



INVESTOR PRESENTATION

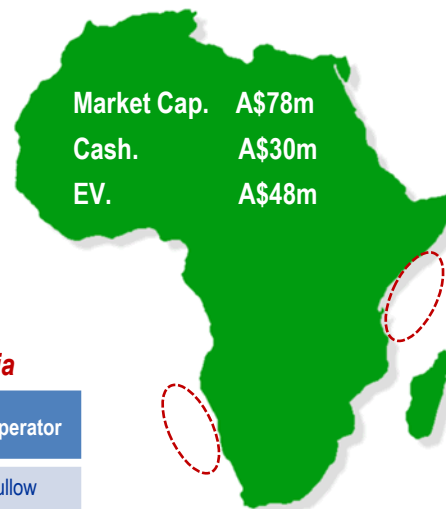
December 2013



- One of the largest African acreage positions of any junior oil company globally (Kenya, Namibia)
- Working oil and gas systems proven offshore Kenya in **2012**, offshore Namibia in **2013**
- Introduced major global players such as BG, Origin, Apache, Premier, PTTEP and Tullow Oil
- Expect \$300 - \$400 million to be spent on exploration across our projects over the next 18-24 months:
 - **Kenya L10A (18.75%)**: Sunbird-1 well offshore Kenya spudding **mid January 2014**, operated by BG Group
 - **Kenya L10B (15%)**: a well offshore Kenya potentially **mid-late 2014**, operated by BG Group
 - **Kenya L6 (40%)**: targeting a free carried well in 2014 from current farm out process (plus portion of \$10m back costs)
 - **Kenya L8 (30%*)**: targeting a free carried well from current farm out process
 - **Namibia EL 0037 (30%)**: Pancontinental free carried through first well by Tullow Oil
- Cash position \$30 million and Enterprise Value of only \$48 million

- Hydrocarbon discoveries in Africa will change the global energy dynamic
- PCL is positioning to significantly benefit from this rare event

Large Offshore African Acreage Position – one of the largest of any junior company



1 Block Offshore Namibia

Block	PCL %	Partner	Operator
Namibia EL0037	30%	Tullow 65% Paragon 5%	Tullow

4 Blocks Offshore Kenya

Block	PCL%	Partner	Operator
Kenya L6	40%	FAR 60%	FAR
Kenya L8	15%*	Apache 50% Origin 20% Tullow 15%	Apache
Kenya L10A	18.75%	BG Group 50% PTTEP 31.25%	BG Group
Kenya L10B	15%	BG Group 45% PTTEP 15% Premier 25%	BG Group

*Increasing to 30% after Apache withdrawal

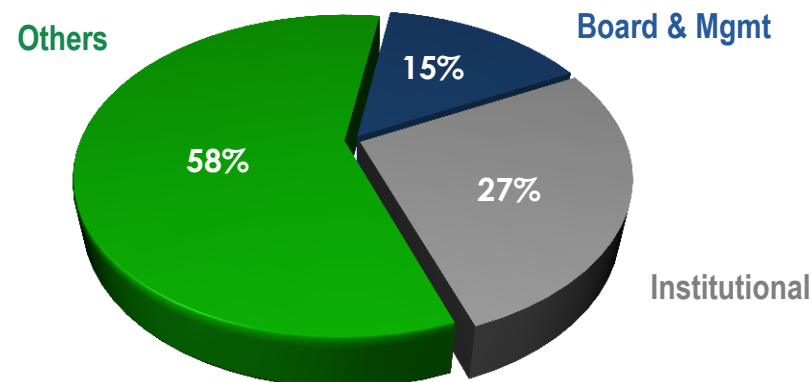
New African Acreage – Pancontinental will continue to grow its asset portfolio through a stringent selection process

Capital Structure

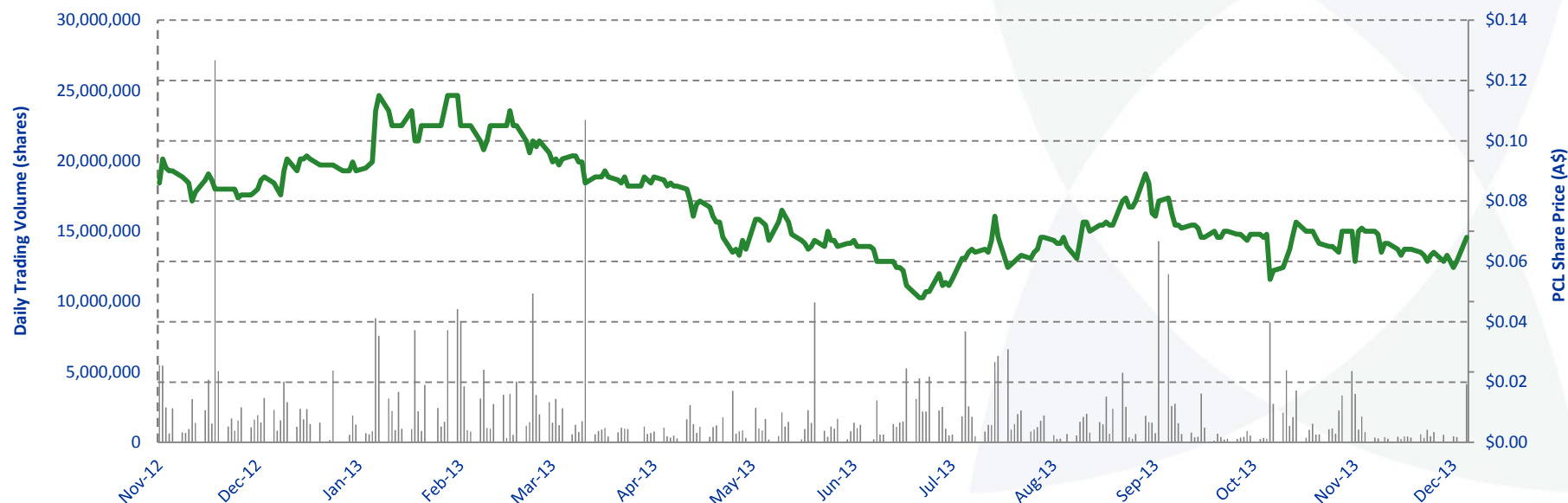
Shares on Issue	1,151 m
Options on Issue ¹	5 m
Market Cap. (at \$0.068)	\$78m
Cash (December 2013) – see Example Use of Funds slide	\$30 m
Debt	Nil
Enterprise Value	\$48 m

¹ 2.25m options (exercise price \$0.1225, expiry Nov 2014), 2.75m options (exercise price \$0.1230, expiry Nov 2016)

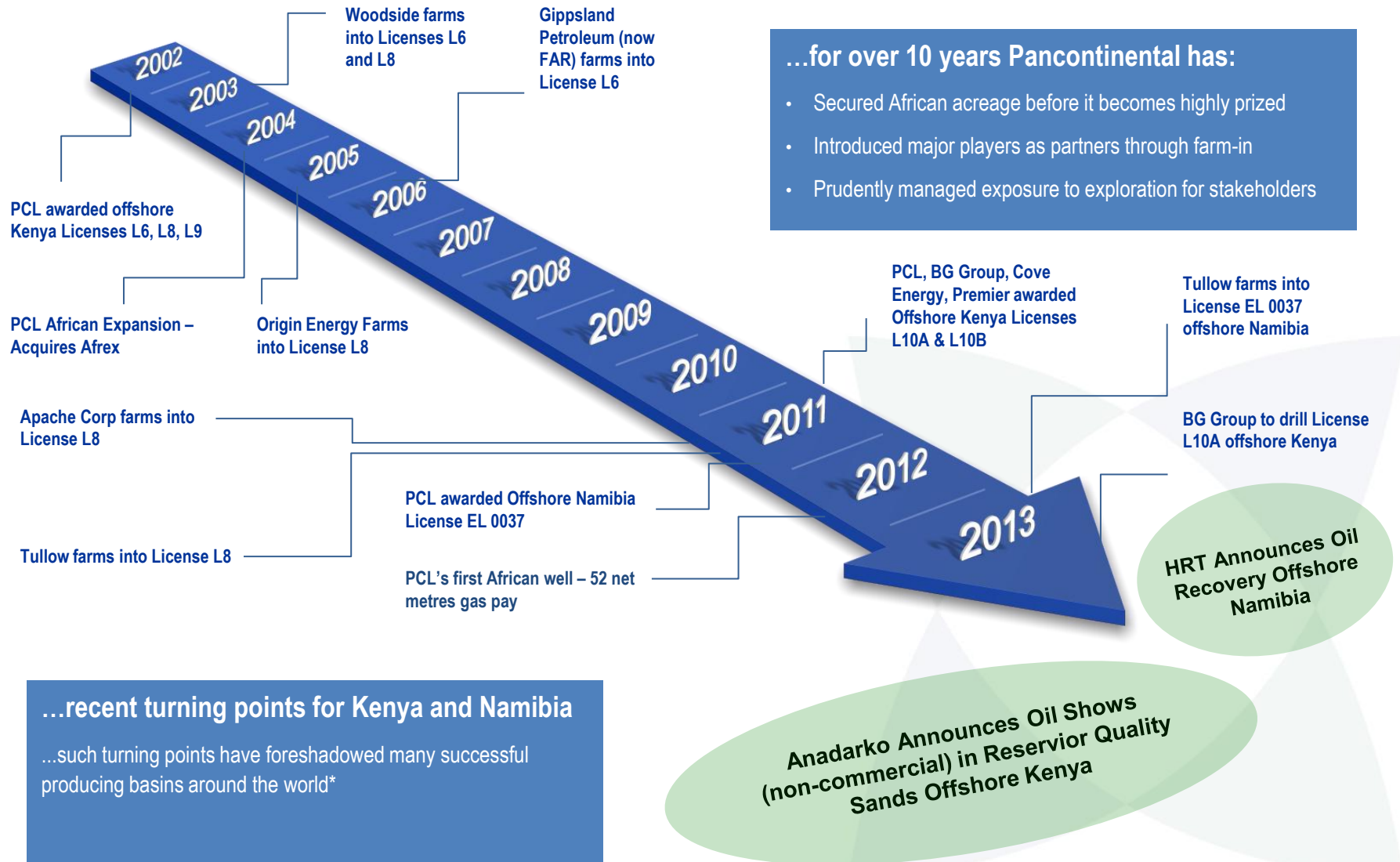
Shareholder Overview



Share Price History



Early Mover, Track Record, Turning Point



Pancontinental Joint Venture Partners

Partner	Market Capitalisation (Approx) US\$	Project with Pancontinental	Notes
BG Group	\$80 Billion	Kenya L10A & L10B	<ul style="list-style-type: none"> Seventh largest company on the London Stock Exchange Biggest supplier of LNG to the USA
Tullow Oil	\$17 Billion	Namibia EL 0037 Kenya L8	<ul style="list-style-type: none"> Leading African oil explorer Farmed-in to Pancontinental projects in Kenya and Namibia In the Top 40 on the London Stock Exchange
PTTEP	\$20 Billion	Kenya L10A & L10B	<ul style="list-style-type: none"> Thai State-Owned Oil Company 128th in the global Fortune 500 list Highly diversified energy company
Origin Energy	\$16 Billion	Kenya L8	<ul style="list-style-type: none"> Australia's leading integrated energy company In the ASX Top 20 Expanding into Southern Africa
Premier Oil	\$2.9 Billion	Kenya L10B	<ul style="list-style-type: none"> FTSE 250 member Notable British oil producer and explorer

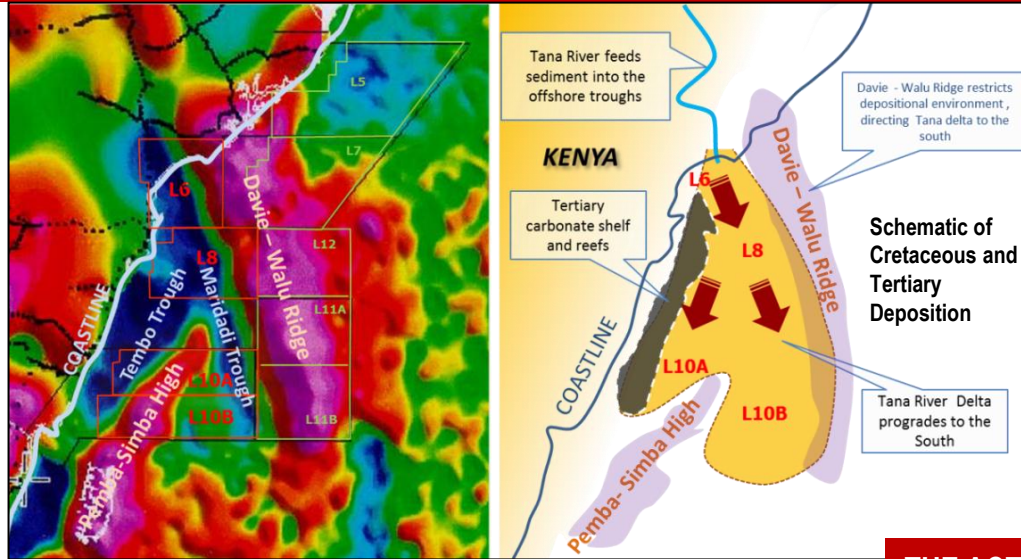
- Pancontinental also has some notable neighbours - Shell, Anadarko, Total, Ophir, HRT, ENI.....

OFFSHORE KENYA.....



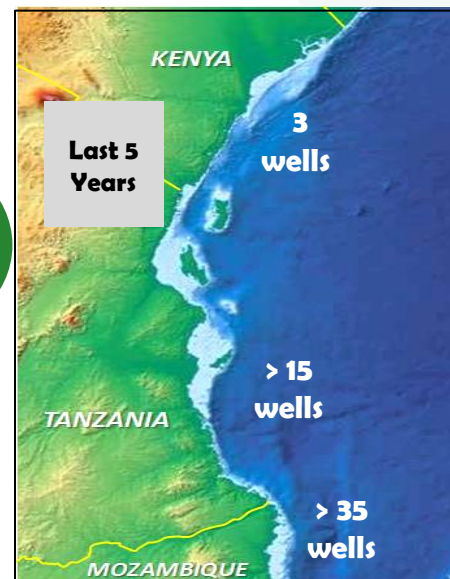
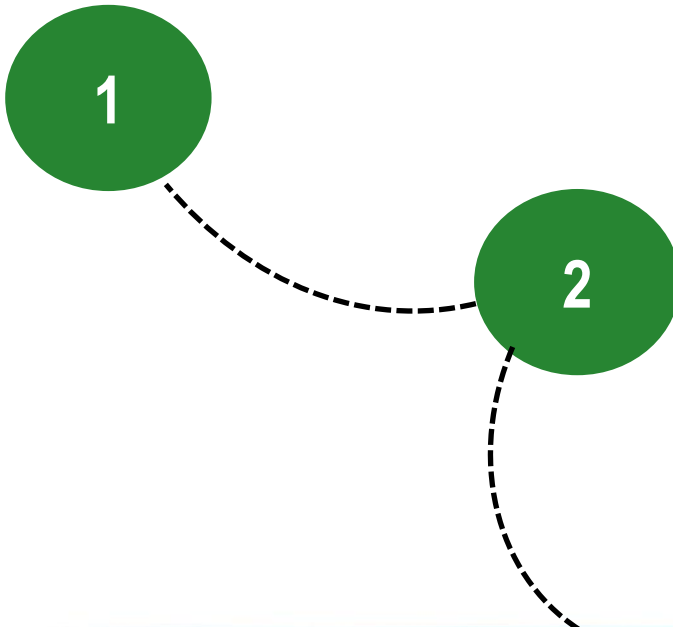
Offshore Kenya – Factors for Success

THE THEORY – Favourable Depositional Environment



- The Tana River delta developed inboard from the Davie – Walu Ridge into the Tembo and Maridadi Troughs
- Jurassic to Tertiary restricted depositional environments
- Pancontinental recognised the opportunity early and acquired exploration licences

THE ACTIVITY – After Success, Drilling Now Moving North



Offshore Kenya – gas discovery + non commercial oil shows in reservoir quality sands (2012 / 2013)



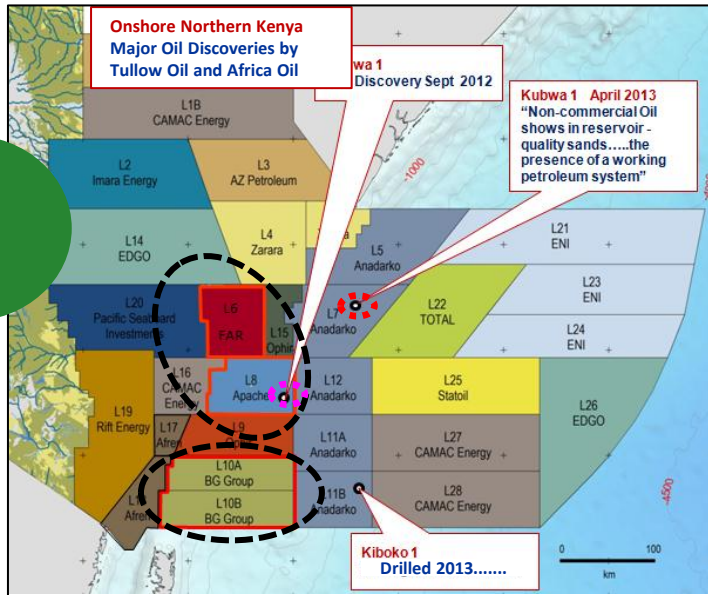
~30 + Tcf Gas discovered offshore Tanzania



~ 150+ Tcf Gas discovered offshore Mozambique

Offshore Kenya – Factors for Success

THE SETTING – Recent Discoveries and Building on Success



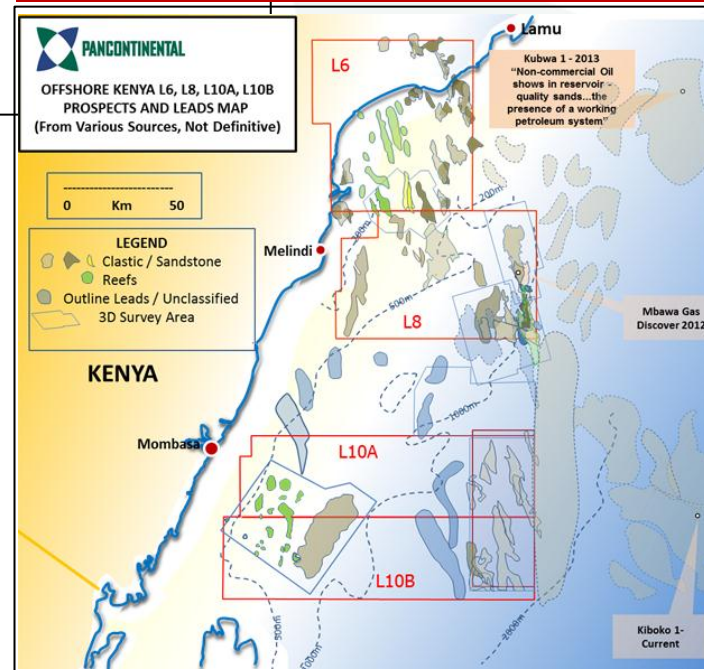
 PCL's Four Blocks

 Oil Shows

 Gas Discovered

- Only 3 wells in the last five years offshore Kenya -
 - One gas discovery; and
 - One well with significant oil shows and good reservoir
- Operators believe that the inboard area is “oily”
- Pancontinental has access to much of the inboard
- Future drilling will be on a variety of play types

THE PROSPECTIVITY – A Multitude of Play Types and Prospects



New hydrocarbon province opening offshore Kenya

Major Carbonate / Reef Prospects

Major Clastic / Sandstone Prospects

Prime Acreage, World-Class Joint Venture

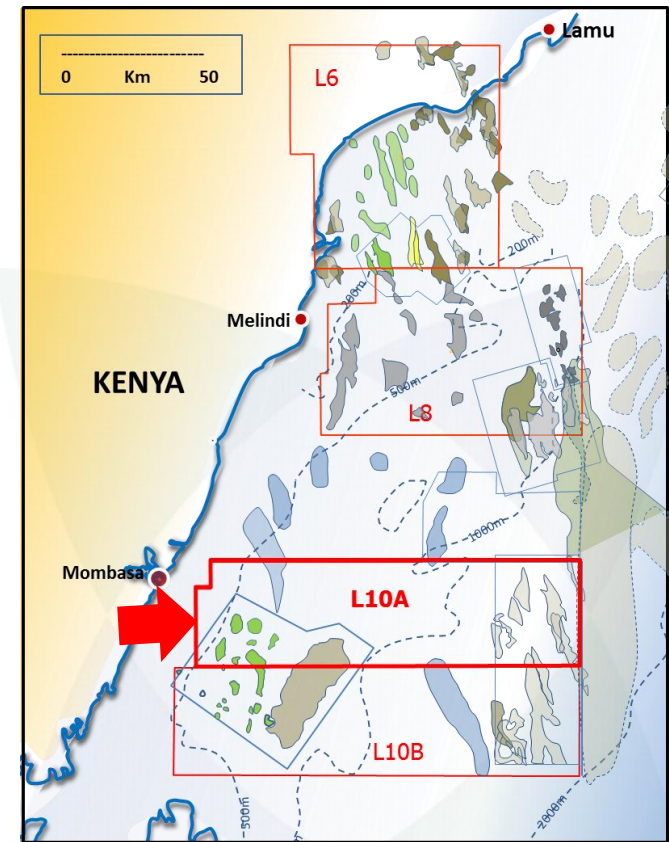
- Offshore Kenya - Pancontinental 18.75%
- BG (Operator) 50%, PTTEP 31.25%
- 4,962 sq km (1,226,136 acres)
- Water depth 200m to 1,800m & close to Mombasa Port

Significant Oil Opportunity

- Extensive 3D seismic - multiple Play types, Prospects and Leads
- Approx. \$31 million spent to date
- Two interpreted oil “kitchen” troughs

Ready to Drill

- Targeting **Sunbird** Miocene Reef Prospect
- Strong operator – BG Group
- Drilling expected to commence mid January 2014



- Oil interpreted from two Source Kitchen “Troughs”
- ***Drilling Sunbird Miocene Reef mid January 2014***

Multiple Play Types

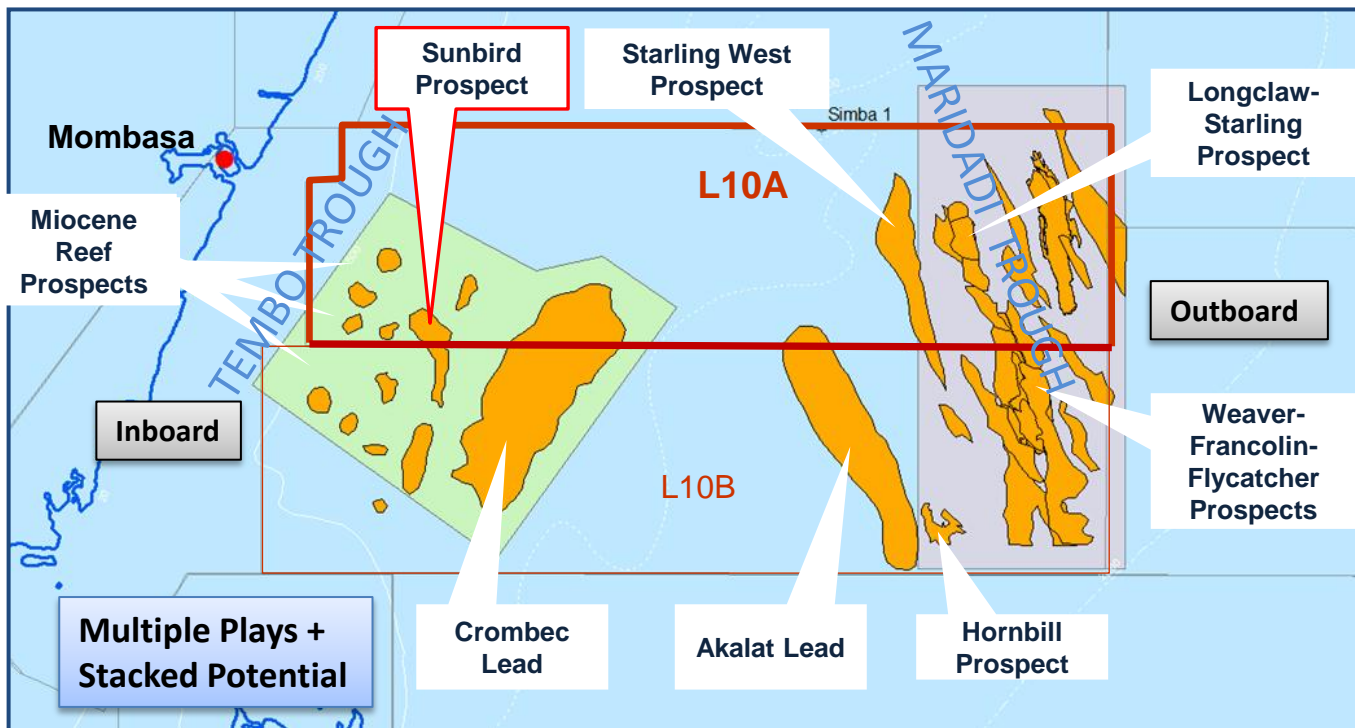
- Miocene Reefs
- Tertiary & Cretaceous Channels
- Cretaceous anticlines
- Channel and turbidite fan sands

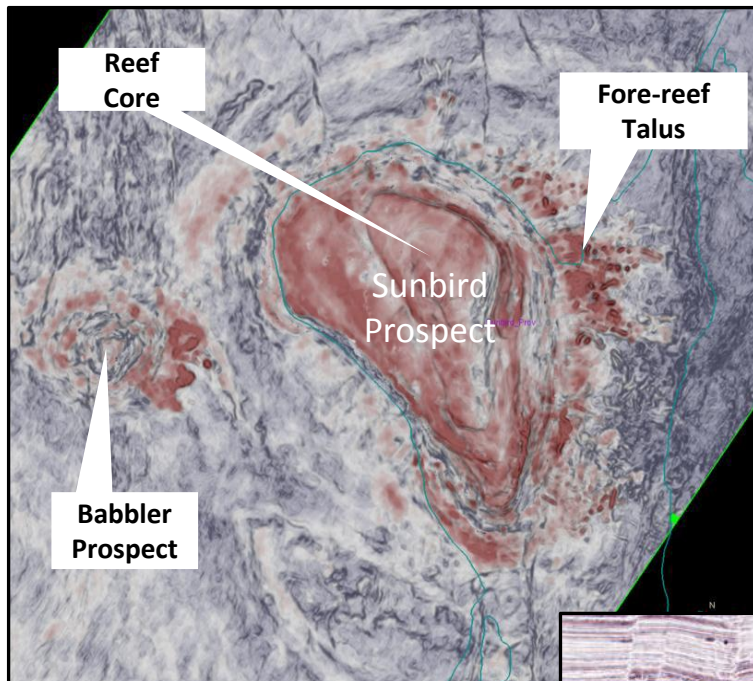
Prospects and Leads

- >20 Main closures
- Miocene reefs -Sunbird, Chatterer, Turaco, Babbler etc
- Crombec 550 sq km
- Numerous other Outboard clastic prospects

Extensive 3D Coverage

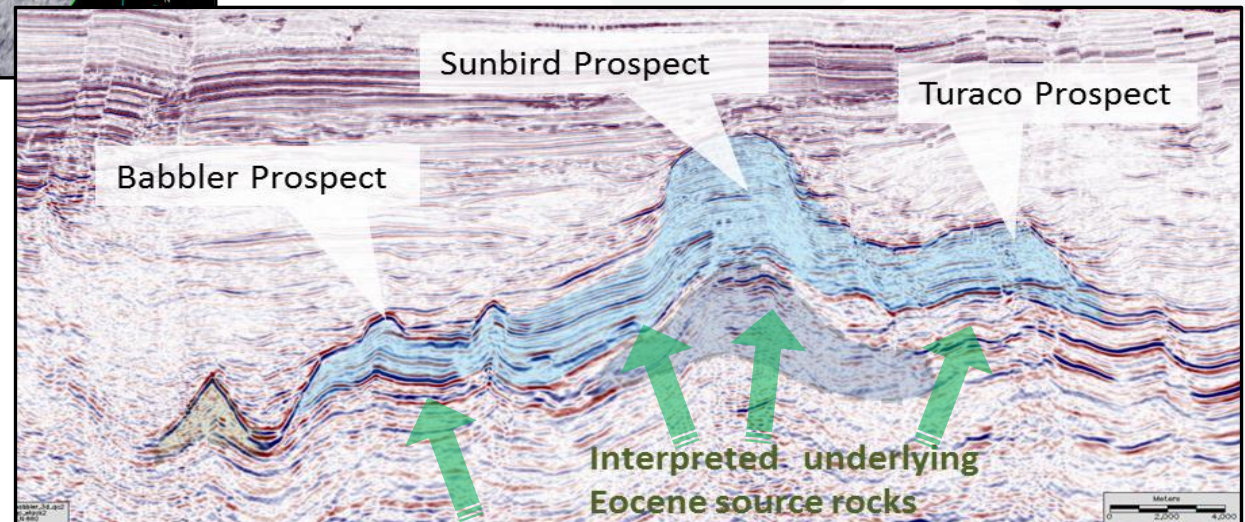
- 3D surveys totalling ~ 4,800 sq km (L10A & L10B)
- Plus extensive 2D data





Sunbird Prospect

- Large Miocene Reef build-up
- Prospect covers 73 sq km, with vertical relief of approximately 700m. The well will be drilled to at least 3,000m subsea. Water depth is 725m.
- Mature Eocene source rocks interpreted
- Excellent analogues – S East Asia etc
- Multiple follow-ups
- OIL play
- **DRILLING mid January 2014**



Prime Acreage & Joint Venture

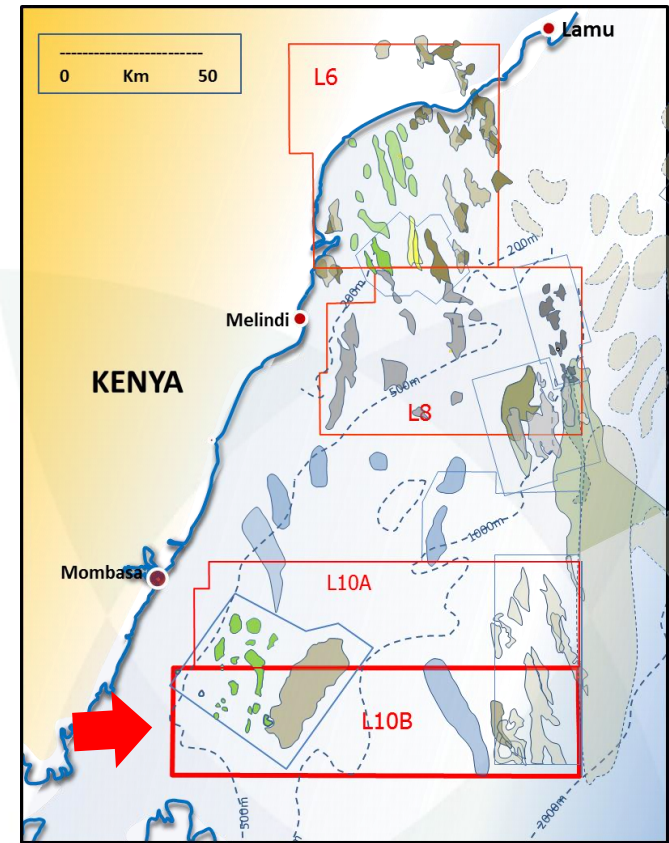
- Offshore Kenya
- Pancontinental 15%
- BG (Operator) 45%, PTTEP 15%, Premier Oil 25%
- 5,585 sq km (1,380,082 acres)
- Water depth 200m to 1,800m and close to Mombasa Port

Significant Oil Opportunity

- Extensive 3D & 2D seismic - multiple Play Types, Prospects and Leads
- Approx. \$32 million spent in L10B
- Two interpreted oil “kitchen” troughs

Ready to Drill

- Strong operator – BG Group
- **Clastic prospect- Drilling expected mid 2014**
- Targeting outboard clastic play and / or Crombec Lead



- Two interpreted Oil Kitchen “Troughs”
- Aggressive Programme led by BG Group
- *Drilling Sunbird Miocene Reef mid January 2014 in L10A*
- *Drilling possible clastic prospect later in 2014 - L10B?*

Multiple Play Types

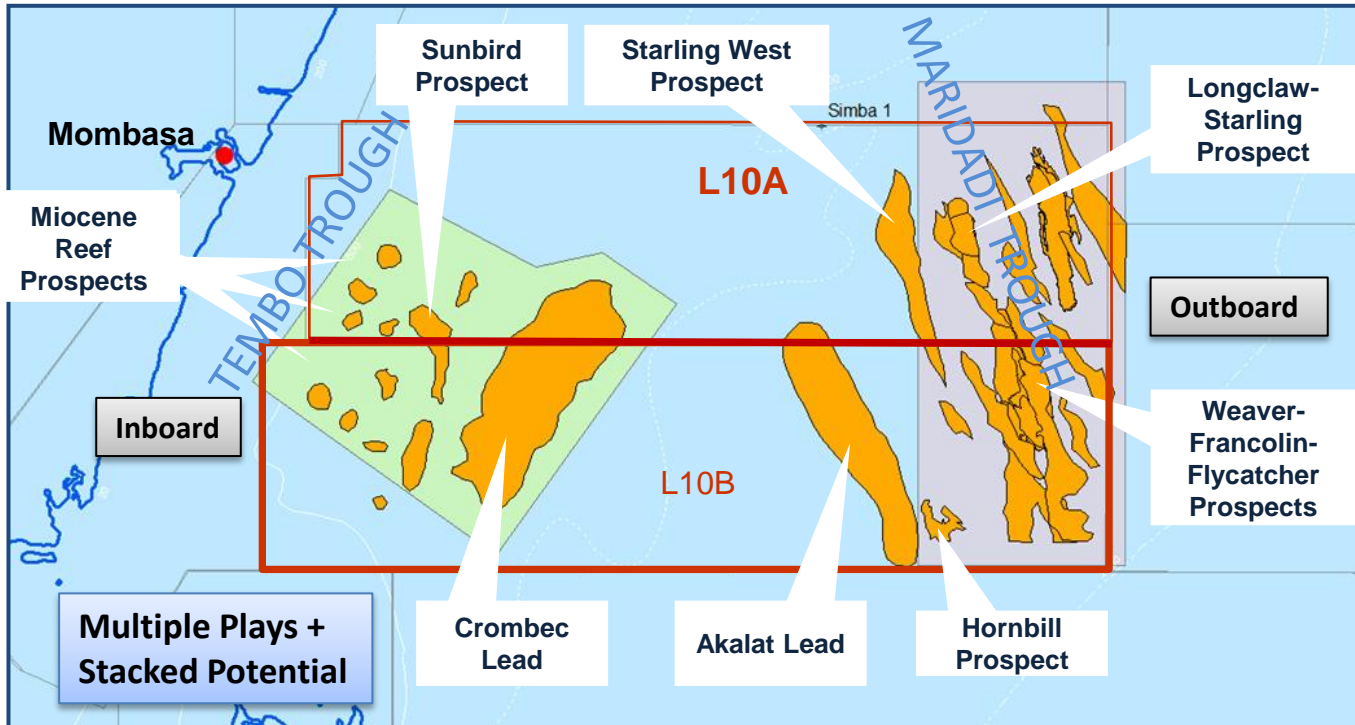
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- Channel and Turbidite fan sands

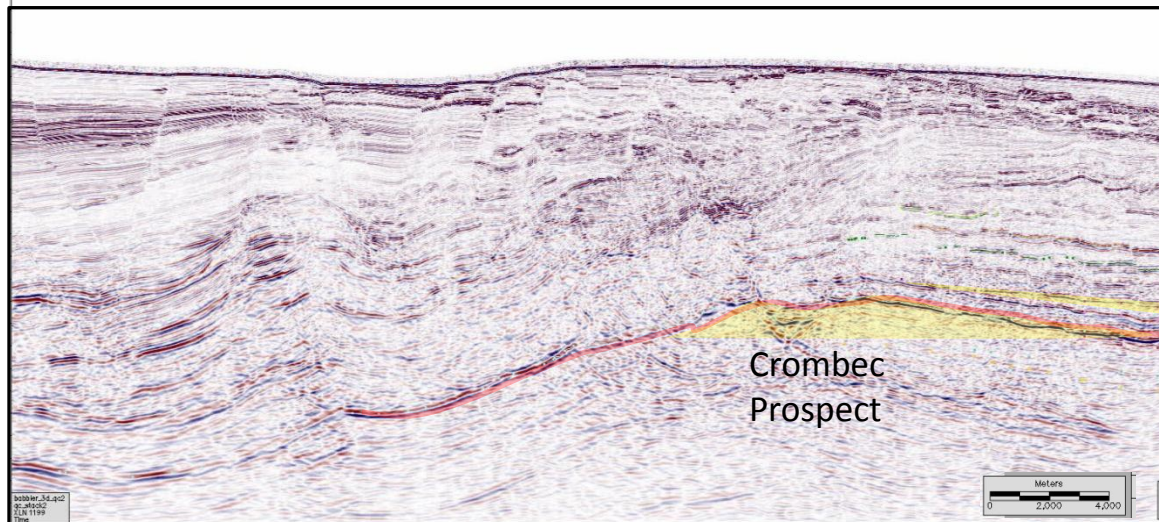
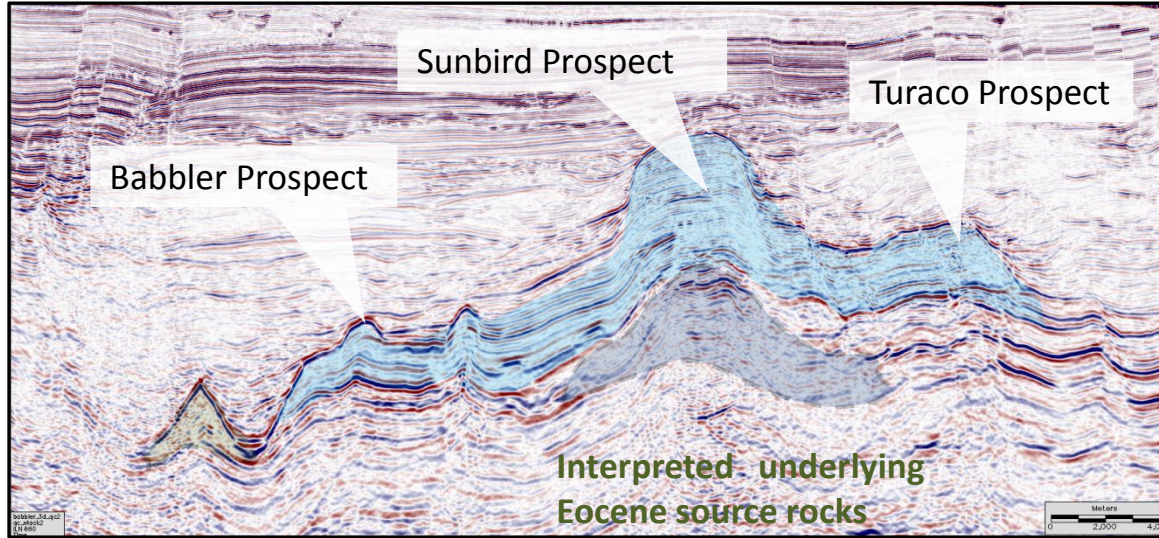
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Extensive 3D Coverage

- 3D surveys totalling 4,800 sq km (L10A & L10B)
- Plus extensive 2D data



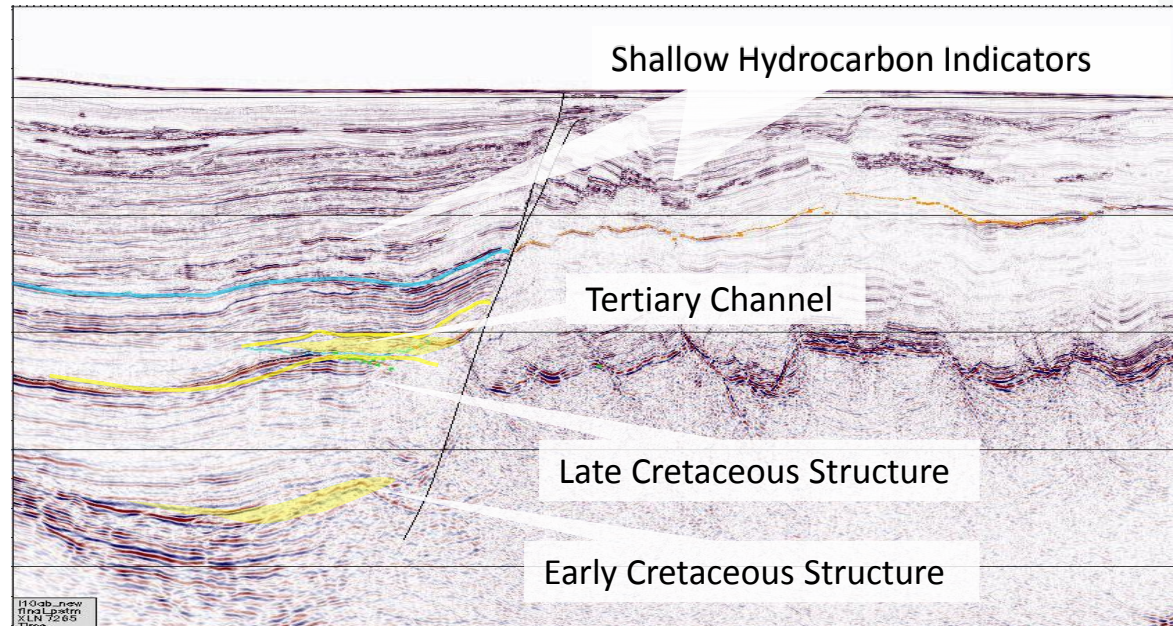


Miocene Reef Prospects

- Stacked reefs developed over carbonate platform
- Multiple follow –ups
- Highly productive global analogues
- Various drill depths & sizes
- Full 3D coverage

Crombec Prospect

- Very large Cretaceous anticline --- 550 sq km
- Multiple potential shoreface and deepwater sandstone reservoirs
- Onlap / pinchouts at various levels
- Fully covered by 3D



- **Multiple large Cretaceous fault blocks**
- **Indications of channel sands**
- **Extensive follow-up**
- **Successful Angolan analogue**
- **Full 3D coverage**

- **Rollover into major fault**
- **Channel on structural crest**
- **Closure at multiple levels**
- **Full 3D coverage**

Large Block, Respected Partners

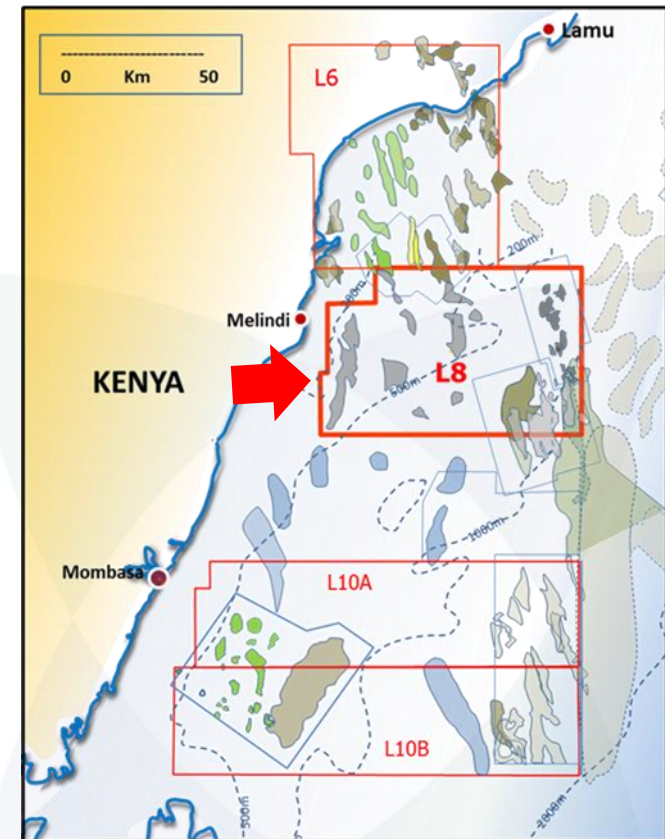
- Offshore Kenya
- 5,115 sq km (1,263,944 acres)
- Pancontinental 30%*
- Origin 40%*, Tullow Oil 30%*

Mbawa Gas Discovery, Follow-up Oil Target

- 2012 - Mbawa 1 gas discovery – 1st discovery offshore Kenya
- Multiple play types, Prospects and Leads
- Tai channel sand oil play beneath Mbawa gas level
- Numerous other play types- inboard fault blocks, Miocene reefs

Future Drilling Under Consideration

- Exploration aiming to find oil, interpreted deeper than Mbawa gas level
- Kipungu Prospect is one of several possible Mbawa follow-ups, as an oil play
- Joint Venture yet to confirm follow-up well to Mbawa



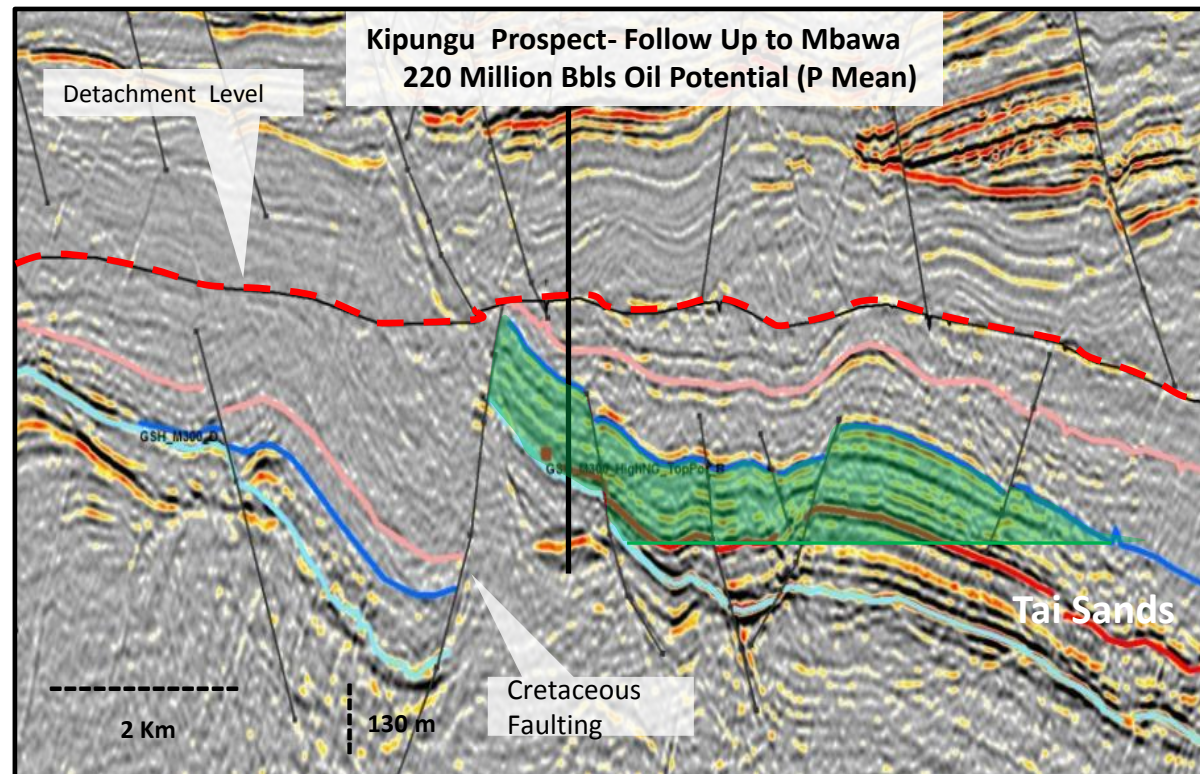
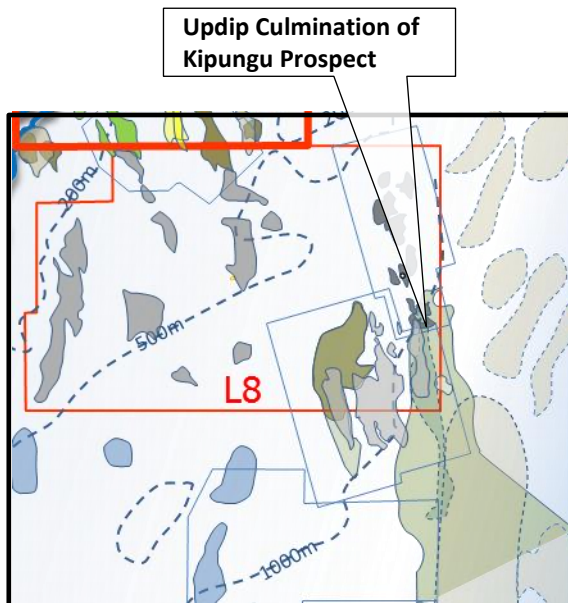
* Projected following Apache withdrawal.

Tullow has an option to earn 5% from Pancontinental in return for funding Pancontinental's share of the next well up to a "cap" of US\$6 million

Kipungu Prospect

- Kipungu (formerly Tai) Prospect- one of a number of potential drilling targets in L8
- Targets deeper than Mbawa gas discovery thought to have OIL potential
- Updip extremity of large Cretaceous Turbidite / Fan and Channel system
- Very large “fetch”- collecting area
- Interpreted good quality channel sands
- OIL play

Seismic Cross Section through Kipungu Prospect



Large Block, Multiple Opportunities

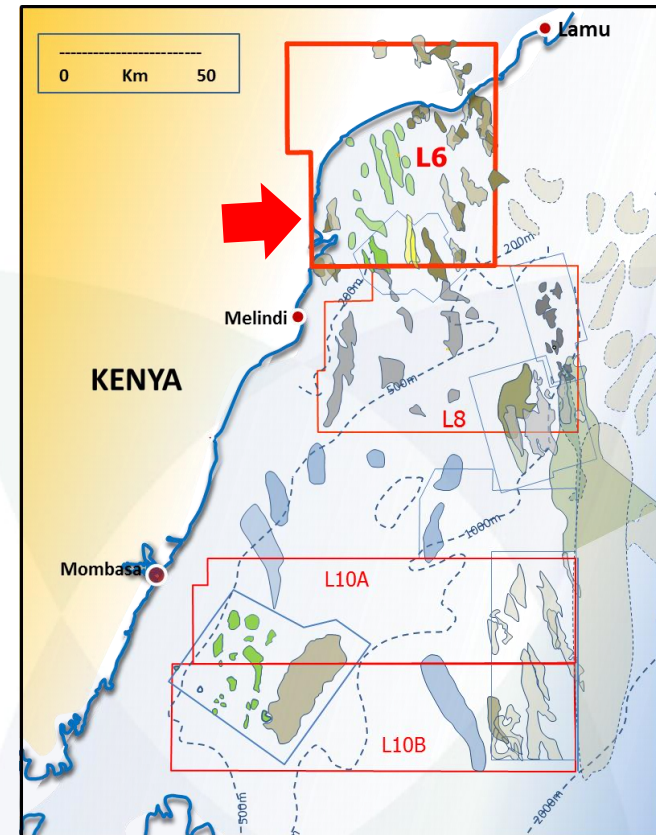
- Offshore Kenya
- 5,010 sq km (1,237,998 acres)
- Pancontinental 40% , FAR Limited (Operator) 60%
- Estimated 3.7 billion barrels of oil or 10.2 trillion cubic feet of gas Prospective Resource*

Main Plays

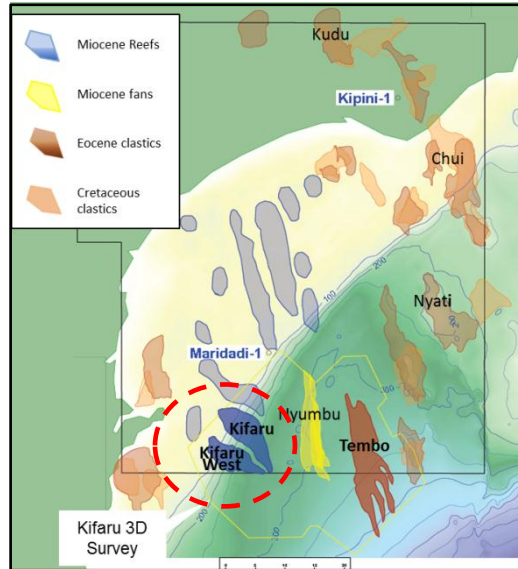
- Multiple play types, Prospects and Leads. >20 main closures
- Kifaru Prospect- Miocene Reef – first for drilling
- Newly identified Miocene Reef swarm
- Follow up after Kifaru- Kifaru West etc

Drilling, Farmout

- Exploration aiming to find oil
- Drilling - Kifaru planned farmout and drilling 2014- farminee sought



* Un-risked Best Estimate -Estimated by L6 operator FAR Limited. See Appendices for details



Kifaru Prospect

- Oligo- Miocene Reef “Stack”
- Kipini Sands second target
- Oil-mature Eocene source rocks predicted at c. 3,500m
- Highly productive world-wide analogues

Large Size

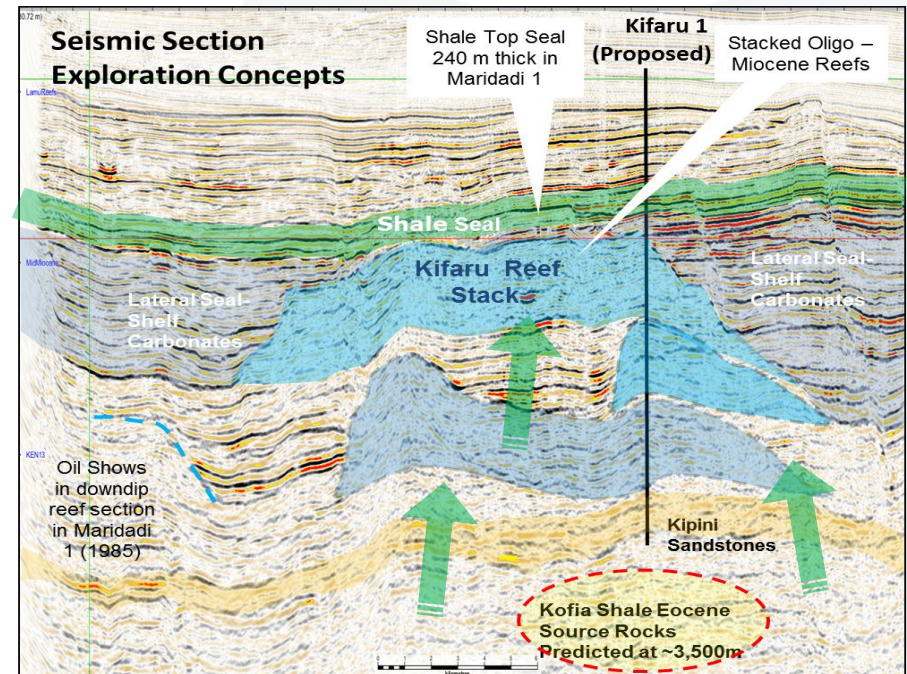
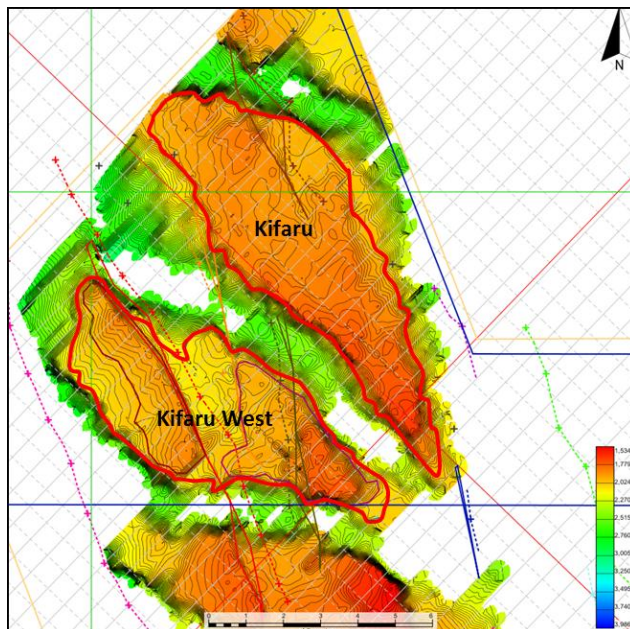
- Areal Closure approx 30 sq km
- Vertical 2,000+ m

Follow- Up

- Reef “swarm” in L6
- Other major 3D prospects including Tembo and Kifaru West

Farmout planned

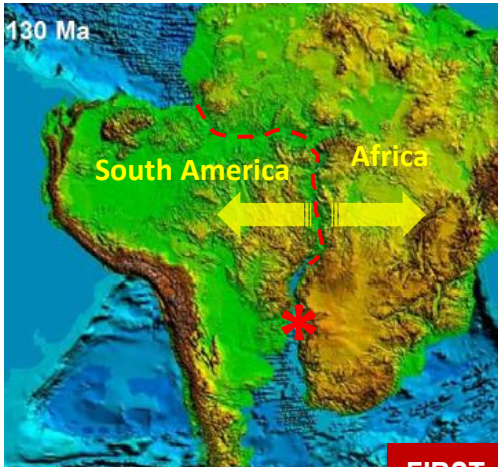
- L6 open for drilling under farmout



OFFSHORE NAMIBIA.....

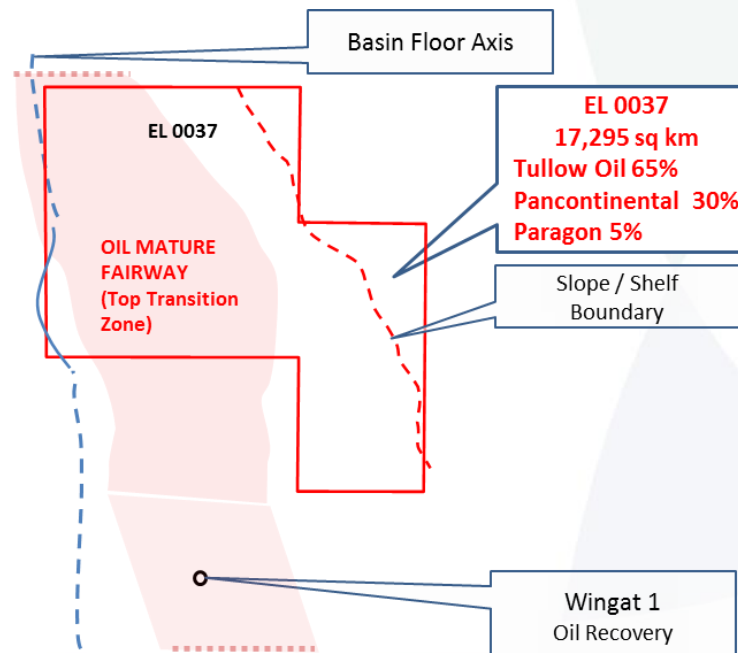


THE THEORY – Basin Development



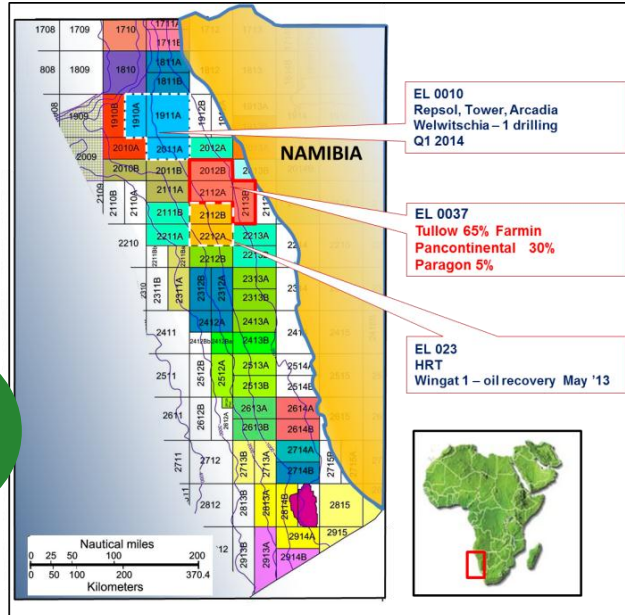
- Tectonic conjugate of Offshore Brazil
- Channel sands and turbidites identified on Slope and Basin Floor
- Source rocks in Rift and early Drift phases
- Oil Mature Fairway mapped by Pancontinental

FIRST APPRAISAL – Favourable Oil & Gas Environment



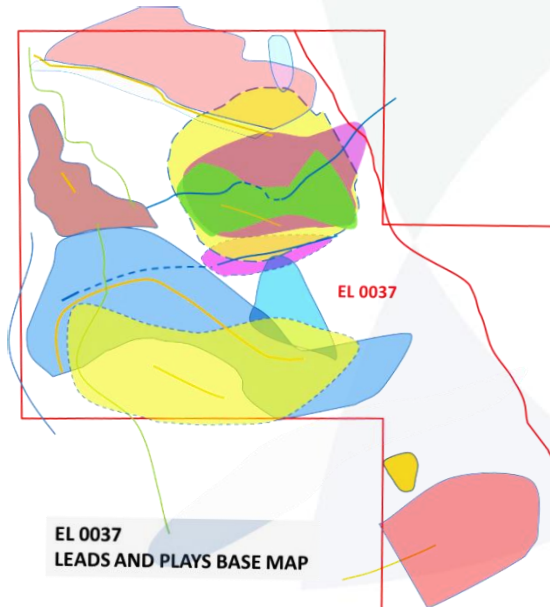
- Oil Mature Fairway interpreted by Pancontinental
- Wingat oil recovery (2013) verifies Fairway, but poor reservoir
- Potential good turbidite and channel reservoirs seen on seismic in EL 0037
- Tullow Oil farms-in, September 2013

RECENT OIL RECOVERY AND THE FUTURE – Building on Success



- Wingat 1 Oil Recovery- March 2013, good thick mature source rocks reported
- Farmout to Tullov - September 2013
- 3D, 2D and drilling planned 2014 +
- Numerous Leads already defined

THE PROSPECTIVITY –Multitude of Play Types and Leads



- Numerous Channel and Turbidite Leads on existing 2D seismic
- Extensive 3D Seismic planned under Tullov Farmin
- Prospects expected to be close to oil source rock zones

3

4

Large Block, Proven Regional Oil System

- Offshore Namibia-- 17,295 sq km (4,273,687 acres)
- Pancontinental 30% free carried
- Tullow Oil (Operator) 65%, Paragon (local partner) 5%
- Oil Mature Fairway mapped by Pancontinental
- First Oil recovery and high quality mature source rocks in Wingat -1, south of EL 0037, announced May 2013

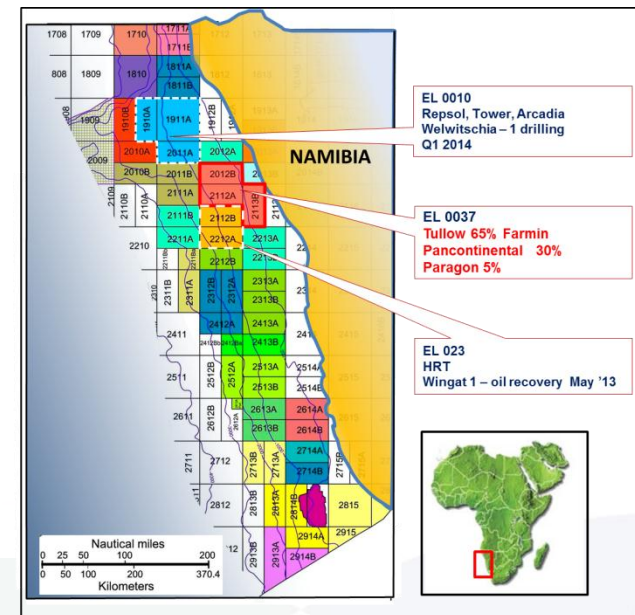
Multiple Leads, Encouraging Prospective Resource Estimate

- Multiple play types, Multiple Leads- Slope Channels, Basin Floor Fans etc
- DeGolyer & McNaughton recognise large stratigraphic leads in potential clastic turbidite targets and **total prospective resource estimate of 8.7 Billion Barrels of Oil***

Farmout Sep '13

- Farmout to Tullow Oil September 2013
- 3D Seismic programme commencing early 2014
- Drilling (under option)

*Mean Estimate – 100% basis; See Appendices



DEGOLYER & MACNAUGHTON RESOURCE ESTIMATES

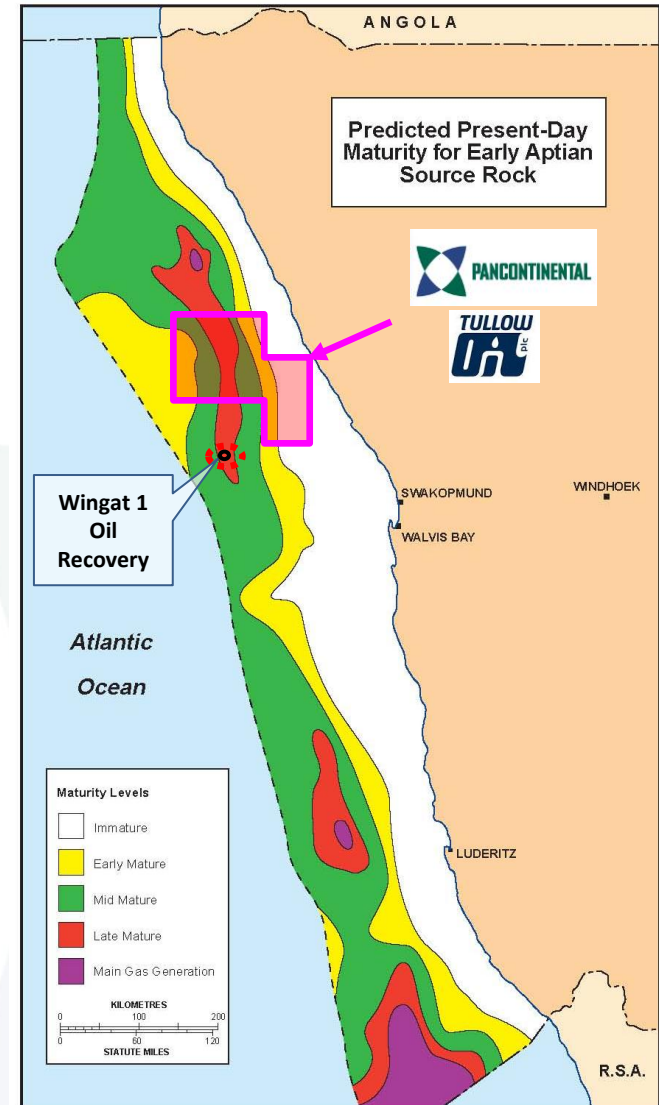
Lead	Prospective Potential Fluid	Low Estimate (10 ³ bbl)	Best Estimate (10 ³ bbl)	High Estimate (10 ³ bbl)	Mean Estimate (10 ³ bbl)
Lead A/B	Oil	100,754	471,465	1,767,865	782,830
Lead C	Oil	77,922	364,152	1,398,649	610,195
Lead D	Oil	49,375	234,202	900,066	388,194
Lead E	Oil	221,141	1,057,906	4,171,052	1,770,034
Lead F	Oil	36,401	167,857	653,538	280,450
Lead G	Oil	8,868	38,364	146,140	63,781
Lead H	Oil	5,627	26,069	99,830	43,074
Lead K	Oil	22,677	102,985	408,135	174,238
Lead M	Oil	143,600	702,891	2,700,271	1,165,192
Lead N	Oil	239,962	1,097,327	4,345,222	1,875,898
Lead O	Oil	200,231	942,684	3,560,946	1,552,849
Statistical Aggregate (*Appendix)		4,591,213	7,817,133	13,913,089	8,706,734

Tullow Oil Farmed in - Sep '13

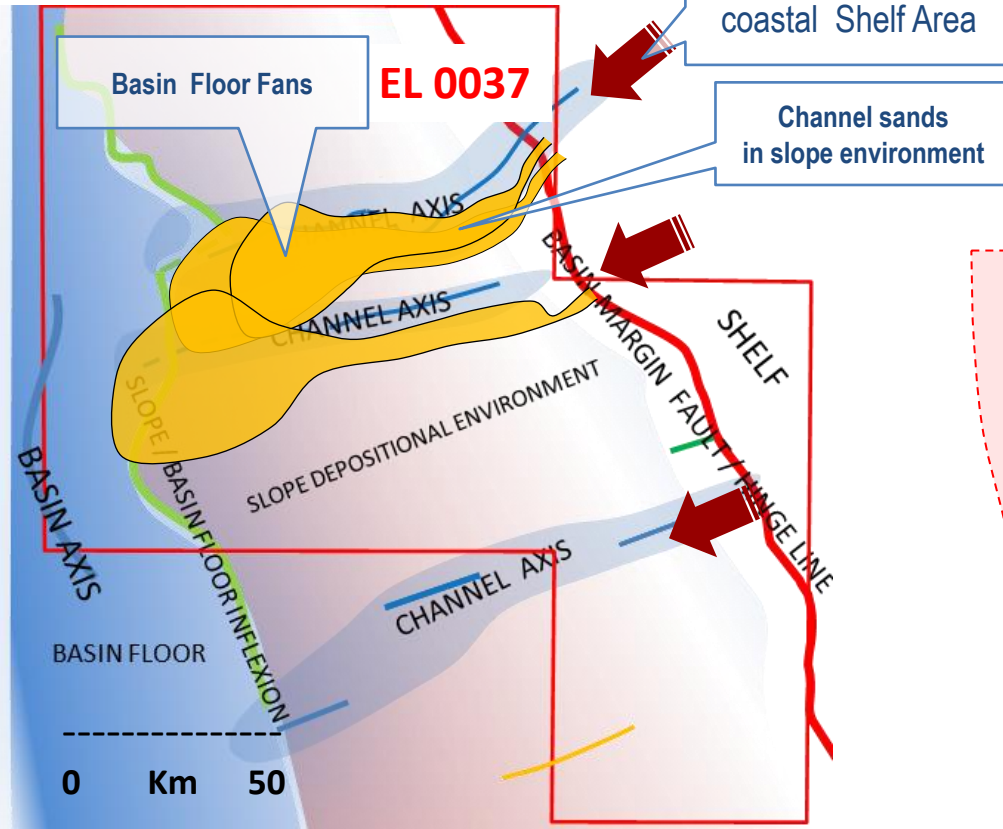
- Tullow Oil becomes partner and Operator after farmin in September 2013
- Tullow is one of the most successful explorers in Africa and globally, opening new oil basins in Uganda, Ghana, Kenya and French Guiana

Aggressive Exploration Planned

- Exploration Programme includes Tullow funding -
 - 3,000km² 3D
 - 1,000km 2D seismic
 - Drilling to acquire and maintain a 65% interest
- 3D seismic survey expected to commence early 2014
- Drilling expected by 2015
- Pancontinental estimates farmin expenditure up to \$130 million (100% basis)



Model of Slope and Basin-Floor Deposition

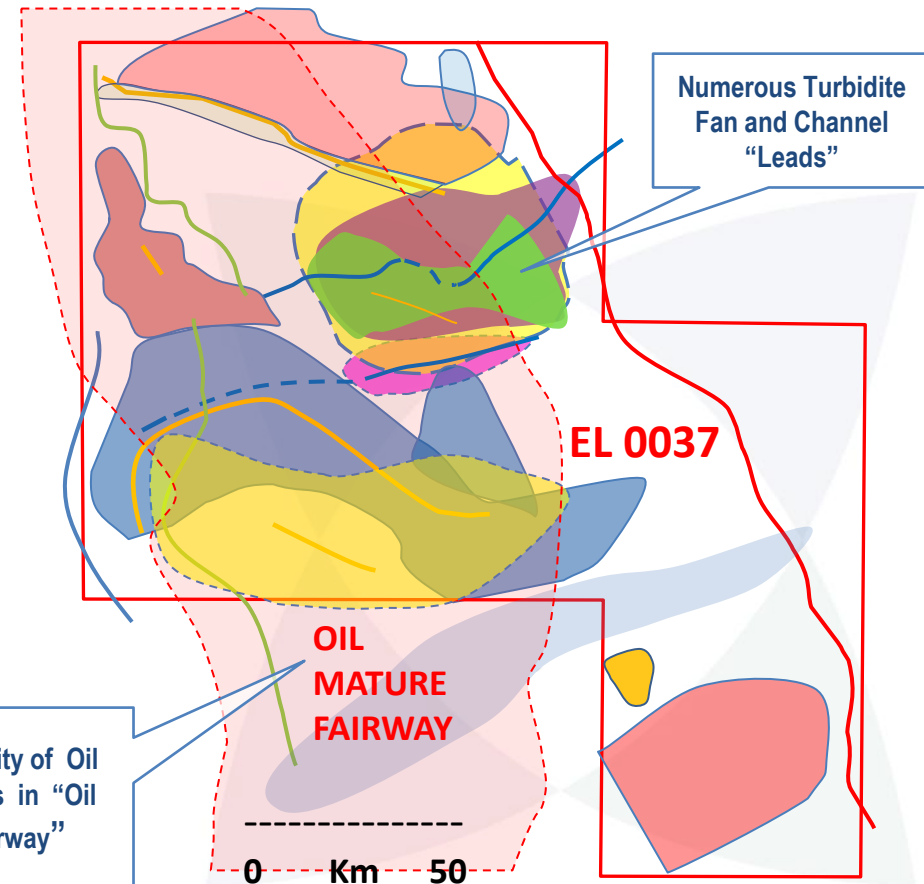


DEPOSITION SYSTEM

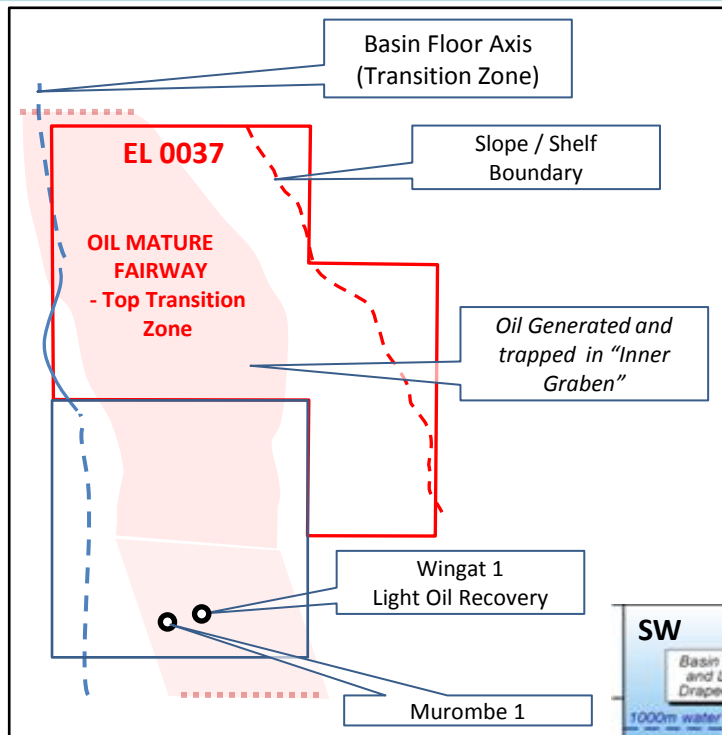
- Sands from marine shelf transported down submarine slope channels -
- Channel sands and turbidites deposited on Slope and-
- Fan sands and distal channels deposited on Basin Floor

HYDROCARBON ENVIRONMENT

- Oil Recovery from Wingat 1 well - May 2013
- Numerous large Leads in EL 0037
- Oil Source Rocks in restricted “Inner Graben”
- EL 0037 centered over Oil Mature Fairway

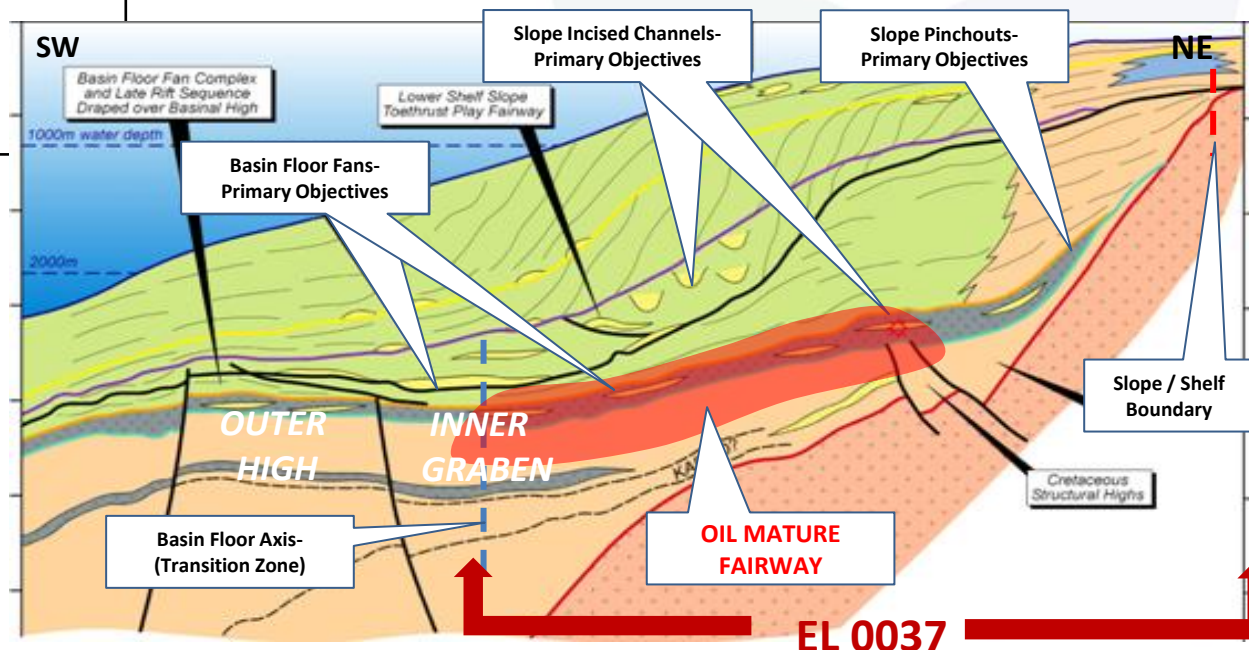


Traps and Oil Generation



Oil generating zone in Oil Mature Fairway

Schematic Cross-Section NE to SW



OIL SYSTEM

- Good Oil Prone Source Rocks seen regionally
- Oil-mature Fairway "Kitchen" in Inner Graben
---- Oil "Sweet Spot"
- Ponded Turbidite "Fans" and slope Fans and Channels identified in Oil Mature Fairway

- Operator Tullow Oil is a leading expert of hydrocarbon systems along the West African margin
- Tullow has mapped four key Leads for 3D seismic in early 2014
- The four main EL 0037 Leads- Albatross, Petrel, Gannett and Seagull are Apto- Albian features mapped in close association with Source Rocks reported in the Wingat 1 well, 100km to the south
- Apto-Albian source rocks are analysed to be thick and mature to generate oil in the EL 0037 close to the Leads
- The four Leads are Mass Flow or Turbidite “Fans” associated with seismic anomalies. Similar anomalies host very large oil and gas discoveries by Tullow (and others) elsewhere in Africa and beyond
- In addition to the Apto – Albian Leads there are Barremain anomalies
- Numerous follow-up opportunities are available over the 17,000 sq km of EL 0037

Albatross

Seagull

Petrel

Gannet

- An extensive 3D seismic survey of 3,000 sq km and a 2D seismic survey of 2,000 km are planned in EL 0037
- The 3D Seismic Survey is planned over the four key Leads
- The 2D survey will highlight additional Leads
- An Environmental Impact Assessment is almost complete
- The Surveys are expected to commence in January 2014
- Pancontinental is Free-Carried under Farmout to Tullow
- The cost of the Surveys is expected to be approximately \$34 million

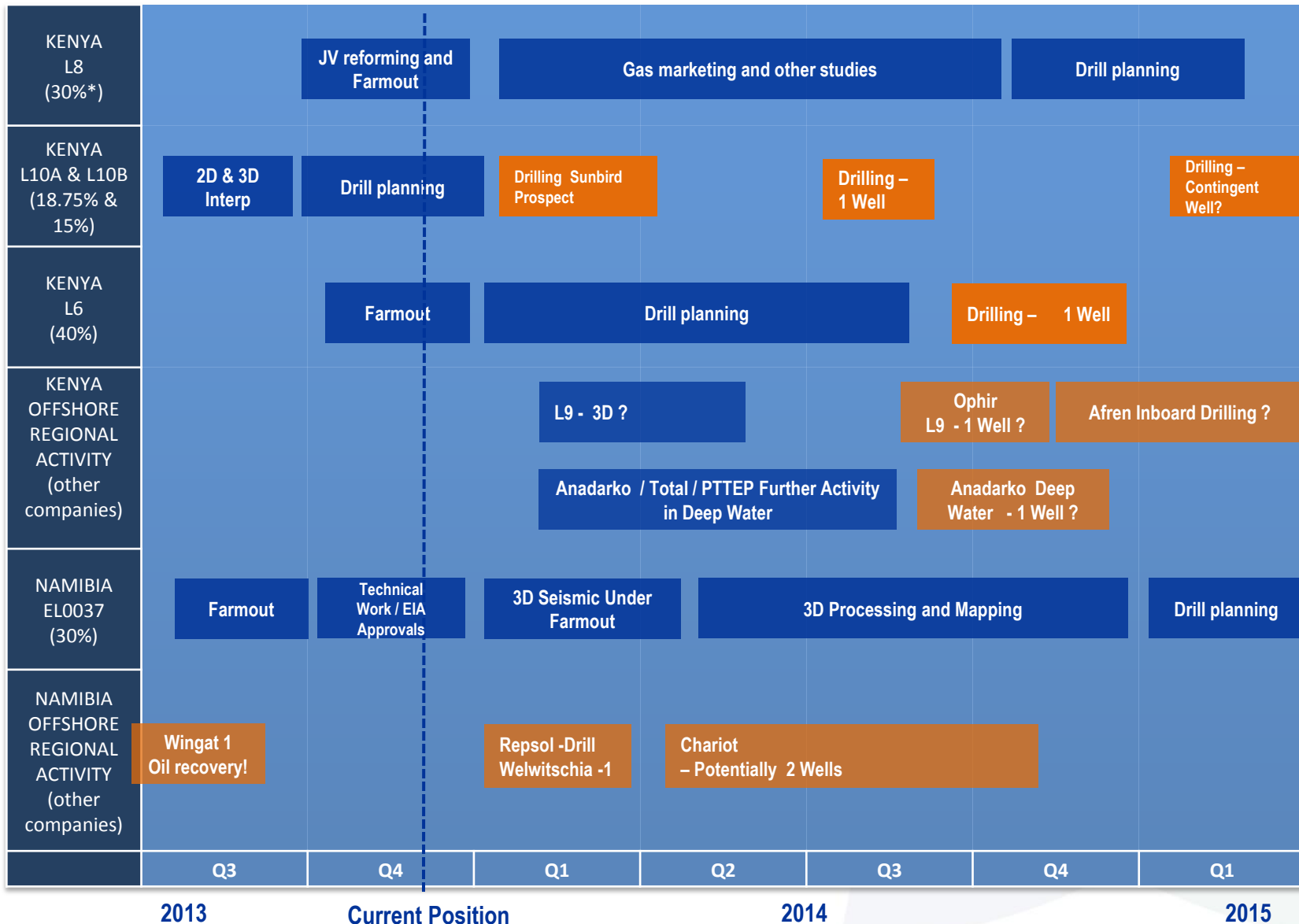
KEY LEAD AREAS – Sq Km

Lead	Area Pmean
Albatross	104
Petrel	82
Seagull	80
Gannet	93

SUMMARY.....



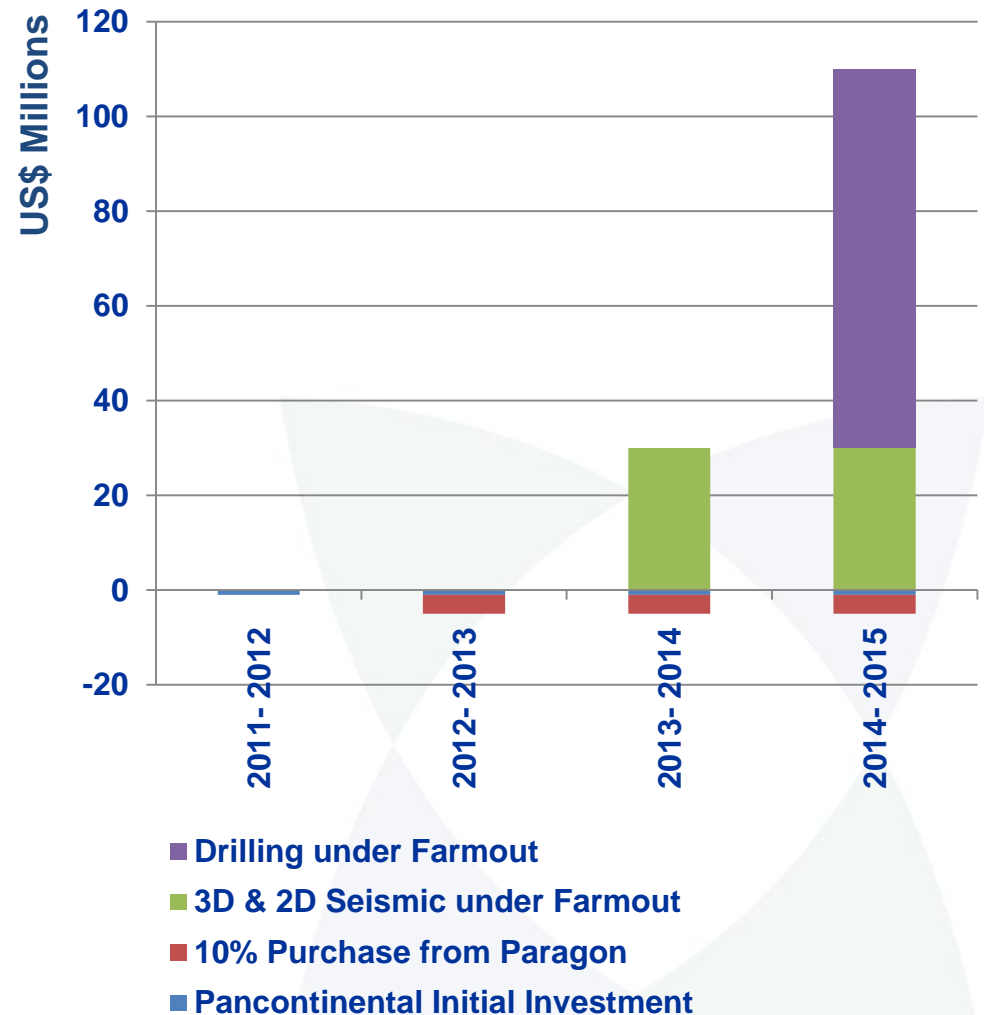
Pancontinental Activity Timeline*



* The timeline is indicative. More accurate timing of activities will be determined when joint venture approvals, farmouts, government approvals, availability of rigs and seismic vessels and any other relevant factors are confirmed (if necessary). Regional activity has been estimated using company announcements and other information and is not intended to provide a comprehensive review of regional activity.

EL 0037 FARMOUT

- Shareholder Equity used to-
 - Fund entry & early costs ~\$1 million
 - Purchase additional 10% - \$4 million
 - Pancontinental Investment ~ \$5 million
- Farmout to -
 - Recover 65% of back-costs
 - Fund work programs-
 - 3D & 2D Seismic ~\$30 million*
 - Drilling (optional) \$80 + million*
 - Farmin Spend TOTAL \$110 million*
- Pancontinental leverage (adjusted to retained 30% interest)
 - 160% (Seismic phase)
 - 660% (Seismic + Drilling)
- Farmout achieved -
 - From Pancontinental investment of \$5 million
 - Farminee project spend minimum \$30 million & potentially > \$110 million
 - Pancontinental retains 30% interest, free - carried



* Estimated by Pancontinental

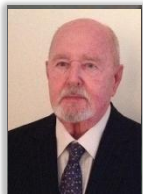
- One of the largest African offshore acreage positions of any junior company
- Track record of –
 - working with African governments to secure new acreage
 - introducing high quality major partners for accelerated activity
 - prudent capital and exploration risk management
- Working oil and gas systems proven offshore Kenya and Namibia in only 2012 / 2013
- High impact asset portfolio – up to 4 wells in the next 18 months
- Ongoing search for high-impact New Ventures



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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 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 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.

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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.

“For basins that are young in their exploration history, the last two years of exploration offshore Kenya and Namibia have been tremendously encouraging to industry and persons who understand the technical implications of the results to date*.

Recent developments are tremendously encouraging when you compare these to the history of other major oil and gas producing basins around the world such as the Gulf of Mexico, Australia’s North West Shelf and the Norwegian continental shelf.

When you look at the exploration history of these producing centres of the world you get some context and see why the team at Pancontinental are very encouraged and excited by the unfolding oil and gas stories offshore Kenya and Namibia”.

Barry Rushworth, CEO, Pancontinental

**Offshore Kenya: Three wells in the last 5 years. Before that only four exploration wells had ever been drilled off the 450km Kenyan coastline. From those recent wells we have seen a gas discovery (52 metres net gas pay) with indications that oil is deeper, and non-commercial oil shows indicating the presence of a working petroleum system in reservoir-quality sands. With no vacant acreage remaining offshore, large international operators are very enthusiastic about the opportunities. We believe that we are rapidly beginning to understand the petroleum system here and we have a number of wells planned, starting early 2014.*

Offshore Namibia: We have seen four wells in the last two years, with only a handful of earlier wells over a 1,400km offshore margin, comparable in size to the producing areas of the North Sea and the Gulf of Mexico. The highly significant oil recovery in Wingat-1 this year has proven an oil generating system and Pancontinental’s acreage is directly on-trend in what we see as an oil “fairway”. The recent farming by Tullow Oil has given our theories a huge boost and our aim is to fast-track exploration towards a first commercial oil find.

Gross Prospective Oil Resources Summary

Lead	Probability					P _g -Adjusted Mean Estimate (10 ³ bbl)
	Low	Best	High	Mean	of Geologic	
	Estimate (10 ³ bbl)	Estimate (10 ³ bbl)	Estimate (10 ³ bbl)	Estimate (10 ³ bbl)	Success, P _g (decimal)	
Lead A/B	100,754	471,465	1,767,865	782,830	0.050	39,141
Lead C	77,922	364,152	1,398,649	610,195	0.050	30,510
Lead D	49,375	231,202	900,066	388,194	0.050	19,410
Lead E	221,141	1,057,906	4,171,052	1,770,034	0.050	88,502
Lead F	36,401	167,857	653,538	280,450	0.050	14,023
Lead G	8,868	38,364	146,140	63,781	0.050	3,189
Lead H	5,627	26,069	99,830	43,074	0.050	2,154
Lead K	22,677	102,985	408,135	174,238	0.050	8,712
Lead M	143,600	702,891	2,700,271	1,165,192	0.050	58,260
Lead N	239,962	1,097,327	4,345,222	1,875,898	0.050	93,795
Lead O	200,231	942,684	3,560,946	1,552,849	0.050	77,642
Statistical Aggregate	4,591,213	7,817,133	13,913,089	8,706,734	0.050	435,337
Arithmetic Summation	1,106,560	5,202,902	20,151,715	8,706,734	0.050	435,337

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P₉₀, P₅₀, P₁₀, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate.
Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

Appendix 2 - Kenya Block L6 – FAR Resource Report

		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

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 unrisked 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 unrisked 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

EP 104 / R1 ONSHORE CANNING BASIN

Pancontinental Oil & Gas NL – 11.11%

The RL1 area has been excised from the EP 104 exploration area to allow retention of the Point Torment gas discovery and the Stokes Bay 1 area. RL1 was renewed by the Minister of Mines and Petroleum of Western Australia for a period of five years from 8 November 2010

The joint venture is undertaking an examination of the prospectivity of the licence areas to plan a revised forward programme

L15 ONSHORE CANNING BASIN

Pancontinental Oil & Gas NL – 12%

Pancontinental and its co-venturers have been granted Petroleum Production Licence L15 over the West Kora-1 oil discovery well in the Canning Basin of Western Australia. The licence is for 21 years commencing 1 April 2010

The L15 Joint Venture is considering upgrading the existing production facility and restore oil production from West Kora -1

The Company is examining the future potential and value of this project

EP 424 OFFSHORE CARNARVON BASIN

Pancontinental Oil & Gas NL – 38.462%

EP 110 is operated in conjunction with EP- 424. The parties in EP-110 have identical equities to those in permit EP-424.

Following a technical review of the Baniyas potential and due to the absence of success in extending Joint Venture access over all of the Baniyas Prospect, it was decided to consider selling or farming out the licences

EP 110 ONSHORE CARNARVON BASIN

Pancontinental Oil & Gas NL - 38.462%

This permit is operated in conjunction with EP- 424. The parties in EP-110 have identical equities to those in permit EP-424

The Joint Venture is considering a further review aimed at outlining possible onshore leads and prospects in EP 110