



PANCONTINENTAL

PANCONTINENTAL OIL & GAS NL

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PANCONTINENTAL OIL & GAS TO RAISE UP TO \$50 MILLION TO FUND HIGH IMPACT AFRICAN EXPLORATION

Pancontinental Oil & Gas NL ("Pancontinental" "the Company") (ASX Code: PCL) is pleased to advise that it has resolved to raise up to \$50 million to fund the ongoing exploration programmes over Kenyan Blocks L10A & L10B, further seismic work over Kenya Block L8, a portion of its share of costs of the upcoming L8 Mbawa well (see below), seismic work over Kenya Block L6, seismic work over Namibia EL 0037 and for business development and general working capital purposes.

The funds will be raised through a \$45 million placement of up to approximately 257.1 million shares at an issue price of 17.5 cents per share to sophisticated and professional investors ("the Placement") and through a share purchase plan ("SPP") capped at \$5 million to existing shareholders, also at 17.5 cents per share.

The Placement is being made to sophisticated investors as well as international and domestic institutional clients of Hartleys Limited, principal Broker to Pancontinental and Broker to the Offer in Australia, London and elsewhere. The Placement was also extended to Directors of the Company, the majority of which have elected to participate in the placement (subject to shareholder approval).

Pancontinental has recently announced that a drilling rig has been secured by the Kenya L8 Joint Venture operator, Apache Corporation, to drill the Mbawa Prospect in Q3 2012. Pancontinental estimates that the Mbawa Prospect has potential to contain more than 4.9 Billion Barrels of oil (in place, P10, unrisks).

Pancontinental is partly "free-carried" through the Mbawa well by farmout to Tullow Kenya B.V. a wholly owned subsidiary of Tullow Oil plc. Tullow's contribution on Pancontinental's behalf to a recent new 3D seismic survey in L8 and increased drilling cost estimates have meant that Pancontinental will contribute a portion, alongside farminee Tullow, to its share of Mbawa drilling costs.

Pancontinental's CEO Barry Rushworth commented "The operators of our four Kenyan projects are aggressively moving forward with the exploration programmes. This capital raising means that Pancontinental will remain in control of its own strategic direction and ensures that it continues to maintain its significant interests in its projects in the key East African region.

The raising maximises Pancontinental's exposure to success by maintaining its equity levels in these very exciting projects. Pancontinental should be fully funded for the next 12 months without recourse to early dilution through farmout" Mr Rushworth said.

The Placement will be completed in two tranches with up to approximately 129 million shares issued in the first tranche pursuant to the Company's 15% capacity under ASX Listing Rule 7.1 and the balance of up to approximately 128.1 million shares issued in the second tranche subject to shareholder approval at a General Meeting of shareholders currently scheduled for Thursday, 24 May 2012.

Approximately 28.6 million shares at 17.5 cents per share will be offered under the SPP to persons registered as shareholders on 17 April 2012, with SPP documentation to be sent to eligible shareholders shortly. The SPP is expected to open on 27 April 2012 and close on 11 May 2012.

ABOUT PANCONTINENTAL

Pancontinental Oil & Gas is listed on the Australian Securities Exchange (ASX: PCL).

Pancontinental has a 15% interest in offshore Kenya licence L8 (Mbawa) (reduced from 25% by farmout to Tullow Kenya B.V.) and a 40% interest in the adjacent licence L6 and a 15% interest in Kenya licences L10A and L10B, operated by BG Group.

Co-venturers in these four Kenyan licences (although not in each licence) are Apache, Tullow Oil, Origin Energy, Cove Energy, Premier Oil, BG Group and FAR.

Offshore Namibia, Pancontinental was awarded the 17,000 sq km licence EL 0037 in 2011. Pancontinental holds 85% and is the operator of this licence.

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

Yours sincerely for and on behalf of
Pancontinental Oil & Gas NL



Barry Rushworth, CEO and Director

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.