



PANCONTINENTAL

**Highly leveraged into two of the most
exciting oil and gas regions of the decade**

**Investor Presentation
March 2012**

www.pancon.com.au

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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.

- ❑ Pancontinental Oil and Gas NL (PCL) is an ASX listed E&P company
- ❑ Focussed on offshore Kenya (East Africa) and offshore Namibia (South West Africa)
- ❑ First well on the drill-ready billion barrel Mbawa prospect in or before Q3 2012
- ❑ PCL's early mover advantage has positioned it well relative to much larger peers
- ❑ Following recent consolidation PCL is one of the few junior oil and gas companies offering significant leverage offshore Kenya and offshore Namibia
- ❑ PCL is partnering with major oil and gas companies (BG, Origin, Apache, Tullow and Cove)
- ❑ East Africa is proving to be a major new gas province, however PCL is pursuing oil rather than gas
- ❑ Experienced management team with long operational track record in Africa
- ❑ PCL will be growing its African portfolio by leveraging its relationships that have been built up in Africa over many years

Corporate Overview

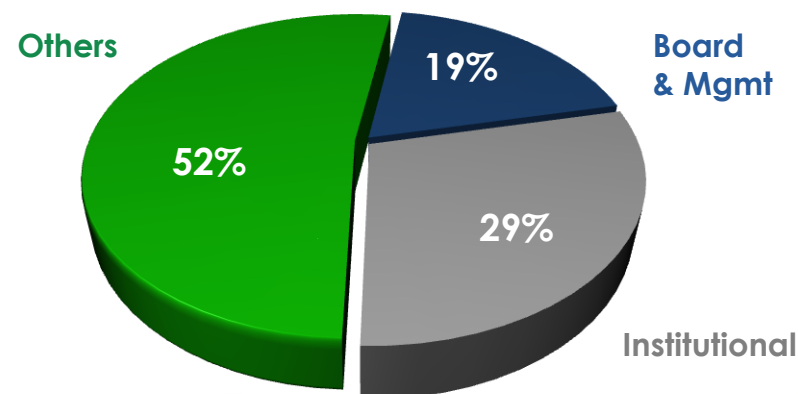


Capital Structure

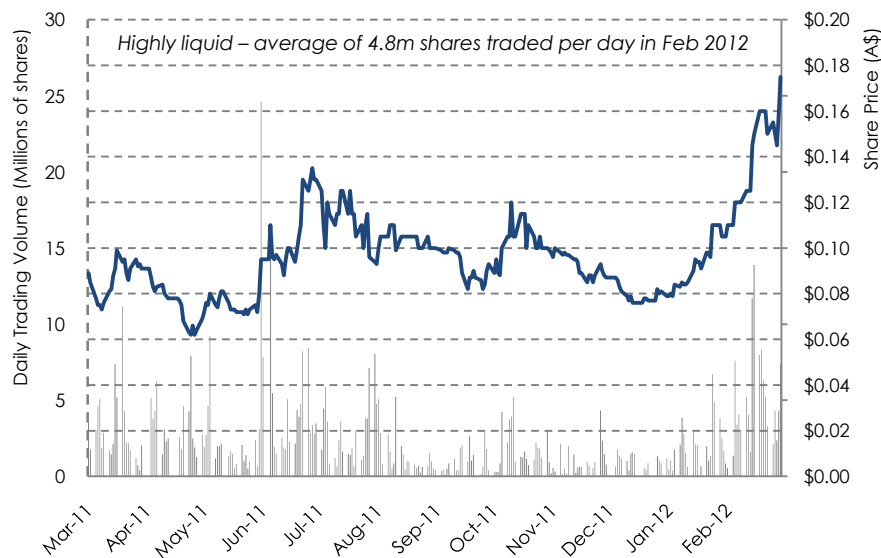
| | |
|-------------------------------|----------|
| Shares on Issue | 860.78 m |
| Options on Issue ¹ | 4.50 m |
| Market Cap. (at \$0.18) | \$155 m |
| Cash (29 February 2012) | \$14 m |
| Debt | Nil |
| Enterprise Value | \$141 m |

¹ Options exercisable at \$0.059, expiry 28 Nov 2012

Shareholder Split



Share Price History



Date

Key Event

| | |
|----------|--|
| Feb 2012 | Thailand's PTTEP overbids Shell With US\$1.8bn for Cove Energy |
| Feb 2012 | Shell bids US\$1.6bn for Cove Energy (large East African acreage position) |
| Jan 2012 | Completion of 3D & 2D seismic on L10A & L10B |
| Dec 2011 | PCL announces share placement to raise A\$15m |
| Oct 2011 | Ophir Energy announce intention to acquire Dominion Petroleum (substantial offshore Kenyan acreage holding). Deal valued at US\$186m |
| Aug 2011 | > Ten strong leads for follow up 3D and 2D on Block L10A & L10B announced |
| Jul 2011 | PCL signs PA & EL for Namibia Blocks |
| Jun 2011 | PCL and Tullow sign farm-out agreement for Block L8 |
| May 2011 | PCL signs PSC contract for Blocks L10A & L10B (interest to PCL) |
| Apr 2011 | PCL announces share placement to raise A\$5M |
| Mar 2011 | New 3D seismic report on Mbawa potential in Block L8 |
| Feb 2011 | HRT acquires UNX Energy Corporation (large offshore Namibian acreage holding) for US\$781m |
| Feb 2011 | Kenya Government offers new PSC on Blocks L10A & L10B (interest to PCL) |
| Feb 2011 | Apache acquires interest in Block L8 offshore Kenya |

Asset Overview



- BP
- Chariot
- HRT
- Petrobras

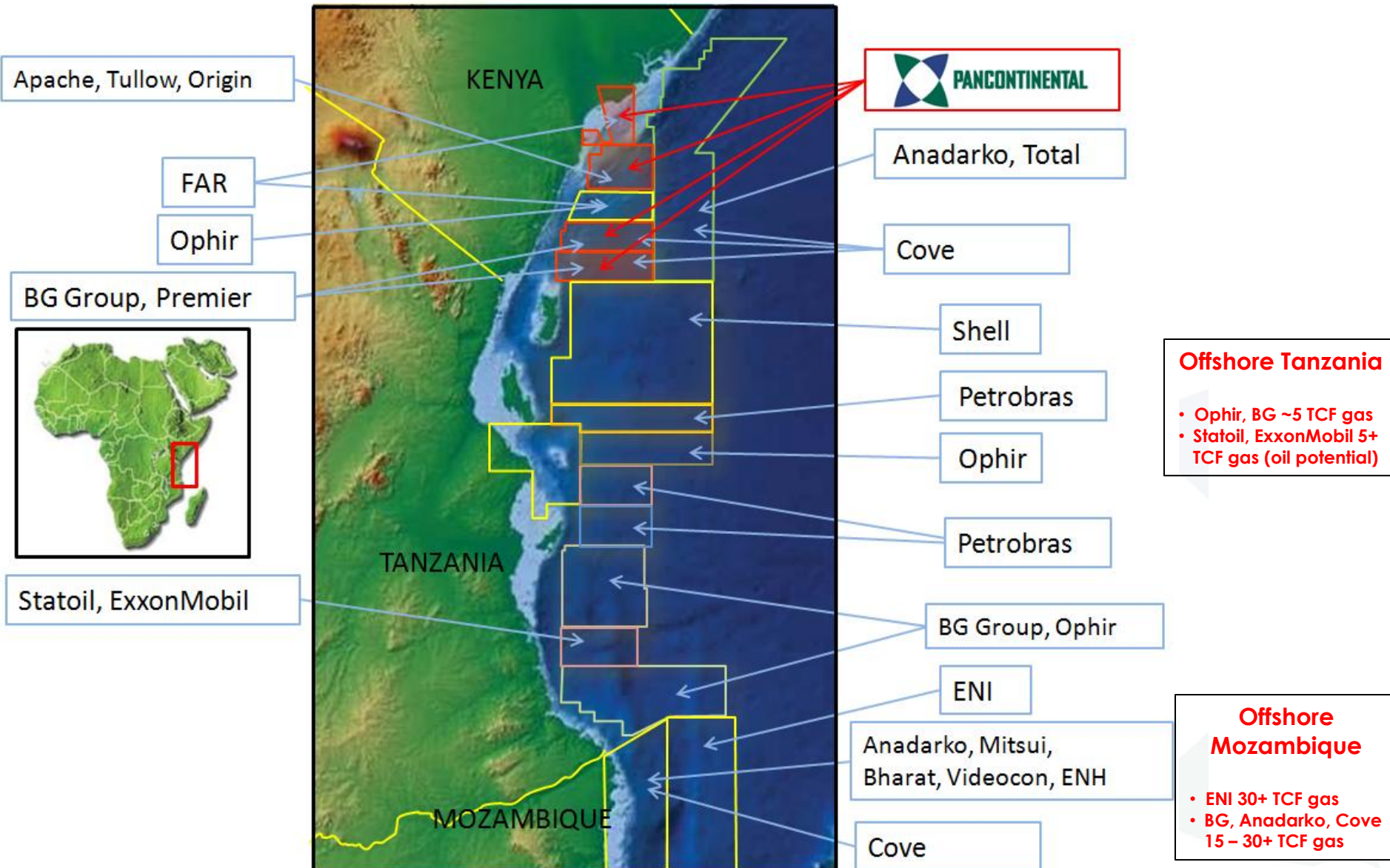


- Total
- Anadarko
- Apache
- Origin
- BG Group
- Cove Energy
- Premier Oil

| Block | Area (km ²) | PCL Interest (%) | Operator (%) | Partners (%) |
|--------------------------|-------------------------|------------------|----------------------|---|
| Kenya L6 | 3,100 | 40.0% | FAR Limited (60%) | FAR Limited (60%) |
| Kenya L8 | 5,115 | 15.0% | Apache (50%) | Apache (50%) Origin Energy (20%), Tullow (15%) |
| 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%) |
| 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%) |
| 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%) |

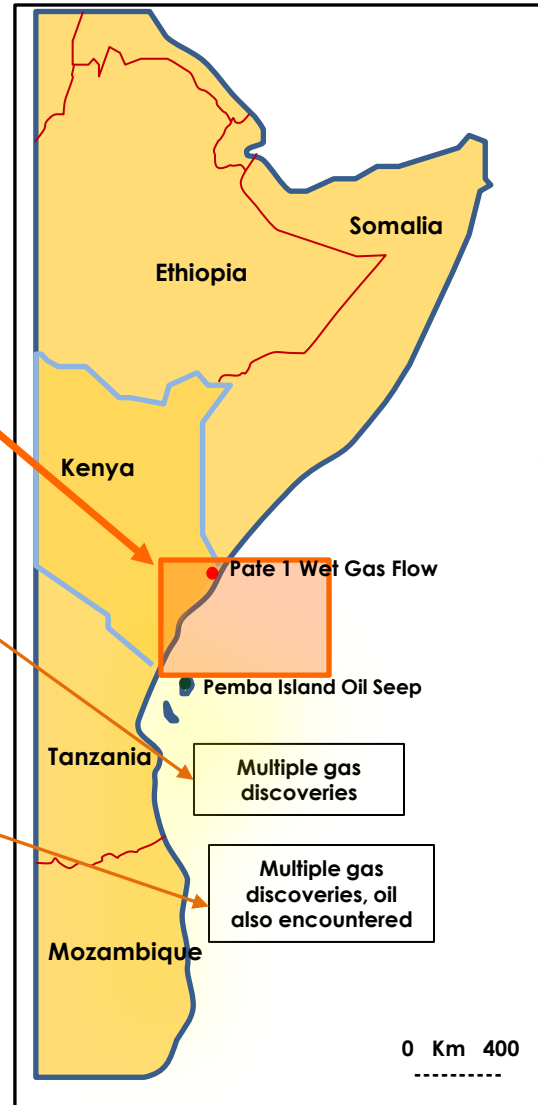
* On 15 December 2011 PCL received advice that PCL's request to the Court in Malta for a full injunction against the Government of Malta was not been acceded to by the Court in Malta

East Africa – Main Offshore O&G Players



Map refers to main oil & gas players offshore East Africa as at February 2012 (this is not a comprehensive list)

East Africa Hotspot - Offshore Kenya



Tanzania – 4 discoveries from 4 wells with >8TCF potential resource

Mozambique – 8 discoveries from 10 wells with >60TCF potential resource

OFFSHORE KENYA:

- ❑ Similar depositional environment to Rovuma basin in Mozambique
- ❑ PCL consider offshore Kenya to be an oil play, rather than gas
- ❑ Evidence of petroleum system (flat spots, oil seeps), multiple play types
- ❑ Under explored – only 4 wells drilled offshore Kenya, one in the last 20 years
- ❑ PCL & JV partners (Apache, Origin, Tullow) to drill 1 well offshore Kenya in or before Q3 2012

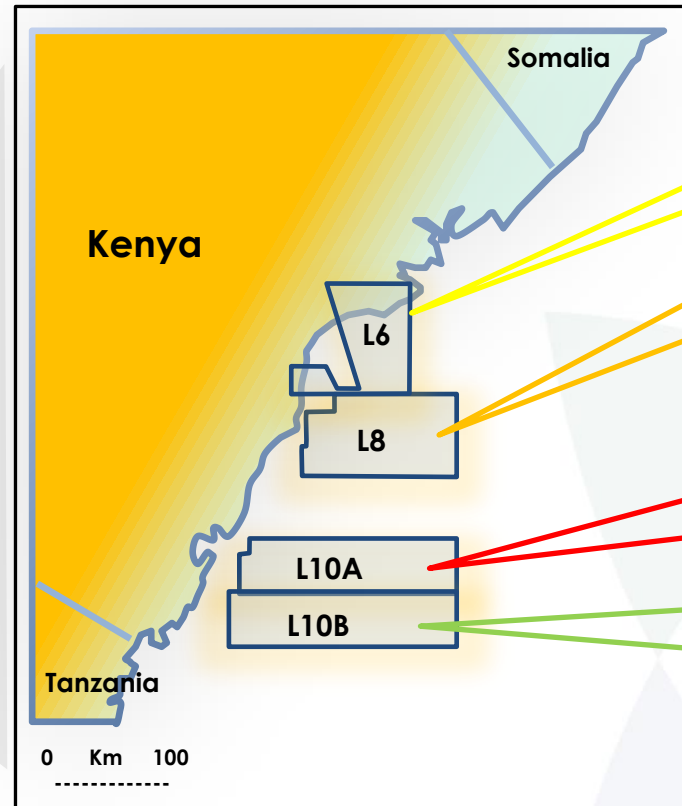
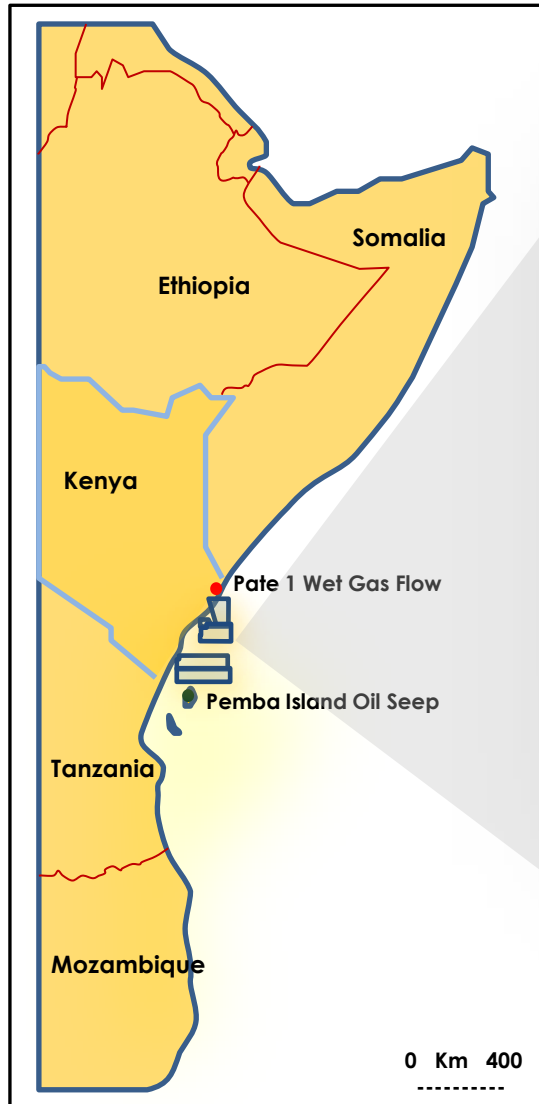
Kenya – Success in East Africa Driving Interest



- ❑ 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 become one of the largest oil and gas exploration plays over the next decade
- ❑ Recent farm-in deals and acquisitions have been secured at considerable premiums with major oil and gas companies (BG, Origin, Apache, Tullow, Cove, Total S.A, Ophir Energy)

| Date | Announcement | Acquirer | Acquiree | Interest In | Deal Type |
|--------|---|-------------------|------------------------------|---|-----------|
| Feb-12 | PTTEP launches rival bid for Cove Energy | PTTEP | Cove Energy PLC | Rovuma Offshore Area 1 (8.5%) Mozambique, Interest in Kenya blocks L5, L7, L11A, L11B, L12, L10A, L10B | Company |
| Feb-12 | Royal Dutch Shell places a bid for Cove Energy | Royal Dutch Shell | Cove Energy PLC | Rovuma Offshore Area 1 (8.5%) Mozambique, Interest in Kenya blocks L5, L7, L11A, L11B, L12, L10A, L10B | Company |
| Oct-11 | Ophir Energy to Acquire 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 to Acquire 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 Cove Energy | TOTAL S.A | 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 |

Offshore Kenya – Interest in 4 Blocks



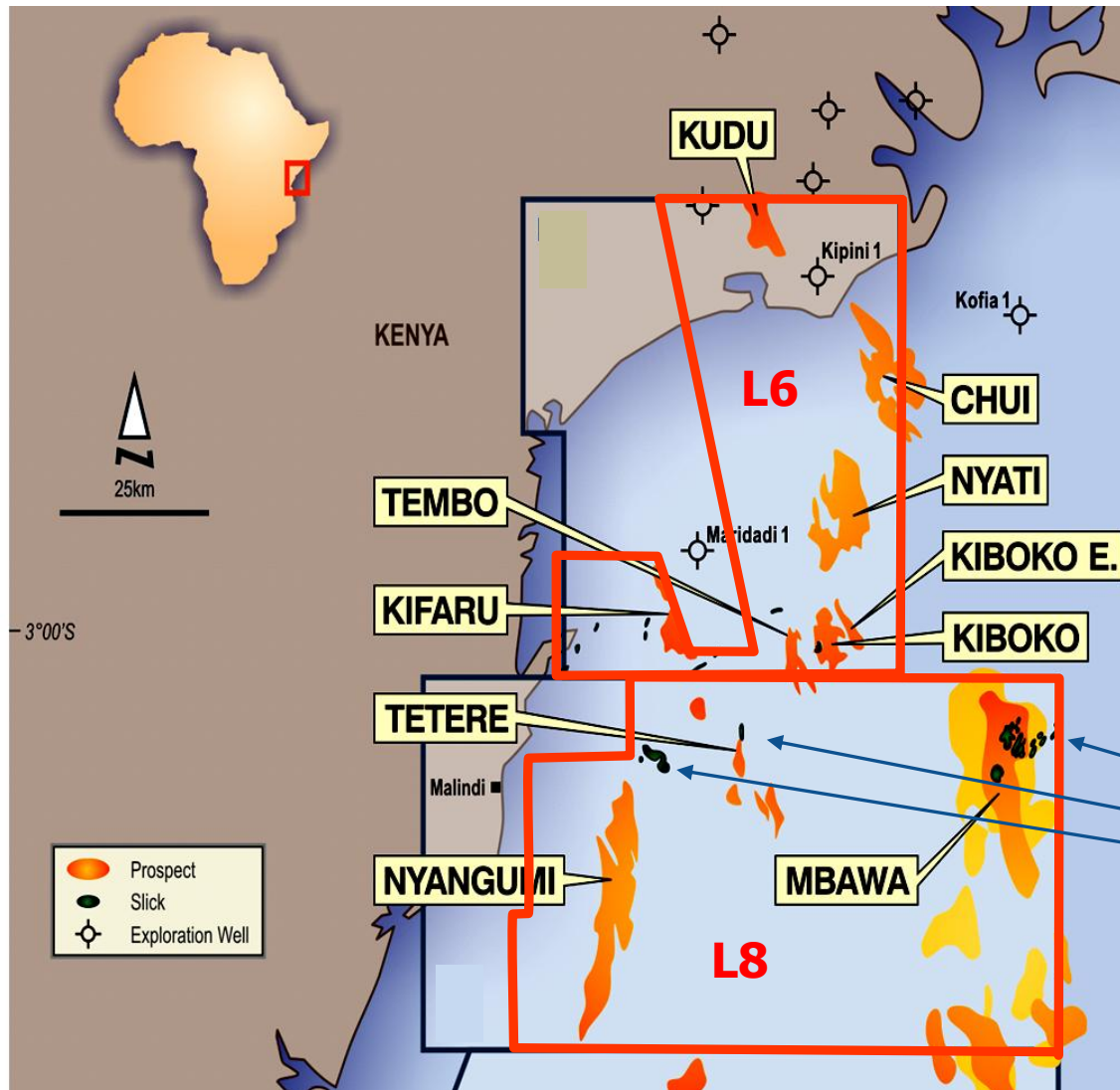
L6 - 3,100km²
FAR Limited 60%
Pancontinental 40%

L8 - 5,115km²
Apache 50%
Origin 20%
Pancontinental 15%
Tullow 15%

L10A - 4,962km²
BG 40%
Cove 25%
Premier 20%
Pancontinental 15%

L10B - 5,585km²
BG 45%
Premier 25%
Pancontinental 15%
Cove 15%

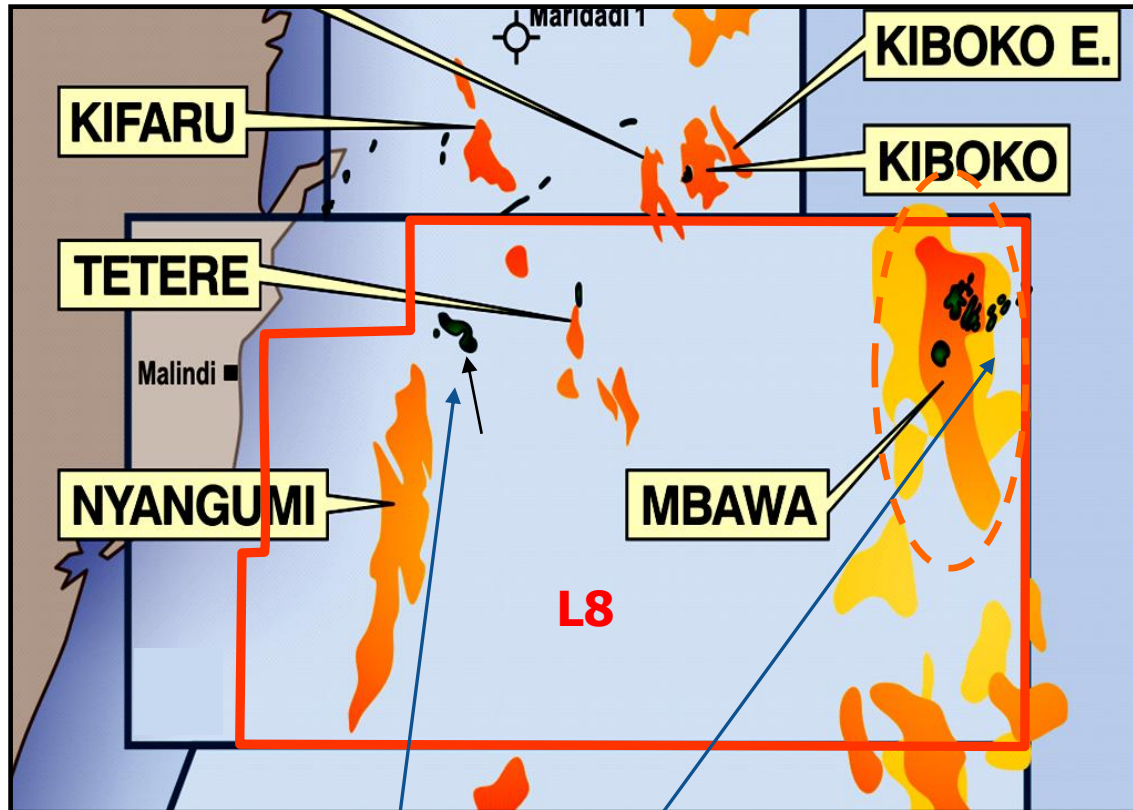
Kenya L6 & L8 Slicks



- L6 + L8 Total 8,200km²
- Water depths 0 to 1300m & onshore
- Prospects associated with slicks in both areas

Slicks

Kenya L8 – Mbawa to be Drilled Q3 2012



- Mbawa drilling planned in or before Q3 2012
- Apache looking at rig availability
- PCL free carried for its first well to US\$9m. One well to about 3,500m will test multiple targets

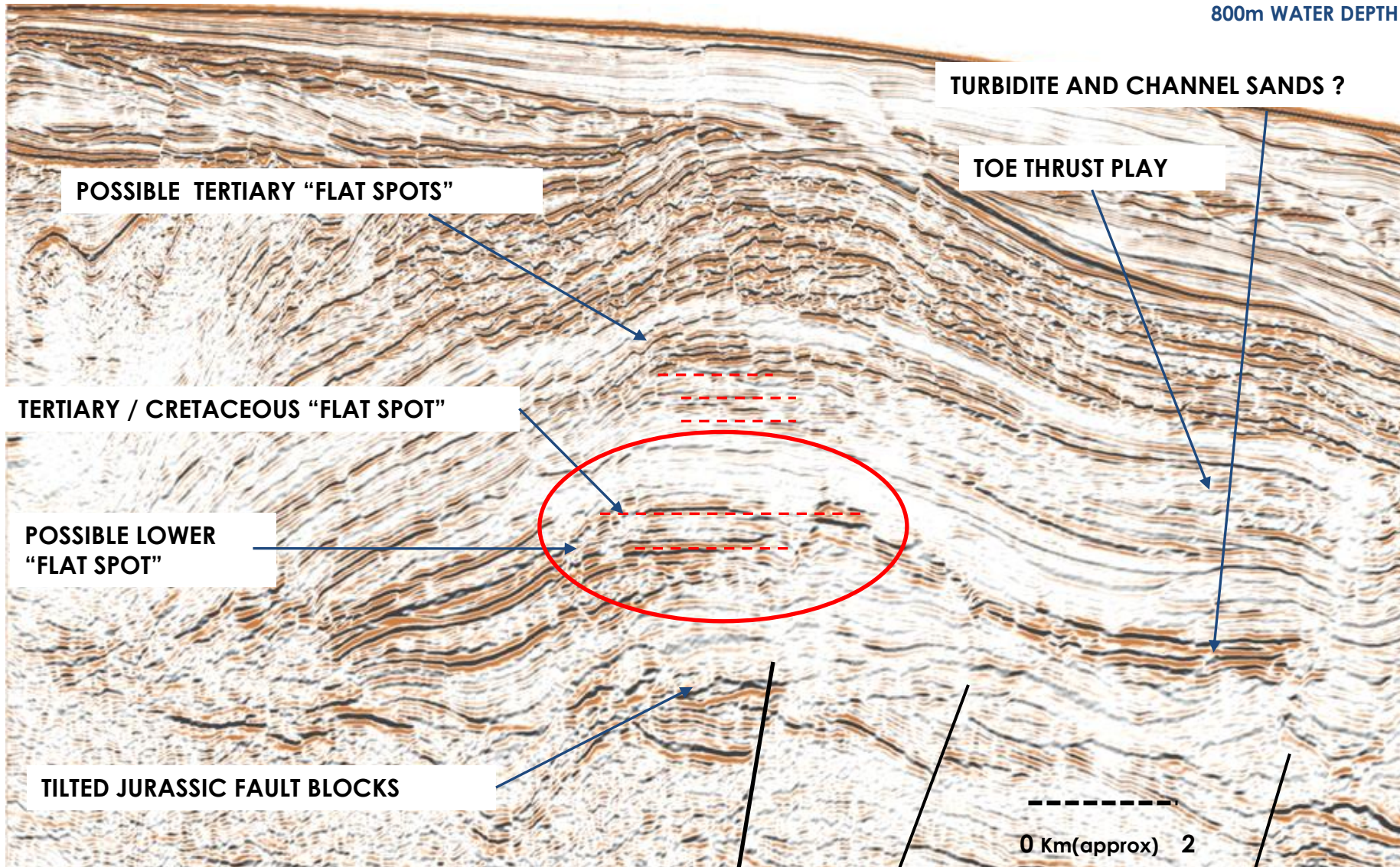
□ Mbawa Potential¹:

- **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**

¹- 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.

Kenya L8 – Mbawa Prospect

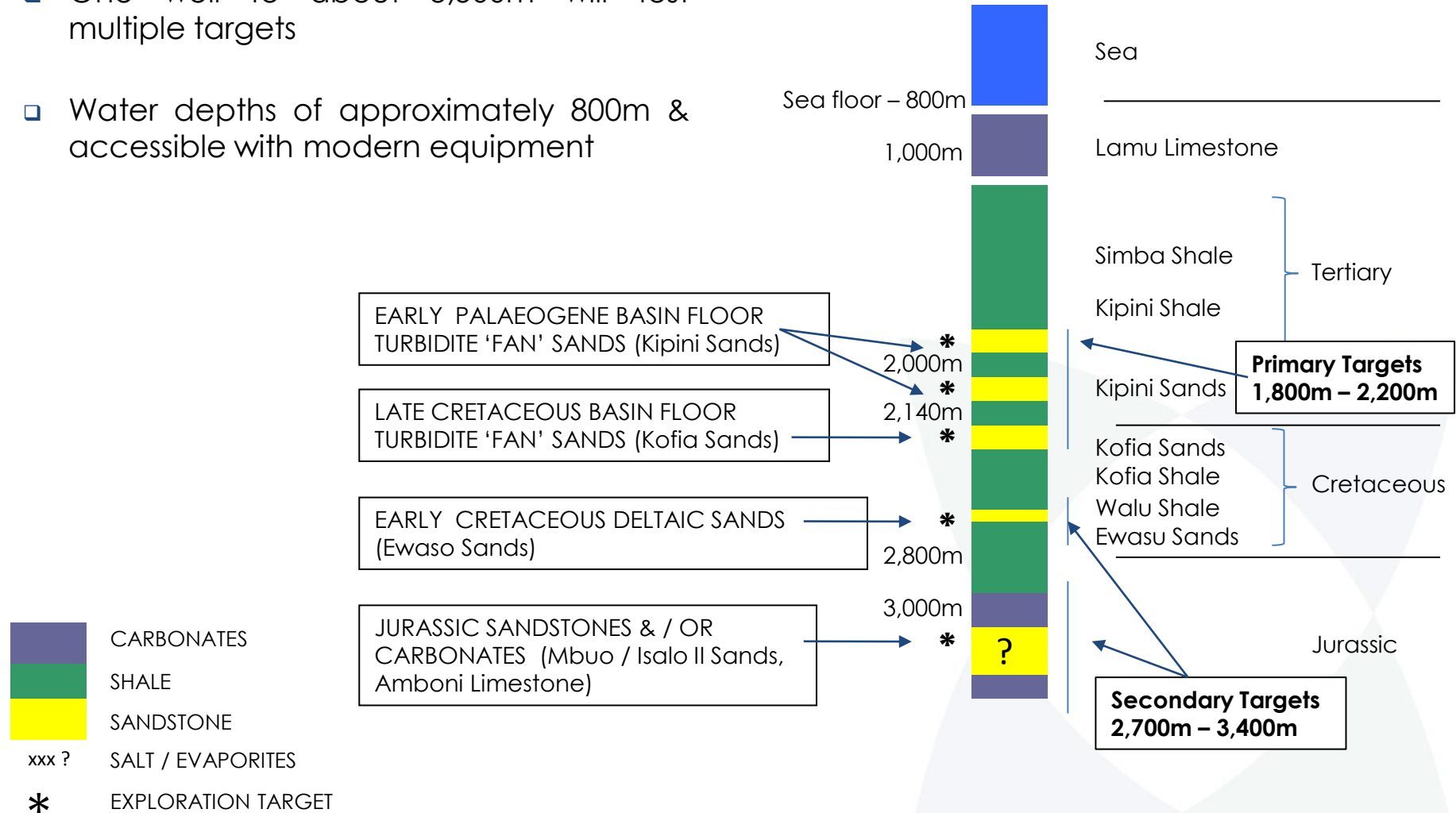
800m WATER DEPTH



Kenya L8 – Well to Test Multiple Targets



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

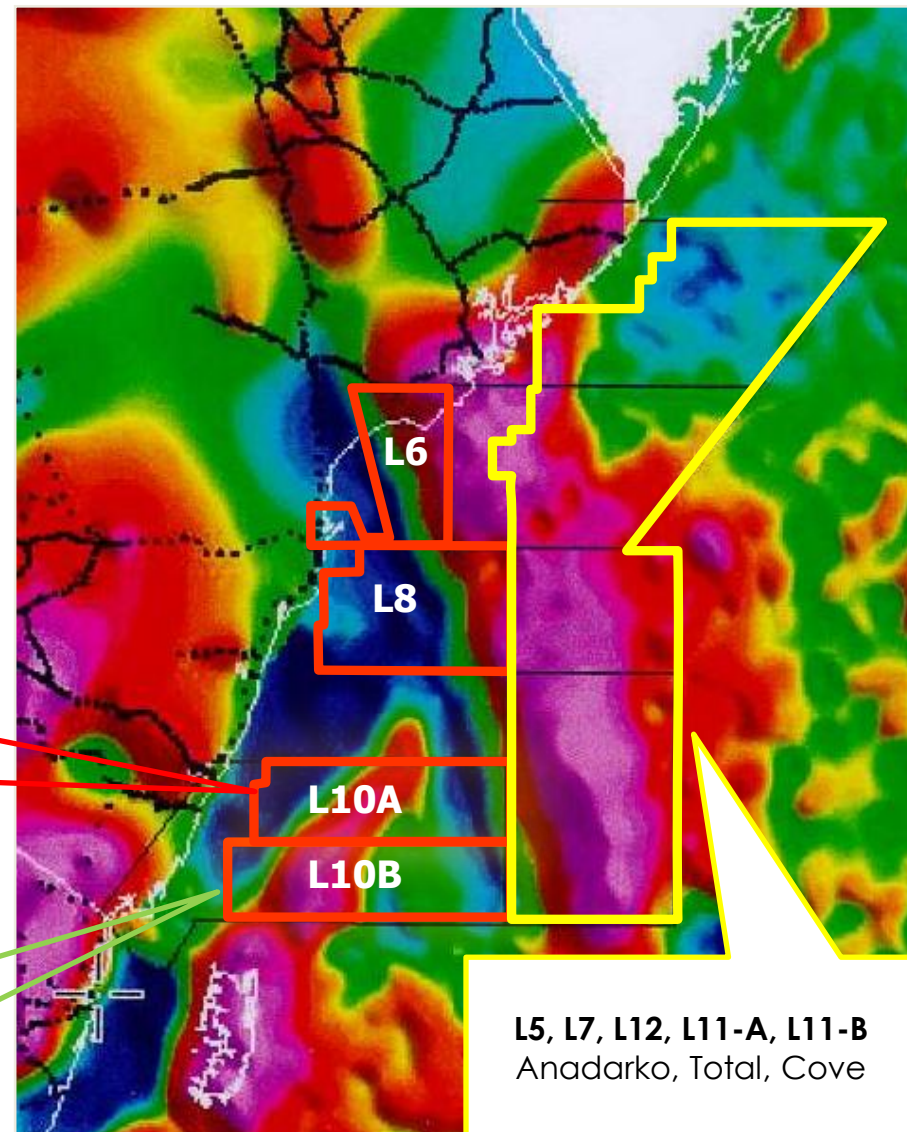


Kenya L10A & L10B

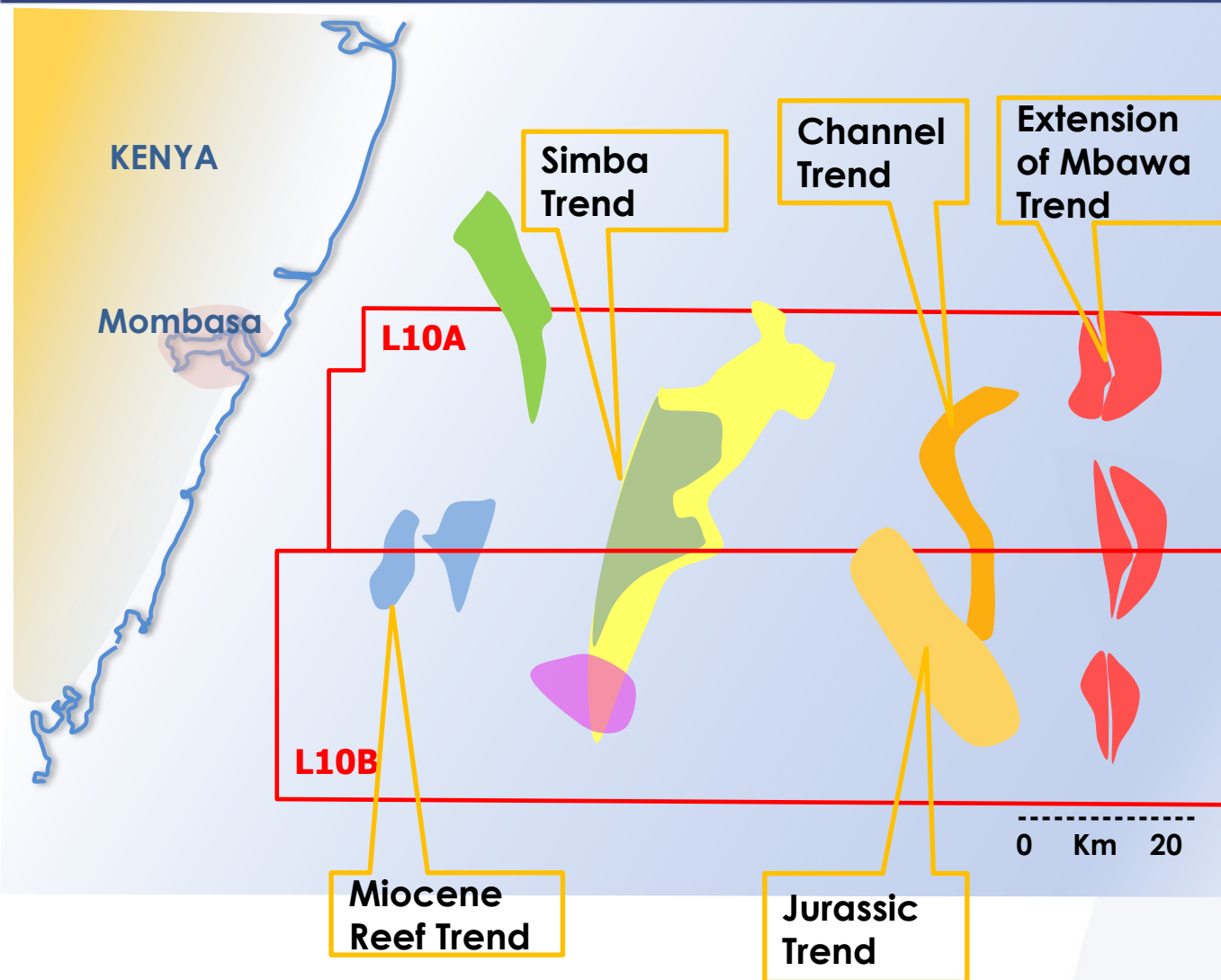
- Two new blocks awarded on 17 May 2011
- Effective Date 17 August 2011
- 10,000 km²
- Water depth 200m to 1,800m
- Interpreted oil “kitchen” troughs
- Notable partners- BG Group, Premier Oil, Cove Energy
- “Fast Track” exploration programme

L10A – 4,962km²
BG 40%
Cove 25%
Premier 20%
Pancontinental 15%

L10B – 5,585km²
BG 45%
Premier 25%
Pancontinental 15%
Cove 15%

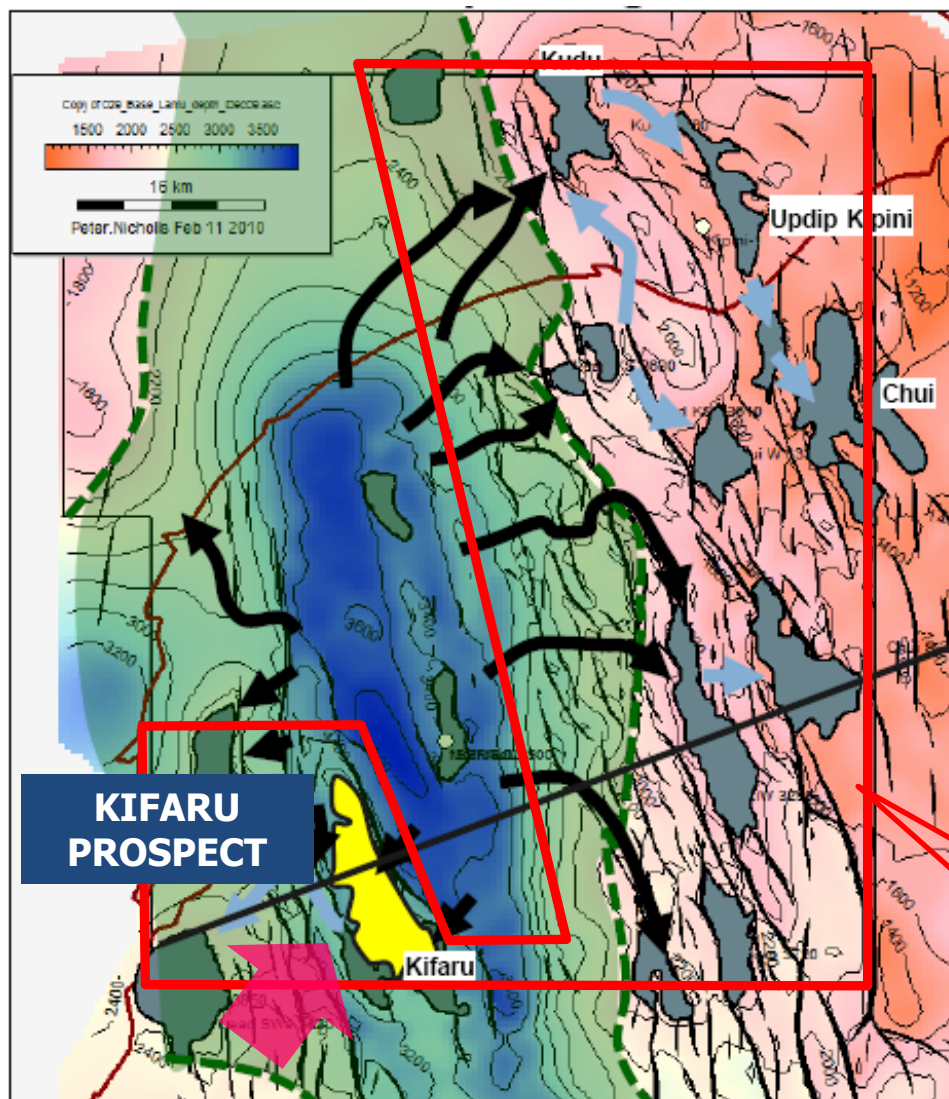


Kenya L10A & L10B – Leads



- ❑ The leads are in diverse geological “play” types and some of the leads are on-trend and similar to the giant Mbawa Prospect to the north in licence L8
- ❑ > 10 Leads
- ❑ 3D & 2D completed January 2012
- ❑ 3D & 2D will be fully processed by mid 2012 and interpretation and mapping will be completed in 2012
- ❑ 2 wells 2013 - 2014

Kenya L6 - Kifaru Prospect



- L6 is adjacent and geologically continuous to L8
- 3,100 Km²
- Water depth 0 to 300m
- Kifaru - main prospect adjacent to interpreted hydrocarbon kitchen / trough
- Planning for the 3D survey 2012
- 3D seismic acquisition over the Kifaru Prospect and other prospects in 2012

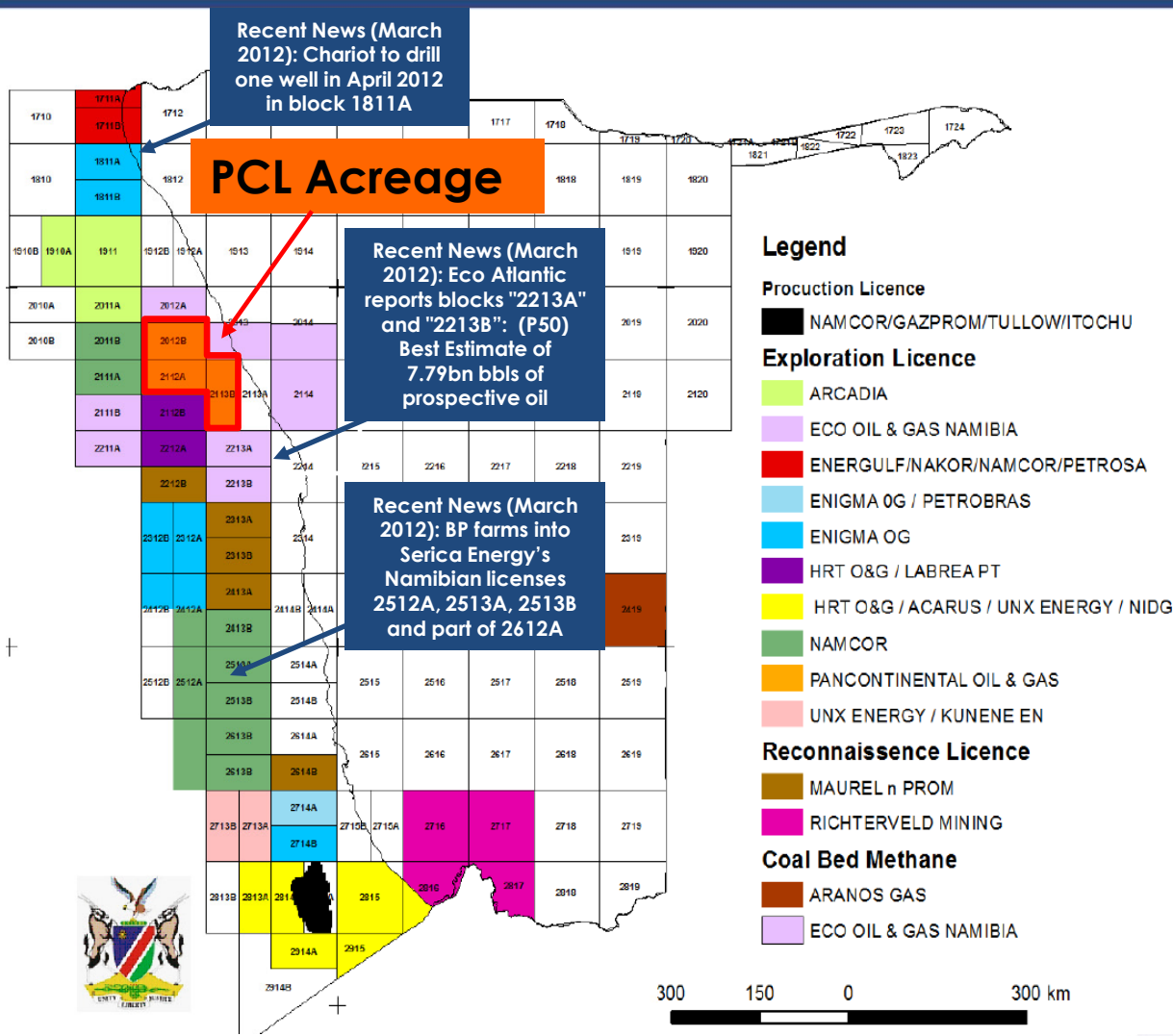
Namibia – Interest is Heating Up



- ❑ PCL has been active in Namibia for over 5 years and has an early mover advantage
- ❑ Recent farm-in deals and acquisitions have been secured at considerable premiums with major oil and gas companies (BP plc, HRT Participacoes, Chariot)
- ❑ Recent resource estimates by the likes of Chariot and Eco Atlantic confirms world class prospectivity offshore Namibia

| Date | Announcement | Acquirer | Acquiree | Interest In | Deal Type |
|--------|--|------------------------------|--------------------------------|--|-----------|
| Mar-12 | Serica Energy Farm Out Agreement with BP | BP Plc | Serica Energy | Namibian licenses 2512A, 2513A, 2513B and part of 2612A | Project |
| 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 EL0037 Permit Offshore Namibia | Pancontinental | Awarded by Namibian Government | Namibia License EL0037 | Project |

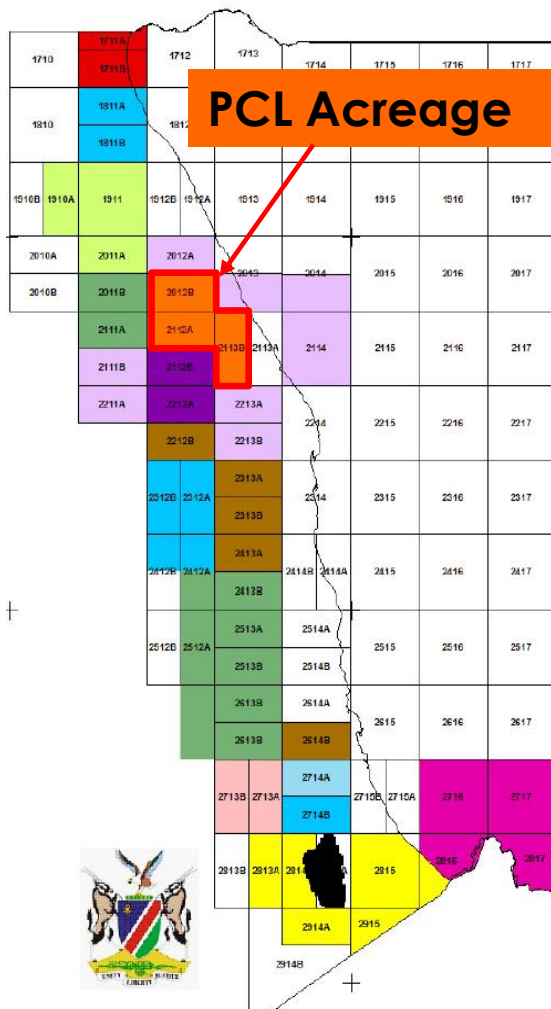
Offshore Namibia EL 0037 – 3 Blocks



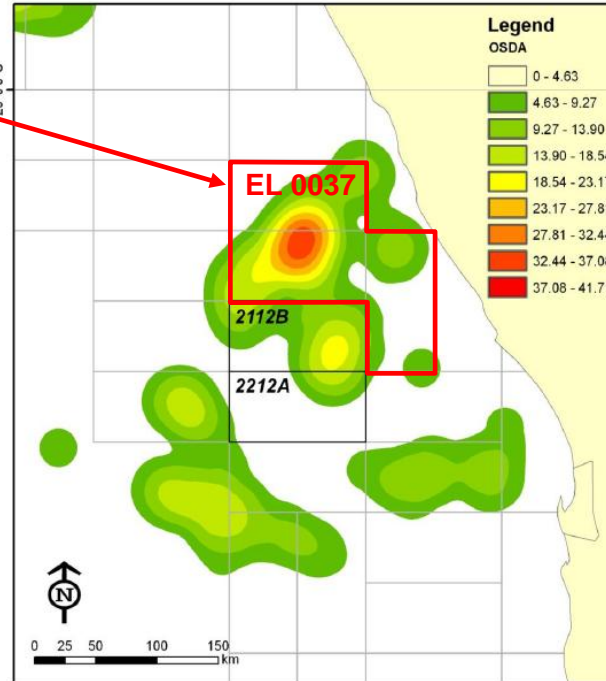
- Namibia EL 0037 covers blocks 2012B, 2112A and 2113B
- Pancontinental 85% & Operator
- Petroleum Agreement & Exploration Licence signed 28 June 2011
- 17,295 km² offshore
- Water depth 0 - 1,500m
- Turbidites, ponded fans, channels in graben and slope setting
- Excellent regional source rock, oil maturity and reservoir/seal

Namibia EL 0037 – Oily Sweet Spot

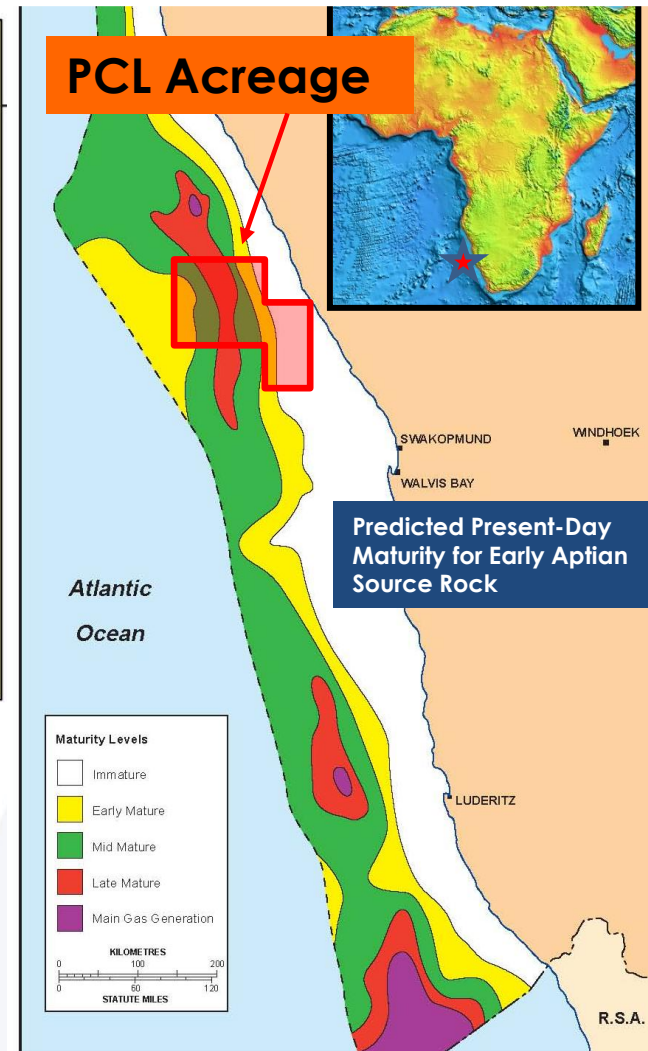
PCL Acreage: EL 0037 offshore Namibia



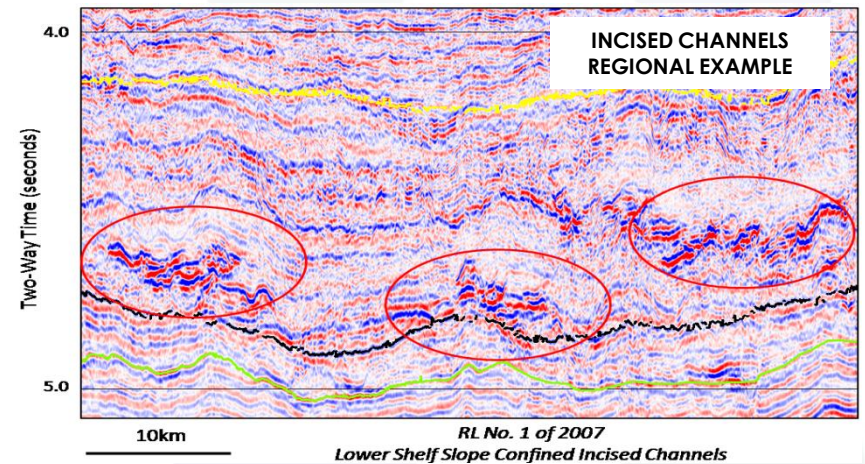
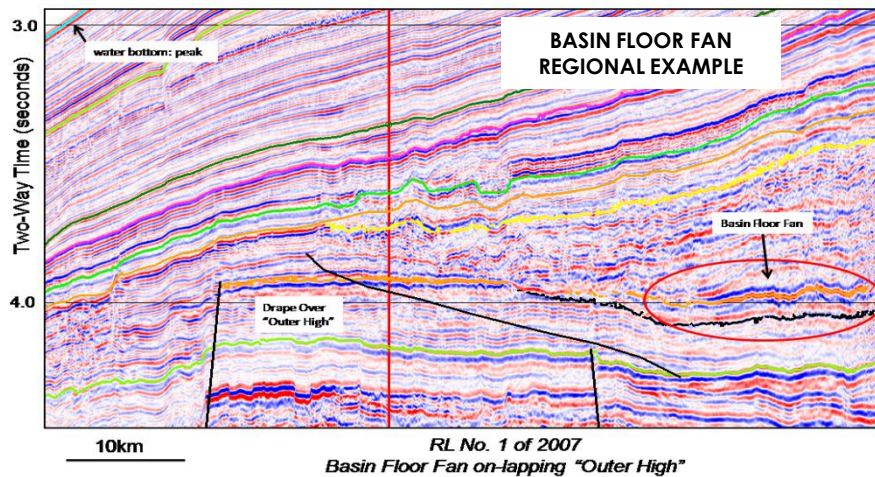
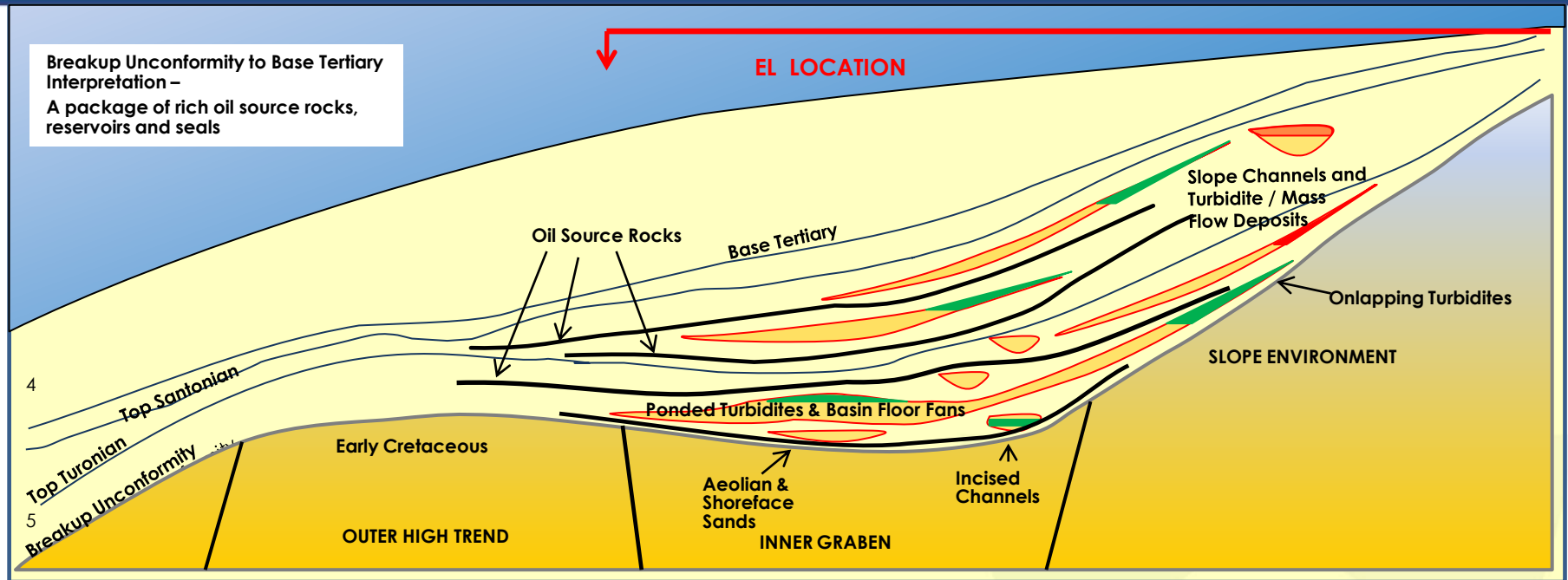
Natural Oil Seepage "Bullseye" over Inner Graben in EL 0037 (Data Source : HRT)



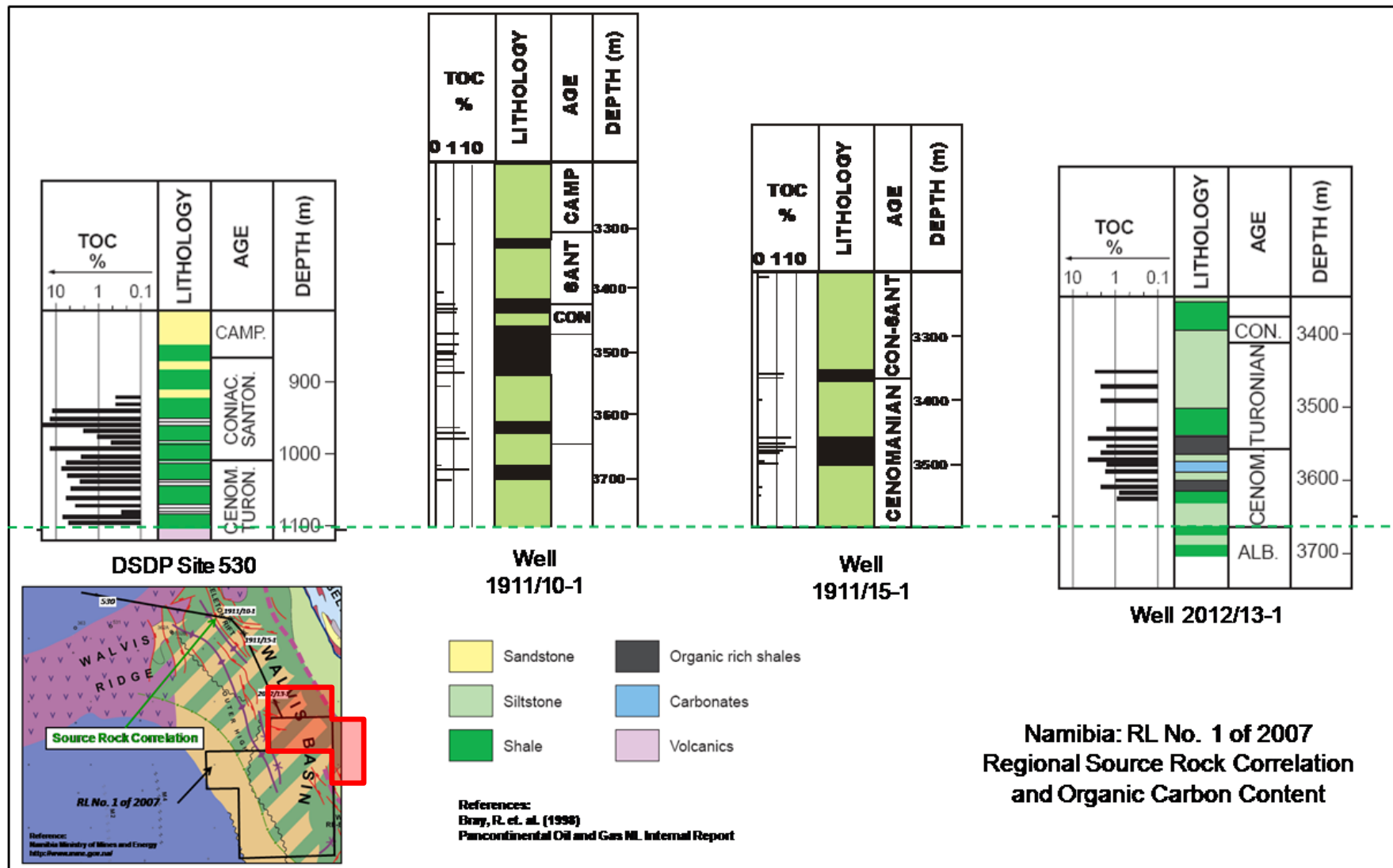
Fully Oil-Mature Source Rocks in "Inner Graben"



Namibia EL 0037 – Prospectivity



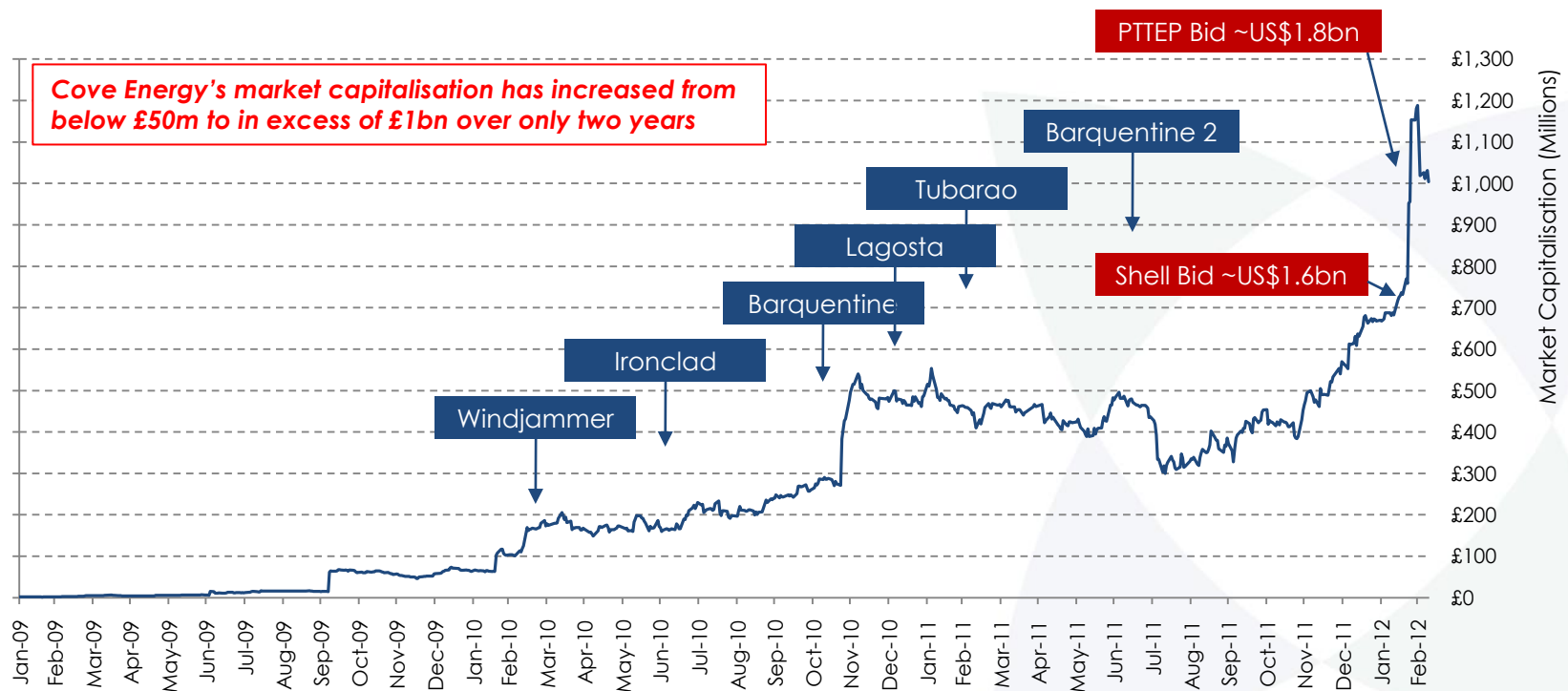
Namibia EL 0037 – Source Rock



Cove Energy Setting the Path in East Africa



- Cove Energy has had tremendous success in East Africa, offshore Mozambique
- The Cove story demonstrates the significant amount of leverage junior companies can offer to high reward oil & gas plays
- PCL is highly leveraged into East Africa like Cove, however by contrast PCL is pursuing oil



- ❑ Large East and South West African acreage position
- ❑ Opportunity to gain leverage into two of the most exciting oil and gas regions of the decade – before it is consolidated by the majors
- ❑ Whilst East and West Africa are proving to be major new gas provinces PCL is pursuing what it considers to be major oil plays
- ❑ First well on the drill-ready billion barrel Mbawa prospect in or before Q3 2012
- ❑ PCL believes the majors are positioning themselves to be in East and South West Africa for many years and many wells to come – PCL has a continuous exploration program in both regions
- ❑ Continued focus on offshore Kenya (East Africa) and offshore Namibia (South West Africa), however PCL will be growing its African portfolio through acquisitions
- ❑ PCL is one of the few junior oil and gas companies remaining following recent consolidation
- ❑ Significant activity in both East and South West Africa by regional players has the potential to significantly re-rate PCL's portfolio over the coming 18 months

**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 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.

**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.

**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 Practising 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.



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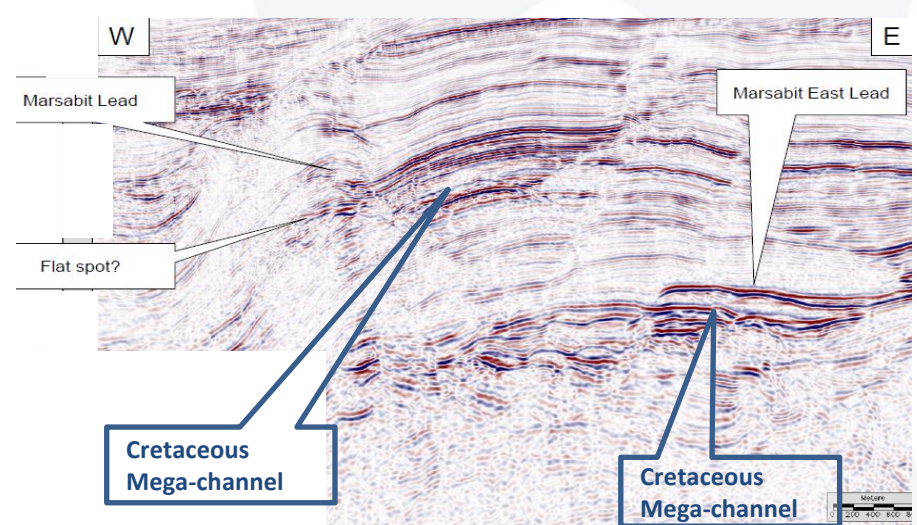
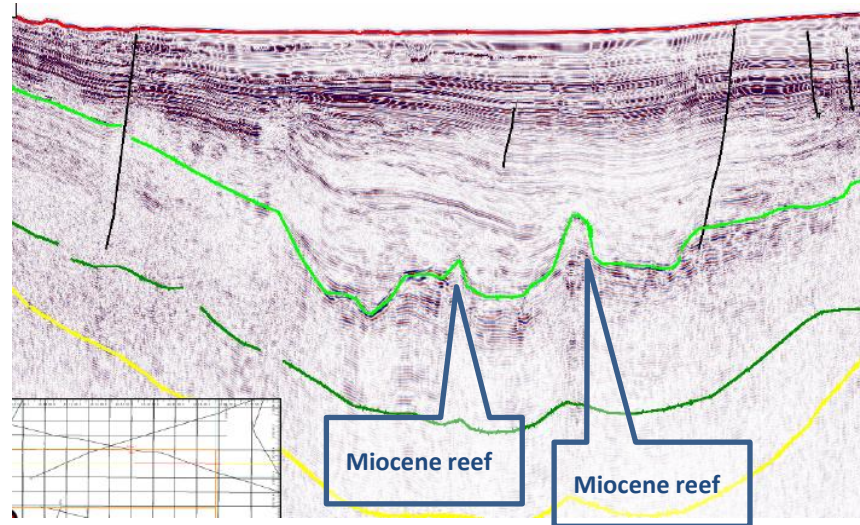
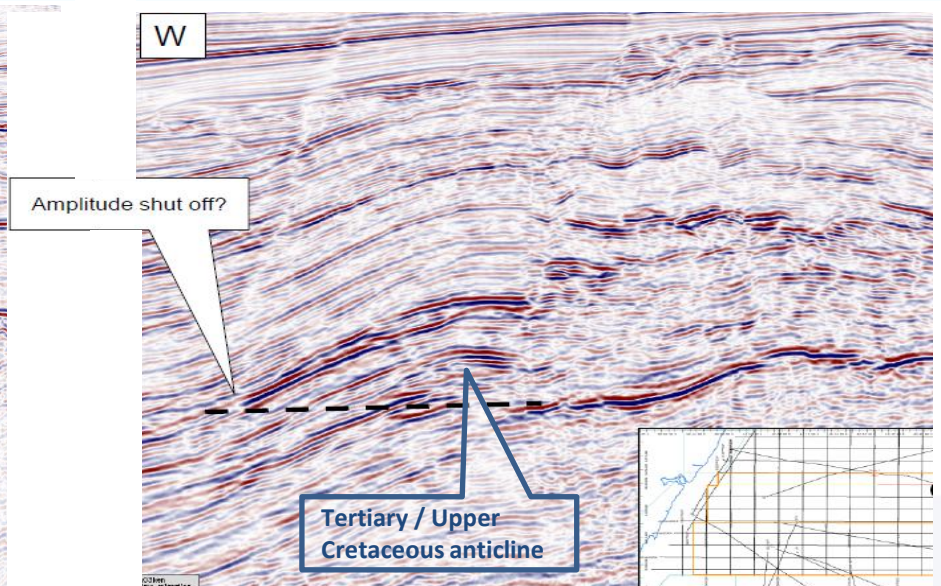
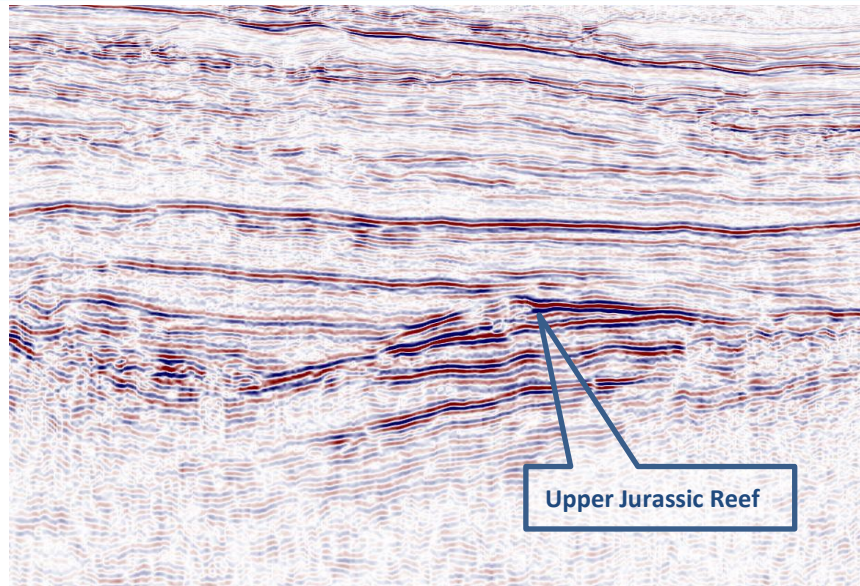
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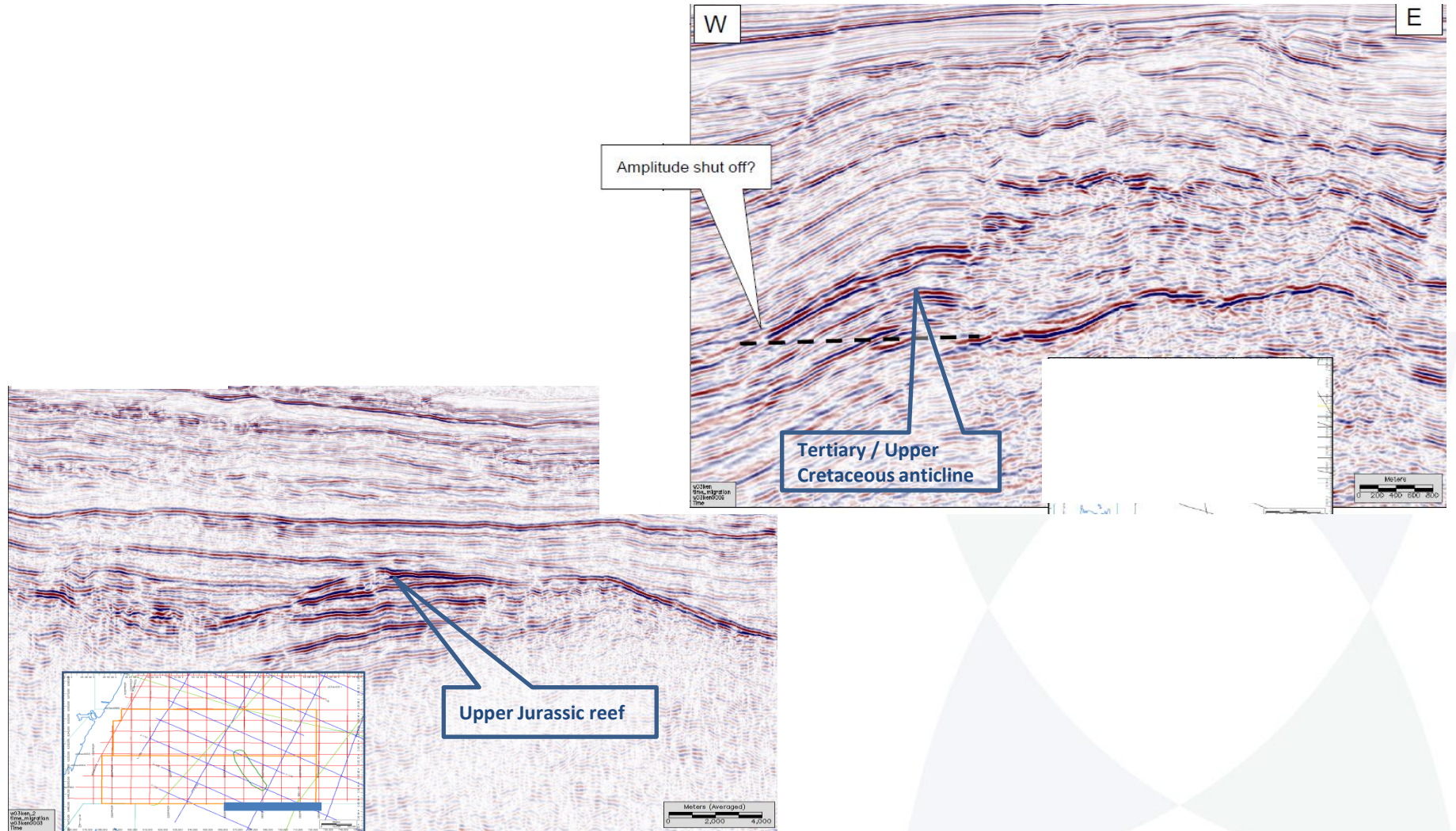
Appendices



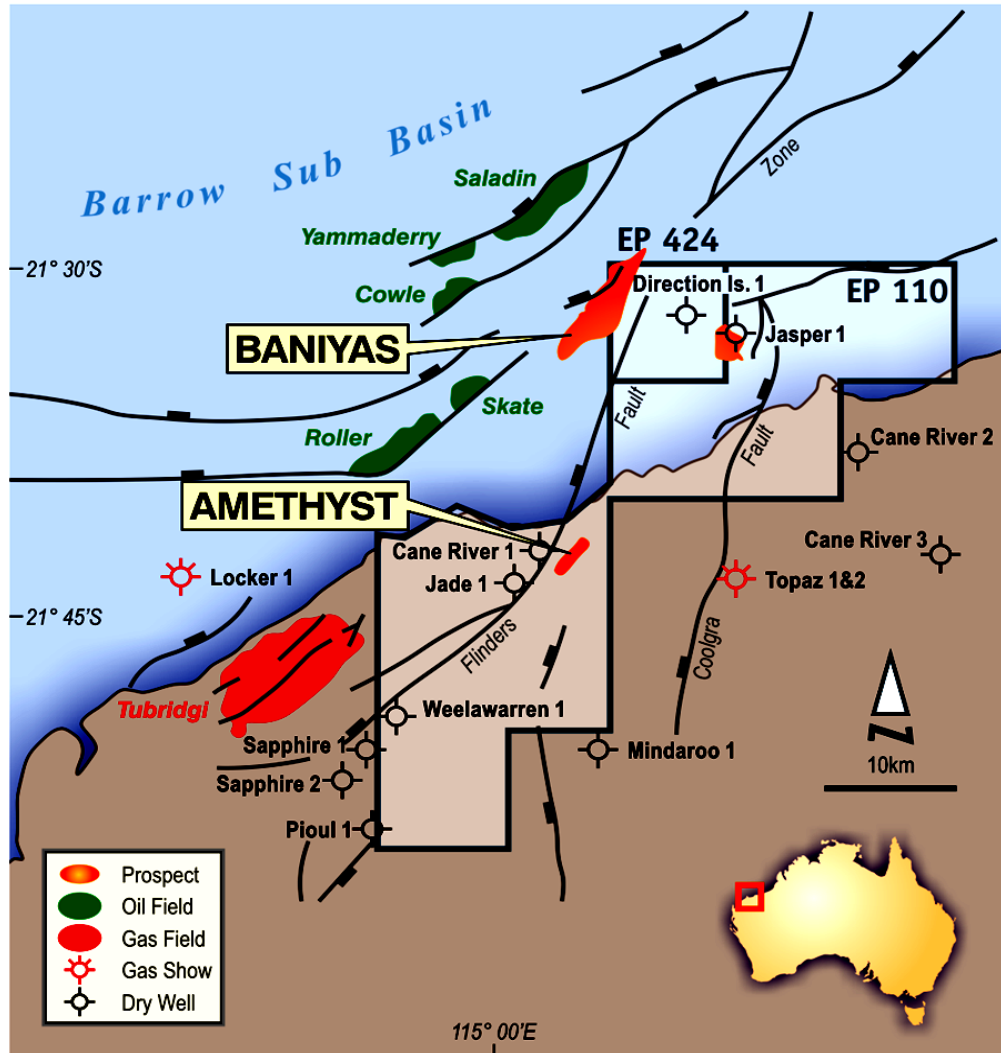
Kenya L10A & L10B – Leads



Kenya L10A & L10B – Leads

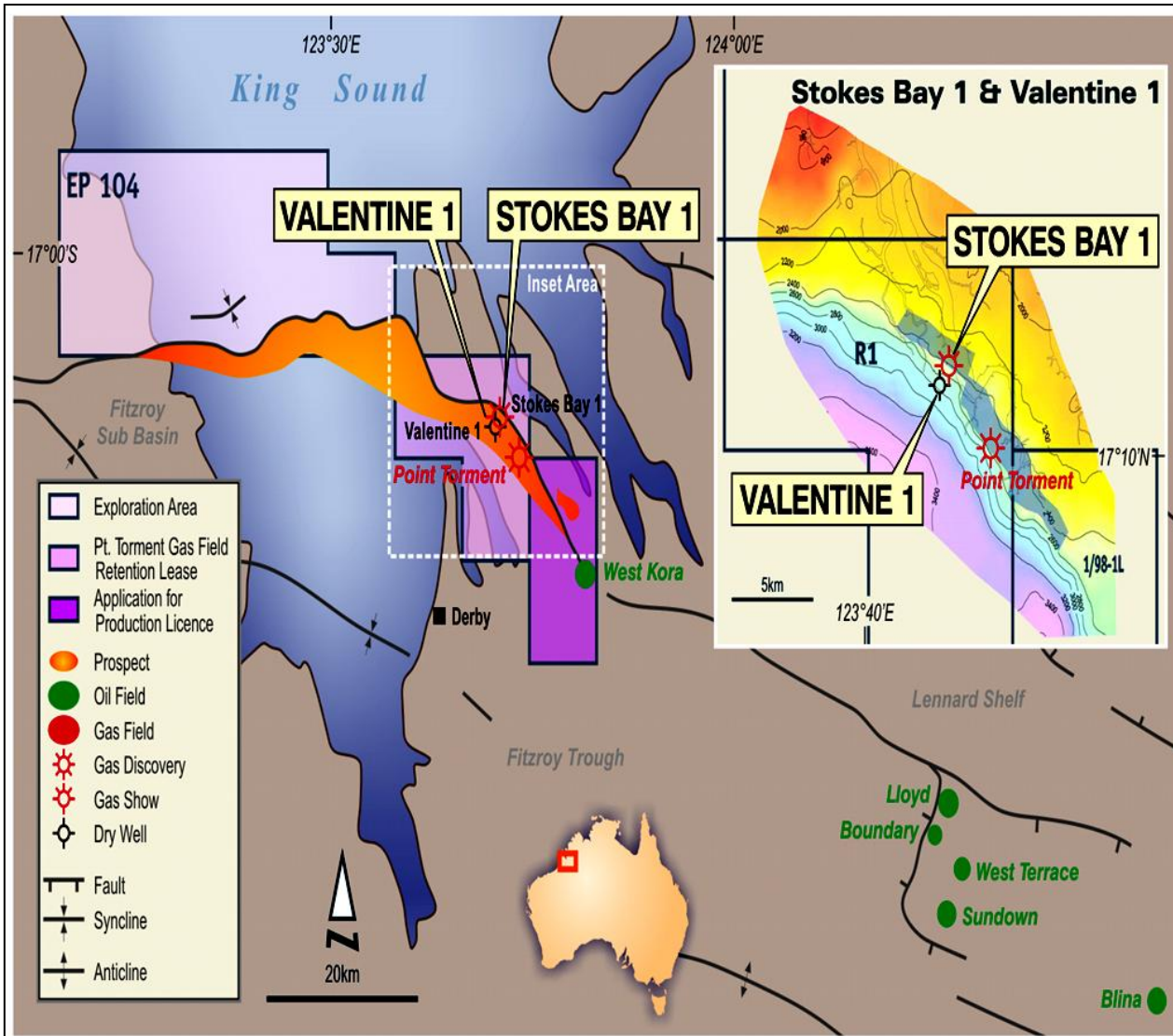


Australia – EP 110 & EP 424



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

Australia – EP 104 / R1 & L15



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