

Pancontinental to raise \$2.2 million

Pancontinental Oil & Gas NL ("Pancontinental", "the Company") (ASX Code: PCL) is pleased to advise that it has completed a bookbuild for a placement to sophisticated and professional investors to raise up to \$1.2 million through the issue of up to 300 million fully paid ordinary shares in the Company ("Shares") at an issue price of 0.4 cents per Share ("the Placement").

In addition to the Placement, the Board of Pancontinental has also resolved to offer eligible shareholders the opportunity to participate in a Share Purchase Plan ("SPP") to raise up to \$1 million (see Share Purchase Plan Details below).

Funds raised pursuant to the Placement will be used in conjunction with existing cash, for costs associated with the potential sale of a part interest in Namibia EL0037, other farm out costs, business development and for general working capital purposes and other payables (circa A\$400,000 to BG Group).

Commenting on the Placement, Pancontinental CEO Barry Rushworth stated:

"The key focus for Pancontinental at the current time is our Offshore Namibian Project – EL0037. Successful 3D and 2D seismic programmes have recently been completed and processed at a cost to farminee Tullow Oil in excess of US\$30 million."

"Tullow Oil is itself negotiating with a potential farminee for drilling in EL0037 and by end-March 2016 Tullow Oil needs to exercise its option to drill, following which Pancontinental would be free carried on a well with no caps."

"Given the quality and the value of the exploration undertaken to date and the considerable potential for oil in a number of prospects, Pancontinental is confident a decision to drill will be forthcoming and this will be of considerable value to PCL's healthy free carried 30% position in EL0037."

"Pancontinental is also seeking to farm down part of its 30% interest for cash. The current Placement and SPP strengthens Pancontinental's position as we embark on a very important few months for the Company."

Hartleys Limited acted as Broker to the Offer in respect of the Placement and SPP.

Settlement of the placement for up to 177.5 million Shares is scheduled for Friday, 11 December 2015 and is not subject to shareholder approval. This part of the Placement falls within the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Subject to shareholder approval, Directors of Pancontinental have committed to subscribe for \$500,000 in the Placement. The Company anticipates that it will seek such shareholder approval at a general meeting in early January 2016.

Share Purchase Plan Details

In order to provide all eligible Shareholders of the Company with the ability to participate in this capital raising, the Company is undertaking a Share Purchase Plan ("SPP") to raise up to \$1 million, with the company reserving the right to raise more than this amount.

The SPP will enable eligible shareholders, irrespective of the number of Shares which they hold in the Company, to purchase up to \$15,000 worth of new Shares directly from the Company.

The Company proceeding with the SPP is conditional upon the ASX granting a waiver (which the Company expects will be forthcoming) from the operation of Listing Rules 7.1 and 10.11 so that the issue price of Shares under the SPP can be at the same price as the Placement (being 0.4 cents per Share). If the ASX waiver is not granted, the Company reserves the right not to proceed with the SPP or to proceed with it on amended terms. The Company will inform shareholders of the outcome of the waiver application and the status of the SPP in due course.

ABOUT PANCONTINENTAL

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

Offshore Namibia, Pancontinental has a free-carried 30% interest in Petroleum Exploration Licence 37. The Operator has conducted 2D and 3D seismic surveys and is interpreting the results to decide on a well. A number of high-potential Prospects have been mapped from 3D data.

In March 2016 at the latest, the joint venture will know whether or not drilling will proceed within the permit. With less than six months to wait Pancontinental expects a positive outcome for the future exploration potential in the licence. Should the well proceed Pancontinental will be free carried with no cap.

In Kenya, Pancontinental has a 40% interest in the offshore portion of Licence L6 and a 16% free carried interest in the onshore portion of Block L6.

Visit Pancontinental's website for further information at www.pancon.com.au

Yours sincerely for and on behalf of

Pancontinental Oil & Gas NL

**Barry Rushworth,
CEO and Director**

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