



# East Africa Oil & Gas Conference Australia August 2015



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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 Oil & Gas NL is an Australian Securities Exchange listed company with interests in Africa.

The Company has been present in Africa for over ten years and has enjoyed many successful exploration campaigns. In recent years Pancontinental and its joint venture partners had the honour of being involved in the following East African discoveries:

**2012 Mbawa-1, Kenya L8**

The first ever gas discovery offshore Kenya; and  
The first ever hydrocarbon discovery offshore Kenya.

**2014 Sunbird-1, Kenya L10A**

The first ever oil discovery offshore Kenya; and  
The second ever hydrocarbon discovery offshore Kenya.

The Company's current focus is to evaluate the exploration prospectivity of its Kenya L6 block along with realising the potential of its Namibian acreage offshore in the Walvis Basin.

# Corporate & Project Snapshot

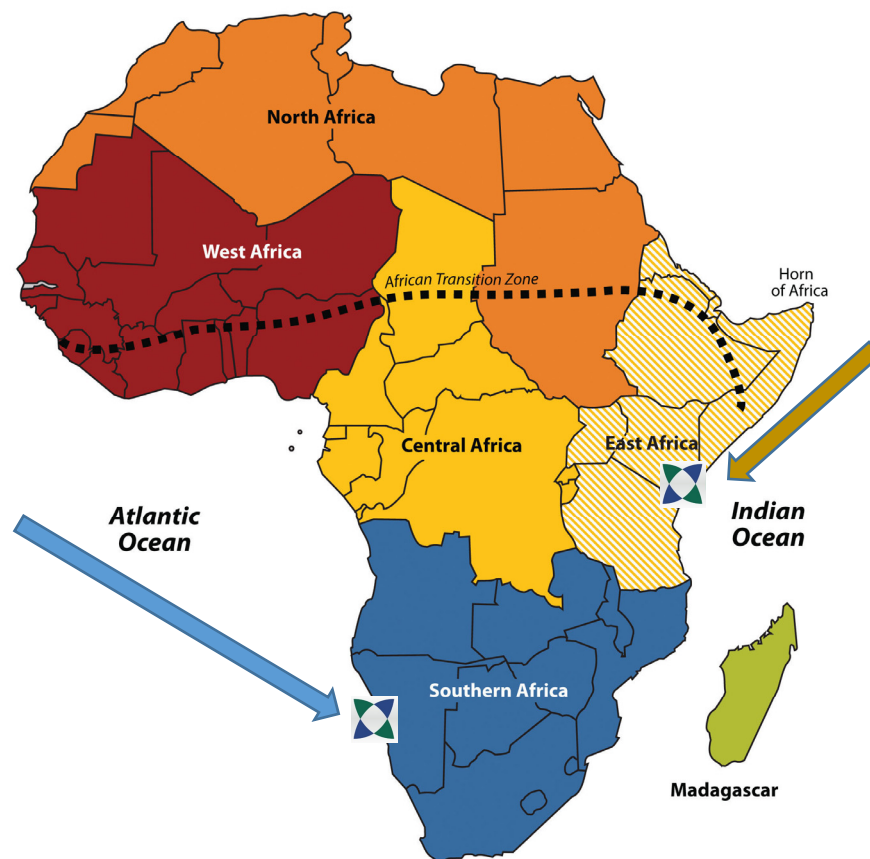


## Corporate

- ❑ ASX Code: PCL
- ❑ Share on Issue: 1,150m
- ❑ Share Price: 0.004
- ❑ Market Capitalisation: AU \$4.6 m

## Namibia

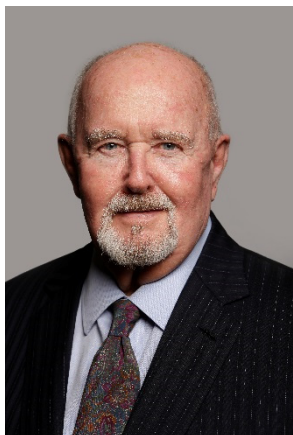
- ❑ Unexplored potential
- ❑ Numerous exciting targets
- ❑ Exploration Licence:
  - ❑ EL 0037
  - ❑ PCL 30%
  - ❑ Partner Tullow 65%
  - ❑ Partner Paragon 5%
  - ❑ Operator Tullow



## Kenya

- ❑ Emerging oil and gas province
- ❑ Proven oil and gas systems
- ❑ Offshore Exploration Licence:
  - ❑ Block L6
  - ❑ PCL 40%
  - ❑ Partner FAR Limited 60%
  - ❑ Operator FAR Limited
- ❑ Onshore Exploration Licence:
  - ❑ Block L6
  - ❑ PCL 16%
  - ❑ Partner FAR Limited 24%
  - ❑ Partner Milio International 60%
  - ❑ Operator Milio International

# Pancontinental Management Team



**David Kennedy**  
**MA (Geology),**  
**SEG**

Non-Executive  
Chairman



**Barry Rushworth**  
**BSc (Geology &**  
**Marine Sc)**

Executive Director,  
Chief Executive  
Officer



**Ernie Myers**  
**CPA**

Executive Finance  
Director



**Anthony Maslin**  
**Bbus**

Independent Non-  
Executive Director



**Vesna Petrovic**  
**BComm CPA**

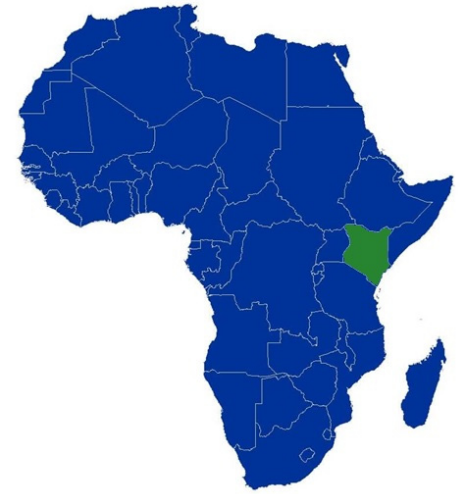
Company Secretary

Pancontinental Oil & Gas NL is managed by a small team who have vast international oil and gas industry knowledge. The Board have a history of acquiring attractive early stage opportunities, planning exploration work programmes to consider the prospectivity of areas and securing well respected international companies to partner in the Company's joint ventures.

The Company has successfully conducted business throughout Africa over the last decade and continues to plan for upcoming exploration campaigns which it believes will deliver similar success to that of the Mbawa-1 and Sunbird-1 discoveries.



# Offshore Kenya

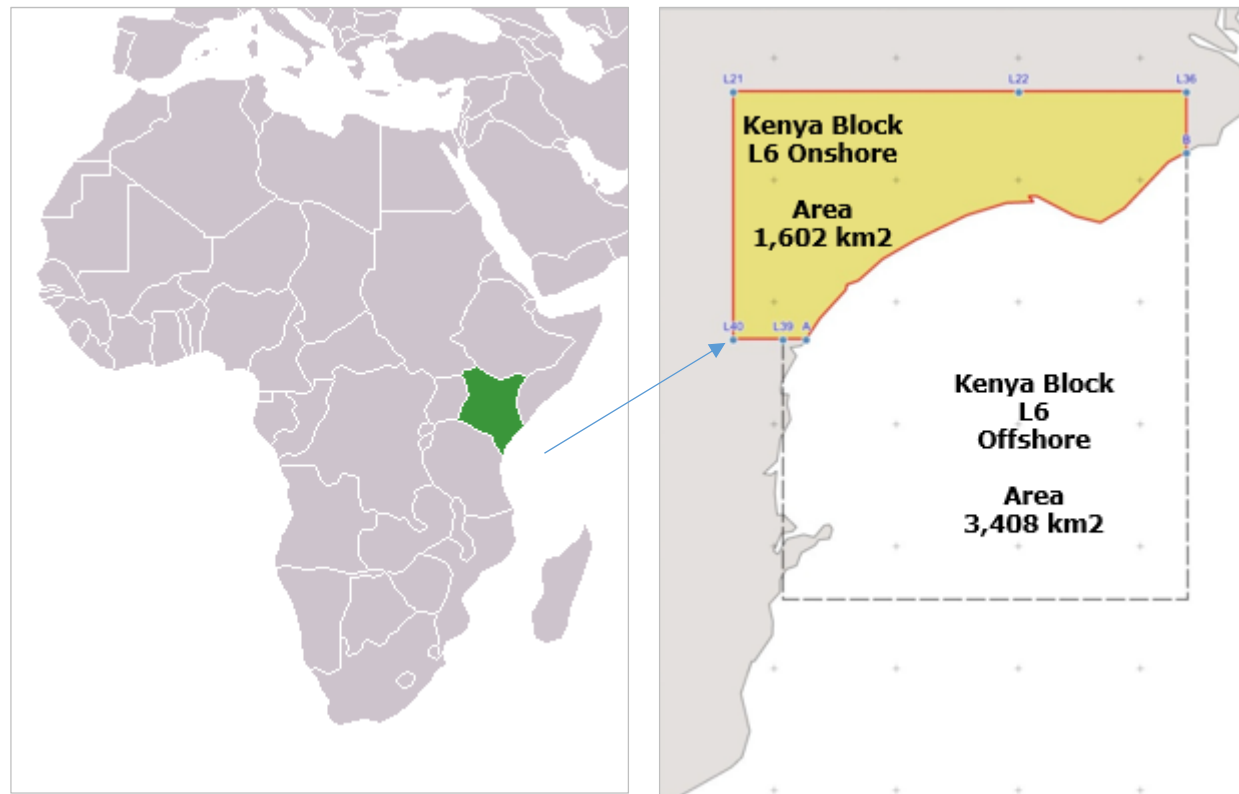


# Offshore Kenya



In the early 2000's Pancontinental conducted evaluation on the geological prospectivity of Kenya's onshore and offshore areas which led to the application and award of several exploration licences in the country.

Since then, Pancontinental has developed theories on the geological environments present in the region which were later validated by successful exploration campaigns for the Sunbird-1 and Mbawa-1 wells. Pancontinental were initial applicants in both of these licences and remained joint venture partners throughout the successful exploration finds.

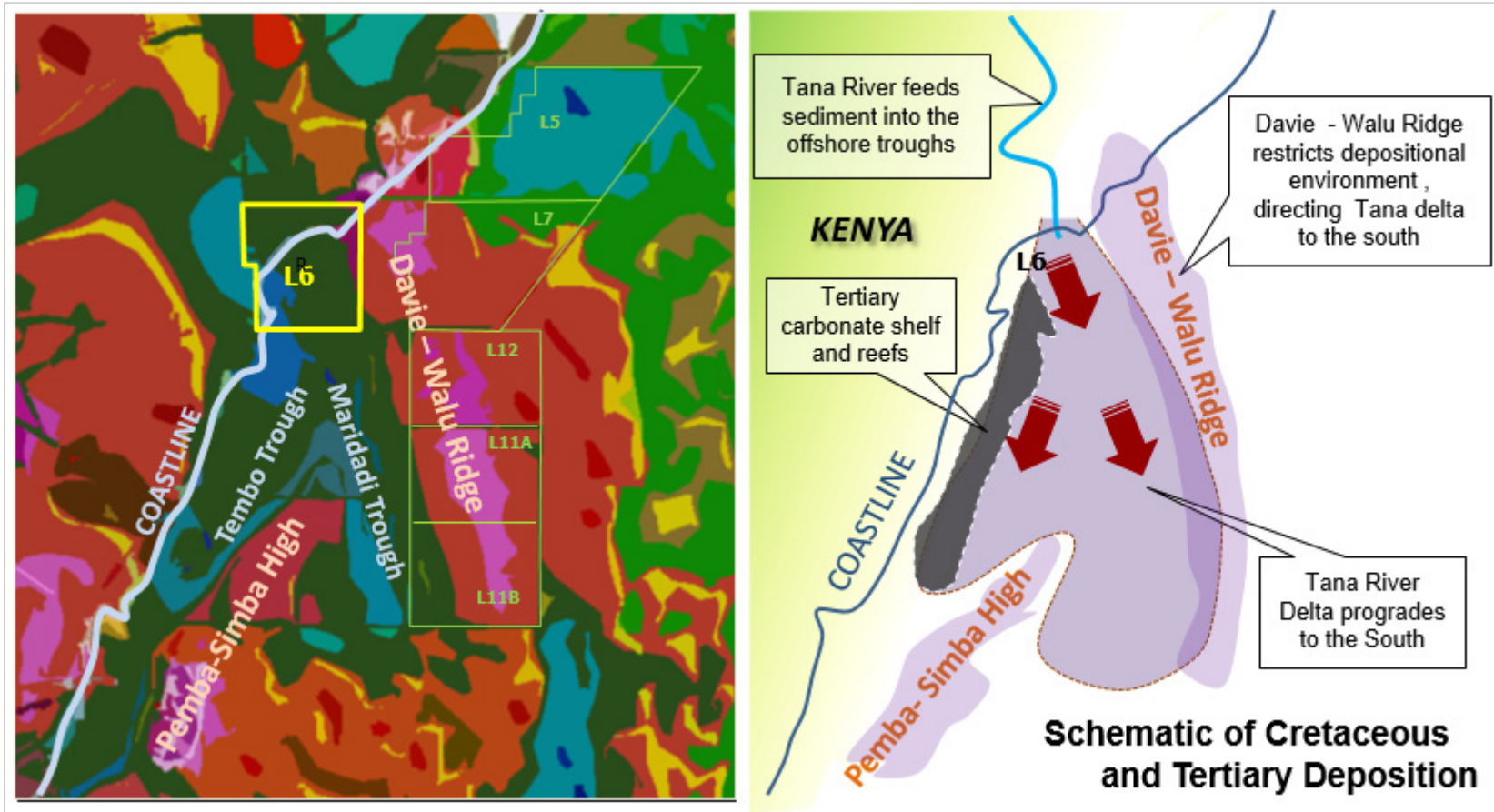


The Company has a history of forming geological theories and acquiring acreage in frontier basins to test those theories. Once initial work programmes are underway, Pancontinental has successfully sought well respected international companies to join in its exploration efforts; bringing their expertise and resources to the permits to maximise the possibility of exploration success.

Pancontinental's Kenyan acreage

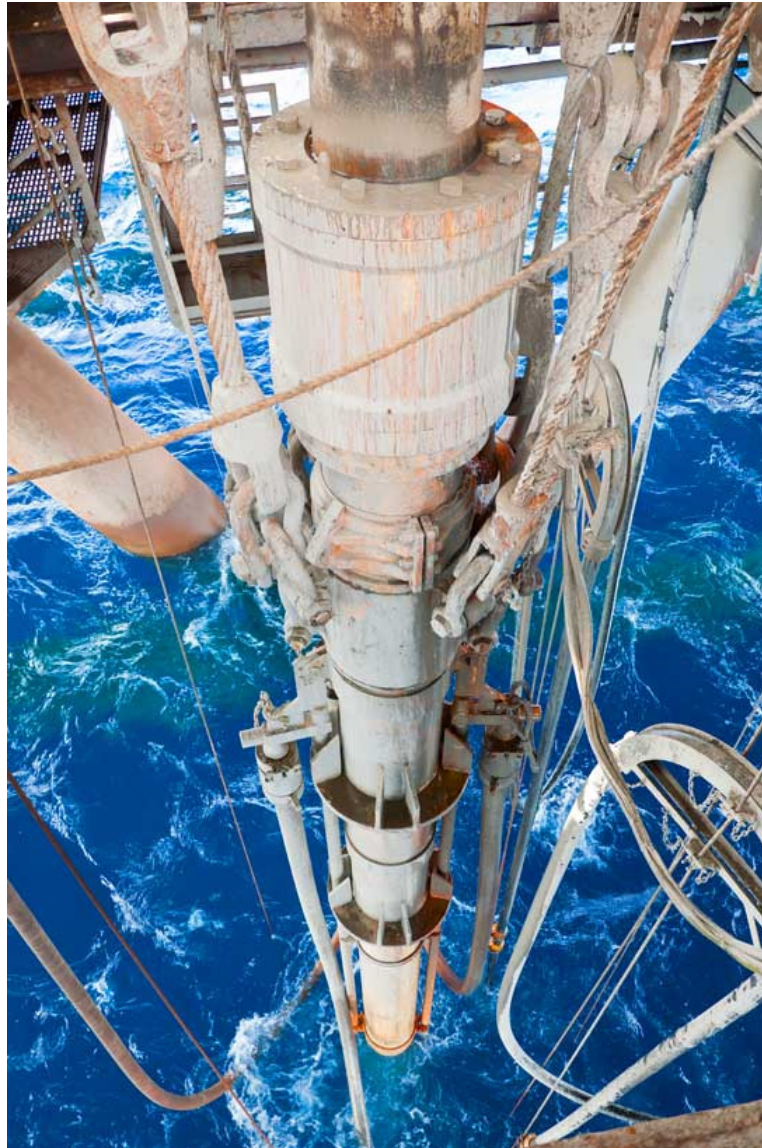


# Offshore Kenya – Predicting the Oil Environment



- ☐ The Tana River delta developed into the Tembo and Maridadi Troughs
- ☐ Jurassic to Tertiary restricted depositional environments suitable for OIL
- ☐ Pancontinental recognised the opportunity early and acquired exploration licences





## **FIRST WELL- DRILLING SUCCESS**

**Mbawa-1 Gas Discovery September 2012**

**The First Ever Gas Discovery offshore Kenya**

## **SECOND WELL- DRILLING SUCCESS**

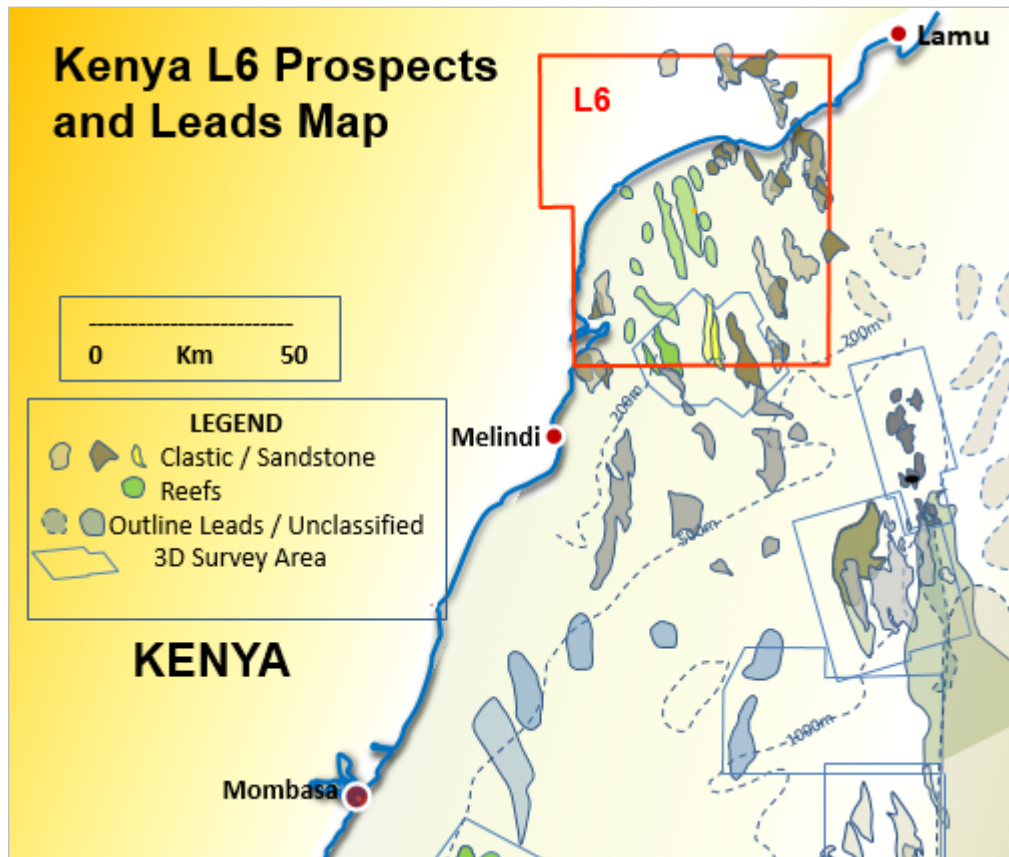
**Sunbird-1 OIL Discovery March 2014**

**The First Ever OIL Discovery offshore Kenya-**

**In fact the first ever Oil Column discovered offshore East Africa**

**New Oil Play opened offshore Kenya**

# Kenya L6 – Offshore & Onshore



Kenya L6 Prospects & Leads Map

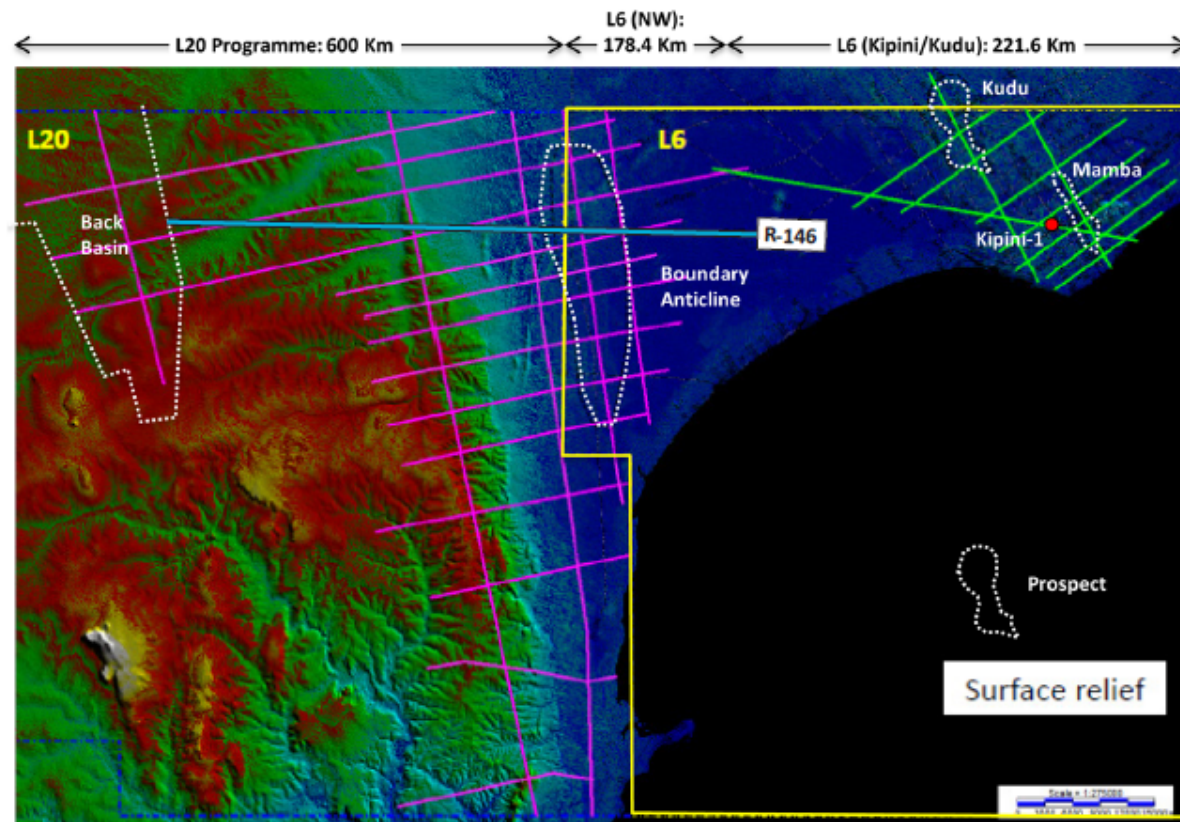
## Hydrocarbon Potential

- Pancontinental's long held view is that there is an oil and gas source kitchen within a trough (Maridadi) that has hydrocarbon generating and trapping potential, extending from onshore to the offshore of the Kenyan coast

Other key information:

- Numerous Prospects and Leads - clastics and carbonates
- 3D and 2D coverage
- Oligo- Miocene Reef "Stack"
- Kipini Sands second target
- Onshore and Offshore opportunities
- Oil-mature Eocene source rocks predicted at 3,500m

# Kenya L6 Onshore



Milio International's proposed seismic programme  
[Source: Milio International]

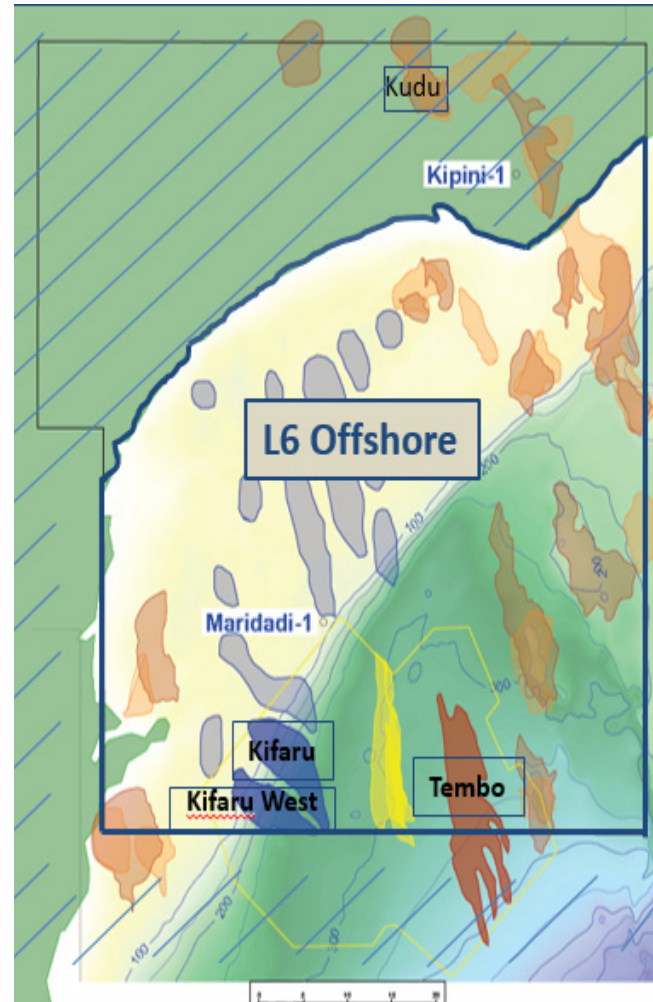
- Onshore farmed out to Milio International for 2D seismic, interpretation, mapping and an exploration well – free carried with no financial obligations reverting back to Pancontinental
- Preparations are underway for the proposed 2D seismic programme
- Mamba, Kudu and Boundary Anticline have been found to be the most prospective prospects which are a combination of Eocene and Cretaceous clastics (sandstones)



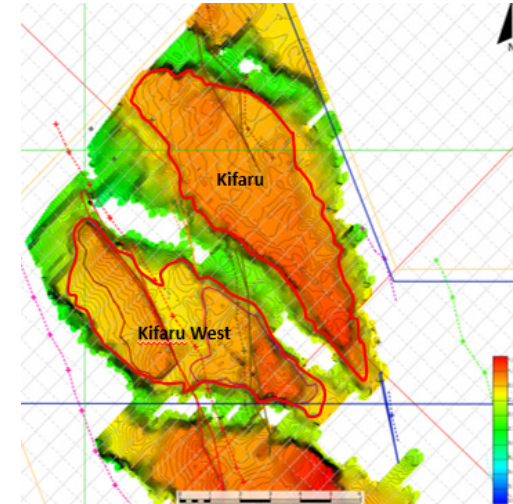
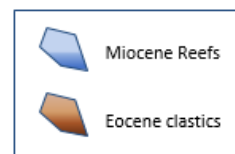
# Kenya L6 Offshore



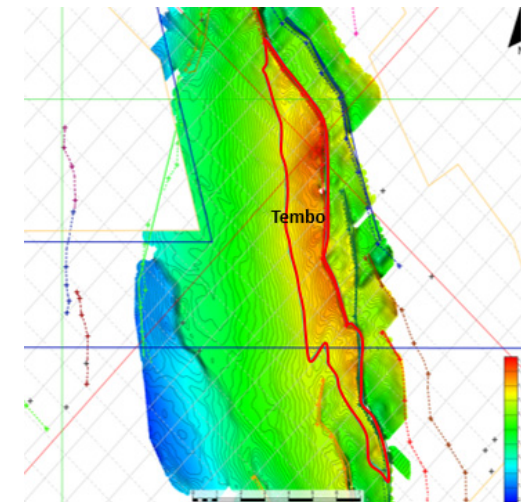
- ❑ 3D seismic operations confirmed a number of drill ready prospects
- ❑ Tembo, is an Eocene sand play; Kifaru and Kifaru West are reef prospects
- ❑ It is believed that the prospects have access to the same oil source as that discovered by the Sunbird-1 well in 2014
- ❑ The prospects are interpreted with good lateral and top seals and in close proximity to mature Eocene source rocks



Kenya  
Block L6  
Offshore  
Prospects



Kifaru & Kifaru West Prospects



Tembo Prospect

# Kenya L6 Summary



## Kenya L6

### LOCATION:

Lamu Basin, Onshore /Offshore Kenya

### PROJECT SIZE:

5,010 square kilometres

### JOINT VENTURE PARTNERS:

#### Offshore

FAR Limited (Operator)	60.00%
Pancontinental Oil & Gas Group	40.00%

#### Onshore

Milio International Group (Operator)*	60.00%
Pancontinental Oil & Gas Group	16.00%
FAR Limited	24.00%

\*after earn in

### GEOLOGY:

A deep central graben in this area is considered to be an oil and gas "source kitchen" and potential hydrocarbon trapping prospects have been identified adjacent to the area.

The Kifaru Prospect and Kifaru West Prospect are interpreted to be large stacked Miocene reefs, with interpreted good lateral and top seals and close proximity to mature Eocene source rocks.

The Tembo Prospect is a large tilted fault block trap, with interpreted sandstone reservoirs at a number of levels.

- ❑ On-trend to play-opening Sunbird-1 oil discovery
- ❑ Onshore farmed- out for seismic and drilling
- ❑ 3D over offshore Miocene Reefs (Kifaru and Kifaru W)
- ❑ Seeking additional farminee for drilling offshore
- ❑ 3.7 Billion Bbls Oil prospectivity\*

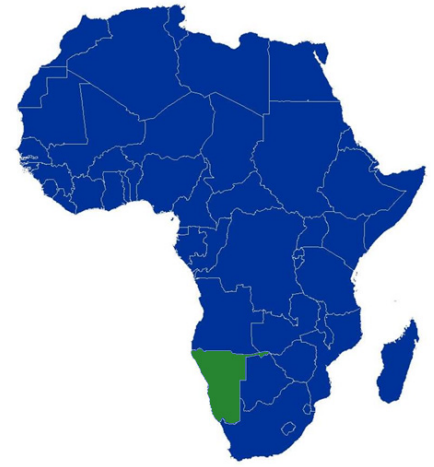
\* From FSR prospective resources 27 Feb 2013, Best estimate, unrisksed prospective resource, 100% basis, oil or gas



Tana River Delta, offshore Kenya



# Offshore Namibia



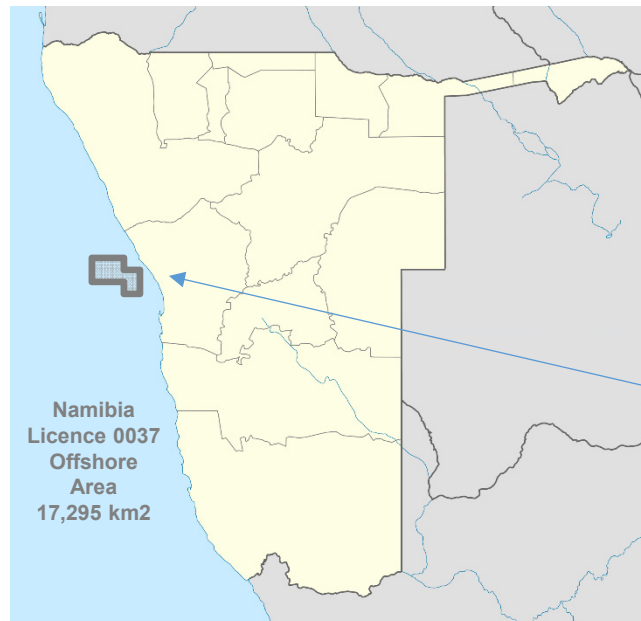


# Offshore Namibia

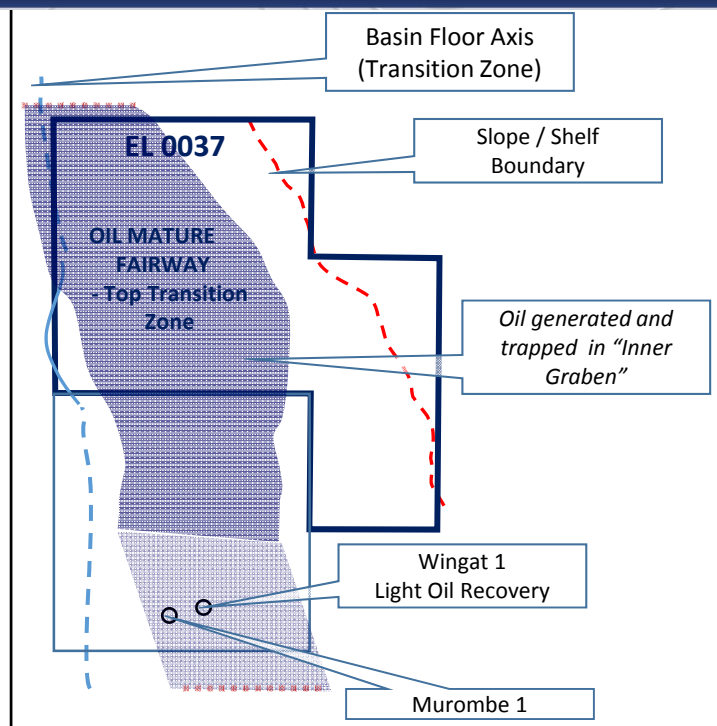


For the past ten years Pancontinental has been involved in the exploration industry of Namibia. During that time the Company has worked up concepts of how and where oil may be generated. In its current campaign of exploration within EL 0037 with partners Tullow Kudu Limited and Paragon Oil & Gas (Pty) Ltd, initial exploration by Pancontinental identified an oil mature fairway and a “sweet spot” area for oil generation.

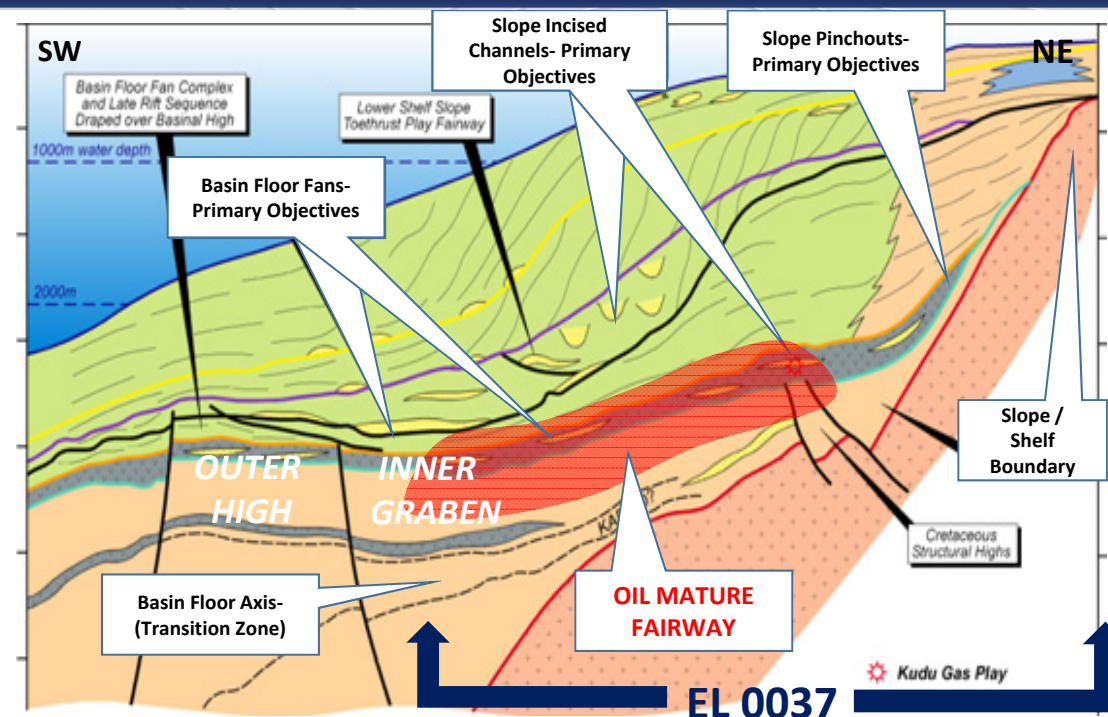
Some of the leads mapped in the exploration studies have been interpreted to be at the same stratigraphic level as the oil found in the Wingat-1 well, as well as close vertically to the interpreted oil source rocks.



# Offshore Namibia – Finding the Oil “Sweet Spot”



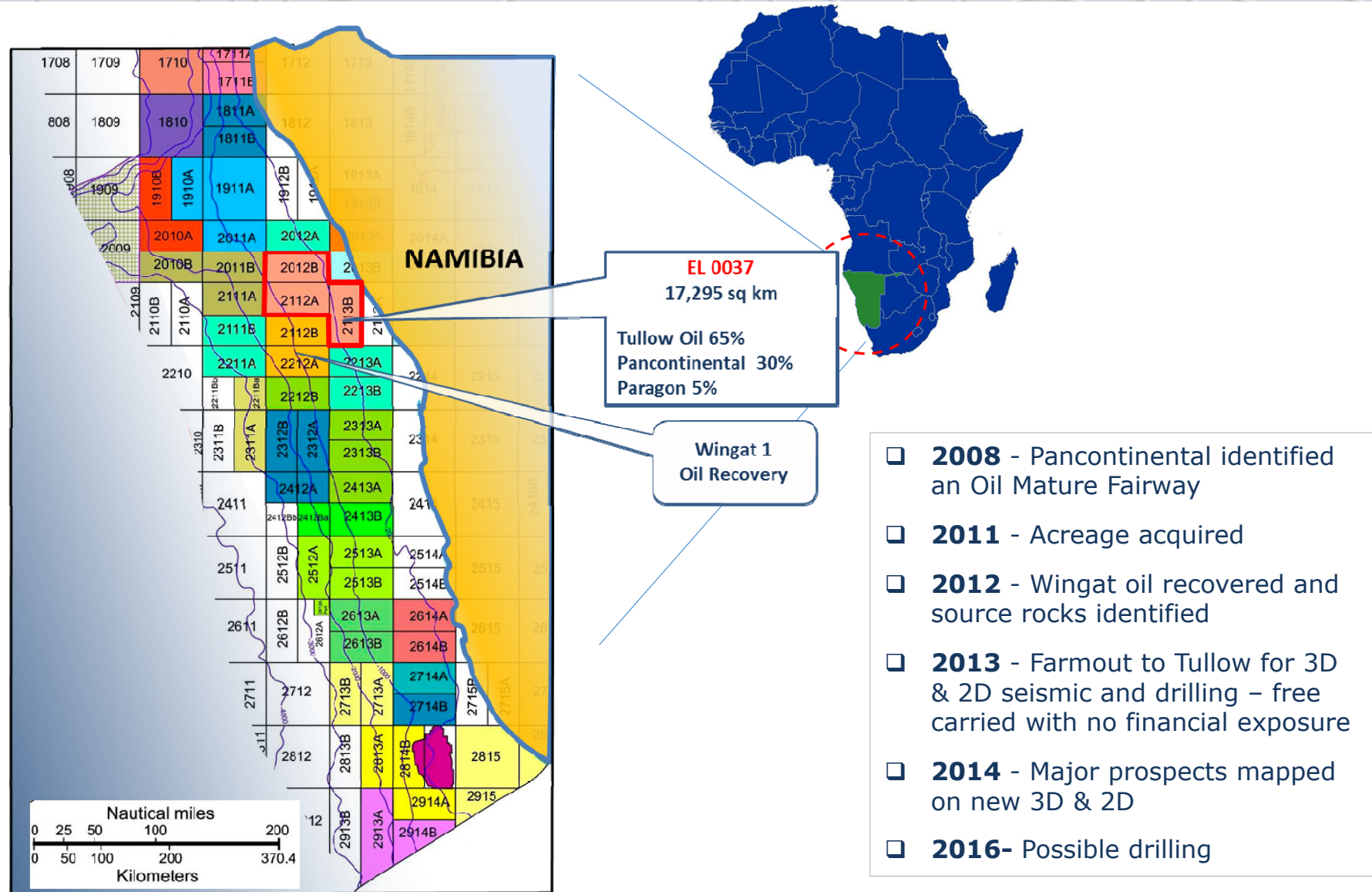
Oil generating zone in Oil Mature Fairway



Schematic Cross- Section NE to SW

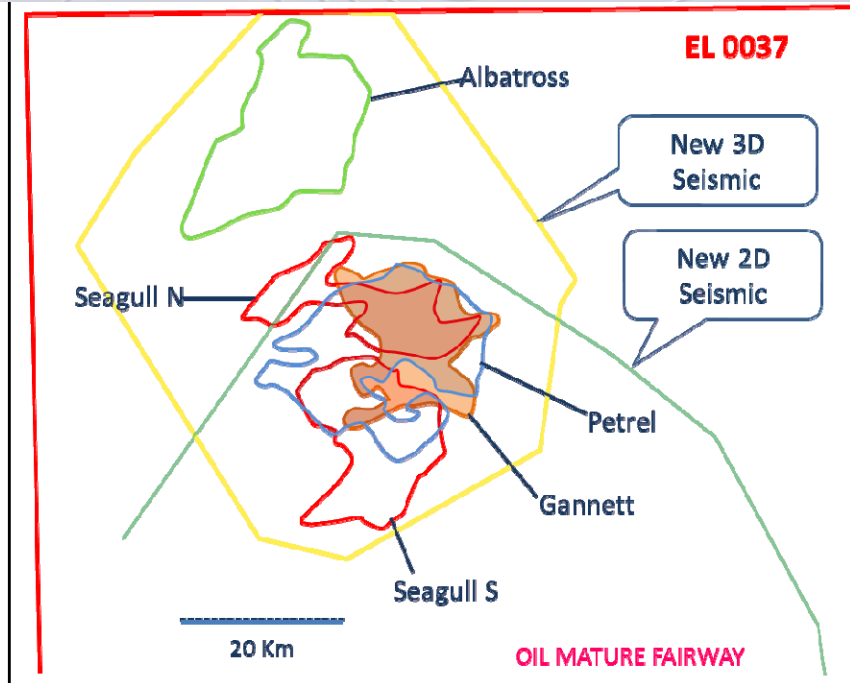
- ❑ In the Walvis Basin, Pancontinental predicted an oil-generating “fairway” zone, and high-quality turbidite fan deposits
- ❑ Pancontinental acquired exploration areas
- ❑ Oil was recovered, and high quality mature source rocks were reported just south, in Wingat-1
- ❑ Pancontinental farmed-down to manage risk and now pursuing exploration under farmout to Tullow Oil

# Namibia EL 0037





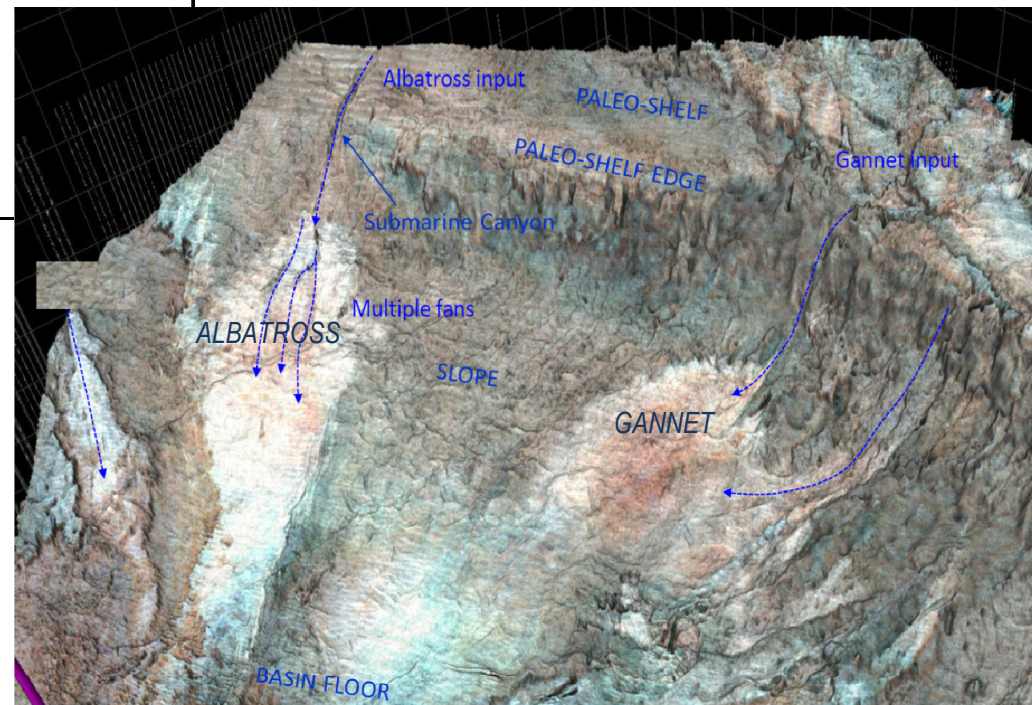
# Namibia EL 0037 Prospects



- ❑ Stacked prospects now being mapped on 3D
- ❑ Reservoir fans close to Wingat-1 oil source rocks in oil-mature "fairway"
- ❑ Drilling possible 2016

- ❑ Albatross estimated to have potential for 422 Million Bbls of Oil (gross unrisked mean) (See Cautionary Statement below)

\*Cautionary Statement: The 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 movable hydrocarbons.



# Namibia EL 0037 Summary



## Namibia EL 0037

### LOCATION:

Walvis Basin, Offshore Namibia

### PROJECT SIZE:

17,295 square kilometres

### JOINT VENTURE PARTNERS:

Tullow Kudu Limited (Operator)  
65.00%

Pancontinental Oil & Gas Group  
30.00%

Paragon Oil & Gas (Pty) Ltd  
5.00%

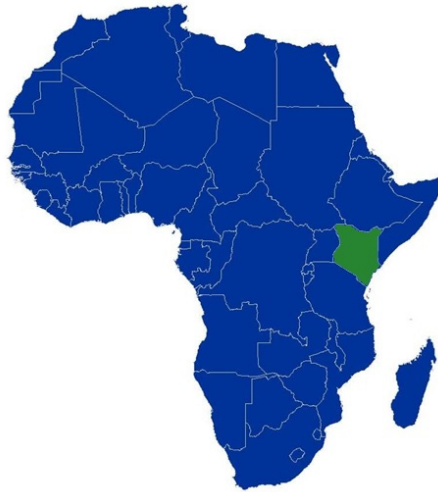
### GEOLOGY:

An "Oil Mature Fairway" has been interpreted which extends through EL 0037. Pancontinental believes that EL 0037 is one of the few areas covering an oil generating "sweet spot" where oil prone source rocks are sufficiently buried to generate oil.

A number of ponded turbidite, slope turbidite, basin floor turbidite fans and channels forming major very large "leads" closely associated with, and within the Inner Graben of EL 0037 have been identified and mapped.

- ❑ Very large oil "sweet spot" exploration area
- ❑ Farmed out for extensive 3D, 2D and drilling to Tullow Oil
- ❑ Major Prospects identified on new 3D & 2D
- ❑ Mapping under way in preparation for drilling campaign



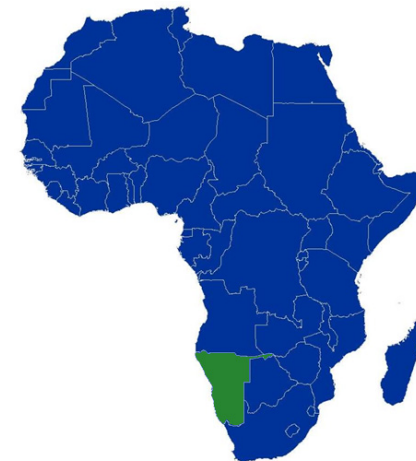


## Kenya Offshore

- ❑ Onshore & Offshore Block totaling 5,010 sq km
- ❑ Ground-breaking oil + gas discoveries - 2012 & 2014
- ❑ Onshore seismic preparations underway
- ❑ **Drilling possible 2016\***

## Namibia Offshore

- ❑ 3 Offshore Blocks covering 17,000 sq km
- ❑ On trend to Wingat oil recovery
- ❑ Major farmout to Tullow - late 2013
- ❑ Major Prospects mapped on new 3D
- ❑ **Drilling possible 2016\***



\*Drilling is subject to Joint Venture decisions and other factors