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ASX Companies Announcement Office

27 February 2013

Kenya L6 - Potential for 3.7 billion barrels of oil equivalent resources

- Pancontinental Oil & Gas NL ("Pancontinental") is pleased to announce the results of a new prospective resources report for its L6 exploration licence area offshore Kenya.
- The L6 area has potential to contain approximately 3.7 billion barrels of oil or 10.2 trillion cubic feet of gas prospective resources on a Gross, un-risked, best-estimate basis according to an assessment by operator FAR Limited.
- 3 prospects covered by new 3D seismic have combined potential for approximately 630 million barrels of oil on an un-risked, best estimate, undivided 100% basis.
- Pancontinental holds a 40% interest in the L6 licence.

The prospective resource estimations are derived from new 3D and older 2D seismic data.

Pancontinental's share of the Gross prospective resources is 1.48 billion barrels of oil or 4.08 trillion cubic feet of gas (subject to the matters described in the footnotes below).

The details of the prospective resource estimates are as follows-

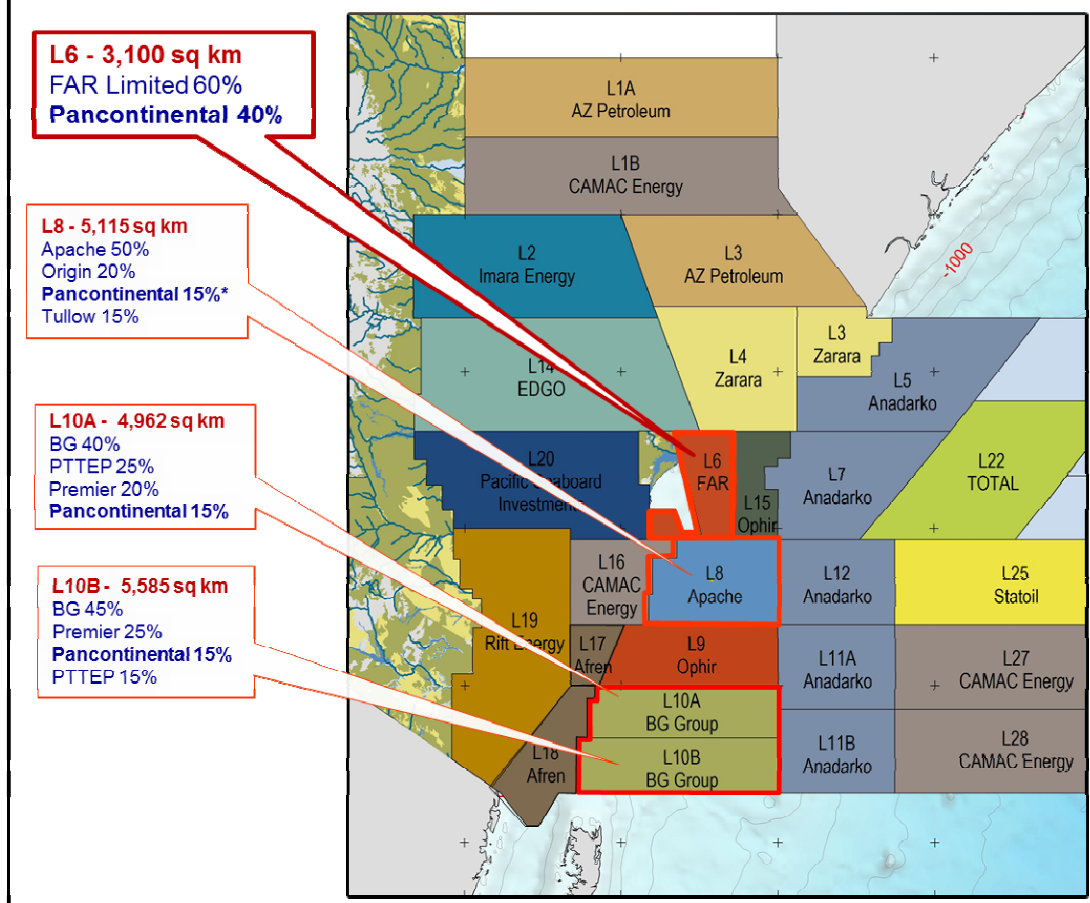
		Unrisked Prospective Resources					
		Low Estimate		Best Estimate		High Estimate	
Prospect	Play	Oil (mmbbls)	Gas (bcf)	Oil (mmbbls)	Gas (bcf)	Oil (mmbbls)	Gas (bcf)
Prospects defined on 3D seismic							
Kifaru	Miocene reef	34	104	178	517	849	2,321
Kifaru West	Miocene reef	30	87	130	388	545	1,579
Tembo	Eocene clastics	91	227	327	807	1,212	2,907
Prospects defined on 2D seismic							
11 Prospects	Miocene reef	297	821	1,249	3,461	5,194	14,032
13 Prospects	Eocene clastics	451	1,287	1,743	4,515	6,582	16,132
6 Prospects	Late Cretaceous clastics	21	101	126	547	684	2,808
Total Gross							
		925	2,627	3,754	10,235	15,066	39,779

From the new 3D data 3 prospects have been mapped, Tembo, Kifaru and Kifaru West, with prospective oil equivalent resources of 327, 178 and 130 million barrels respectively (un-risked best estimate, 100% basis) or in a gas only success case 807, 517 and 388 billion cubic feet of gas. The chances of a discovery have been assessed at respectively 21%, 19% and 18%.

A number of oil and gas play types and prospects have been mapped and on this basis the location of the first exploration well will be selected shortly.

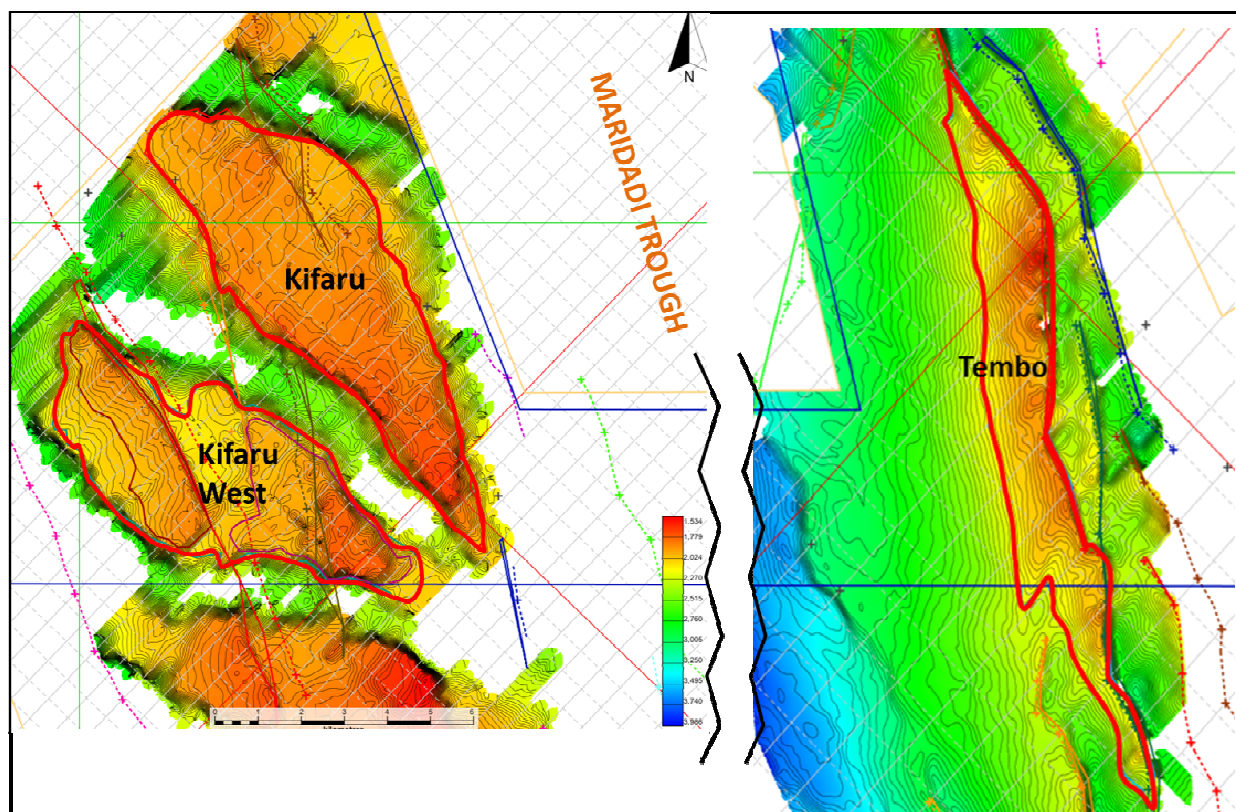
The L6 area is the northernmost of Pancontinental's four areas offshore Kenya-

Offshore Kenya – Pancontinental Licence Areas



The Kifaru Prospect and Kifaru West Prospects are interpreted to be large stacked Miocene reefs, with interpreted good lateral and top seals and close proximity to mature Eocene source rocks.

Tembo is a large tilted fault block trap, with interpreted sandstone reservoirs at a number of levels.



Mr Barry Rushworth, CEO and executive Director of Pancontinental commented-

“The new resource estimates are a further step in unlocking the commercial potential of one of Pancontinental’s areas offshore Kenya. With these initial resource estimates, and mapping of the new 3D seismic well advanced, we are in a position to select a site for our first well in L6.”

Pancontinental is the longest standing oil and gas explorer offshore Kenya and participated in originating the L6 and the L8 projects. In L8 the Mbawa gas discovery was made in 2012 by a joint venture led by operator Apache Corporation (Pancontinental 15%).

The L10A and L10B projects offshore southern Kenya (Pancontinental 15%) are operated by BG Group.

Pancontinental’s website is www.pancon.com.au/

In respect of the Competent Persons Statement regarding the information contained in this release, the reader is directed to the announcement of 27 February 2013 by FAR Limited.

Notes to the table

1. The recoverable hydrocarbon volume estimates prepared by FAR Limited and stated in the table above have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineers.
2. The prospective resource estimates have been estimated using probabilistic methods and are dependent upon a hydrocarbon discovery being made.
3. The Low Estimates, Best Estimates and High Estimates represent respectively that there is a 90%, 50% and 10% probability that the actual resource volume will be in excess of these amounts.
4. The estimates for unrisks prospective resources have not been adjusted for both an associated chance of discovery and a chance of development.
5. The Gross (100% working interest) prospective resource estimates include Government share of production applicable under the Production Sharing Contract.
6. The estimates for unrisks Prospective Resources for Kenya Block L6 are reported in oil or gas. There is insufficient geological and engineering data to make an assessment as to the likely ratio of oil or gas in a given discovery in Kenya Block L6, hence the estimates provided are for either all oil or all gas. The oil and gas estimates reported should not be added together.
7. Prospective resources means those quantities of petroleum which are estimated, as of a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
8. bcf means Billion Cubic Feet of gas at standard temperature and pressure conditions
9. mmbbls means Million Standard barrels of oil or condensate