

# PANCONTINENTAL OIL & GAS NL

## ANNUAL GENERAL MEETING PRESENTATION

29 November 2011

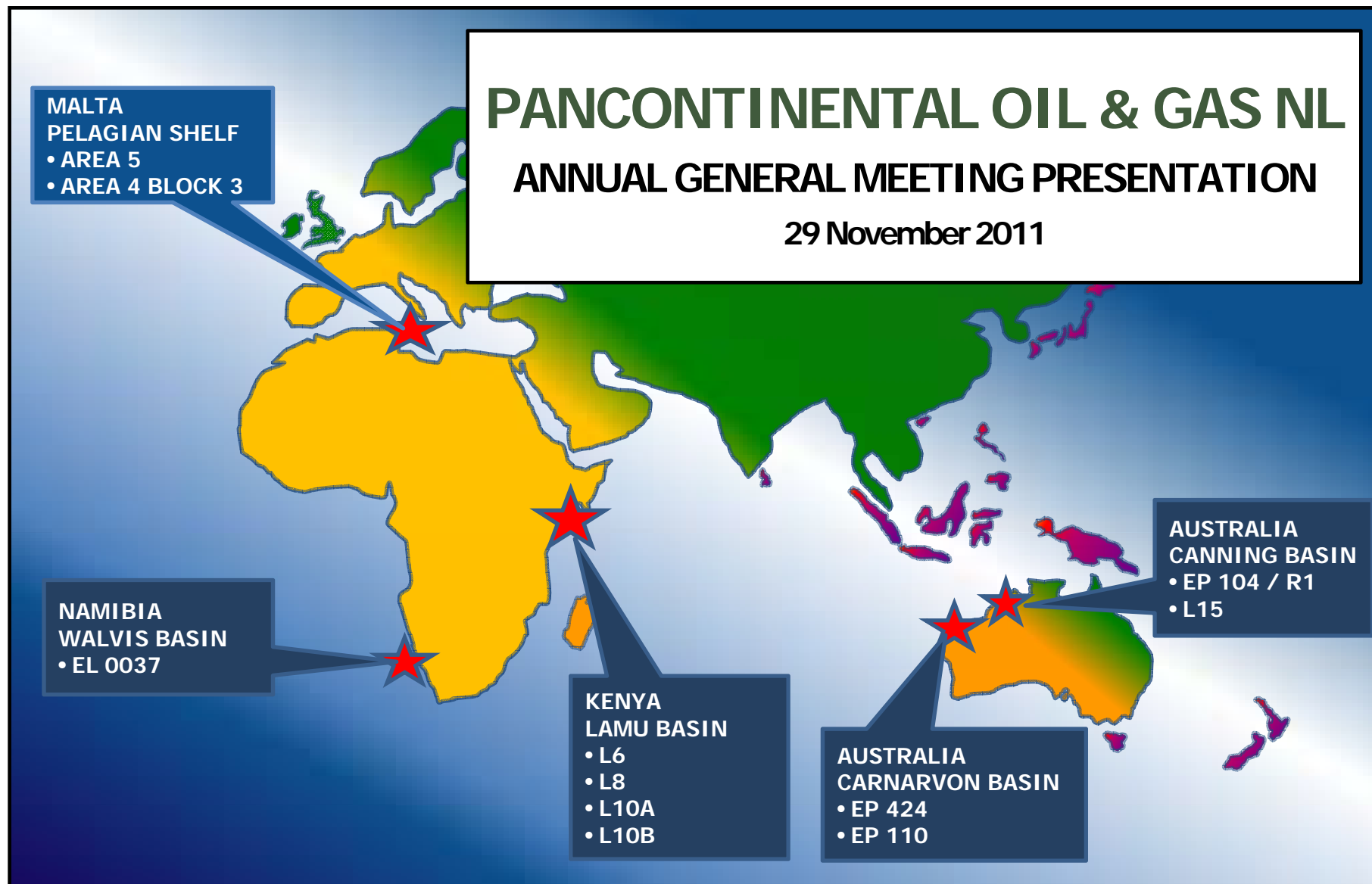
**MALTA  
PELAGIAN SHELF**  
• AREA 5  
• AREA 4 BLOCK 3

**NAMIBIA  
WALVIS BASIN**  
• EL 0037

**KENYA  
LAMU BASIN**  
• L6  
• L8  
• L10A  
• L10B

**AUSTRALIA  
CARNARVON BASIN**  
• EP 424  
• EP 110

**AUSTRALIA  
CANNING BASIN**  
• EP 104 / R1  
• L15



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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.*

## Growing Portfolio of East & West African Assets

## Recognised Partners with Successful African Track Record

## Defined & Funded Work Program

## Experienced Management Team, Looking to the Future

- **Pancontinental Oil & Gas** is an ASX listed E&P company focussed on **Kenya** (East Africa) and **Namibia** (Southwest Africa). ASX code: PCL
- **Pancontinental** has an “early mover” advantage in Africa ensuring it is well positioned amongst peers
- **High volume oil and gas potential** means potential for **significant financial upside**
- **Four licences offshore Kenya (18,000 Sq Km)** as well as a large 17,000 Sq Km area offshore **Namibia**
  - **Pancontinental is partnered by major companies** (BG, Origin, Apache, Tullow, Premier, Cove) through farmin and new projects – confirming the world class prospectivity of the acreage
  - **Pancontinental is substantially free carried for its first well** on the drill-ready billion barrel potential **Mbawa Prospect** offshore Kenya
  - **In East Africa more than 10 wells are planned** by players in the next 18 months – potential to significantly re-rate Pancontinental's Kenyan acreage
  - **In Namibia 6 wells or more are planned by surrounding players** in the next 18 months – potential to significantly re-rate Pancontinental's Namibian acreage
- **Experienced management team** with long operational track record in Africa
- **Pancontinental** also has oil and gas interests and pending interests in Malta and Australia and maintains a policy of reviewing new opportunities

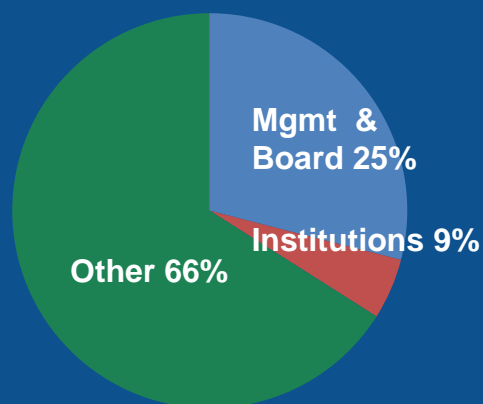
# Corporate Overview



## Capital Structure

ASX Code:	PCL
Share Price:	c.A\$0.10
Shares on Issue:	c.661M
Market Cap:	c.A\$66M
Cash:	A\$3.3 M
Debt:	Nil
52 Week High/Low (A\$):	3.5c / 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
8. 3D seismic commences in L01A and L10B

# Pancontinental Asset Overview




Block	Area (km <sup>2</sup> )	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%)

# Kenya – Interest is Heating Up!



- PCL has been active in Kenya for over 10 years and has an early mover advantage
- Industry analysts continue to report East Africa has the potential to be one of the largest oil and gas exploration plays over the next decade. Multiple gas discoveries and accelerating exploration activities
- Recent farm-in deals and acquisitions have been secured at considerable premiums by major oil and gas companies – BG Group, Origin, Apache, Tullow, Cove, Total S.A, Ophir Energy .....



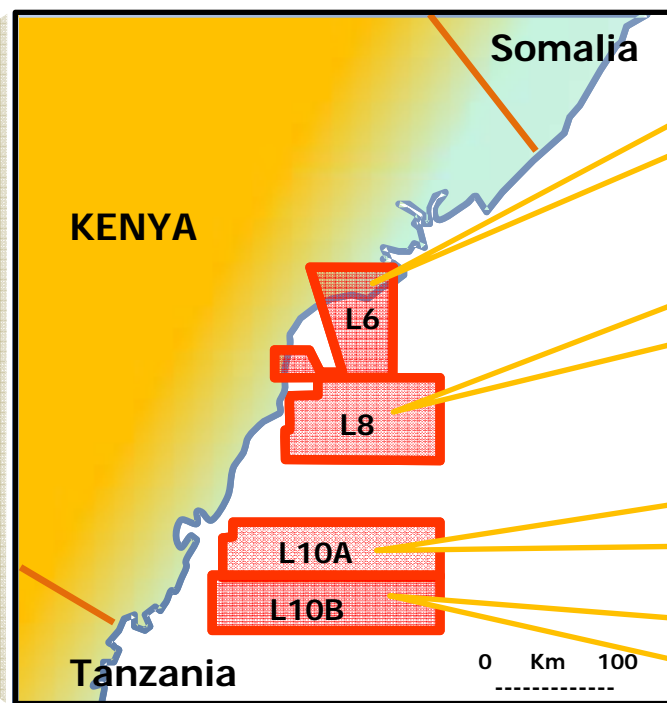
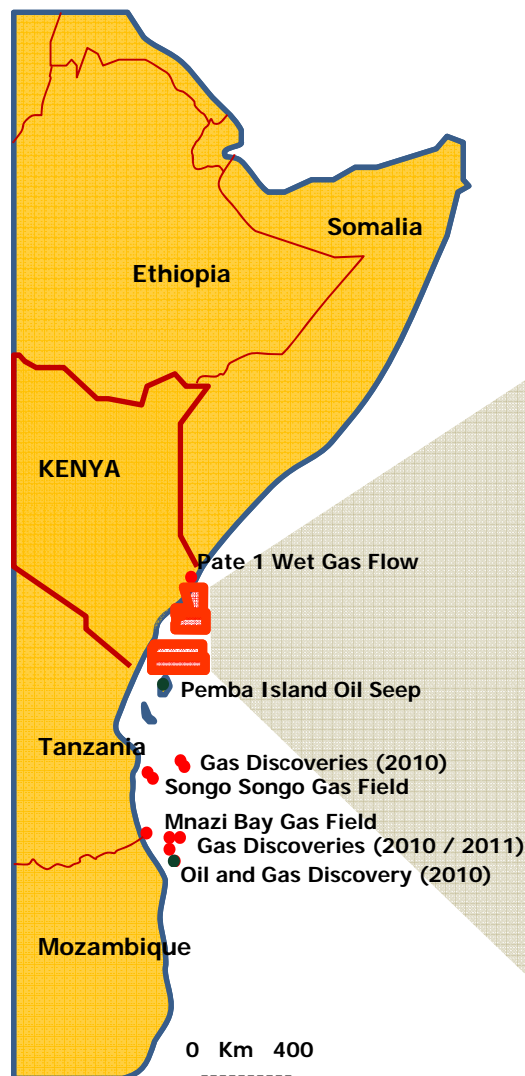
Date	Announcement	Acquirer	Acquiree	Interest In	Deal Type
Oct-11	Ophir Energy Acquires Dominion Petroleum	Ophir Energy plc	Dominion Petroleum Limited	Kenya Blocks L9 & L15, Tanzania Block 7, Uganda Area 4B, DRC Block 5	Company
Sep-11	FAR Limited Acquires Flow Energy Limited	FAR Limited	Flow Energy Limited	Kenya Blocks L6 & L9, Jamaica Blocks 6, 7, 10, 11, 12	Company
Sep-11	TOTAL S.A Acquires Interests in Kenyan acreage from Anadarko and Cove Energy	TOTAL S.A	Anadarko, Cove Energy plc	Kenya Blocks L5, L7, L11A, L11B and L12	Project
Mar-11	Tullow Acquires Interests in Kenyan acreage from Pancontinental	Tullow Oil plc	Pancontinental	Kenya Block L8	Project
Feb-11	Apache Acquires Interests in Kenyan acreage from Origin Energy	Apache Corp.	Origin Energy	Kenya Block L8	Project
Jun-10	Afren plc Acquires Black Marlin Energy	Afren plc	Black Marlin Energy Holdings	Kenya Blocks 10A, 1, L17/L18, Seychelles A, B,C and Ethiopia Blocks 2, 6, 7, 8	Company

# Pancontinental Offshore Kenya



## PANCONTINENTAL OFFSHORE KENYA

- Four blocks totalling >18,000 sq km
- Significant long term holdings in prime areas
- Major partners with successful East African track record
- Very large prospect potential (> 1 Billion Bbls)



**L6 - 3,100km<sup>2</sup>**  
Flow 60%  
**Pancontinental 40%**

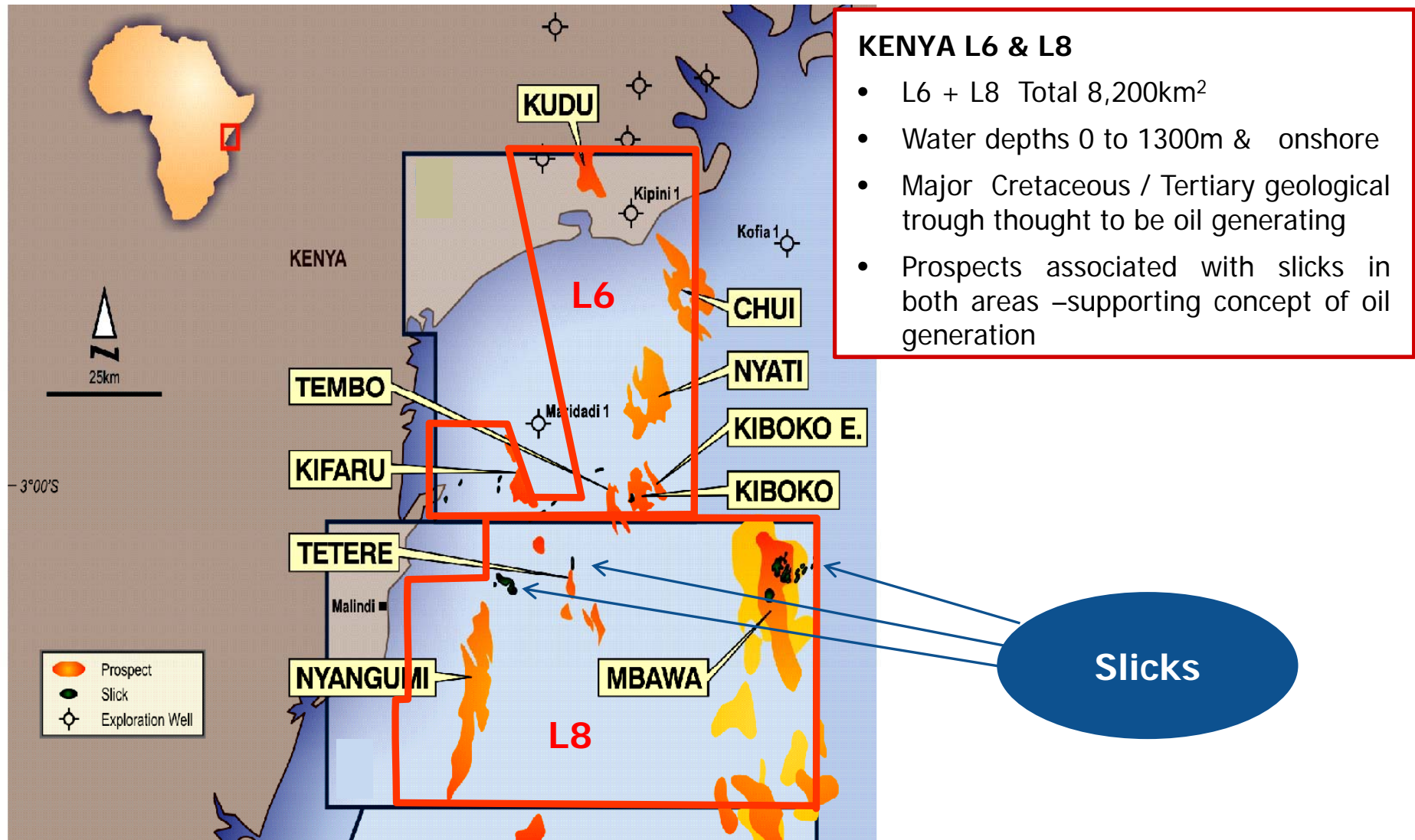
**L8 - 5,115km<sup>2</sup>**  
Apache 50%  
Origin 20%  
**Pancontinental 15%**  
Tullow 15%

**L10A - 4,962km<sup>2</sup>**  
BG 40%  
Cove 25%  
Premier 20%  
**Pancontinental 15%**

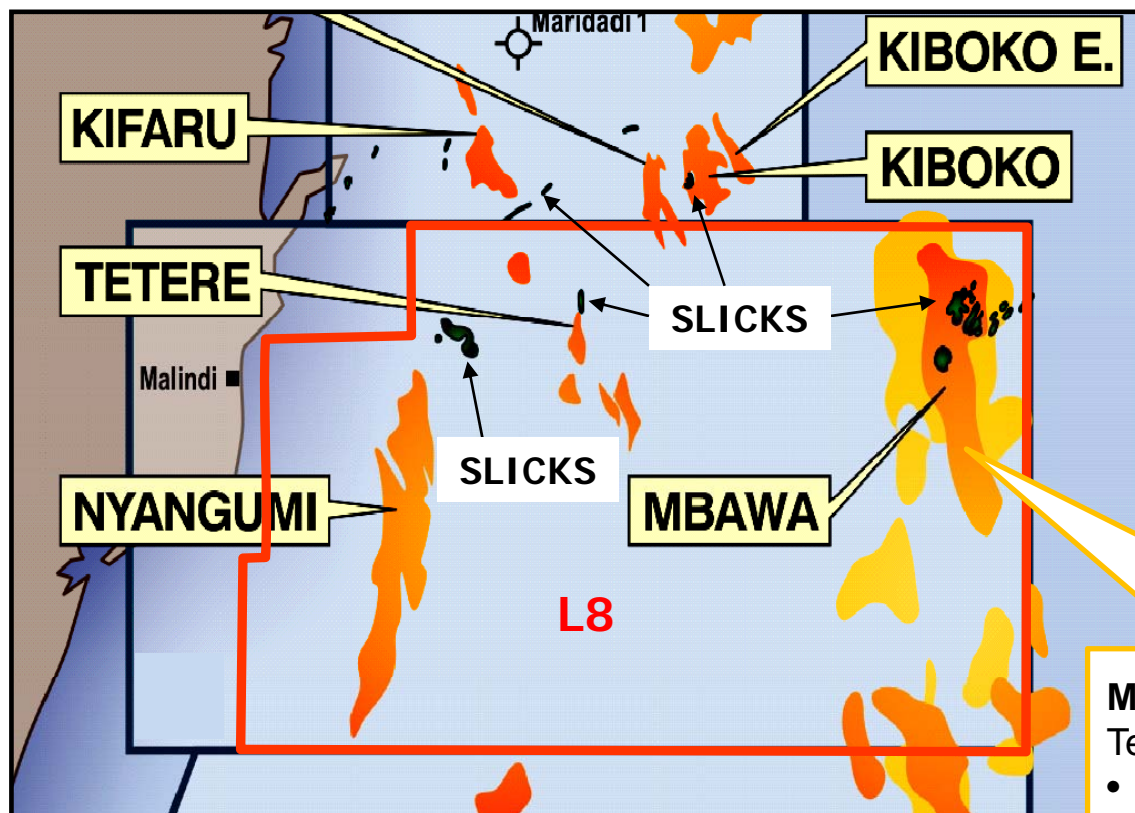
**L10B - 5,585km<sup>2</sup>**  
BG 45%  
Premier 25%  
**Pancontinental 15%**  
Cove 15%



# Kenya L6 & L8 Slicks







## KENYA L8

- PCL 15%
- 5,100 Km<sup>2</sup>
- Water depth 0 to 1,300m
- Mbawa drilling planned mid 2012 – PCL free carried by Tullow
- Farmins by Apache and Tullow 2011
- New operator Apache looking at rig availability
- Slicks coincide with sea floor expulsion craters

## 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

\* 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 drilling planned mid 2012 – PCL free carried by Tullow to US\$ 9 million “cap”**



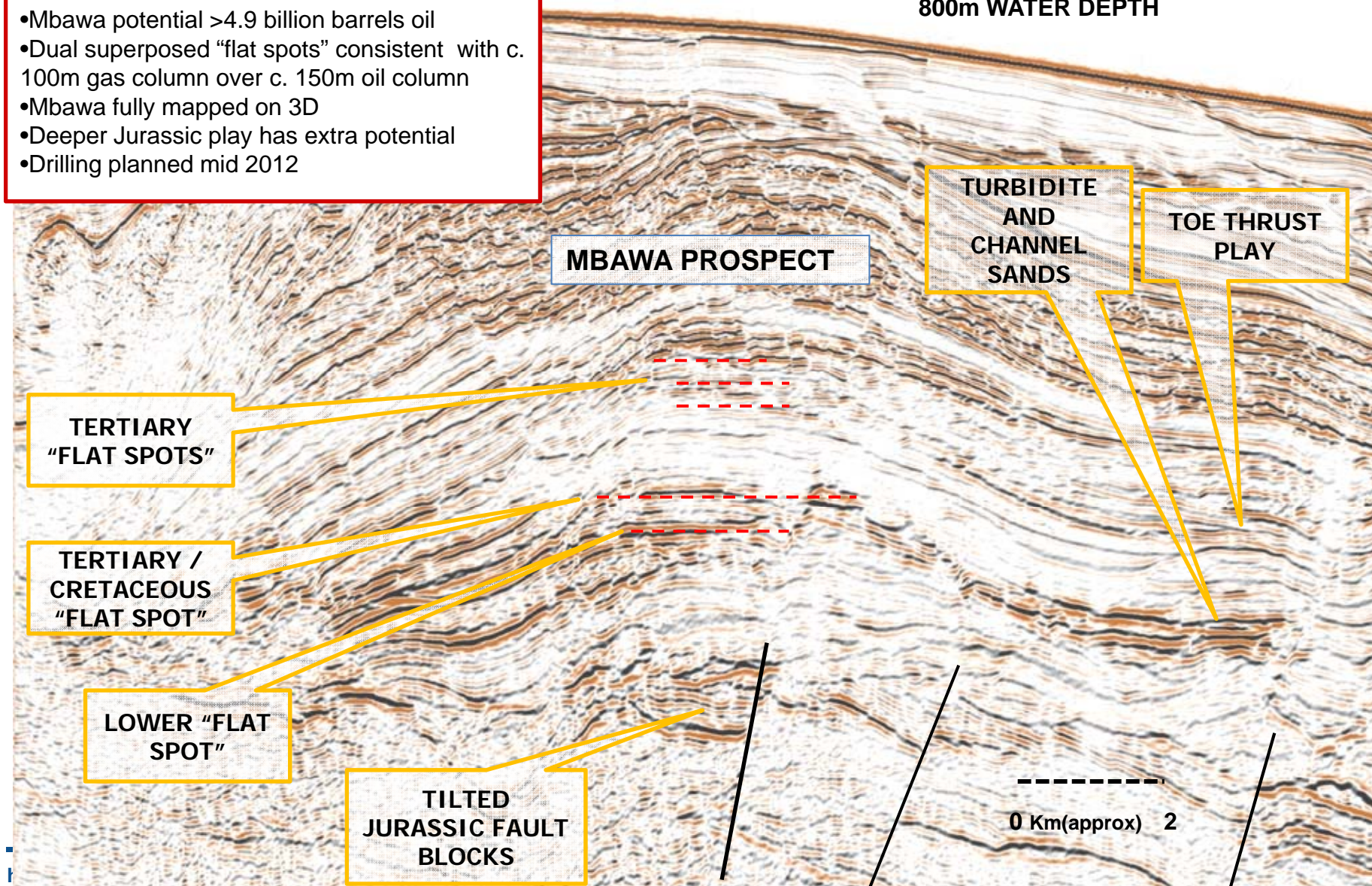
# Kenya L8 – Mbawa



## KENYA L8 MBAWA PROSPECT

- Mbawa potential >4.9 billion barrels oil
- Dual superposed "flat spots" consistent with c. 100m gas column over c. 150m oil column
- Mbawa fully mapped on 3D
- Deeper Jurassic play has extra potential
- Drilling planned mid 2012

800m WATER DEPTH

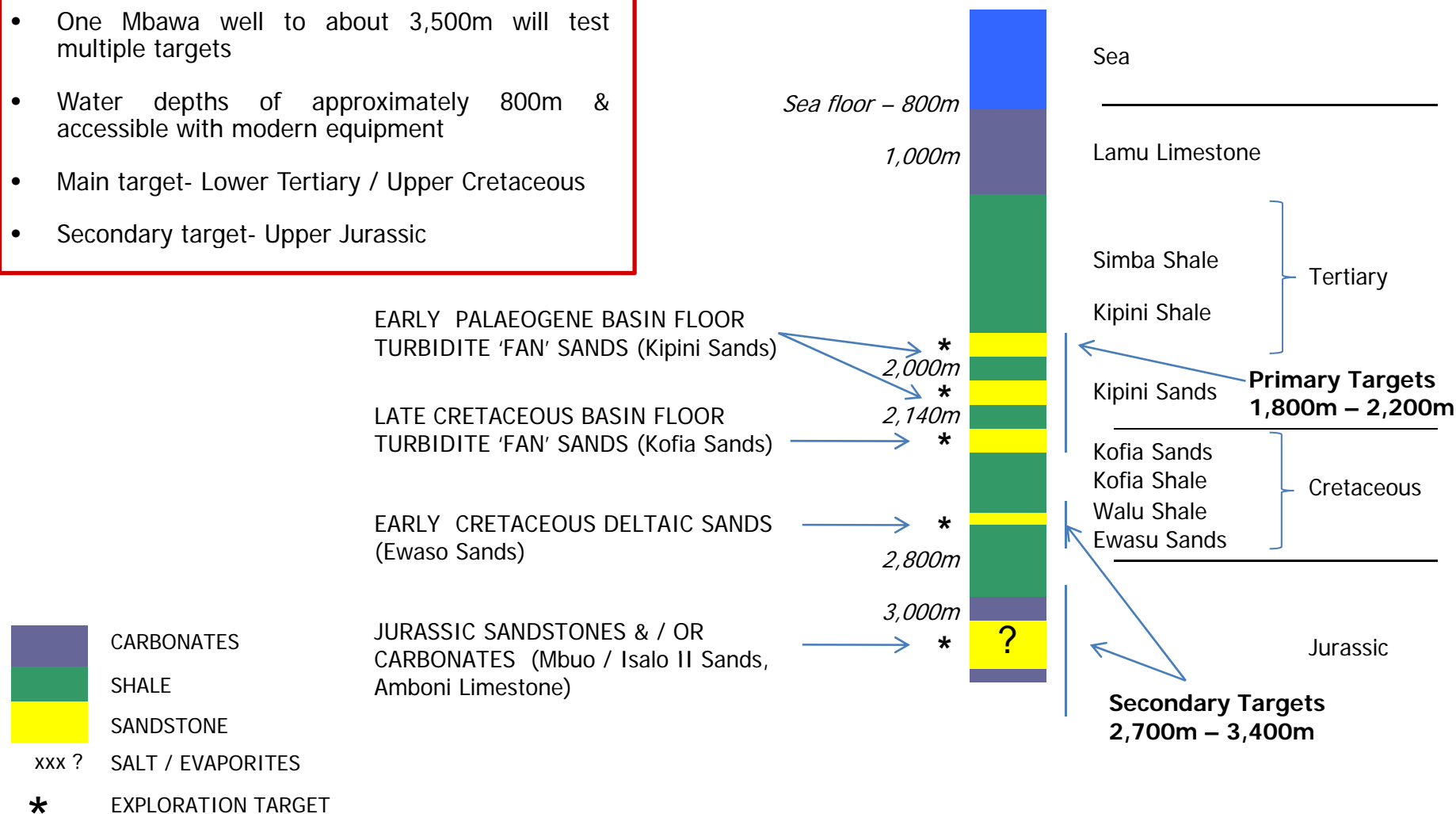


# Kenya L8 – Mbawa



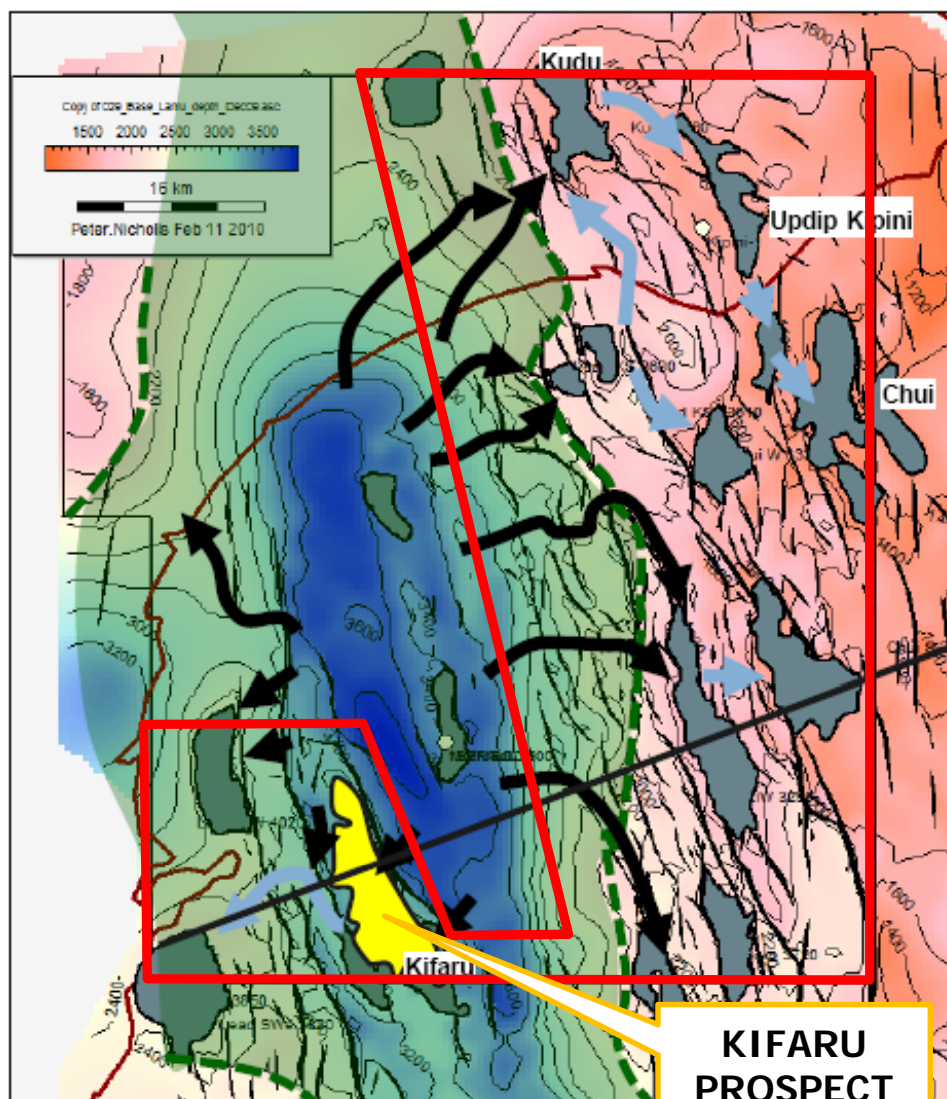
## MBAWA DRILLING

- One Mbawa well to about 3,500m will test multiple targets
- Water depths of approximately 800m & accessible with modern equipment
- Main target- Lower Tertiary / Upper Cretaceous
- Secondary target- Upper Jurassic





# Kenya L6 Kifaru Prospect



## KENYA L6

- PCL 40%
- 3,100 Km<sup>2</sup>
- Water depth 0 to 300m
- Kifaru- main prospect adjacent to interpreted hydrocarbon kitchen / trough
- Farming out 2011 / 2012
- 3D over 2+ prospects 2011 / 2012
- Drilling 2012 / 2013

## KENYA L6 EXPLORATION PLAY

- Lamu Basin has >10km of sediments
- Various good quality source rocks sampled along the East African margin. Many old wells intersected good oil and gas shows, with three wells flowing gas.
- Thick Tertiary deposition brings potential source rocks into play as mature oil sources. Migration pathways are short and direct.
- Lamu Basin is part of a failed Late Cretaceous to Tertiary rift, with good analogues with prolific oil prone Early Tertiary source rocks in India's Bombay and Cambay basins. Cretaceous and Tertiary depocentres occur in restricted marine settings between structural highs.
- Eocene source rock samples range up to 11% TOC and hydrogen indices up to 688 - this interval could be an excellent oil source
- L6 has a variety of structural leads- one trend has leads clustered on either side of.
- Almost 8tcf unrisked recoverable resource identified and mapped at the Eocene Kipini sands level. Most structures are closed in the deeper Cretaceous where additional resource potential exists. Two of the main leads are Kifaru and Tembo.

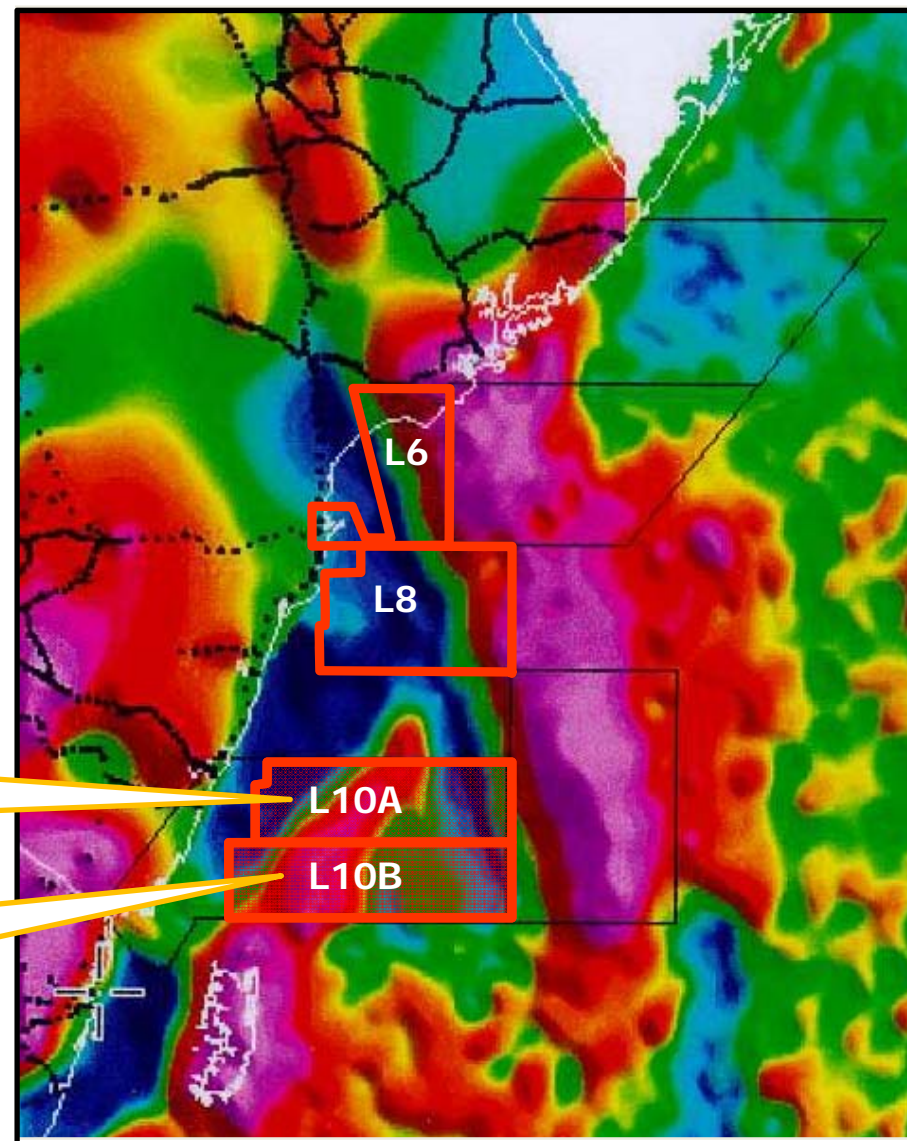
# Kenya L10A & L10B

## KENYA L10A & L10B

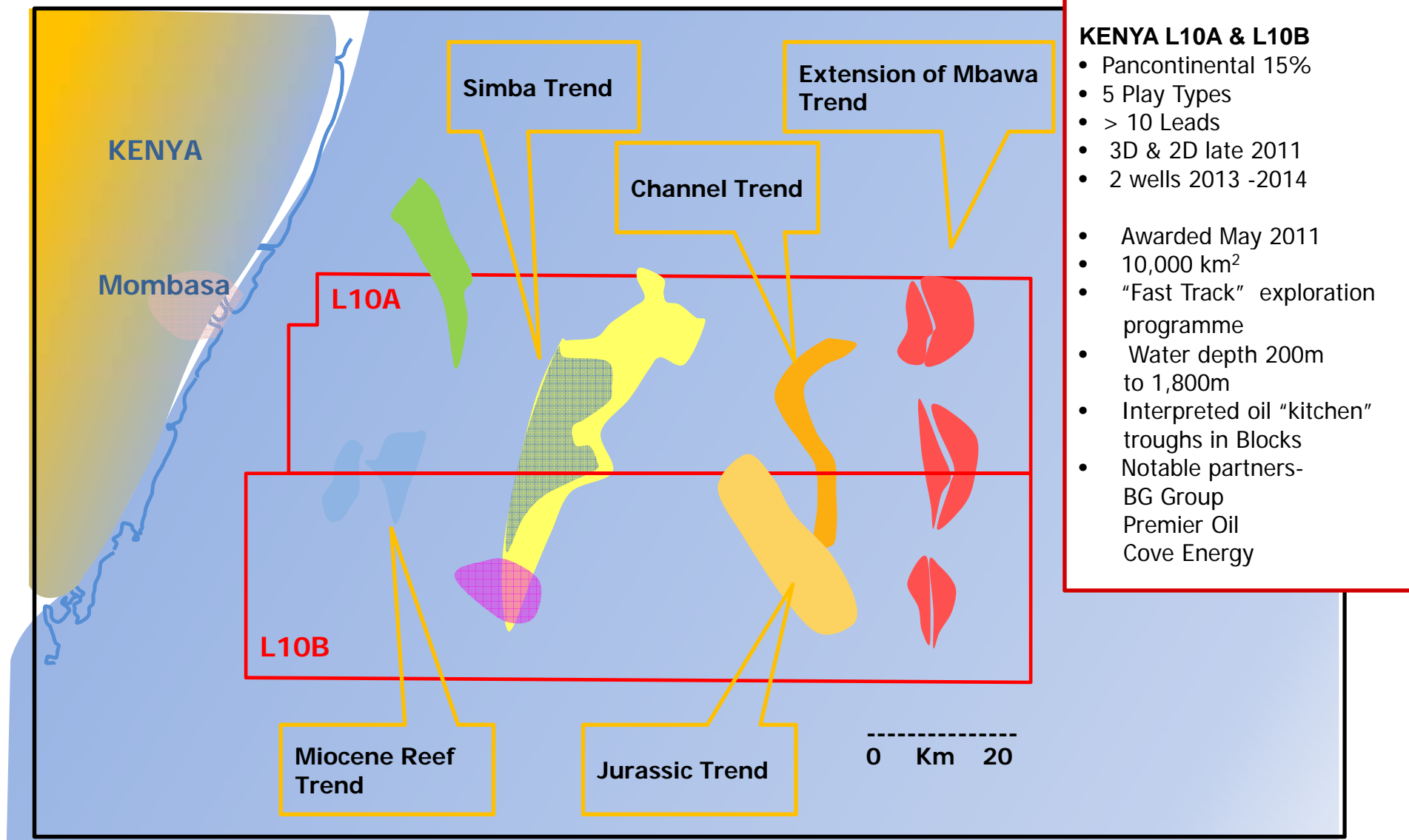
- Two new blocks awarded 17 May 2011
- Effective Date 17 August 2011
- c. 10,000 km<sup>2</sup>
- Water depth 200m to 1,800m
- Interpreted oil “kitchen” troughs
- Notable partners- BG Group, Premier Oil, Cove Energy
- “Fast Track” exploration programme
- Strong Leads already mapped
- 3D & 2D seismic start Nov 2011

**L10A – 4,962km<sup>2</sup>**  
BG 40%  
Cove 25%  
Premier 20%  
**Pancontinental 15%**

**L10B – 5,585km<sup>2</sup>**  
BG 45%  
Premier 25%  
**Pancontinental 15%**  
Cove 15%

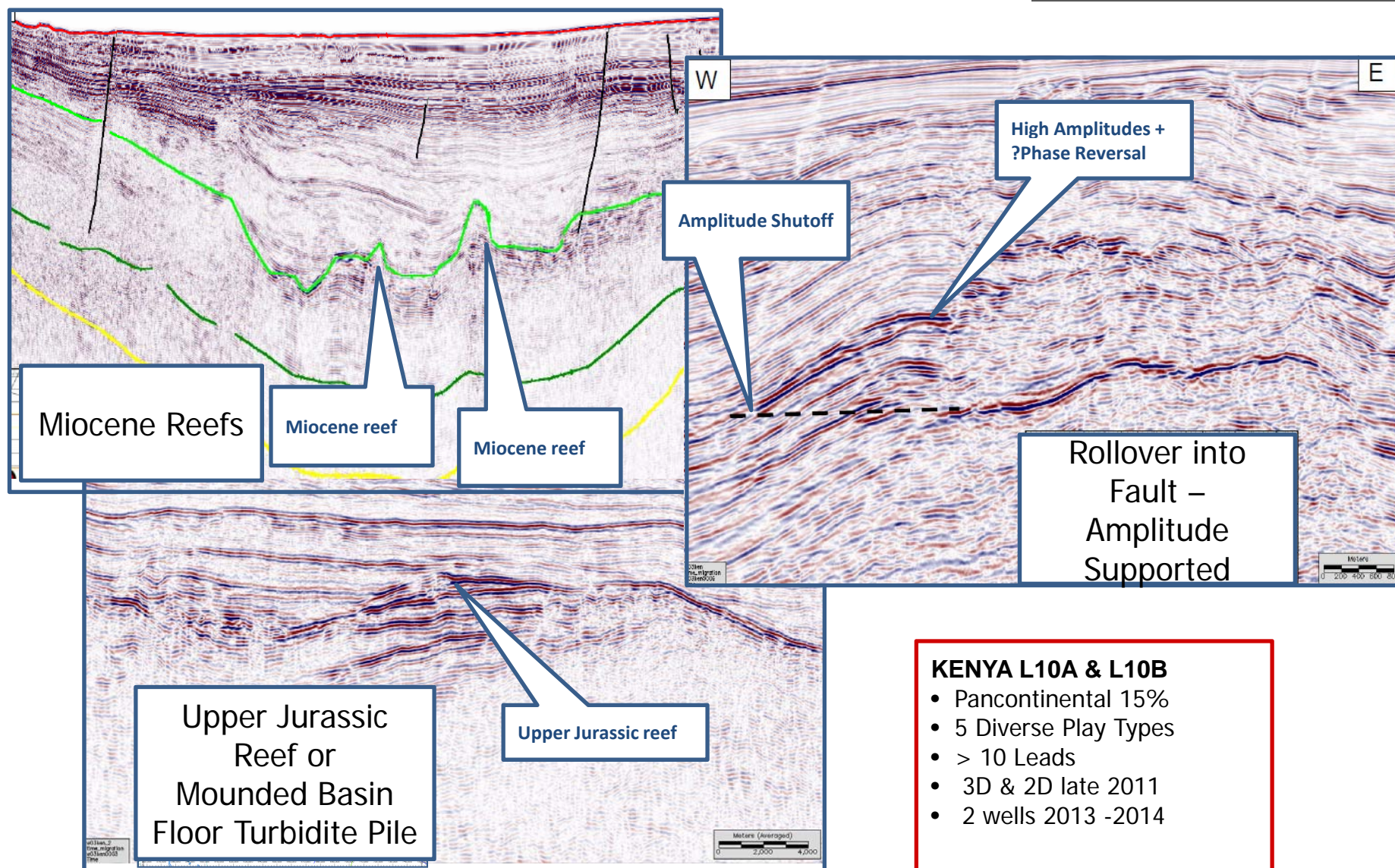


# Kenya L10A & L10B – Leads





# Kenya L10A & L10B – Leads



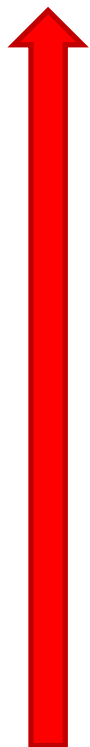
## KENYA L10A & L10B

- Pancontinental 15%
- 5 Diverse Play Types
- > 10 Leads
- 3D & 2D late 2011
- 2 wells 2013 -2014

# Namibia – Interest is Heating Up!



- Pancontinental has been active in Namibia for over 8 years and has an early mover advantage
- Upsurge in industry interest in Namibia due to geological similarities with offshore Brazil
- Recent farm-in deals and acquisitions at considerable premiums by major oil and gas companies (BP plc, HRT Participacoes, Chariot)



Date	Announcement	Acquirer	Acquiree	Interest In	Deal Type
Aug-11	PGS Acquire 10% of Chariot's Central Blocks	Petroleum Geo Services (PGS)	Chariot Oil and Gas	Namibia Licence 19 (covering Blocks 2312 A & B and Northern halves of 2412 A & B)	Project
Aug-11	Chariot Signs Farm Out Agreement With BP	BP Plc	Chariot Oil and Gas	Namibia Block 2714A (Licence 20)	Project
Feb-11	HRT Acquires UNX Energy Corporation	HRT Participacoes	UNX Energy Corporation	Namibia Licenses 1711A, 1711B, 2713B, 2713A, 2815, 2816, 2915, 2914A, 2814B, 2813A	Company
Jan-11	Global Petroleum Acquires Jupiter Petroleum's exploration interests in Namibia	Global Petroleum Limited	Jupiter Petroleum Limited	Namibia Blocks 1910B & 2010A	Company
Mar-07	Pancontinental Awarded RL1-0037 Reconnaissance Licence Offshore Namibia	Pancontinental	Awarded by Namibian Government	Namibia Licence RL1- 0037	Project

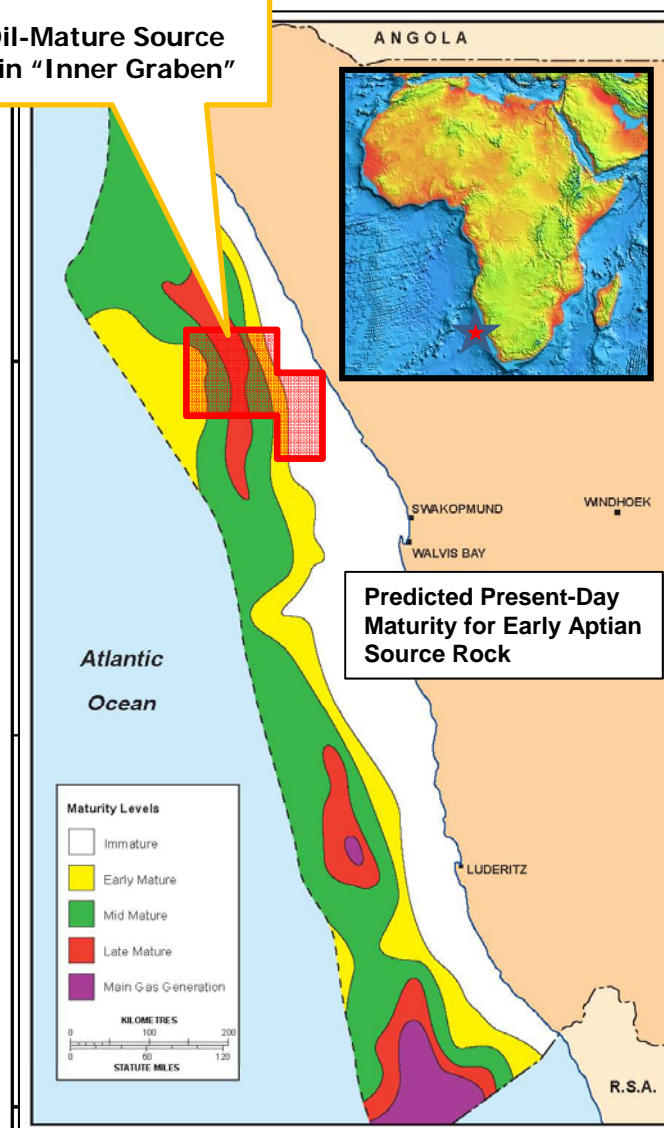
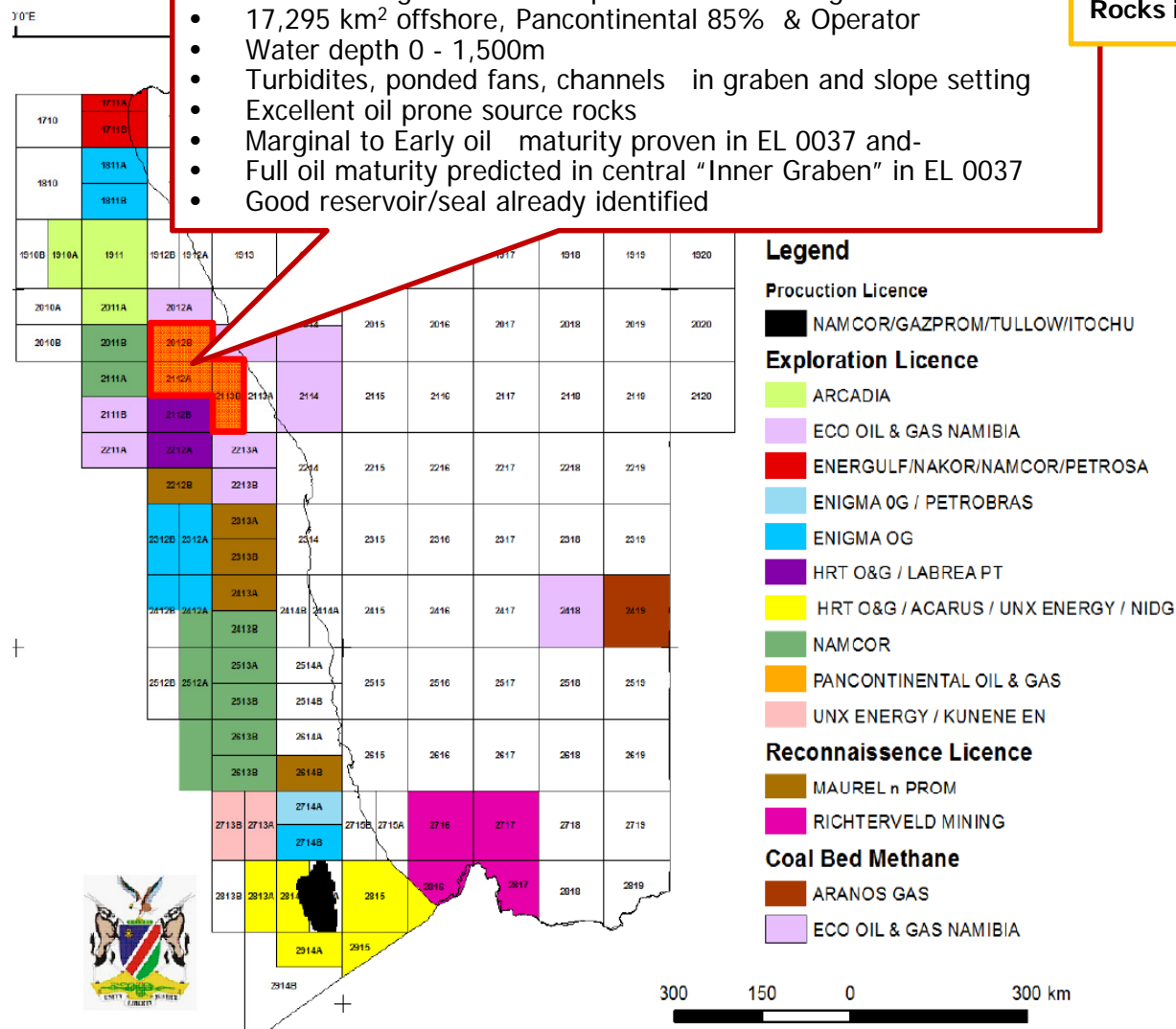
# Namibia EL 0037



## NAMIBIA EL 0037

- Petroleum Agreement & Exploration Licence signed 28 June 11
- 17,295 km<sup>2</sup> offshore, Pancontinental 85% & Operator
- Water depth 0 - 1,500m
- Turbidites, ponded fans, channels in graben and slope setting
- Excellent oil prone source rocks
- Marginal to Early oil maturity proven in EL 0037 and-
- Full oil maturity predicted in central "Inner Graben" in EL 0037
- Good reservoir/seal already identified

Fully Oil-Mature Source Rocks in "Inner Graben"





# Namibia EL 0037

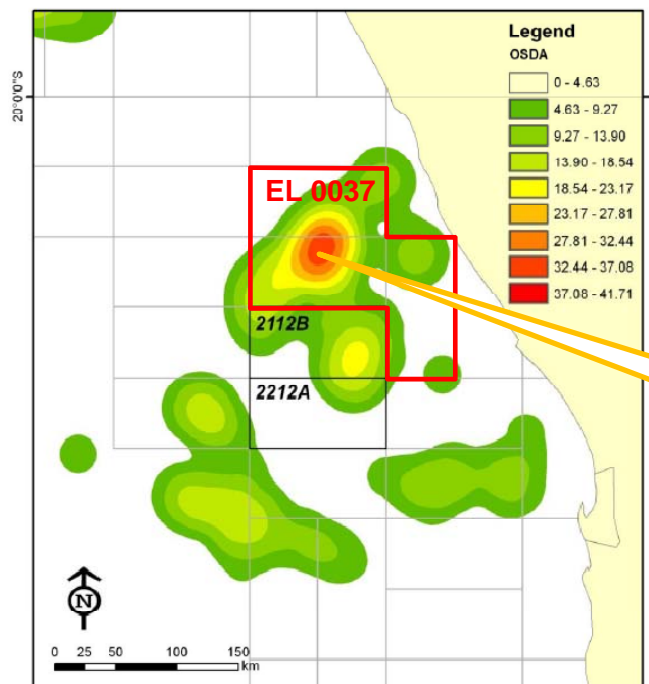
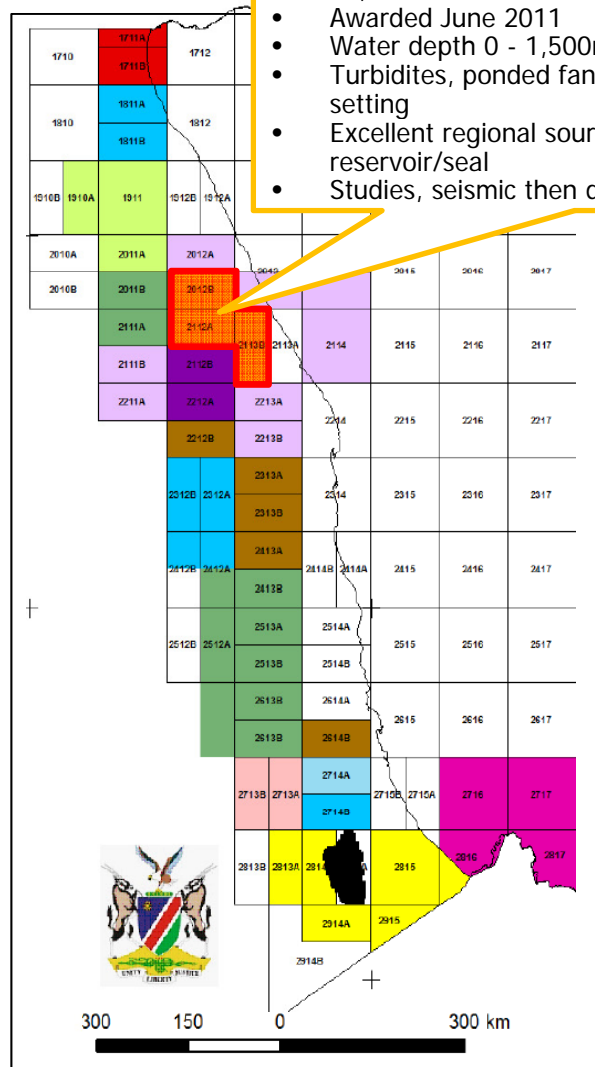


## NAMIBIA EL 0037

- Pancontinental 85% & Operator
- 17,295 km<sup>2</sup> offshore
- Awarded June 2011
- Water depth 0 - 1,500m
- Turbidites, ponded fans, channels in graben and slope setting
- Excellent regional source rock, oil maturity and reservoir/seal
- Studies, seismic then drilling

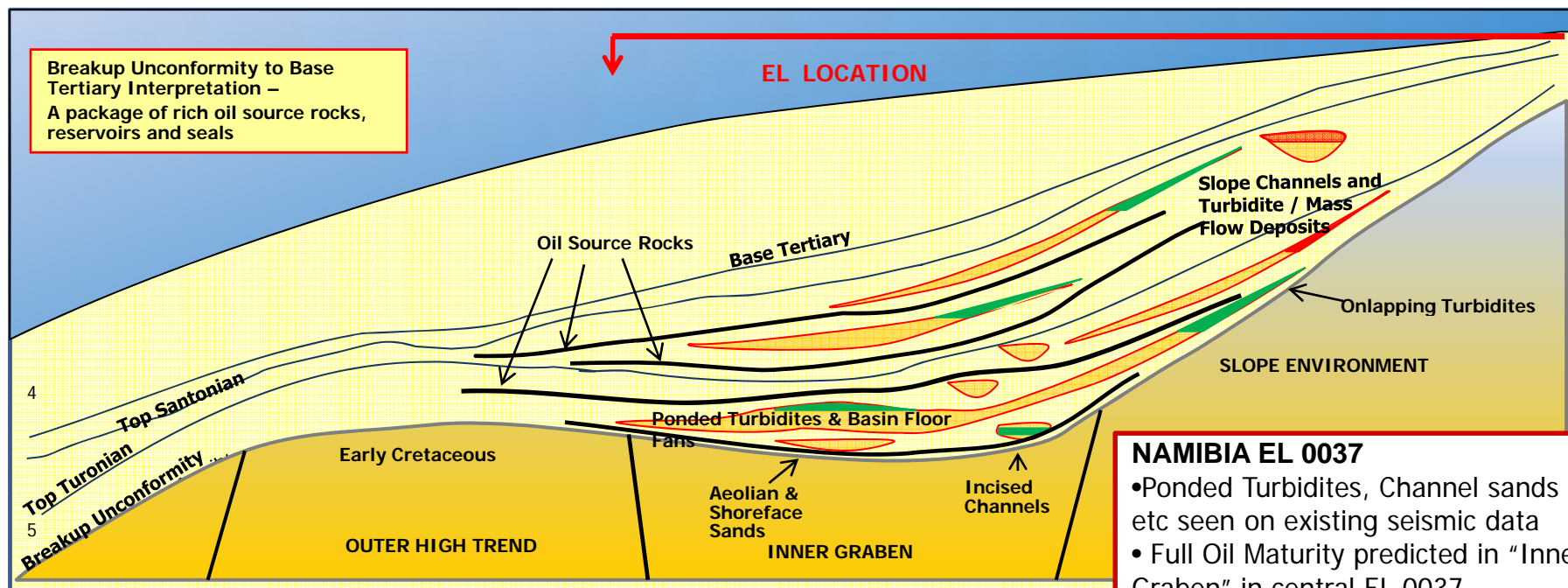
## NAMIBIA EL 0037

- Excellent oil prone Source Rocks
- Marginal to Early oil maturity proven within EL 0037, but-
- Full Oil Maturity predicted in "Inner Graben" in central EL 0037
- Slick concentration over "Inner Graben"
- Good 2D data base
- Highly active regional scene, with 6+ wells possible in next 18 to 24 months



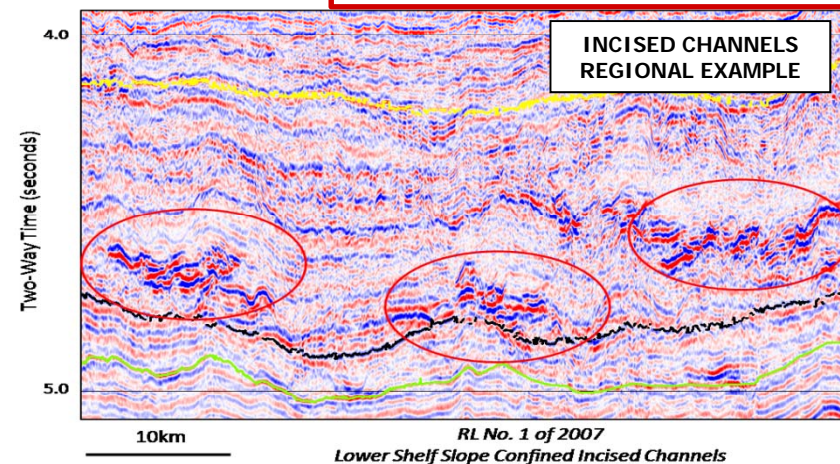
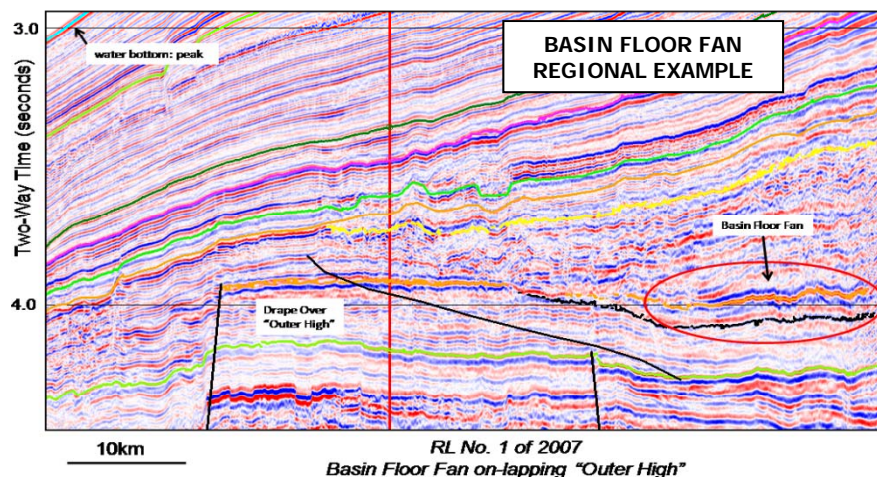
Natural Oil Seepage "Bullseye" over Inner Graben in EL 0037 (Data Source : HRT)

# Namibia – Prospectivity

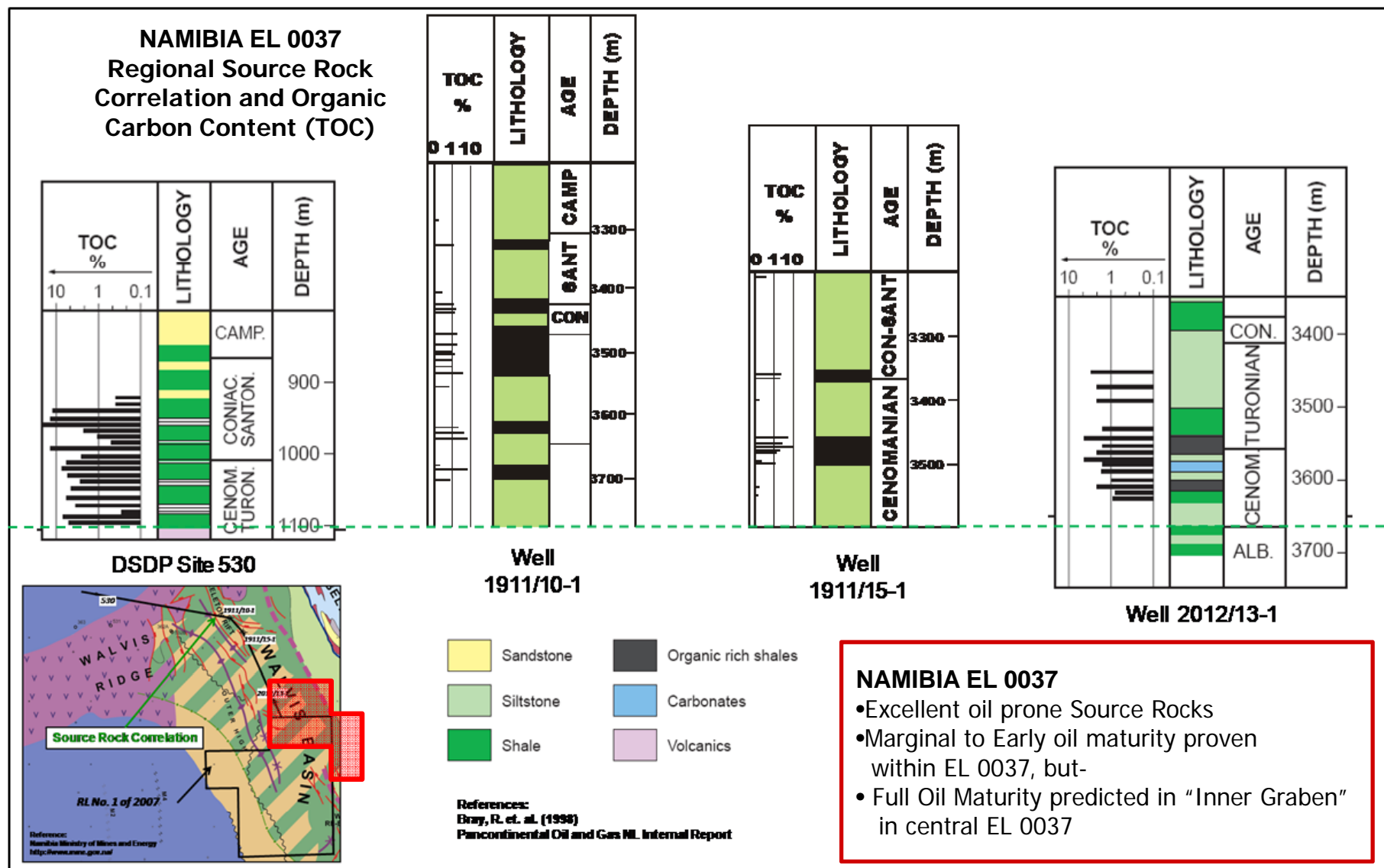


## NAMIBIA EL 0037

- Ponded Turbidites, Channel sands etc seen on existing seismic data
- Full Oil Maturity predicted in "Inner Graben" in central EL 0037

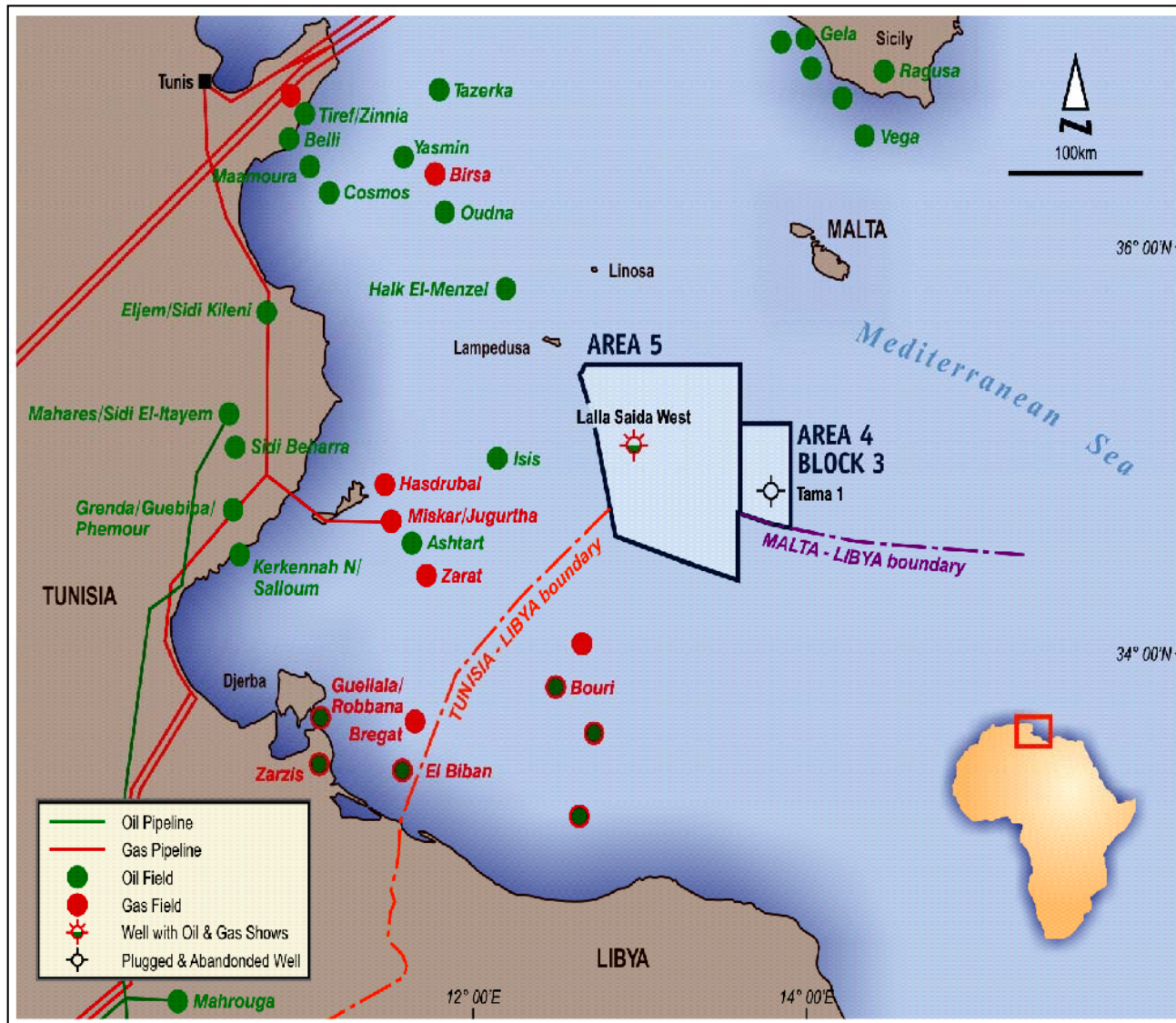


# Namibia – Source Rock





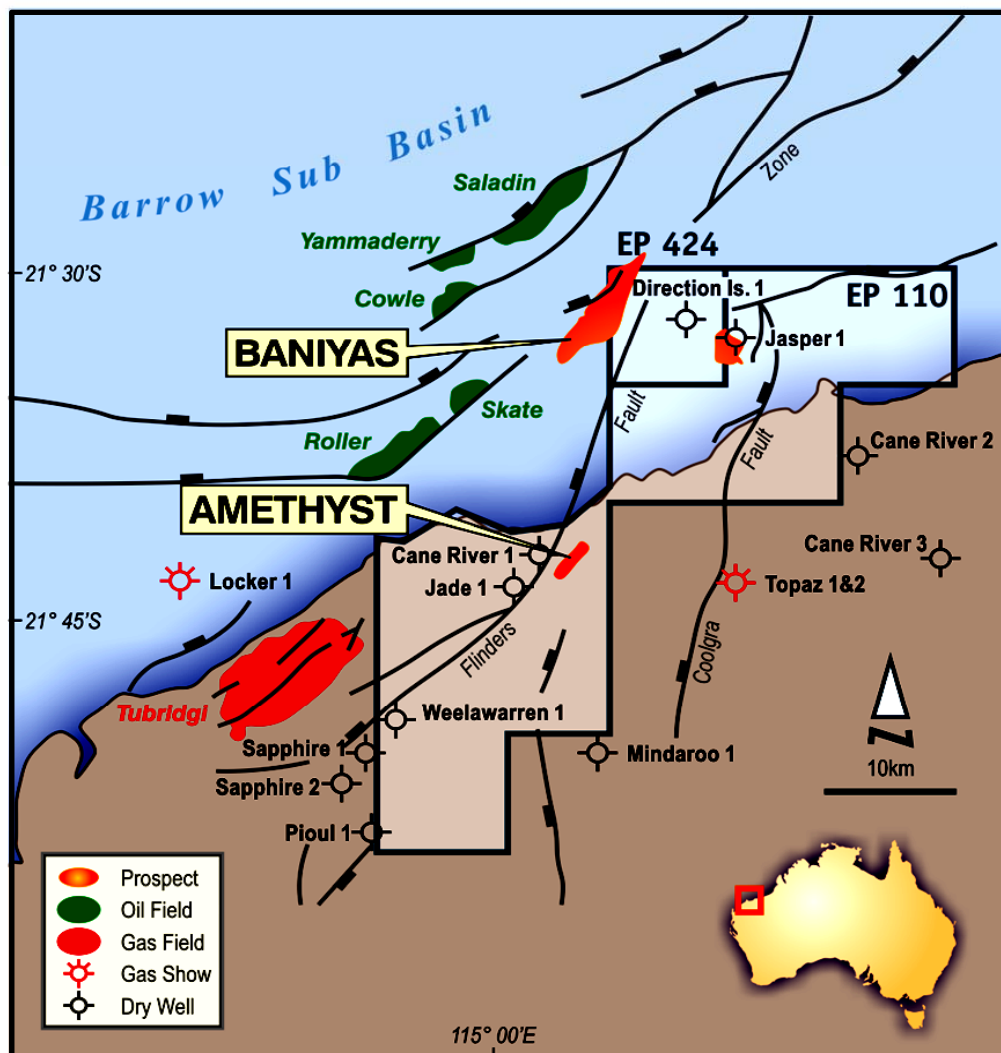
# Malta: Area 5 & Area 4 – Block 3



## Malta Area 5 & Area 4- Block 3

- “Libyan geology in Maltese waters”
- ESA suspended
- Injunction being sought against Government of Malta

# Australia – EP 110 & EP 424

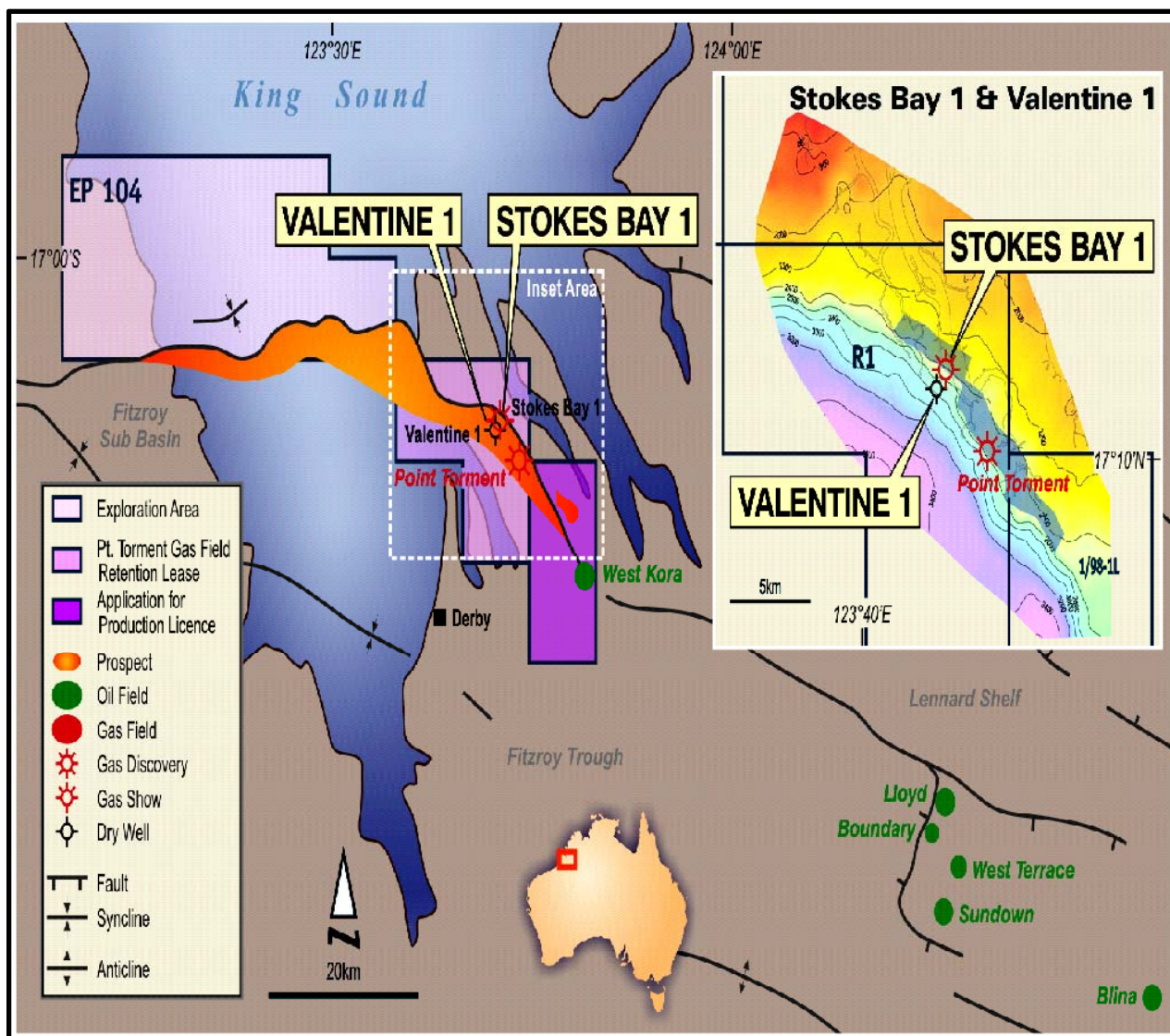


## EP 110 & EP 424

- PCL – 38%
- PCL considering divestiture of asset

## EP 110 & EP 424

# Australia – EP 104 / R1 & L15





# 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 thirty 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 Rushworth is a member of the AAPG, PESA, PESGB and Chatham House.



## **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.

# Contact Information

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