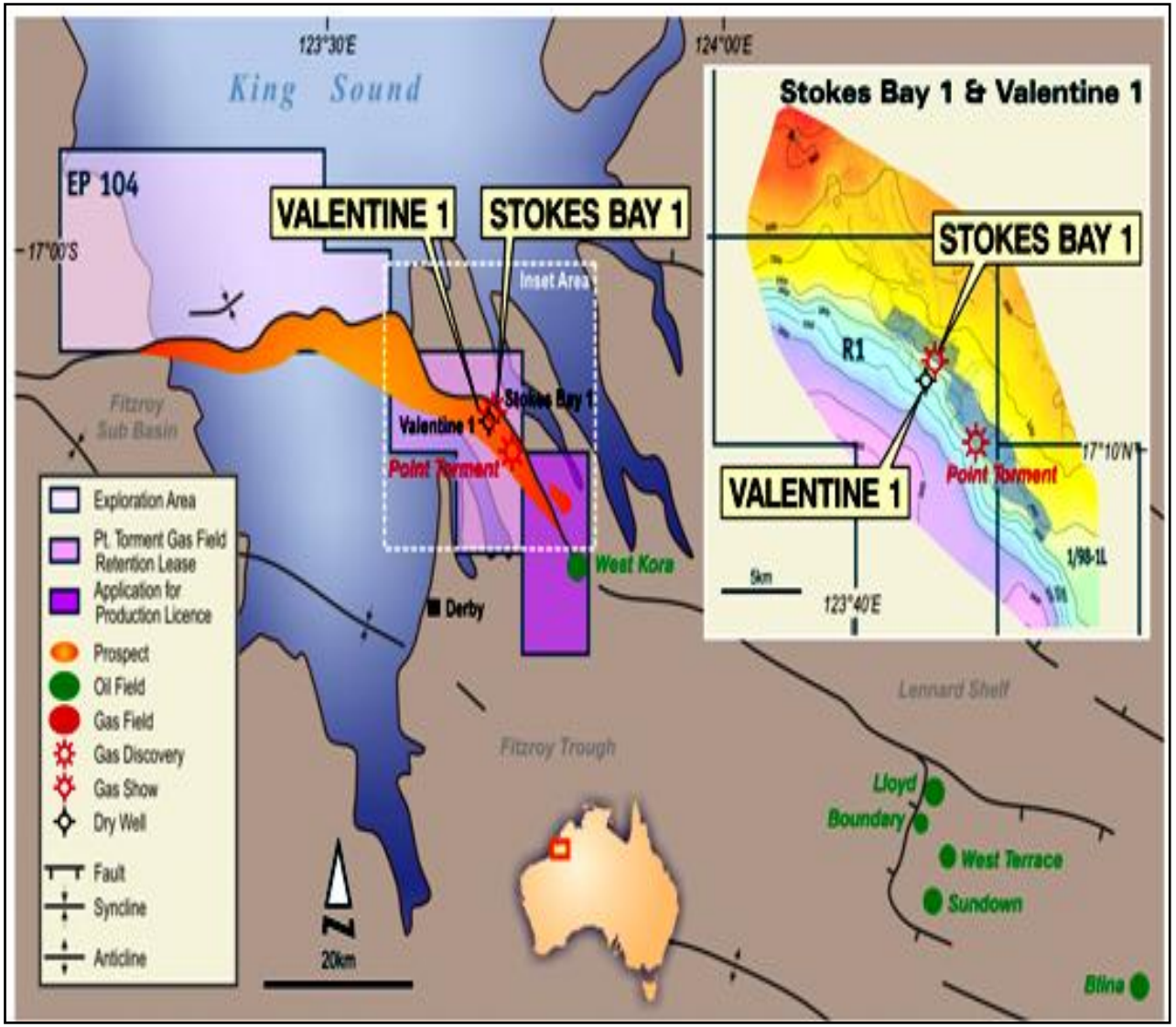


EP 110 & EP 424

EP 110 & EP 424

- PCL – 38%
- Known oil province
- Baniyas prospect on trend to producing oil fields
- Water depth of 10m

Australia – EP 104 / R1 & L15



EP 104 / R1 / L15

- Looking for oil on-trend to Blina etc PCL
- West Kora L15 oil redevelopment PCL 12%

Investment Highlights

PANCONTINENTAL

Growing Portfolio of East & West African Assets and more	✓ East and West Africa expected to host some of the largest O&G exploration plays in the next decade ✓ PCL to leverage its early mover advantage offshore Africa having secured highly prospective acreage ✓ Interests in four highly prospective offshore Kenya blocks and one block offshore Namibia covering 17,000km^2 ✓ PCL is free carried for its first well on the drill-ready billion barrel Mbawa prospect in Kenya – targeting spud H1 2012 ✓ Up to 6 wells by surrounding players in Namibia in the next 18 months – potential to significantly re-rate PCL's acreage ✓ Oil and gas interests and pending interests in Malta, Australia and Morocco
Recognised Partners with Successful African Track Record	✓ Recognised and financially capable partners such as Apache, BG, Premier, Tullow and Cove
Defined & Funded Asset Work Program	✓ Significant, fully funded work program over the next 6 months providing significant newsflow ✓ Significant activity in both West and East Africa by surrounding players has the potential to significantly re-rate PCL's portfolio over the coming 18 months
Experienced Management Team	✓ Experienced management team that has been operating in Africa for over 10 years and constantly assessing new dealflow

Board & Management

Mr Henry David Kennedy, Chairman
Mr Kennedy has had a long association with Australian and New Zealand resource companies. As a technical director he has been instrumental in the formation and/or development of a number of successful listed companies. These include Pan Pacific Petroleum NL, New Zealand Oil and Gas Limited (NZOG), Mineral Resources (NZ) Ltd and Otter Exploration NL.
During his term as Executive Director of Pan Pacific, NZOG and Otter, these companies were involved in the discovery of a number of oil and gas fields. These included the Tubridgi gas field and South Pepper, North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. He is also a director of Norwest Energy NL.

Mr Roy Barry Rushworth, CEO
Mr Rushworth has more than twenty five years experience in petroleum exploration. He is a graduate of Sydney University, with a Bachelor of Science Degree in Geology and Marine Sciences. Commencing with positions in exploration operations, his career then extended to a period as Chief Geologist and subsequently Exploration Manager for an Australian listed company. A number of oil and gas discoveries were made by the company during that time. More recently, as the General Manager and Director of Afrex Limited, he was responsible for acquiring international new venture opportunities for Afrex Limited and its then co-venturer Pancontinental Oil & Gas NL. In this position he identified and negotiated projects in Malta, Kenya and Morocco. Following the merger of Afrex Limited with Pancontinental in August 2005, he accepted the position of Director - New Ventures for Pancontinental and is now the Chief Executive Officer of the Company.

Mr Anthony Robert Frederick Maslin, Non-Executive Director
Mr Maslin is a stockbroker with corporate experience in both management and promotion, along with an extensive understanding of financial markets. Mr Maslin has been instrumental in the capital raisings and promotion of several resource development companies.

Mr Ernest Anthony Myers, Finance Director
Mr Myers has over 30 years experience in the resources industry. He is an accountant (CPA) who has held senior management and executive roles within a number of ASX listed companies. Ernie joined Pancontinental in March 2004 as Company Secretary and was appointed Finance Director in January 2009. He brings corporate and operational experience in a variety of fields including project development, feasibility studies and both equity and debt financing. Prior to his appointment with Pancontinental, he was CFO and Company Secretary of Dragon Mining Limited for a period of six years during its transition from explorer to gold producer in Sweden. Ernie has extensive experience in exploration and operational issues particularly in Kenya, Tanzania, Namibia and Eritrea.

Mrs Vesna Petrovic, Company Secretary
Mrs Petrovic has an accounting background with a Bachelor of Commerce, Major in Accounting & Business Law, she is a Certified Practicing Accountant and has completed the Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia Ltd. Mrs Petrovic has experience in the resources sector, particularly with companies involved in Africa.

PCL – Hartleys Research

- Hartleys provides active research coverage on PCL
- Coverage was initiated in August 2011
- Currently Hartleys rates PCL as a Speculative Buy
- Hartleys has a 6 month share price target of $0.20 per share which represents a 100% premium to the current share price of $0.10 per share
- Hartleys believe drilling by PCL and others over the next 12-18 months has the potential to substantially re-rate the PCL share price, which is already undervalued when compared to peers with similar resource potential

Conventional Oil & Gas: Explorer

Hartleys

PANCONTINENTAL OIL AND GAS NL

Early Mover Strategy Starting To Pay Off

Pancontinental Oil and Gas NL ("Pancontinental", "PCL", "Company") is on the verge of realisation of significant value from its strategy of early entry into oil prone frontier areas that have potential for world class (billion barrel+) prospects. By virtue of this strategy, the Company now has large exposure in two of the hottest emerging areas off the coast of Africa, Kenya and Namibia.

Drilling by PCL and others over the next 12-18 months has the potential to substantially re-rate the share price of the Company, which is already undervalued when compared to peers with similar resource potential. We expect strong share price appreciation in the lead up to these drilling events, which should kick-off towards the end of CY2011.

Drilling on Giant Mbawa Prospect Could Result in 20X Uplift

On the L8 permit offshore Kenya, PCL will participate (on a free carried basis, 15% working interest) in the drilling of the giant, 1 billion barrel plus Mbawa structure, most likely in H1 2012. The Company recently farmed in successful African explorer, Tullow Oil Plc, to obtain a free carry in this well, which, if successful, could result in 20X uplift on the current share price. Operator, Apache Corporation, is completing interpretation of the seismic prior to finalising a drilling schedule.

Elsewhere in Kenya, the Company is in the process of farming out a 3D seismic program on its L6 permit (PCL 40%), located to the north of L8.

The Company, through its strong in-country relationships, was also recently awarded two additional permits (L10A/L10B, PCL 15%) in Joint Venture with industry heavy weights, BG Group, Premier Oil Plc and Cove Energy Plc. BG has indicated that it plans to "fast track" exploration on these permits and early work on existing seismic has already identified some large leads.

Namibia Icing on the Cake – Peers Illustrate Value Potential

Pancontinental entered Namibia in 2007, prior to the recent upsurge in industry interest in the region, which has been spurred by interpreted geological similarities to the offshore areas of Brazil where multi-billion barrel oil discoveries have been made. The Company was recently awarded a large exploration licence, EL0037 (PCL 85%). Like Kenya, PCL selected the area for its potential for generation of oil as opposed to gas. Subsequently, oil slick analysis, undertaken by multi-billion dollar neighbour HRT Oil and Gas, has identified the largest concentration of oil slicks offshore Namibia directly over PCL's blocks.

Peers with permits in the region are trading on substantially higher valuation metrics than PCL. Up to 6 wells will be drilled offshore Namibia over the next 18 months, several of which will be nearby to PCL's blocks.

Window of Opportunity Closing for Cheap Entry

The level of increased industry interest, combined with the upcoming drilling in both regions, means that, prior to any drilling events, PCL is unlikely to be any cheaper than its current price. This gives investors an opportunity to gain access to substantial leverage to possible drilling success but also to participate in the likely share price appreciation in the lead up to any drilling. This appreciation has already begun but we believe it has a long way to go yet, and view this as one of the lowest risk opportunities for positive investment returns in the sector.

We rate Pancontinental as a Speculative Buy with a 6 month price target of 20cps.

PCL.asx
Speculative Buy

	3 Aug 2011
Share Price:	$0.100
6mth Price Target:	$0.20

Brief Business Description:
Frontier explorer with a knack for early entry into oil prone areas.

Hartleys Brief Investment Conclusion
Undervalued compared to international peers. Large exposure to drilling events over next 18 months.

Chairman & CEO:
Mr Henry David Kennedy (Chairman)
Mr Roy Barry Rushworth (CEO, Director)

Top Shareholders:
HENRY DAVID KENNEDY (23.5%)
INDAGO RESOURCES LIMITED (8.8%)
ROY BARRY RUSHWORTH (5.3%)

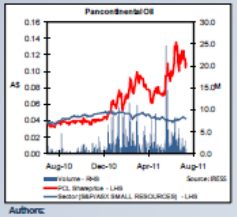
Company Address:
Ground Floor, 288 Stirling St
Perth, WA, 6000

Valuation:	$0.32
Issued Capital:	660.8m
- fully diluted	674.5m
Market Cap:	$66.1m
- fully diluted	$67.5m
Cash Equiv (30 June '11):	$5.7m
Debt (30 June '11):	$0.0m

Valuation Summary

Asset	Value ($m)	Value ($pc)	Unrisked Value ($pc)
L8 - Mbawa	128.28	0.190	1.90
EL0037	30.00	0.044	4.45
10A	10.00	0.015	0.74
10B	10.00	0.015	0.74
Malta	1.81	0.003	1.34
L6	40.00	0.059	1.19
Australia	3.60	0.005	1.00
Cash	5.70	0.008	0.008
Debt	0.00	0.000	0.000
Corp Admin	-11.33	-0.017	-0.017
Options	1.00	0.001	0.001
Total	**219.06**	**0.325**	**11.36**

Source: Hartleys Research



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Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Pancontinental Oil and Gas. See disclosure on back page for details. The analyst has a benifical interest in the shares of Pancontinental Oil and Gas Ltd.

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