

ExxonMobil enters Namibia next to Pancontinental

- **ExxonMobil is taking a position in an exploration licence immediately adjacent to Pancontinental's PEL 37 licence offshore Namibia.**
- **This continues a trend of Oil Majors and noted Africa-focussed oil companies taking positions in, or surrounding Pancontinental's two, large and strategically situated licences.**

Commenting on this further positive development offshore Namibia, Pancontinental CEO John Begg said:

*"Readers of this announcement are invited to study the two diagrams on the second page below. These tell a simple but powerful story about the prospectivity of Pancontinental's carefully selected acreage in Namibia. First, the industry agrees with our strategy. This is well illustrated in **Diagram A** by the positioning of industry-leading companies such as ExxonMobil, Shell, Total and ONGC Videsh as well as Africa- specialists like Tullow Oil and Africa Energy either within or around our licences. **Diagram B** highlights one of the key technical factors focussing the industry's attention. This is published offshore oil seep data showing the seeps are clustered in the same general areas and on the same trends. In other words, where oil is most likely to be found".*

Pancontinental Oil & Gas NL (ASX: PCL) ("Pancontinental" or "Company") is pleased to provide the following information relevant to its exploration licences offshore Namibia.

Providing further support for the prospectivity and potential large size of oil resource targets in the area, as reported on 31 January by Galp Energia, Oil Major ExxonMobil is farming into exploration permit PEL 82 for a 40% interest. The licence covers an area of 11,444km² in water depths ranging from 200m to 2,000m. It is located directly south of PEL 37, operated by Tullow Oil in which Pancontinental has a 20% interest.

The ExxonMobil farmin block, PEL 82, is operated by Galp in partnership with the National Petroleum Corporation of Namibia (NAMCOR) and Custos Investments, a local Namibian company. These are the same Namibian partners that Pancontinental has in its recently awarded PEL 87 (formerly Block 2713) which covers 10,947 km² and is located further to the south, offshore Namibia. Pancontinental is operator of PEL 87 with a 75% interest.

Pancontinental now has material positions in two large, highly prospective licences in Namibia that cover a combined 28,242 km².

PEL 37 (20%, 17,295 km²) - The Company will be free carried through a well to be drilled in September 2018 and operated by Tullow Oil.

PEL 87 (75 %, 10,947 km²) - Early mapping shows multiple, very large volume, potential traps for oil.

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Diagram A

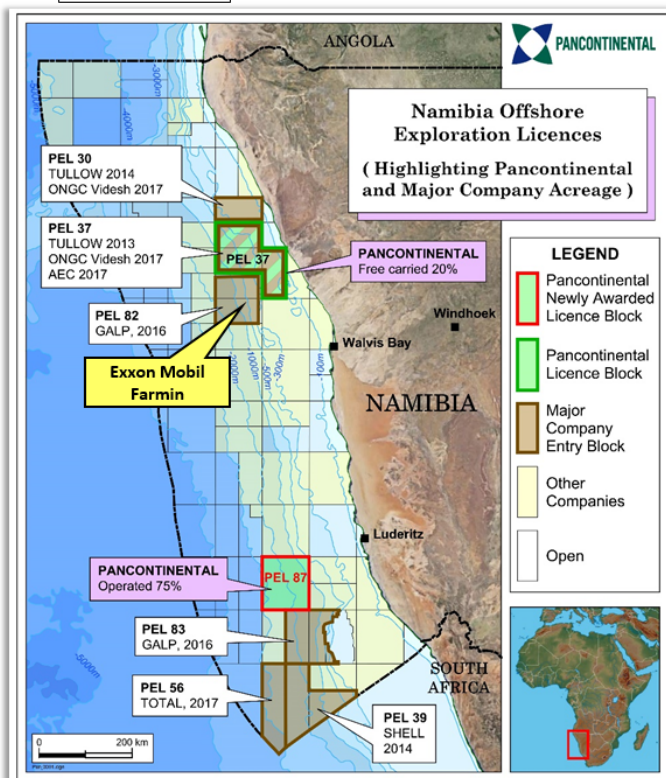
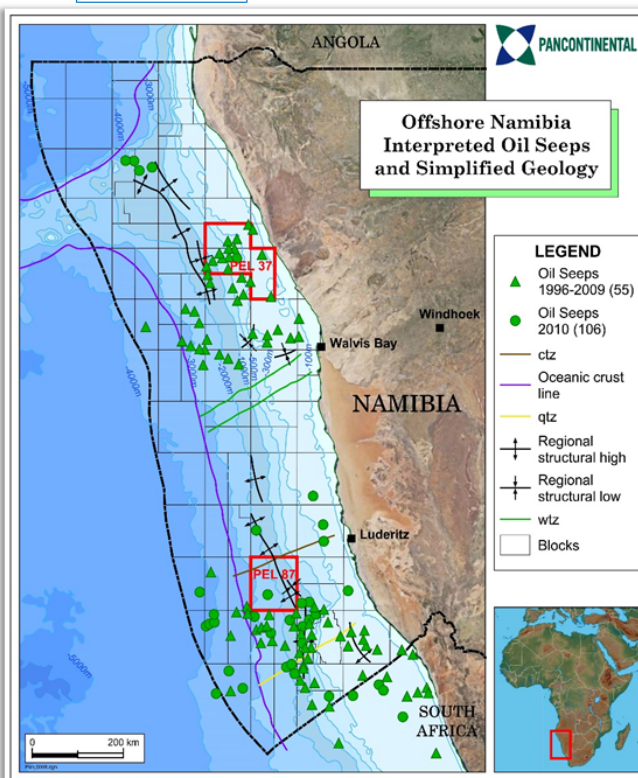


Diagram B



For and on behalf of
Pancontinental Oil & Gas NL

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Executive Director and CEO

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