Barry Rushworth
CEO & Executive Director

CONFERENCE PRESENTATION

Windhoek, Namibia - April 2014

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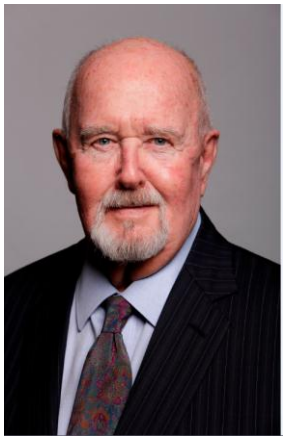
The summary report on the oil and gas projects is based on information compiled by Mr R B Rushworth, BSc, MAAPG, MPESGB, MPESA, Chief Executive Officer of Pancontinental Oil & Gas NL. Mr Rushworth has the relevant degree in geology and has been practising petroleum geology for more than 30 years. Mr 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 Management Team



David Kennedy
Non-Executive Chairman

Barry Rushworth
Executive Director
Chief Executive Officer

Ernie Myers
Executive Finance Director

Anthony Maslin
Independent Non-Executive Director

Vesna Petrovic
Company Secretary

Corporate Snapshot

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- **Pancontinental Oil & Gas is listed on the Australian Securities Exchange (ASX) under code PCL**
- **Pancontinental has a long-standing African focus**
- **Technically driven- projects must have sound country entries and a powerful technical story**
- **Pancontinental has exploration areas offshore Kenya and offshore Namibia**
- **The longest standing Kenyan explorer, it was a partner in the Mbawa Gas Discovery, the first ever discovery offshore Kenya, and the recent Sunbird Miocene Reef discovery**
- **History of introducing and participating alongside some heavyweights- BG Group, PTTEP, Tullow, Origin and others**

OFFSHORE KENYA.....

Offshore Kenya - Factors for Success - The Theory

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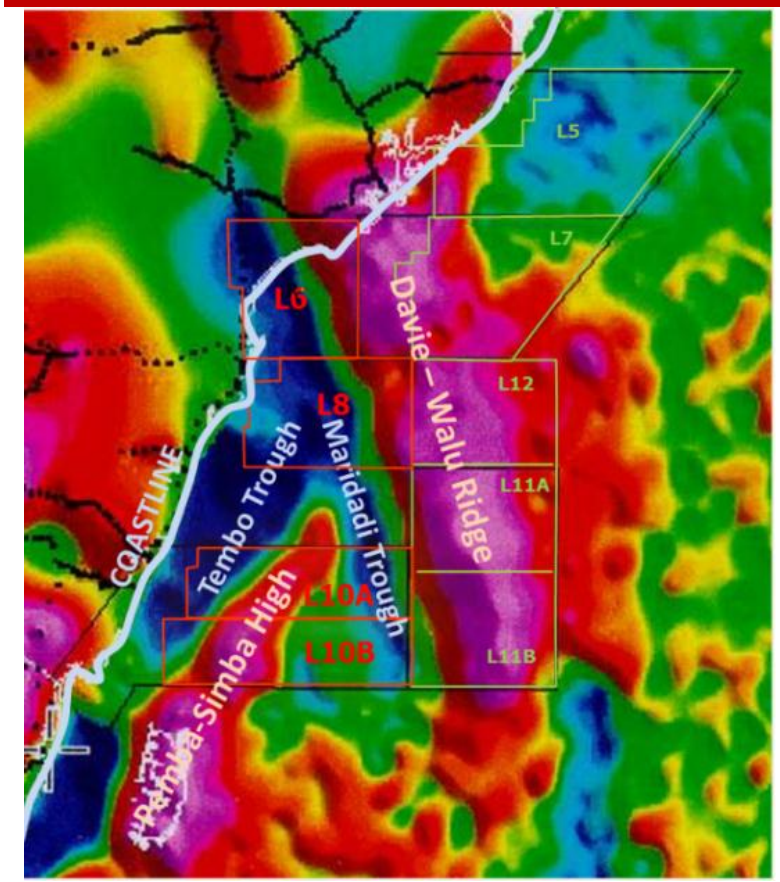
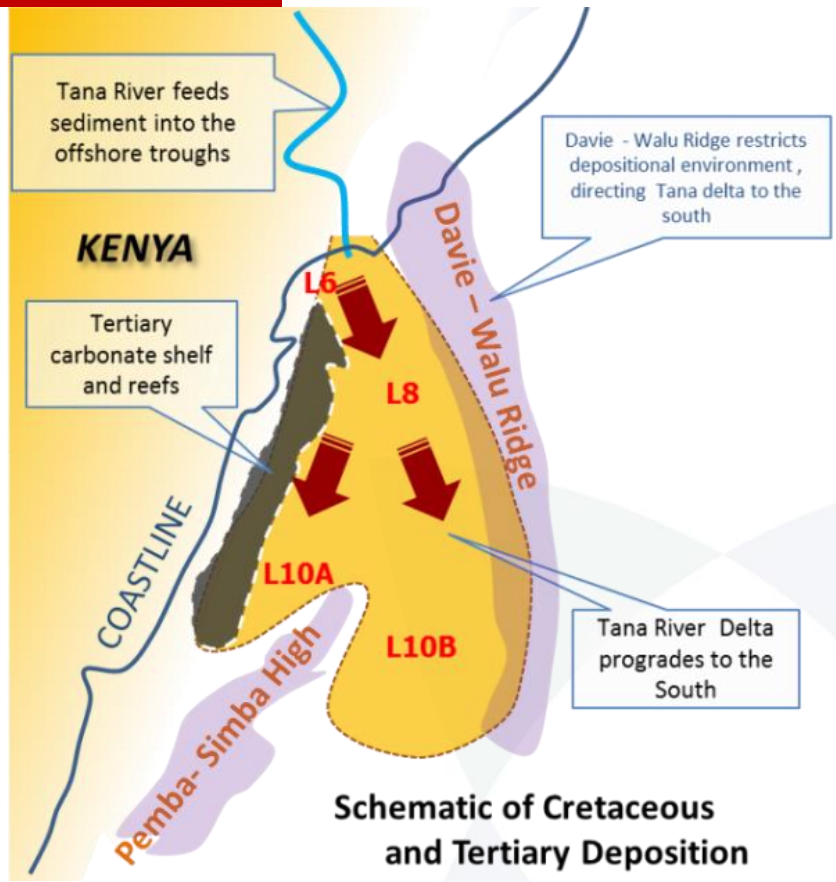
THE THEORY – Favourable Depositional Environment

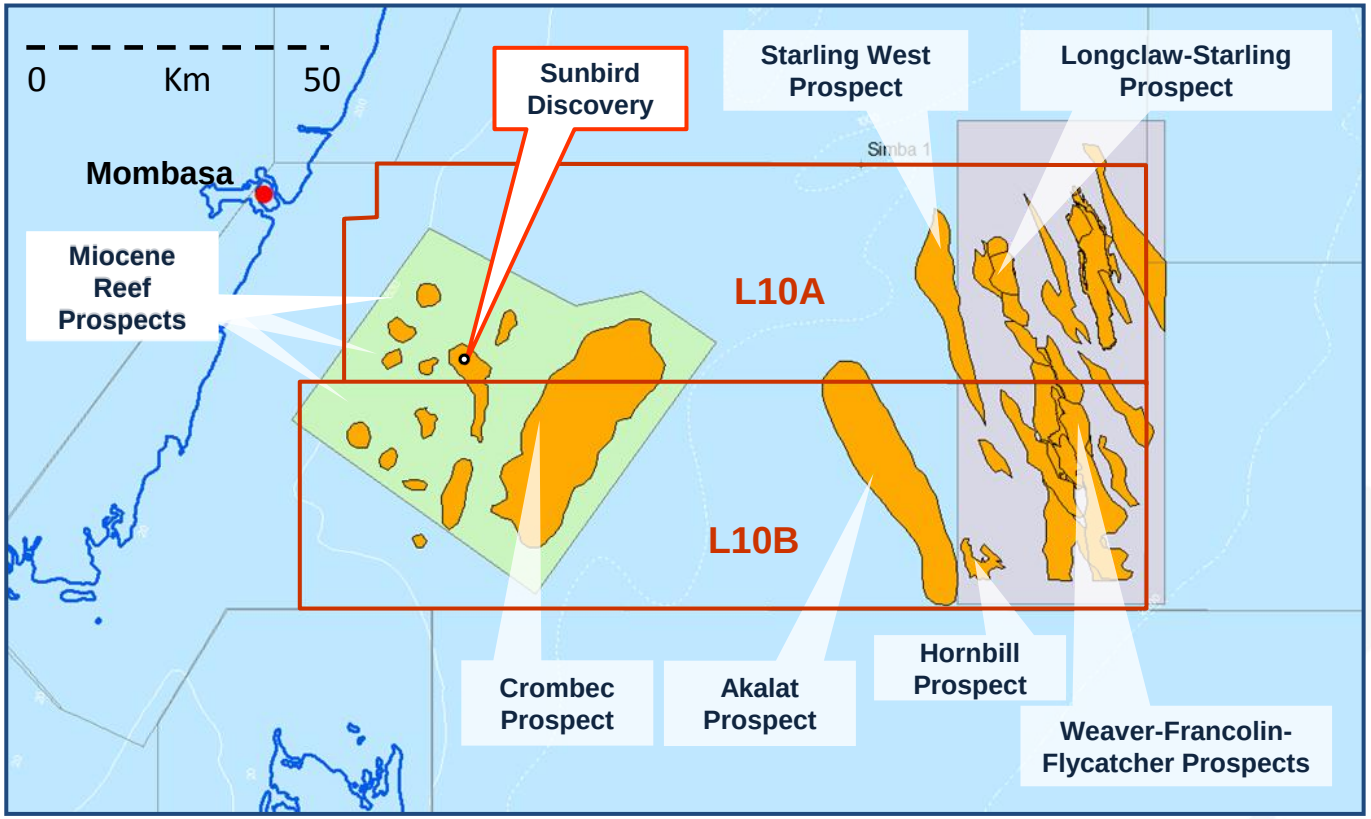




Schematic of Cretaceous and Tertiary Deposition

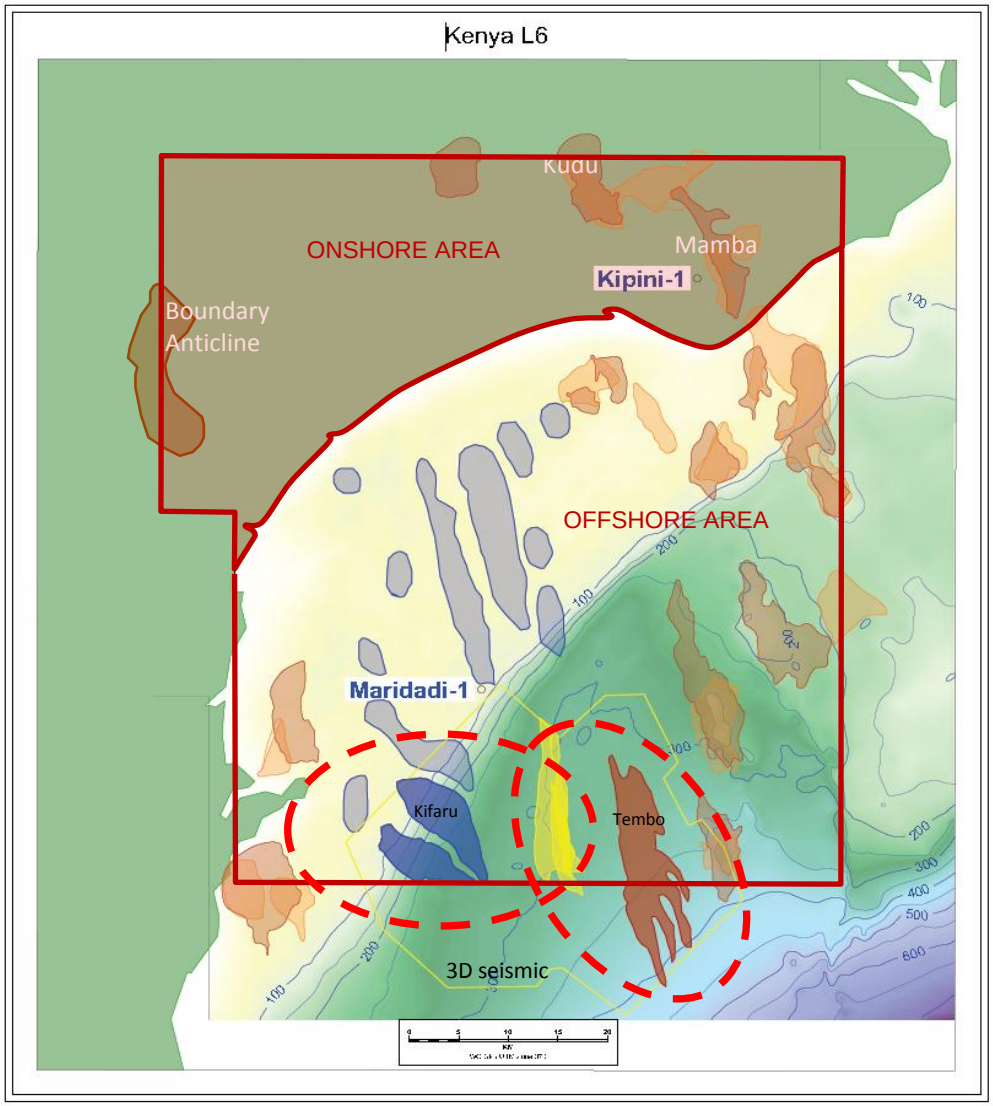
- The Tana River delta developed inboard from the Davie – Walu Ridge into the Tembo and Maridadi Troughs
- Restricted Jurassic to Tertiary restricted depositional environments suitable for OIL
- Pancontinental recognised the opportunity early and acquired exploration licences

DRILLING SUCCESS– Mbawa Gas Discovery and L10A Sunbird Discovery



- Pancontinental believes the Kenyan inboard area is "oily"
- The Mbawa Gas discovery in L8 is the first ever hydrocarbon discovery offshore Kenya- drilled in 2012, it discovered a 52m net gas column
- Sunbird-1 discovery early 2014. Waiting on geochem of recovered fluids
- Numerous other drilling targets as Sunbird follow-up. 3D surveys totalling 4,800 sq km in L10A / L10B

Kenya Block L6



Hydrocarbon Potential

- Tana River depocentre
- Numerous Prospects and Leads
- Variety of play types- clastics and carbonates
- Deep central graben / kitchen- Maridadi Trough
- 3D and 2D coverage
- Oligo- Miocene Reef "Stack"
- Kipini Sands second target
- Oil-mature Eocene source rocks predicted at c. 3,500m
- Highly productive world-wide analogues

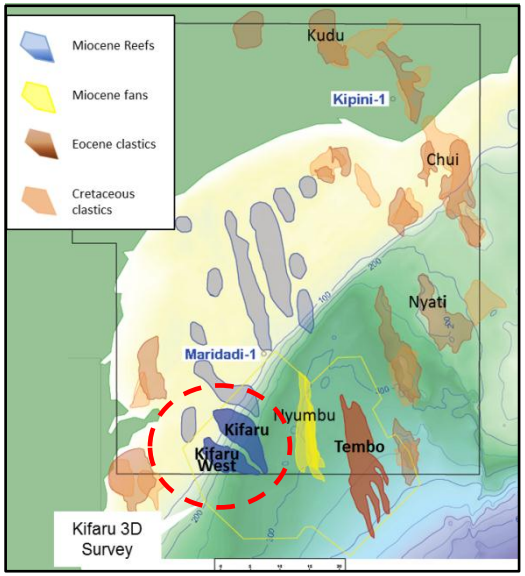
Onshore Farmout

- Gas, condensate and oil shows
- Onshore farmed out 2013 for 2D and drilling

Offshore Farmout

- Currently available for drilling
- 3D coverage over several Prospects

Kenya L6 – Kifaru Prospect



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

Sunbird Discovery highlights Kifaru potential

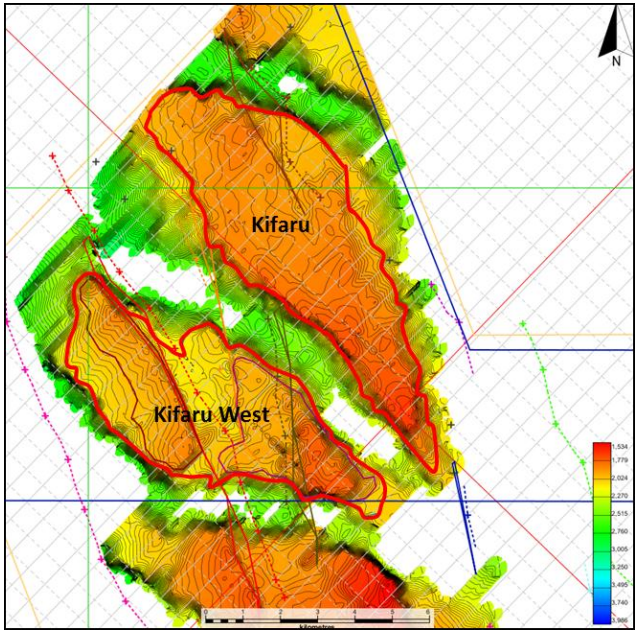
Large Size

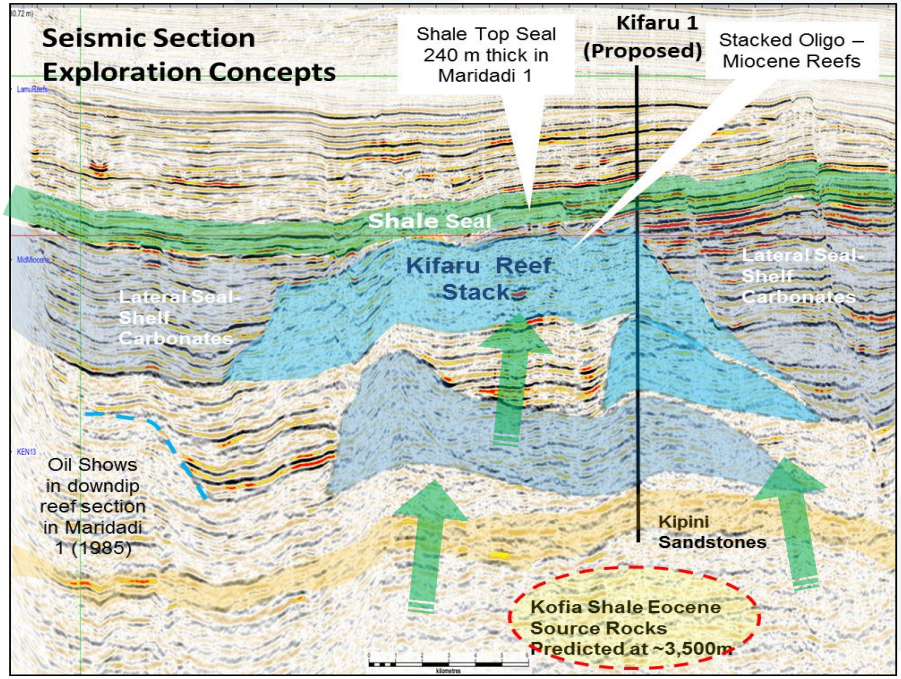
- Areal Closure approx 30 sq km
- Vertical 2,000+ m

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.....

Offshore Namibia – Factors for Success

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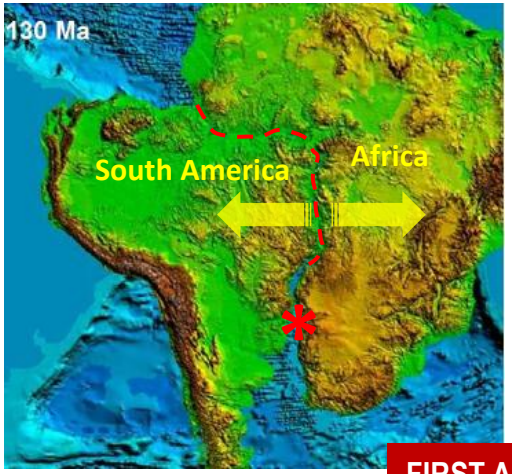
THE THEORY – Basin Development

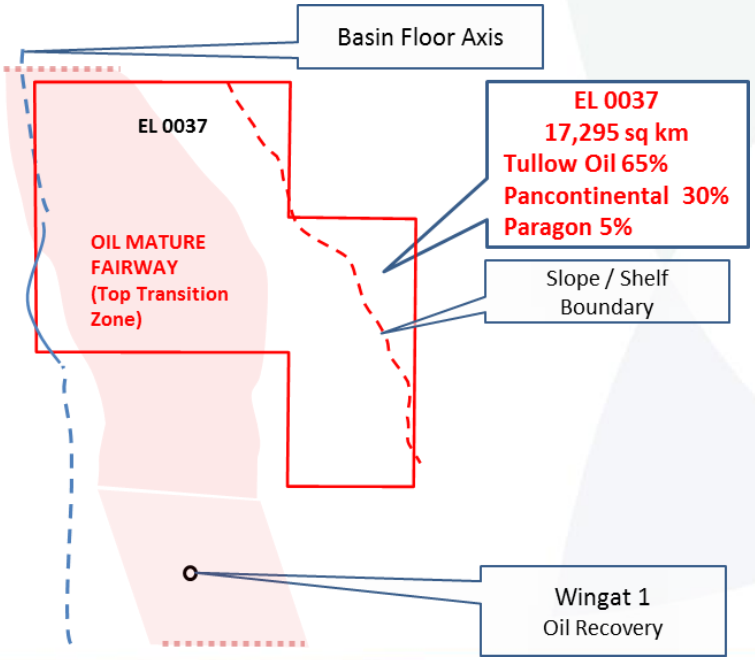


1

- 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

2



- 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

Offshore Namibia – Factors for Success

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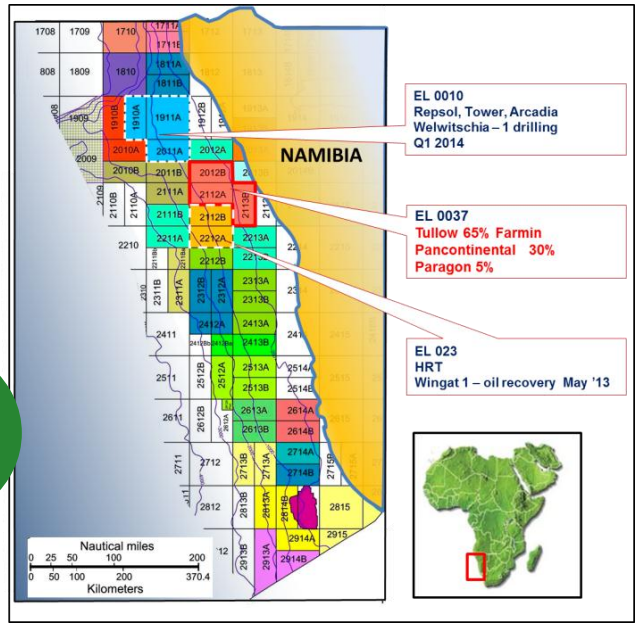
RECENT OIL RECOVERY AND THE FUTURE – Building on Success



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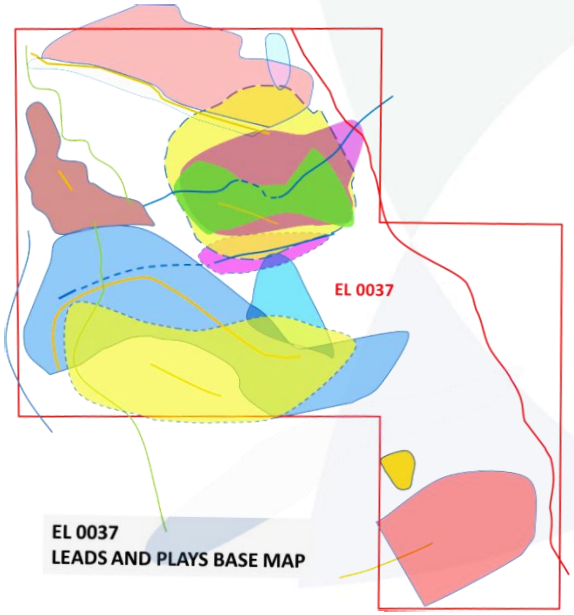
- Wingat 1 Oil Recovery- March 2013, good thick mature source rocks reported
- Farmout to Tullow - September 2013
- 3D, 2D and drilling planned 2014 +
- Numerous Leads already defined

THE PROSPECTIVITY –Multitude of Play Types and Leads



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

Prospective Resources

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

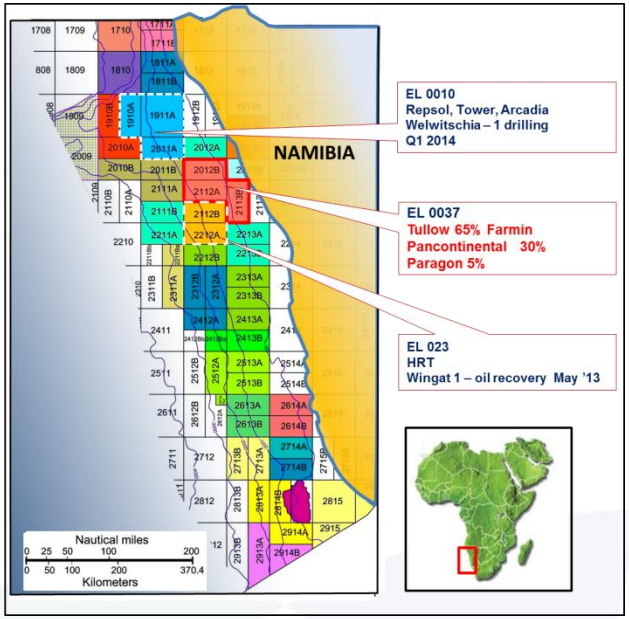
Multiple Leads, Encouraging Prospective Resource Estimate

- 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 early 2014
- Drilling (under option)

*Mean Estimate – 100% basis; See Appendices



DEGOLYER & MACNAUGTHON RESOURCE ESTIMATES

Lead	Prospective Potential Fluid	Low Estimate (10^3bbl)	Best Estimate (10^3bbl)	High Estimate (10^3bbl)	Mean Estimate (10^3bbl)
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

Namibia EL 0037 – Oily Sweet Spot ?

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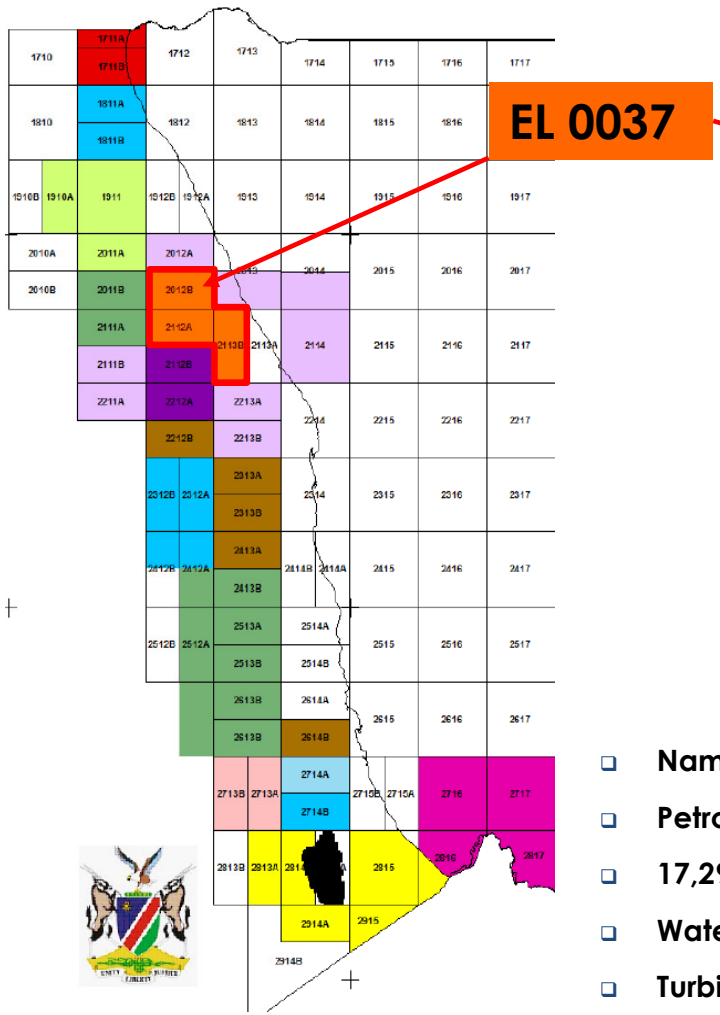
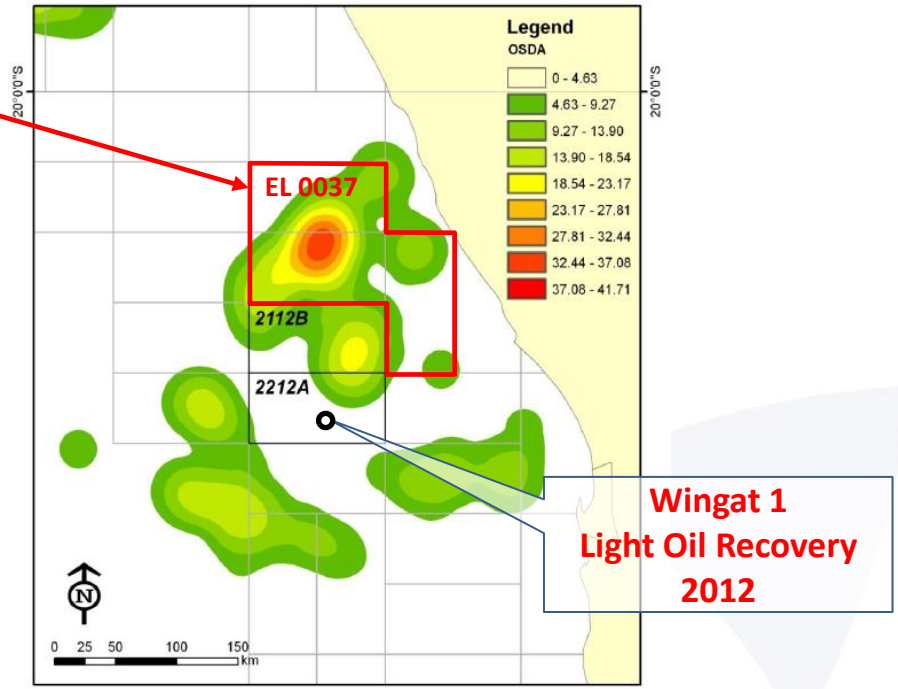
EL 0037 offshore Namibia

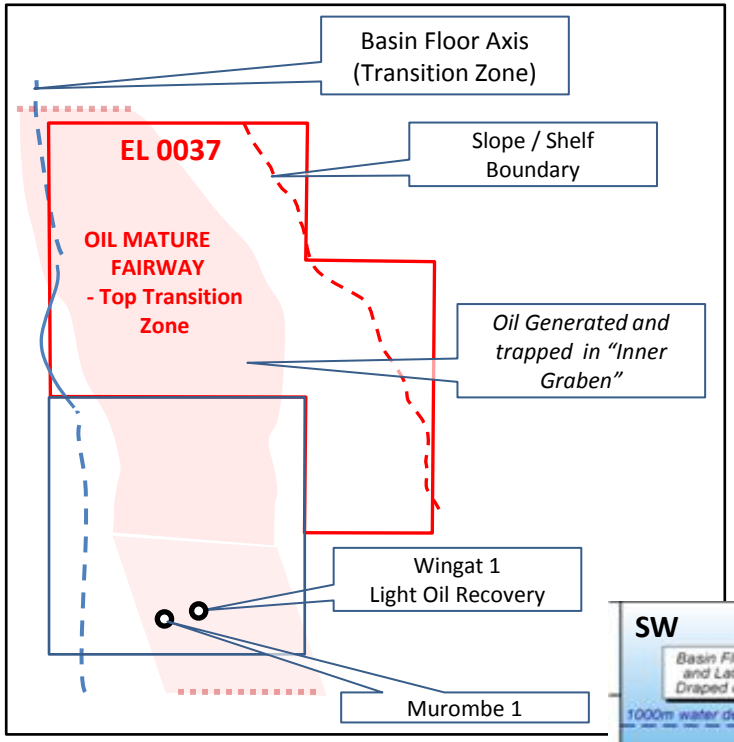


Natural Oil Seepage "Bullseye" over Inner Graben in EL 0037 (Data Source : HRT)



- Namibia EL 0037 covers blocks 2012B, 2112A and 2113B
- Petroleum Agreement & Exploration Licence signed 28 June 2011
- 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

Offshore Namibia – Concepts 1

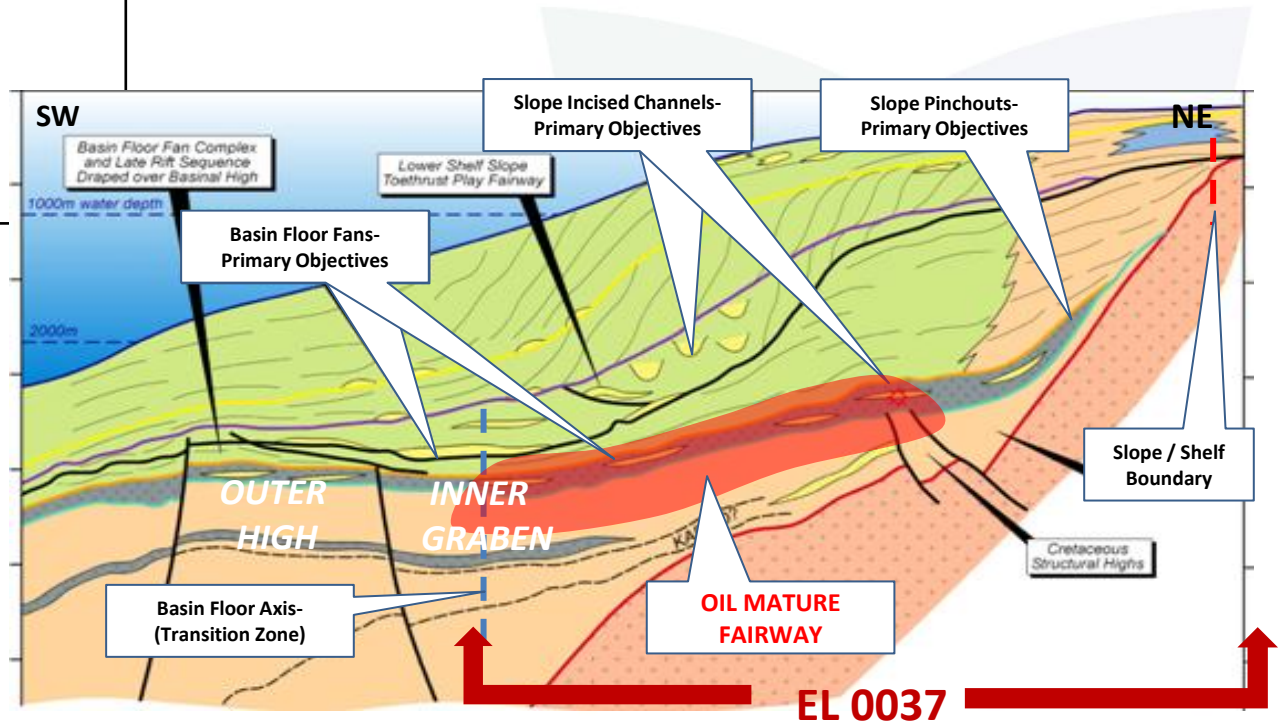


Oil generating zone in Oil Mature Fairway

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**

Schematic Cross-Section NE to SW



Offshore Namibia – Concepts 2

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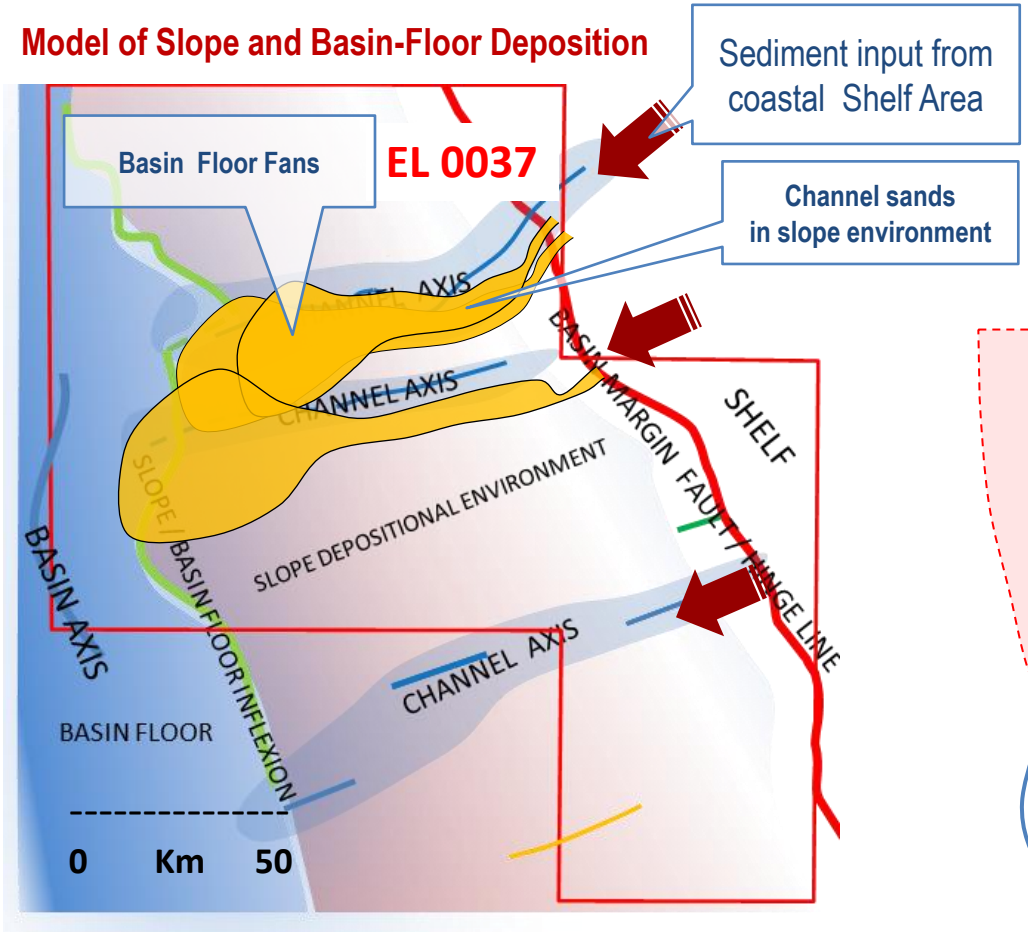
Model of Slope and Basin-Floor Deposition

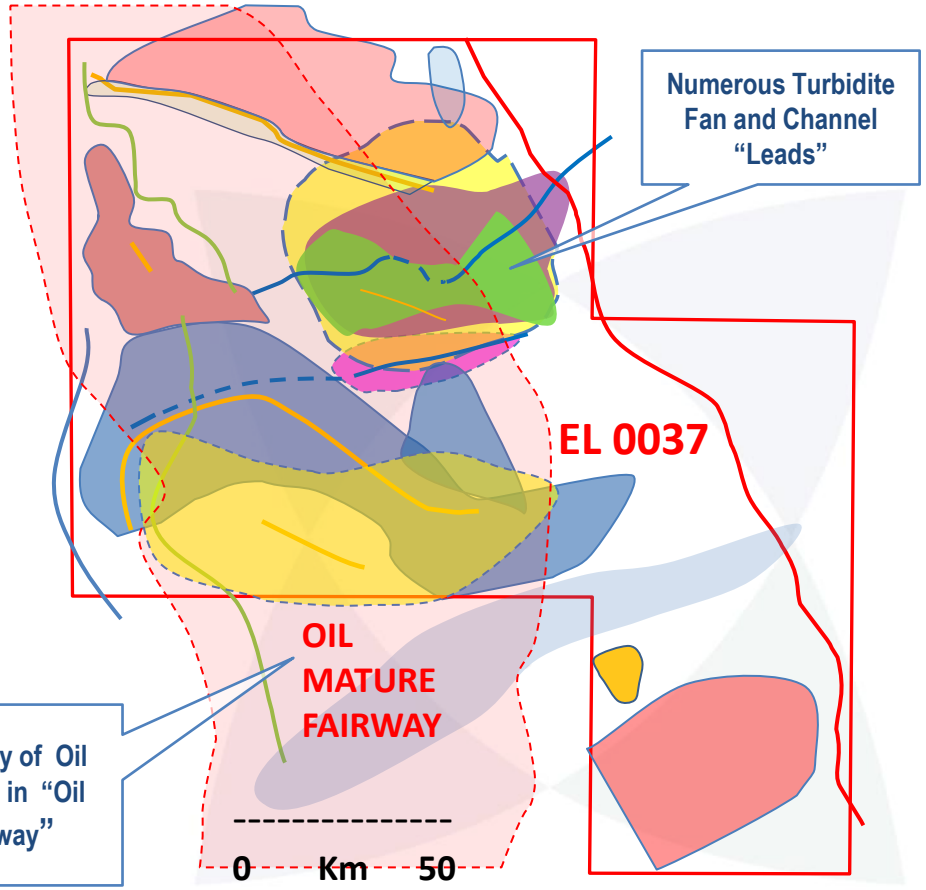


DEPOSITION SYSTEM

- 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

Source Rocks - 1

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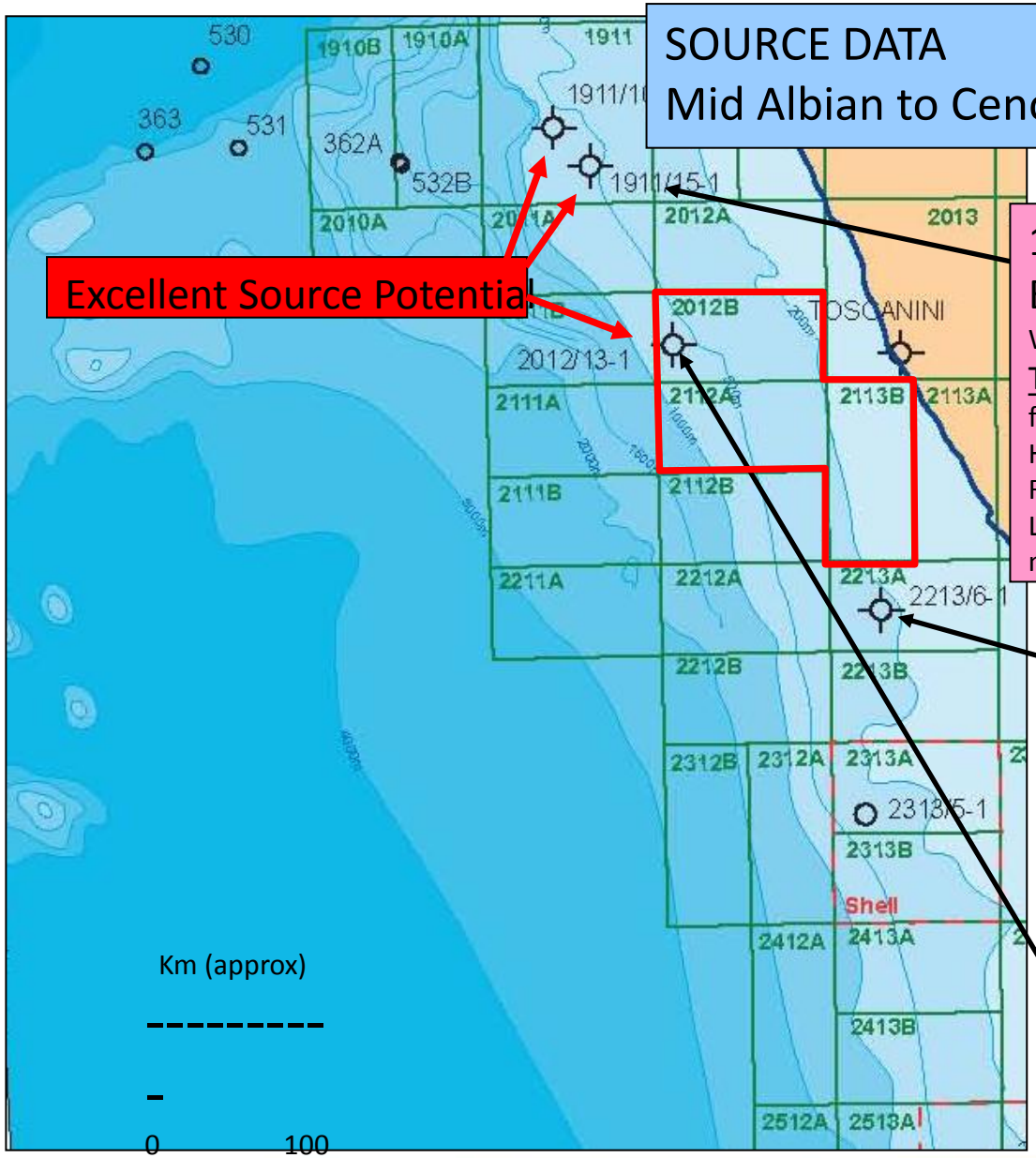

SOURCE DATA
Mid Albian to Cenomanian (W3 Gp)

Excellent Source Potential

1911/10-1 & 1911/15-1
Excellent Source potential-
W3 gp (Mid Albian to Cenomanian)
TOC 0.3% to 2.0% within Gp
from approx 3,500 to 3,700m KB
HI 50 to 250 (fair to good)
Ro 0.5% (early mature)
Local graben areas may have excellent rich mature Oil potential

2213 / 6- 001
Nil Source potential-
Mostly coarse clastics

2012 / 13- 1
Excellent Source potential-
W3 gp (Mid Albian to Cenomanian)
TOC 0.8% to 2.65%, average 1.71%
from 3,400 to 3,570m KB
HI 69 to 308 (fair to very good)
Ro 0.61% (early mature) 3,712m KB

Fig. 20

Source Rocks - 2

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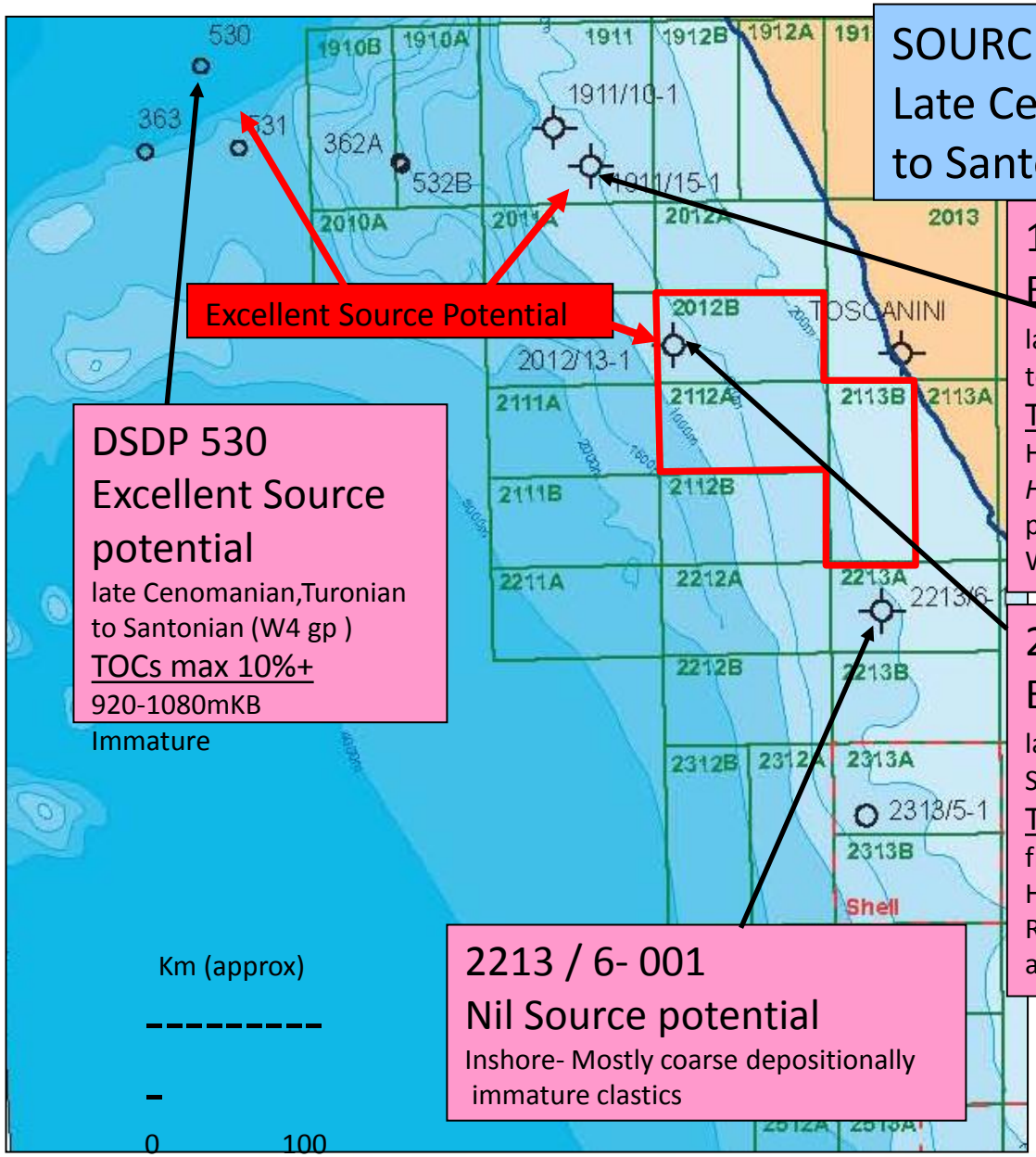

Excellent Source Potential

SOURCE DATA
Late Cenomanian, Turonian to Santonian (W4 Gp)

1911/15-1
Excellent Source potential
late Cenomanian,Turonian to Santonian (W4 gp)
TOCs max 5 to 10%, very good Type II
HI to 600 (oily)
High Uranium content 'hot' intervals-
poor bottom circulation.
Weak oil shows.

DSDP 530
Excellent Source potential
late Cenomanian,Turonian to Santonian (W4 gp)
TOCs max 10%+
920-1080mKB
Immature

2012 /13-001
Excellent Source potential
late Cenomanian,Turonian to Santonian (W4 gp)
TOC max 5.9%, average 2.7% to 3.0%
from 3,570m to 3,712m KB (142m)
HI >500 (oily)
Ro 0.4 to 0.45% (marginal to early mature)
at sediment depth 2,700 to 2,870m

2213 / 6- 001
Nil Source potential
Inshore- Mostly coarse depositionally immature clastics

Fig. 16

Source Rocks Summary

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SOURCE ROCKS - VERIFIED

1. BARREMIAN / APTIAN

   Main regional oil and gas source in southern Namibia.

   HI's indicate oil prone/mixed quality.

2. MID ALBIAN TO CENOMANIAN

   Excellent source potential seen offshore northern Namibia.

3. CENOMANIAN,TURONIAN, SANTONIAN

   Deeper water source, excellent oil source quality where penetrated in northern Namibia.

   Marine, oil prone- HI's indicate oil prone.

   High TOC values and significant HI's.

SOURCE ROCKS - POTENTIAL

4. NEOCOMIAN & APTIAN

   Over mature source of Kudu gas. W2 is main Oil and Gas source in Southern Namibia / Sth Africa

5. PERMIAN

   Known onshore Namibia, TOC content up to 10%. Lacustrine.

   Generated oil locally onshore.

6. SYNRIFT

   Hauterivian, known from South Africa. Locally generated oil.

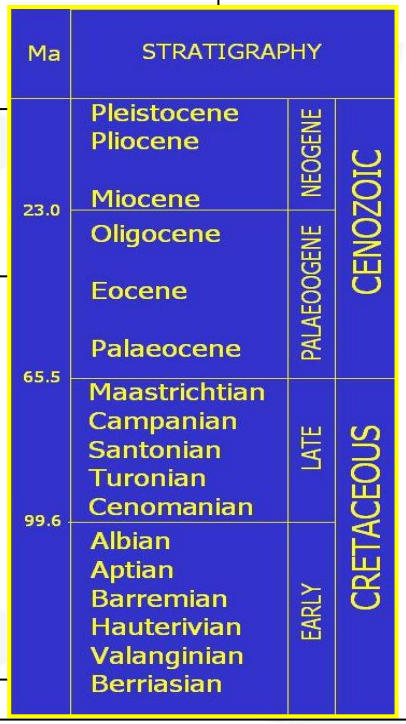
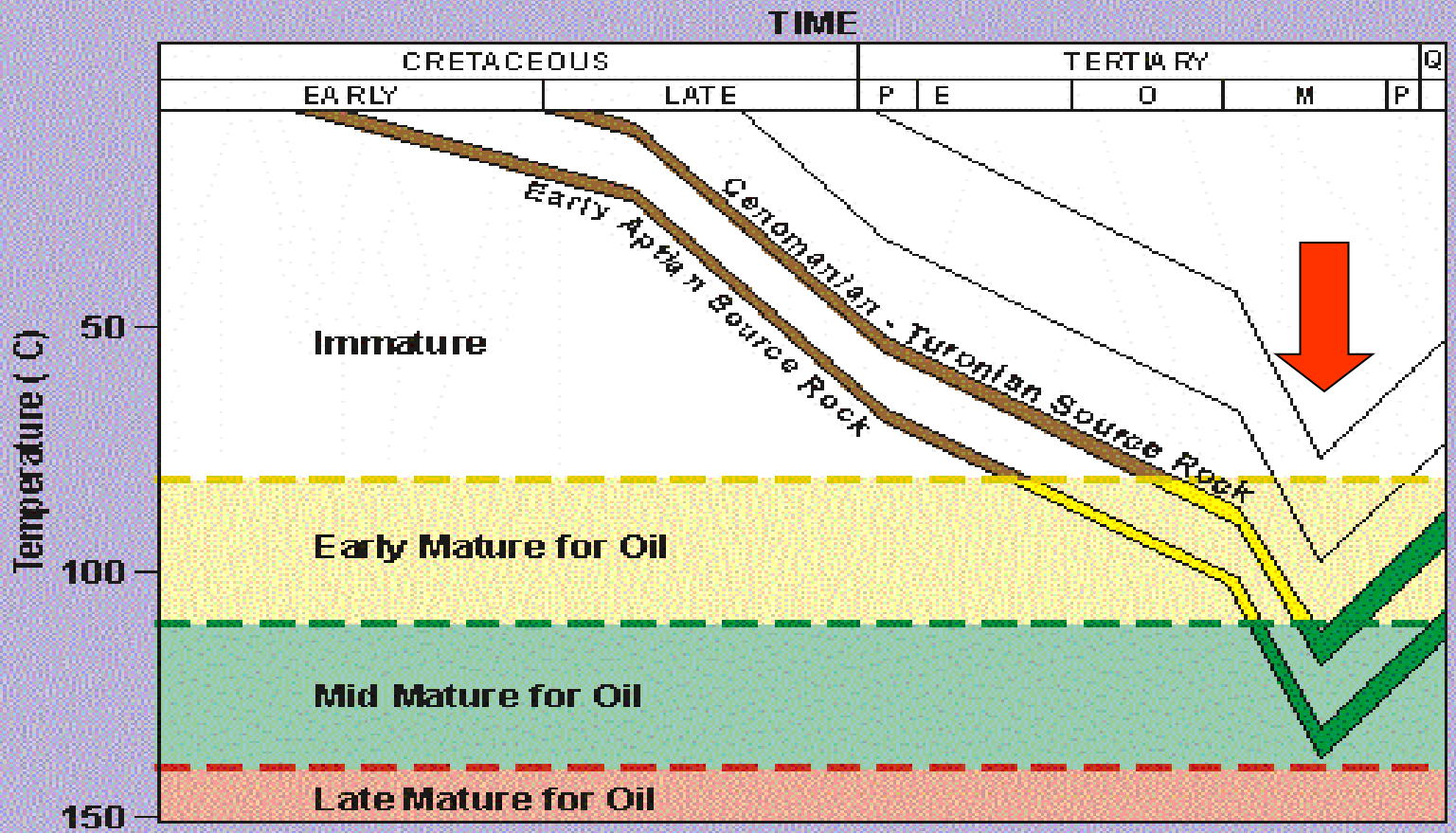


Fig. 24

Thermal History

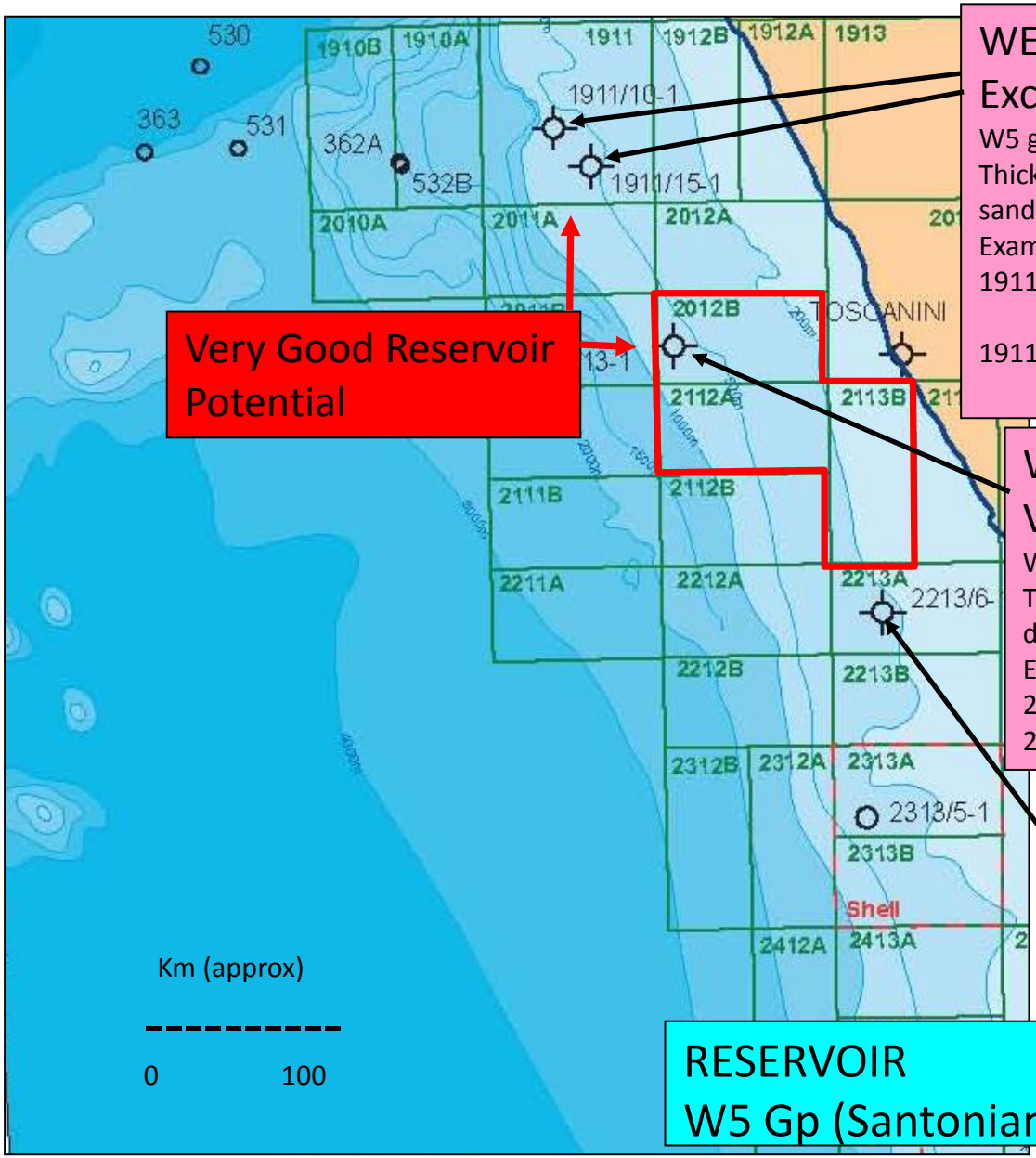
Fission track analysis indicates Neogene heating event



CENTRAL WALVIS BASIN
THERMAL HISTORY RECONSTRUCTION

Fig. 17

Reservoir Potential



Very Good Reservoir Potential

WELLS 1911/10-1 & 1911/15-1
Excellent Reservoir Potential-

W5 gp (Santonian to Maastrichtian)
Thick claystones / mudstones with clean sandy intervals / basin floor fans.
Examples-
1911/10-1 3250-3292m KB 35m Net sand por 25-30%, perm 72-422 mD
1911/15-1 2522-2572m KB 39m Net sand por 25-32%

WELL 2012 /13-1
Very Good Reservoir Potential-

W5 gp (Santonian to Maastrichtian)
Thick shales with Sandy Basin Floor Fans + deep cutting channel systems.
Examples-
2650 - 2791mKB, 55m Net sand por av 20%
2791 -2992mKB, 60m Net sand por av 16%

WELL 2213 / 6-1

W5 gp (Santonian to Maastrichtian)
Unconsolidated Sands and sandy Claystones - Depositionaly Immature as reservoir rocks

RESERVOIR
W5 Gp (Santonian to Maastrichtian)

Fig. 26

Representative Seismic Section- 2012/ 13-1

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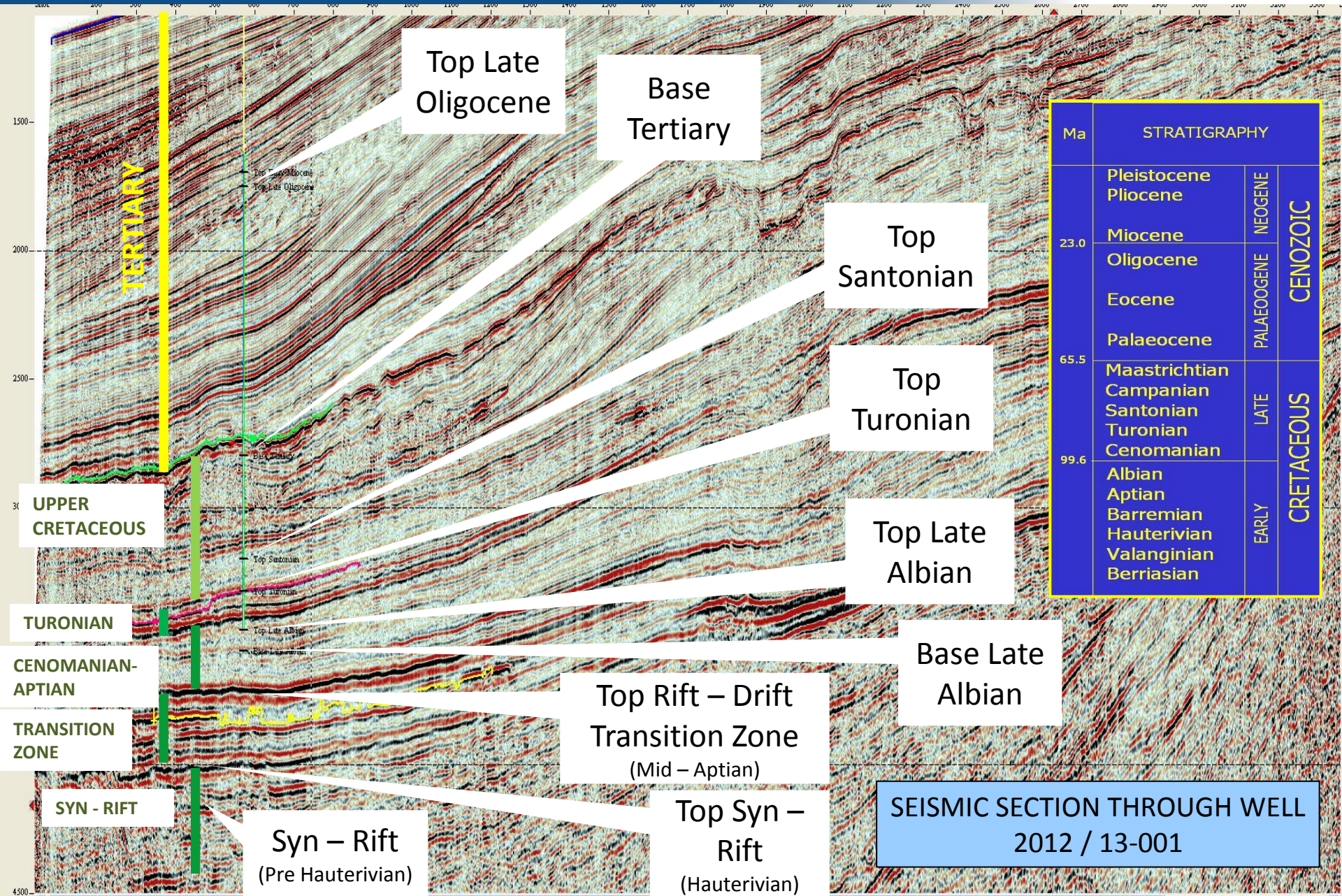
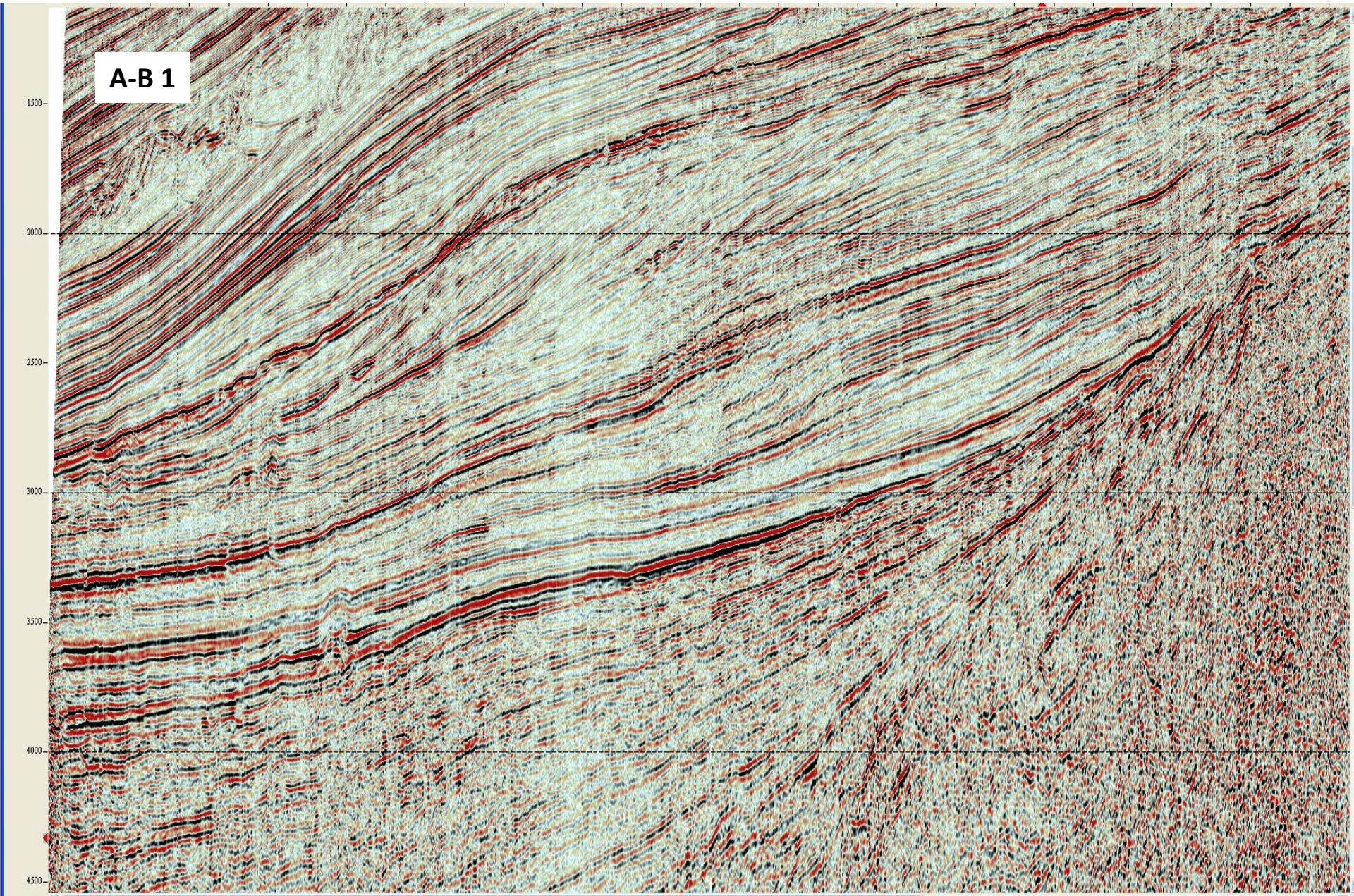
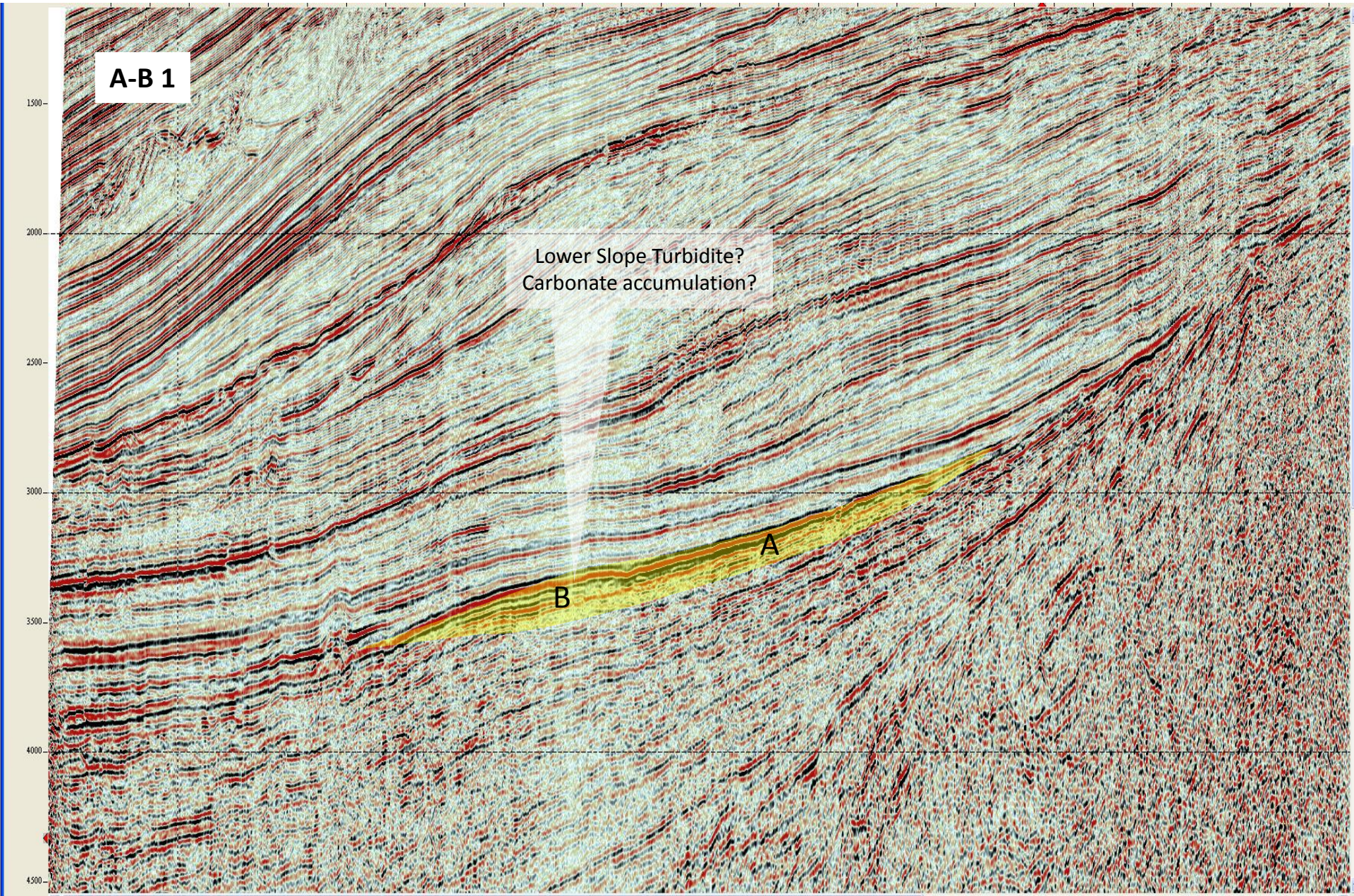


SEISMIC SECTION THROUGH WELL 2012 / 13-001

Lead Example



Lead Example



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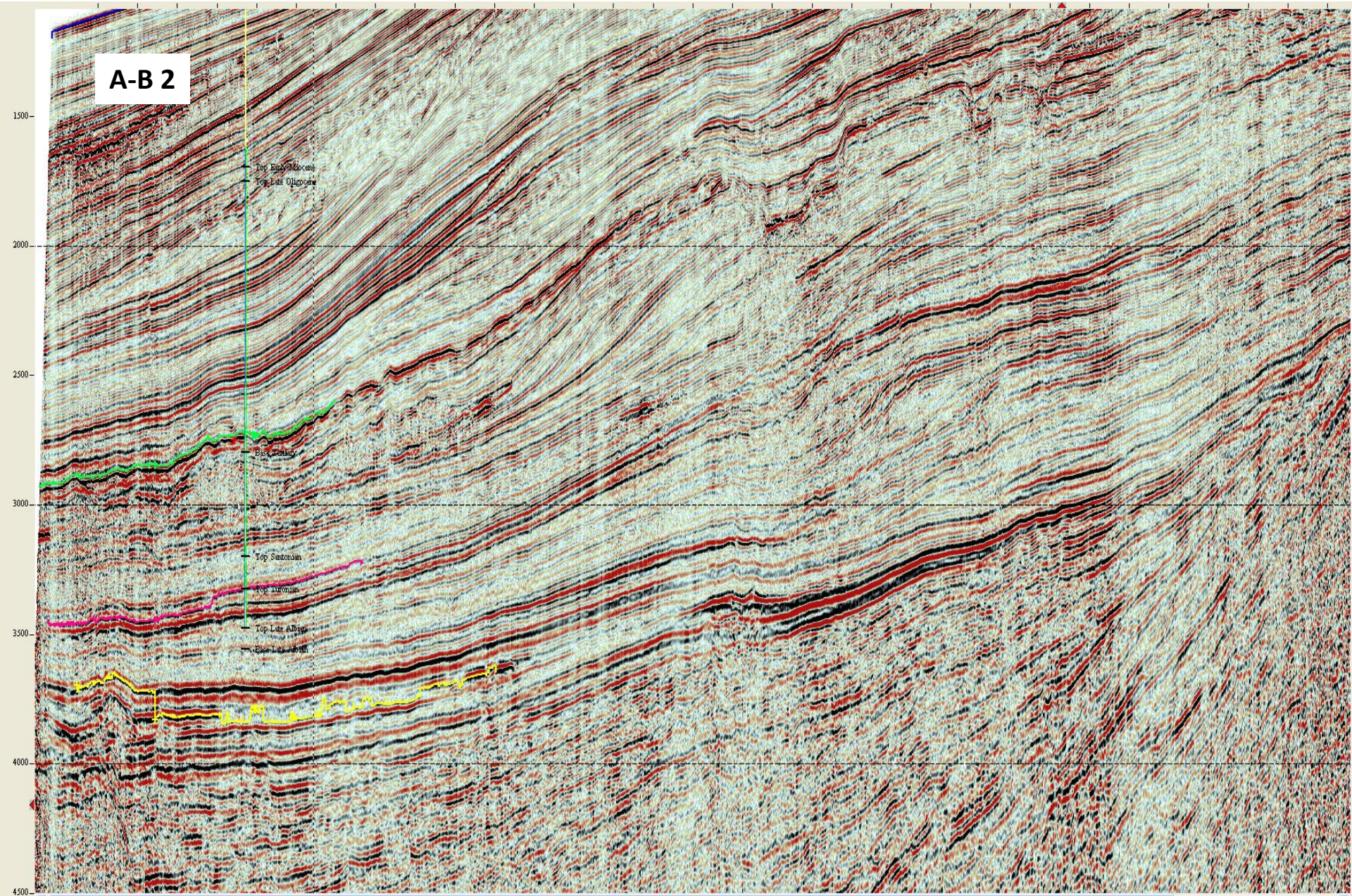

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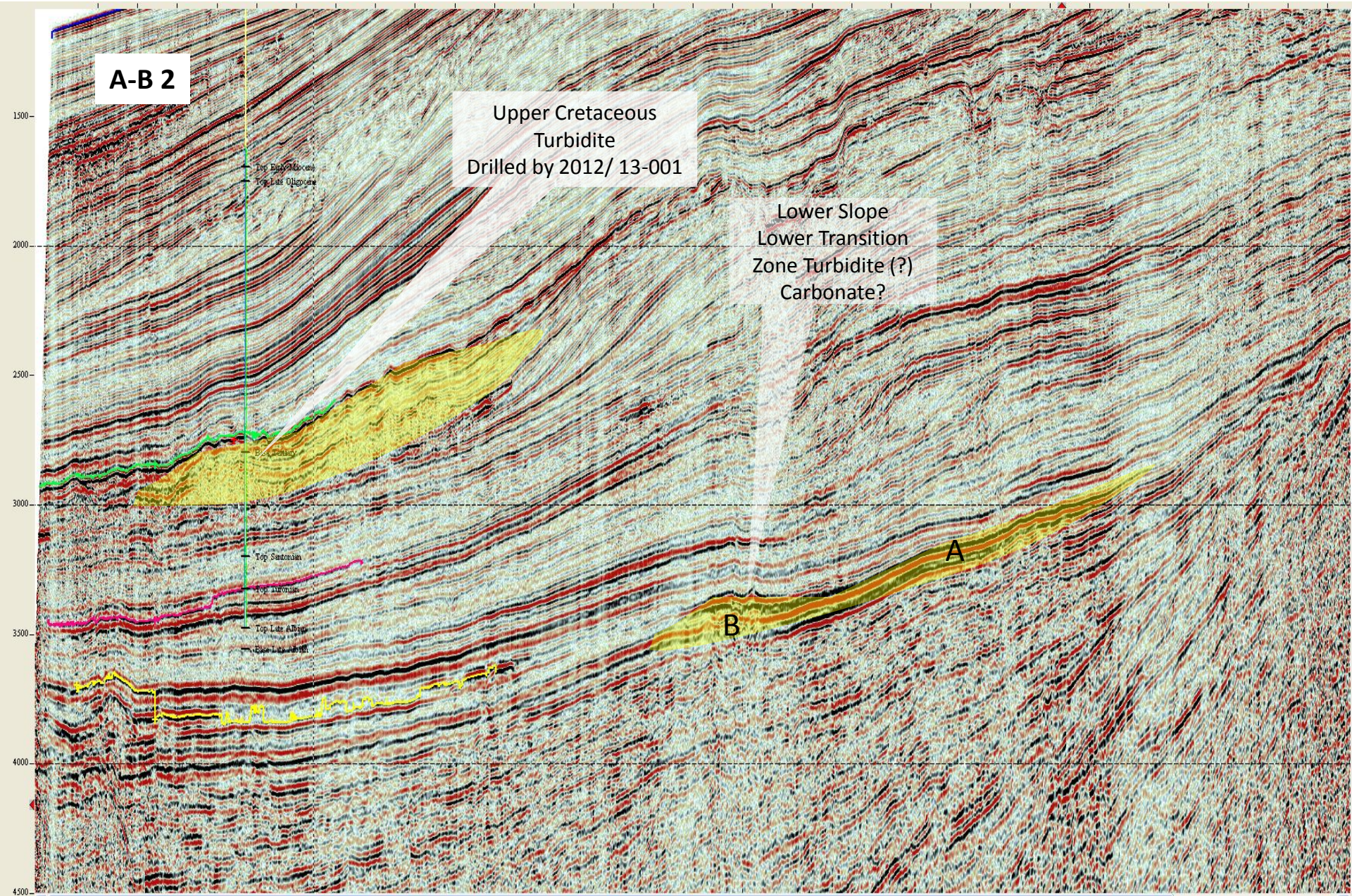
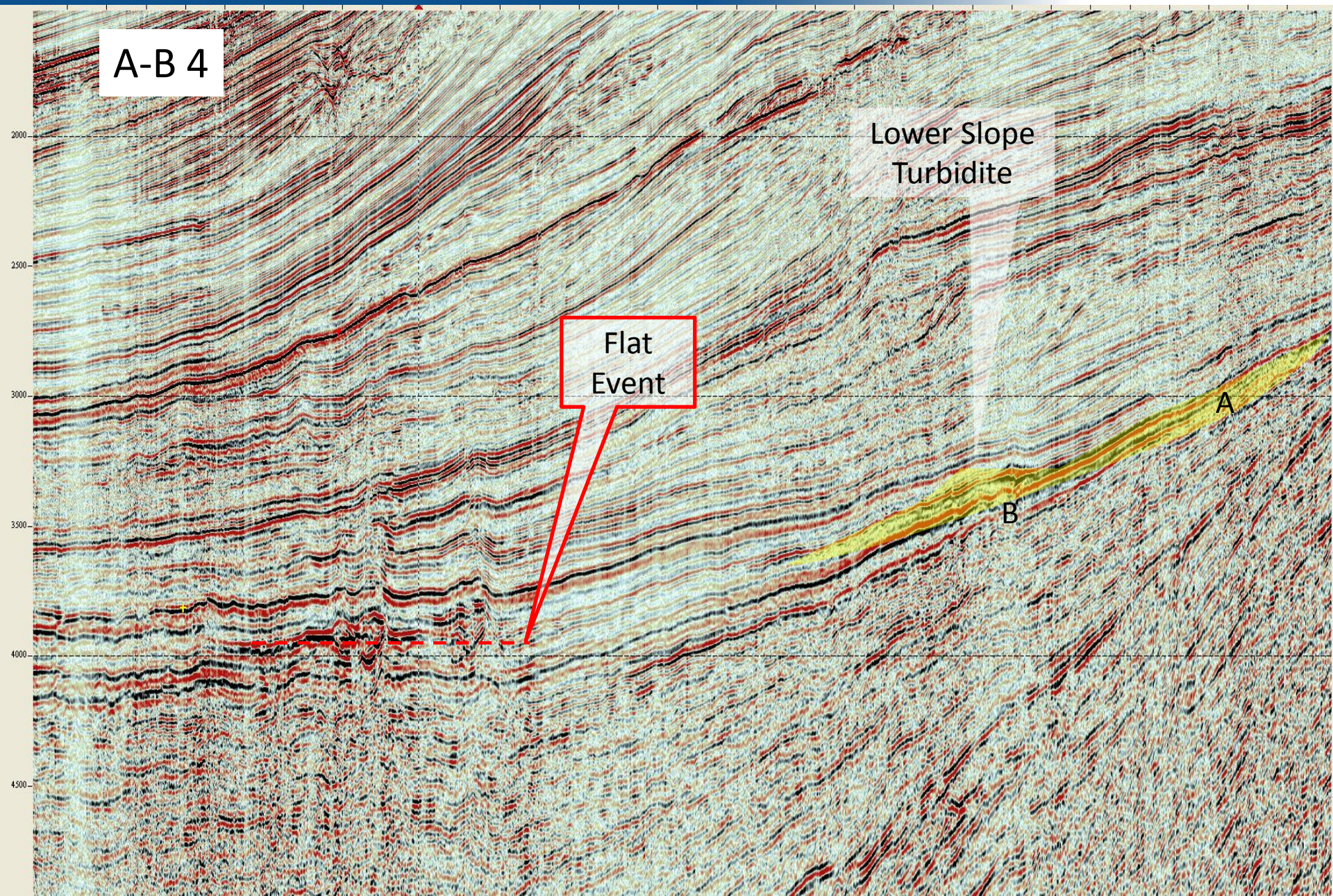
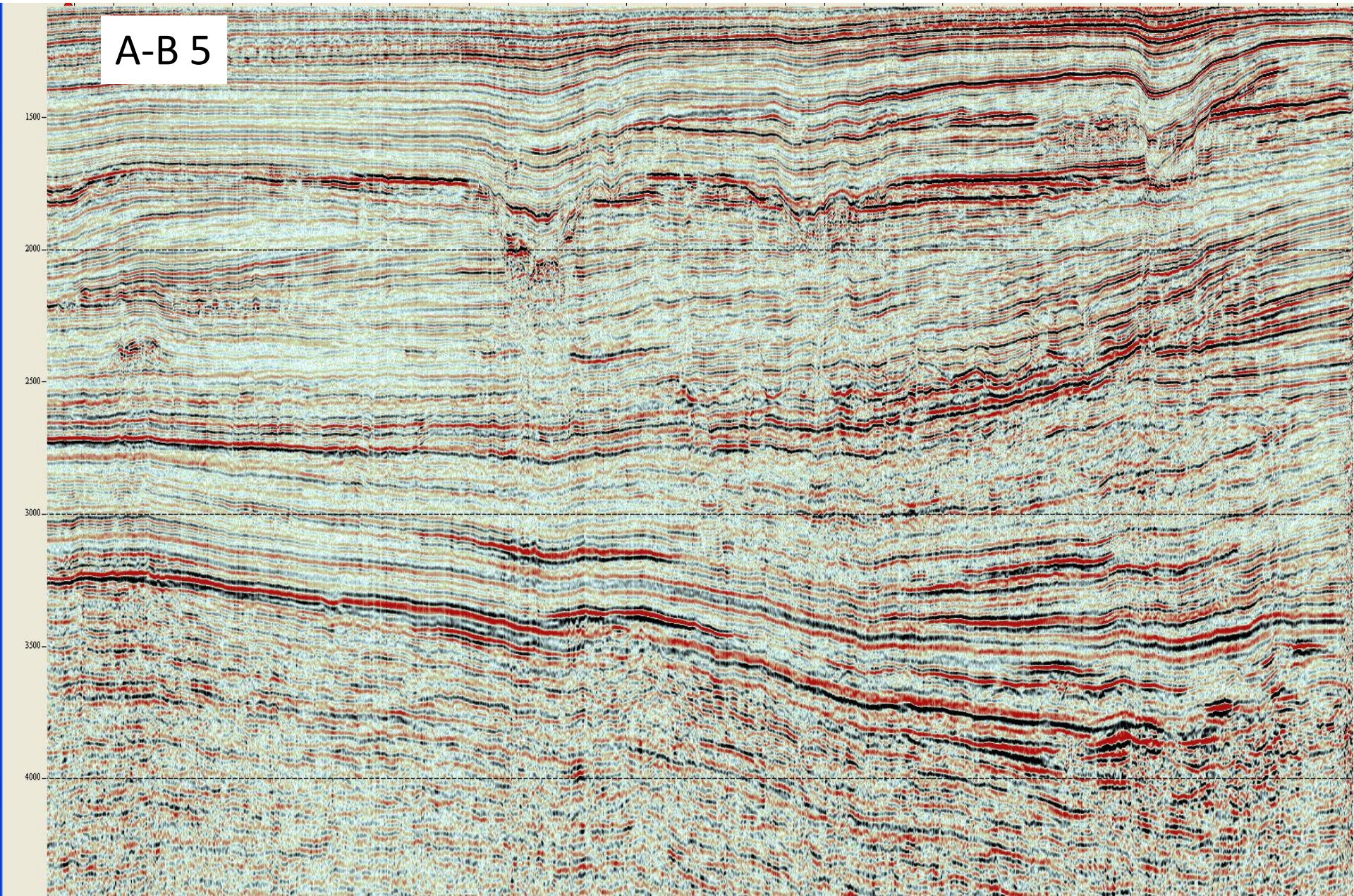


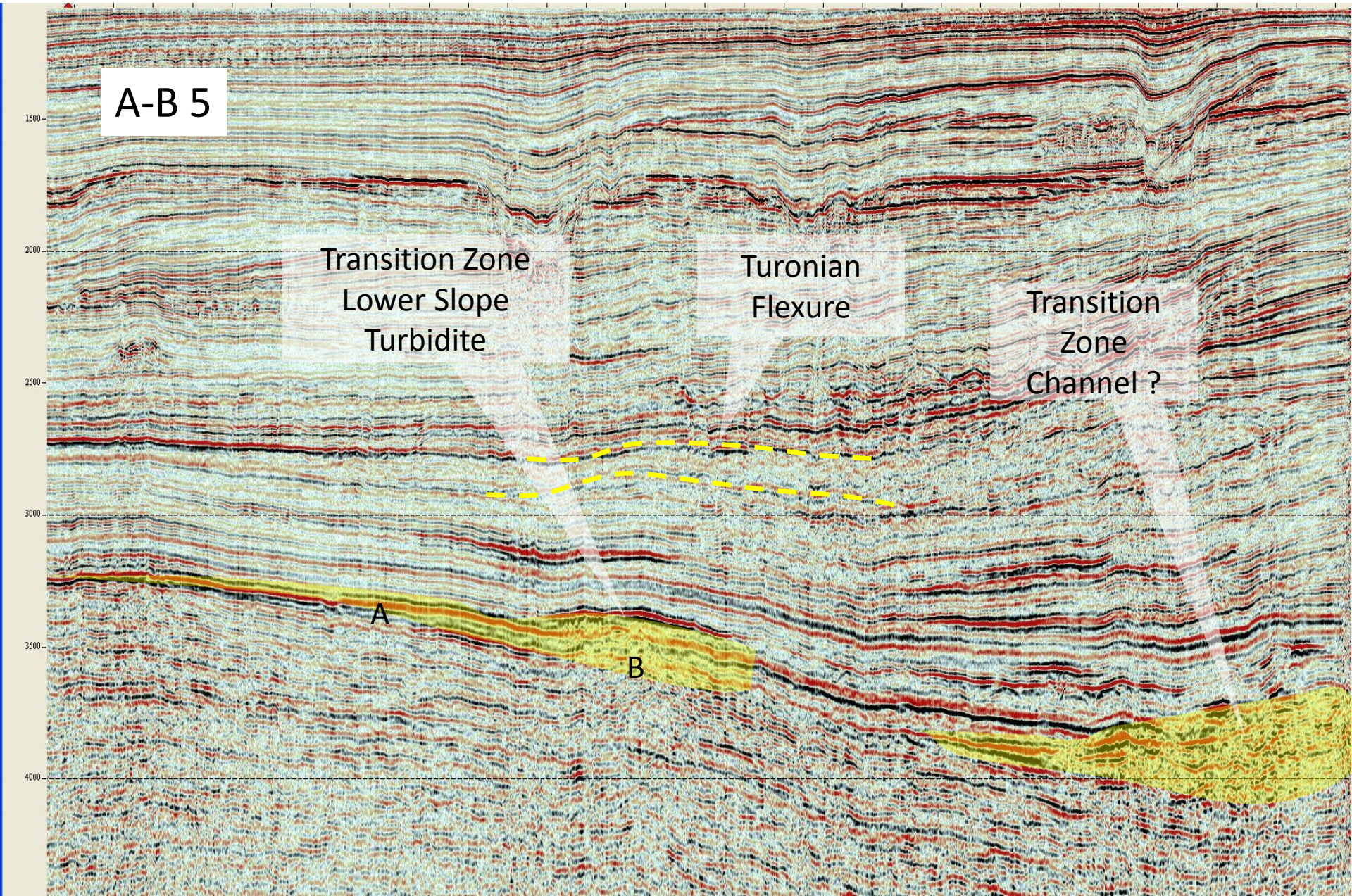
Lead Example



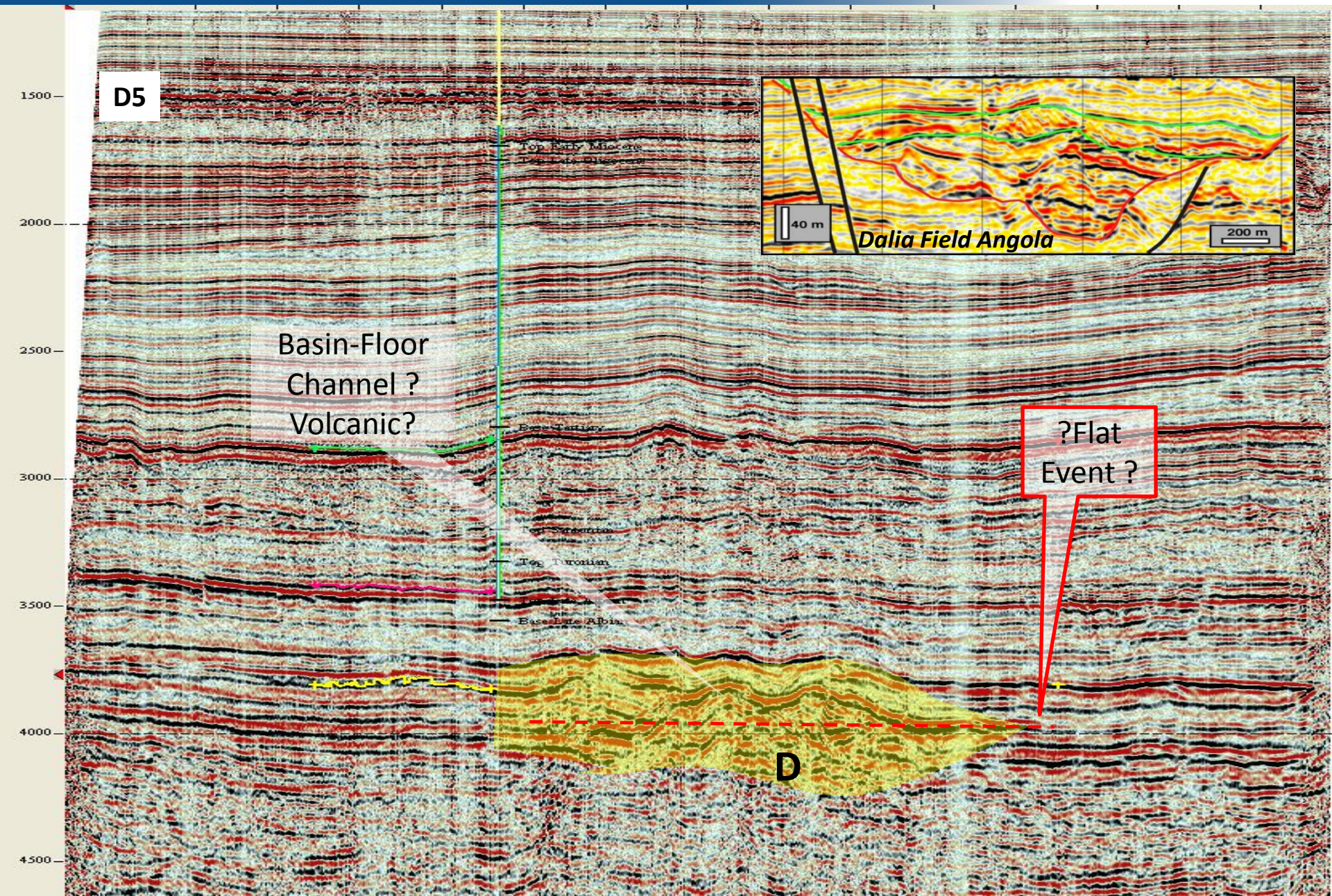
Lead Example



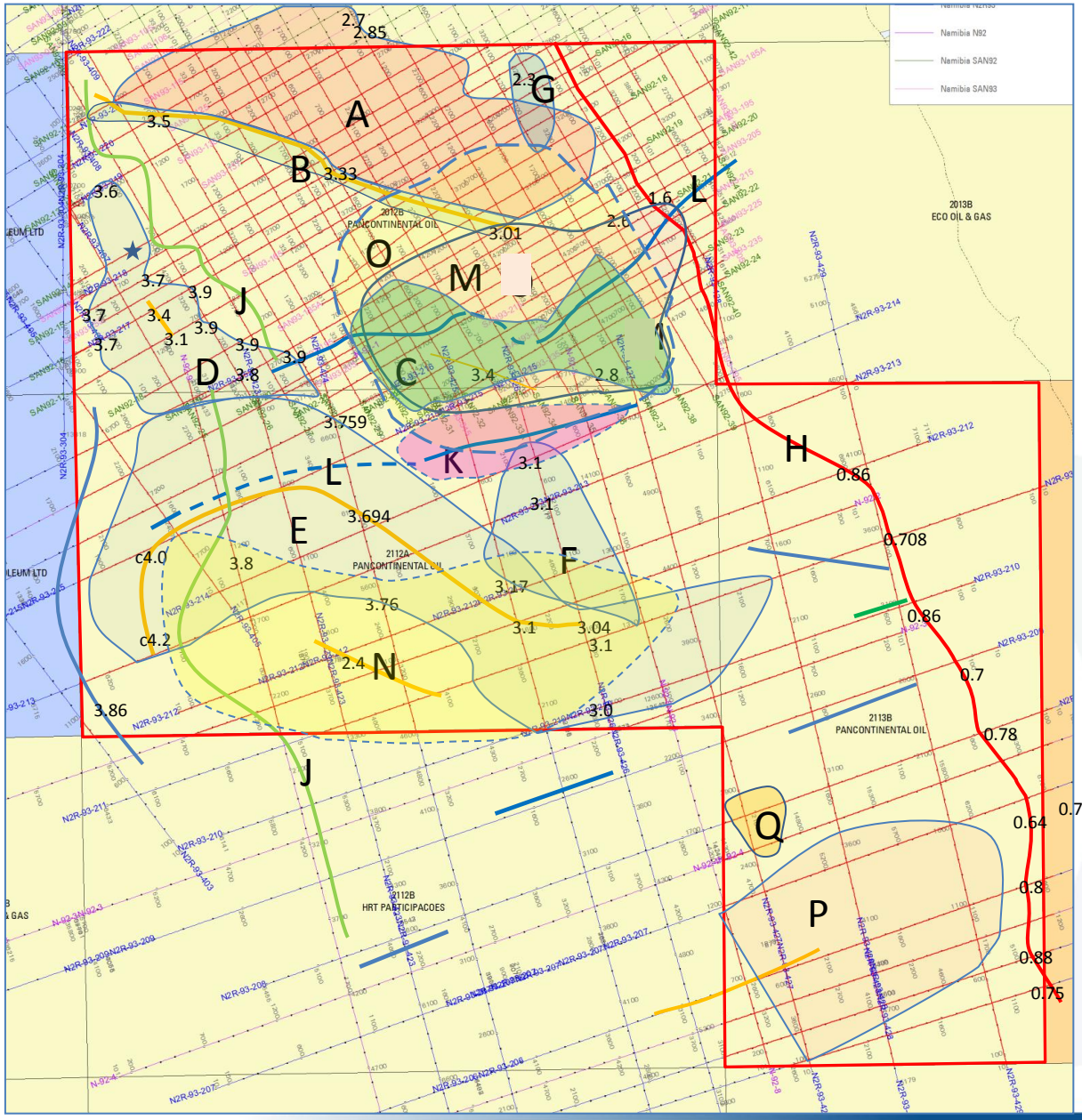
Lead Example



Lead Example



Leads Base Map



Synclinal Axis

Top Transition Zone

Basin Margin Fault-Reverse reactivated

Basin Floor Boundary (Transition Zone)

Anticlinal / Crest / Axis

Block EL 0037 – Tullow Farm In

PANCONTINENTAL

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 Program

- **Exploration Program includes Tullow pursuing -**
  - **3,000km^2 3D**
  - **1,000km 2D seismic**
  - **Drilling to acquire and maintain a 65% interest**
- **3D seismic survey completed April 2014**
- **Drilling expected by 2015**
- **Pancontinental estimates farmin expenditure up to $130 million (100% basis)**

Fan Anomalies are Main Targets

PANCONTINENTAL

- 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- 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

3D Seismic Survey

Albatross

Seagull

Petrel

Gannet

- Tullow Farmin September 2013
- 3D Survey of 3,000 completed April 2014 over four key Leads
- 2D survey of 1,000km –completion imminent
- 2D Survey will highlight additional Leads
- Pancontinental is Free-Carried under Farmout to Tullow
- Cost of the Surveys is approximately $30 million

Fast track 3D results expected June 2014

Full results end 2014

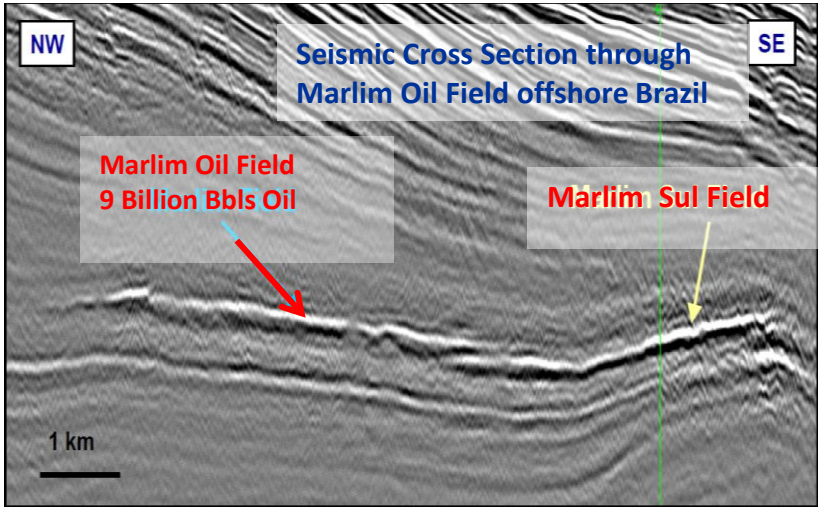
Tullow has option to drill on completion of surveys

KEY LEAD AREAS – Sq Km

Lead	Area Pmean
Albatross	104
Petrel	82
Seagull	80
Gannet	93

Depositional Analogue – Marlim Oil Field (Brazil)

- **Four key Leads mapped by EL 0037 operator Tullow Oil**
- **The Marlim Oil Field in the Campos Basin offshore Brazil has an analogous depositional system**
- **Marlim covers an area of 137 sq km and is estimated to have had 9 Billion Barrels of Oil Initially in Place**
- **By comparison, the Albatross Lead in EL 0037 is mapped up to approximately 200 sq km (P10), or Pmean 104 sq km. It will be mapped in detail using the 3D Seismic Survey data**



The giant Marlim Oil Field in the Campos Basin is one of the largest producing fields in Brazil, with an estimated 9 billion barrels of oil in place and peak production hitting 586,315 bopd. Area 137 sq km

The Albatross Lead in EL 0037 is in a similar depositional setting and has similar seismic expression to the Marlim Oil Field. Area approx 200 sq km (P10)

SUMMARY.....

Pancontinental Summary

- 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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