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ASX Announcement

11 April 2014

Extensive 3D seismic survey completed in EL 0037 offshore Namibia

Key Points:

- *3,000km² 3D seismic survey completed in EL 0037 in the Walvis Basin, offshore Namibia, southwest Africa*
- *Survey covers several strong leads mapped on existing 2D seismic data*
- *Second 2D acquisition phase now underway covering ~1,000 line km*
- *Fast-track processed results of 3D data expected in 2 to 3 months*
- *Drilling on a major prospect (496Mmboe) about to commence in adjacent permit.*

Pancontinental Oil & Gas NL (ASX: PCL) is pleased to advise that an extensive 3D seismic survey has been completed within its highly prospective offshore acreage in licence area EL 0037 offshore Namibia, southwest Africa.

The 3D acquisition, over approximately of 3,000km², covers a number of strong "Leads" that have already been mapped on existing 2D seismic data. A second 2D acquisition phase will cover approximately 1,000 km.

The survey is designed to prove-up a number of Prospects for drilling.

EL 0037 covers an area of 17,295km² in the Walvis Basin. Offshore Namibia is considered highly prospective for oil and gas, lying south of the prolific producing areas offshore Angola, with which it shares some geological characteristics.

High quality oil-prone source rocks have been seen in regional wells, and two of these source rocks have been reported to be oil mature and considered to be generating oil in the Wingat-1 well in an area immediately south and geologically on-trend to EL 0037.

3D Seismic Survey

The 3D survey was managed by the EL0037 Joint Venture operator Tullow Oil, using the seismic acquisition vessel Polarcus Asima.

Tullow Oil farmed-in to EL 0037 in September 2013 and subsequently identified a number of geological Leads for coverage by the 3D survey. Pancontinental retains a 30% free-carried interest through the surveys and one optional well to be drilled by Tullow.

An oil recovery and reports of high quality source rocks in the Wingat-1 well, drilled in 2013, have given considerable encouragement for exploration in the Walvis Basin.

Wingat-1 is directly on-trend in an "Oil Mature Fairway" interpreted by Pancontinental in EL0037.

Ongoing Activity

Acquisition of the 2D phase of the 1,000 line km seismic survey in EL 0037 has now commenced. It is estimated that it will take approximately two weeks to complete.

Results of the 3D data will now be processed, with final results expected in approximately five months.

Fast-track processed 3D data are expected within approximately ten weeks, enabling mapping of the Prospects to commence.

Regional Activity

The joint venture participants in Block EL 0010, neighbouring Pancontinental's EL 0037 (see Figure 1 below) have reported that preparations are being made to commence drilling the Welwitschia-1 exploration well in mid-April 2014. The Welwitschia-1 drilling site is approximately 75km from the north-east boundary of EL 0037.

Drilling results from elsewhere in the Walvis Basin have proved encouraging for the presence of mature source rocks, and regional wells show good evidence of reservoir quality sands in the Cretaceous interval.

Further Namibia Background

Namibia is under-explored with only seven onshore and fourteen offshore wells drilled over a coastline of some 1,300km.

Active oil & gas systems are demonstrated by oil recovery from the Wingat-1 well in the Walvis Basin in May 2013 and the significant Kudu gas discovery offshore southern Namibia.

Offshore Namibia and Angola form the tectonic conjugate of offshore Brazil, which contains some highly oil-productive basins.

Namibia has an encouraging oil & gas regulatory regime and is economically and politically stable. Exploration activity, including drilling, is expected to continue to be high in coming years.

The Namibia EL 0037 consortium consists of:

Tullow Kudu Limited ¹ (Operator)	65%
Pancontinental Namibia (Pty) Ltd²	30%
Paragon Oil & Gas (Pty) Ltd ³	5%

1 Tullow Kudu Limited is a wholly owned subsidiary of Tullow Oil plc

2 Pancontinental Namibia (Pty) Ltd is a wholly owned subsidiary of Pancontinental Oil & Gas NL

3 Paragon Oil & Gas (Pty) Ltd is a wholly owned subsidiary of Paragon Investment Holding's (Pty) Ltd

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.

Disclaimers

Any estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

This document may include forward looking statements. Forward looking statements include, and are not necessarily limited to, statements concerning Pancontinental's planned operation programme and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Pancontinental believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements.

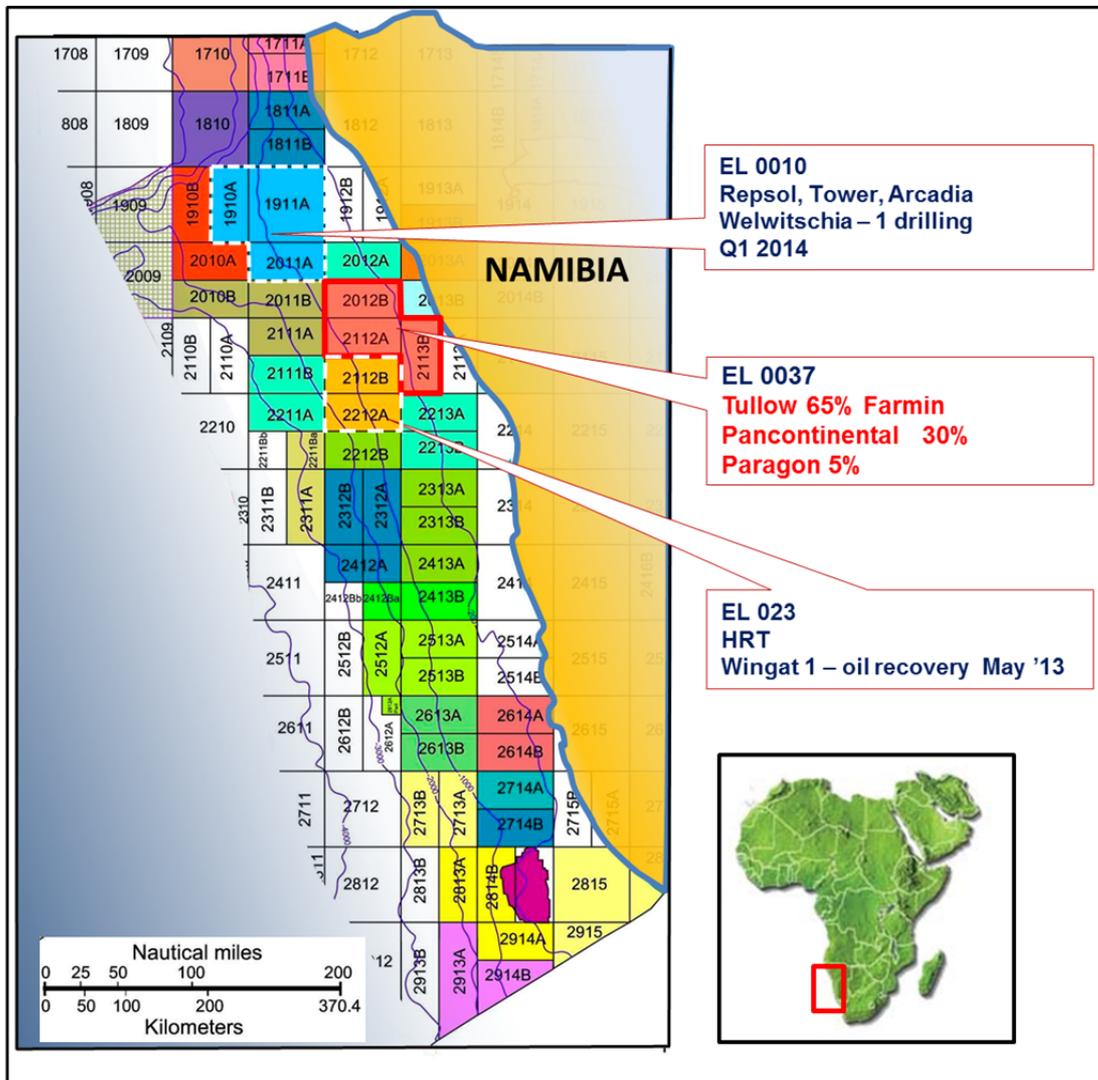


Figure 1 – Licence areas offshore Namibia