

Pancontinental Oil & Gas NL
NOTICE OF MEETING



Notice of General Meeting
9.30am (AWST), Monday, 25 January 2016

The Park Business Centre
45 Ventnor Avenue
West Perth, Western Australia 6005

Pancontinental Oil & Gas NL

ABN 95 003 029 543

Directors

Henry David Kennedy

Roy Barry Rushworth

Ernest Anthony Myers

Anthony Robert Frederick Maslin

Non-Executive Chairman

Executive Director & Chief Executive Officer

Executive Finance Director

Non-Executive Director

Registered Office

Level One, 10 Ord Street,

West Perth WA 6005

Telephone: +61 8 6363 7090

Facsimile: +61 8 6363 7099

Company Secretary

Vesna Petrovic

Internet Address & Contact

www.pancon.com.au

info@pancon.com.au

Pancontinental Oil & Gas NL

NOTICE OF MEETING

A General Meeting of Pancontinental Oil & Gas NL (“**Pancontinental**” or the “**Company**”) will be held at
The Park Business Centre,
45 Ventnor Avenue, West Perth, Western Australia 6005
at **9.30am (AWST), Monday, 25 January 2016.**

Items of business	Type of resolution	Voting restrictions and further information
ORDINARY BUSINESS		
1. Ratification of Placement carried out under Listing Rule 7.1	Ordinary Resolution	Page 4
2. Ratification of Placement carried out under Listing Rule 7.1A	Ordinary Resolution	Page 4
3. Approval for Mr Henry David Kennedy to participate in Placement	Ordinary Resolution	Page 5

Terms used in this Notice and the Explanatory Notes are defined in the glossary on page 7.

Pancontinental Oil & Gas NL

NOTICE OF MEETING

VOTING

Voting Record Date

Shareholders recorded on the Company's register of members at 9.30am (AWST) on Saturday, 23 January 2016 will be entitled to vote at the General Meeting.

Becoming a Shareholder

Shareholders who become registered Shareholders after the date of dispatch of this Notice and who wish to vote at the General Meeting by proxy should call +61 8 6363 7090 to request a Proxy Form.

Shareholders who become beneficial shareholders of Shares by acquiring Shares after the date of dispatch of this Notice and who wish to vote at the General Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

How to vote

Shareholders can vote in one of two ways:

- by attending the General Meeting and voting; or
- by appointing a proxy to attend and vote on their behalf.

The voting prohibitions and exclusions for each Item are set out in the Explanatory Notes to this Notice.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the General Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised Proxy Form. The Proxy Form allows Shareholders not attending the General Meeting to either lodge their vote directly or appoint a proxy to vote on their behalf.

If you hold Shares in more than one capacity, please be sure to complete the Proxy Form relevant to each holding.

Appointing proxies

Shareholders who are entitled to attend and vote at the General Meeting may appoint a proxy to act generally at the General Meeting on their behalf, and to vote.

To appoint a proxy, the attached Proxy Form should be completed and lodged in accordance with the instructions on that form. A proxy or nominee need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy or nominee is appointed to exercise.

If no proportion or number is specified, each proxy or nominee may exercise half of the Shareholder's votes. If you wish to appoint two proxies or two nominees, please call +61 8 6363 7090 and request an additional Proxy Form.

Any directed proxies that are not voted on a poll at the General Meeting will automatically default to the Chair, who is required to vote proxies as directed.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

Any undirected proxy given to the Chair by a Shareholder entitled to vote on those Items will be voted by the Chair in favour of those Items in accordance with the express authorisation on the Proxy Form.

The Chair intends to vote all valid undirected proxies for all other Items in favour of those Items, subject to the voting prohibitions and exclusions set out in this Notice.

Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy must be sent with the Proxy Form.

A body corporate member or proxy may elect to appoint a representative, rather than a proxy. In such circumstances, written proof of the

representative's appointment must be lodged with, or presented to, the Company before the General Meeting.

A body corporate appointed as a proxy must also lodge a Certificate of Appointment of a Corporate Representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 9.30am (AWST) on Saturday, 23 January 2016.

How to lodge Proxy Forms

You can lodge your Proxy Forms:

Mail: to the Company at PO Box 1154, West Perth, WA 6872.

Facsimile: to the Company on +61 8 6363 7099.

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

ENQUIRIES

Shareholders are invited to contact the Company Secretary by email at info@pancon.com.au or by telephone on +61 8 6363 7090 if they have any queries in respect of the matters set out in these documents.

By order of the Board of Directors

Vesna Petrovic
Company Secretary
24 December 2015

Pancontinental Oil & Gas NL

EXPLANATORY NOTES

BACKGROUND

As announced on 4 December 2015, the Company proposed to undertake a capital raising of approximately \$2.2 million (before costs) comprising a placement to sophisticated and professional investors at 0.4 cents per Share (**Placement**) and a share purchase plan at the same price (**SPP**).

Details of the Placement and the SPP are as follows:

Transaction	Shares
Placement under ASX Listing Rule 7.1	172,649,114
Placement under ASX Listing Rule 7.1A	11,850,886
Placement to Mr Kennedy (subject to obtaining Shareholder approval)	125,000,000
SPP (subject to completion of the SPP)	250,000,000

Total proposed Shares to be issued	559,500,000
Total proposed funds to be raised (at 0.4 cents per Share)	\$2,238,000

On 11 December 2015, the Company issued 184,500,000 Shares under the Placement. These Shares were issued pursuant to the Company's combined placement capacity under ASX Listing Rules 7.1 and 7.1A.

Items 1 and 2 seek Shareholder ratification under ASX Listing Rule 7.4 for the issue of those Shares so that the issue of the Shares does not count towards the Company's 15% and 10% placement capacities (respectively).

Item 3 seeks the approval of Shareholders for the issue of Shares to Mr Kennedy under the Placement for the purposes of ASX Listing Rule 10.11.

ITEMS 1 AND 2 – RATIFICATION OF PRIOR ISSUES OF SHARES

Item 1

Item 1 seeks the approval of Shareholders under Listing Rule 7.4 to ratify the issue of 172,649,114 Shares at an issue price of 0.4 cents per Share to sophisticated and professional investors under the Placement without shareholder approval pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval provided the issue did not breach the 15% threshold set by ASX Listing Rule 7.1.

The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

The Company confirms that the issue and allotment of Shares did not breach ASX Listing Rule 7.1. The Company also confirms that the sophisticated and professional investors who participated in the Placement are not related parties of the Company.

Item 2

Item 2 seeks the approval of Shareholders under Listing Rule 7.4 to ratify the issue of 11,850,886 Shares each at an issue price of 0.4 cents per Share issued to sophisticated and professional investors under the Placement without Shareholder approval pursuant to the Company's 10% placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the 2015 AGM which was held on 30 November 2015.

ASX Listing Rule 7.1A provides that, in addition to issues of securities permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and which has obtained Shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period in which the approval is valid, a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable "A" in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying the issue of Shares which is the subject of Item 2, the Company will retain the flexibility to issue equity securities in the future up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

The Company confirms that the sophisticated and professional investors who participated in the Placement are not related parties of the Company.

Specific information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, information regarding the Placement which is the subject of Items 1 and 2 is provided as follows:

- (a) 184,500,000 Shares were issued on the following bases:
 - a. 172,649,114 Shares were issued pursuant to ASX Listing Rule 7.1; and
 - b. 11,850,886 Shares were issued pursuant to ASX Listing Rule 7.1A;

- (b) the Shares were issued at a price of 0.4 cents per Share;
- (c) the Shares were issued as fully paid ordinary Shares which rank equally with the existing shares on issue;
- (d) the Shares were issued to sophisticated and professional investor clients of Hartleys Limited; and
- (e) the funds raised will be used to further fund the exploration activities on the Company's existing exploration projects in Kenya and Namibia, namely:
 - a. costs associated with the potential sale of a part interest in Namibia PEL 37;
 - b. farmout costs for Kenya L6; and
 - c. general working capital and other payables.

Voting exclusions for Items 1 and 2

The Company will disregard any votes cast on Items 1 and 2 by a person (or any associates of such a person) who participated in the Placement.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form as the proxy decides.

Board recommendations

The Board unanimously recommends that Shareholders vote **in favour** of Items 1 and 2.

The Chair intends to vote undirected proxies in favour of Items 1 and 2.

ITEM 3 – APPROVAL FOR MR HENRY DAVID KENNEDY TO PARTICIPATE IN PLACEMENT

Item 3 seeks the approval of Shareholders pursuant to ASX Listing Rule 10.11 to enable Mr Henry David Kennedy and/or his nominees to participate in the

Placement on the same terms and conditions as other subscribers under the Placement.

Shareholder approval is required under ASX Listing Rule 10.11 due to Mr Kennedy holding a Director's position in the Company and as such, is considered a related party.

ASX Listing Rule 10.11 restricts the Company's ability to issue securities to a related party unless approval is obtained from Shareholders. If Shareholders approve Item 3, separate approval will not be required under ASX Listing Rule 7.1, as approval is already being obtained under ASX Listing Rule 10.11.

Accordingly, the effect of this resolution passing will be to allow the Company to issue up to 125,000,000 Shares to Mr Kennedy (and/or his nominees) without breaching ASX Listing Rule 10.11 or using the Company's 15% placement capacity under Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company.

The issue of Shares to Directors constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act, as an example of a financial benefit, includes the issuing of securities to a related party. The Corporations Act defines "related party" widely, and includes the directors of a company.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless:

- (a) the giving of the financial benefit falls within an exception to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

It is the view of the Board that Shareholder approval under Chapter 2E of the Corporations Act is not required for the issue of Shares to Mr Kennedy and/or his nominees, as the issue of Shares falls within the exception under section 210 of the Corporations Act.

Section 210 of the Corporations Act provides that shareholder approval is not required for a company to give a financial benefit on terms that:

- would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- are on terms that are less favourable to the related party than would be given if the parties were dealing at arm's length.

In forming this view, the Board noted that the price of the Shares to be issued to Mr Kennedy and/or his nominees is the same as the price of the Shares issued under the Placement which was set by Hartleys Limited, having regard for current market conditions and demand.

Accordingly, the terms of the issue of Shares to Mr Kennedy were negotiated on an arm's length basis and are reasonable in the circumstances.

Specific information required by ASX Listing Rule 10.13

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Shares to Mr Kennedy and/or his nominees pursuant to ASX Listing Rule 10.11:

- (a) the Shares will be issued to Mr Kennedy and/or his nominees;
- (b) the maximum number of Shares to be issued to Mr Kennedy and/or his nominees will be 125,000,000;
- (c) the Company will issue the Shares no later than 1 month after the date of the General Meeting (or such longer period of time as ASX may in its discretion allow);
- (d) the Shares will be issued at 0.4 cents per Share, being the same price as the Shares issued to unrelated parties under the Placement which are the subject of Items 1 and 2. The Shares will be fully paid ordinary Shares and will rank equally with the existing Shares on issue; and
- (e) the funds raised will be used to further fund the exploration activities on the Company's existing exploration projects in Kenya and Namibia, namely:

- a. costs associated with the potential sale of a part interest in Namibia PEL 37;
- b. farmout costs for Kenya L6; and

c. general working capital and other payables.

Voting exclusions

The Company will disregard any votes cast on this Item by Mr Kennedy (or any of his associates).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the express authorisation on the proxy form.

Board recommendation

The Board (other than the relevant Director Mr Kennedy, the subject of Item 3) recommends that Shareholders vote **in favour** of Item 3.

The Chair intends to vote undirected proxies in favour Item 3.

Pancontinental Oil & Gas NL

GLOSSARY

A\$ or \$	Australian dollars.	Key Management Personnel	Key management personnel, which has the same meaning as in the Australian accounting standards. Broadly, this includes those persons with the authority for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.
2015 AGM	The Company's 2015 Annual General Meeting which was held on 30 November 2015.	Listing Rules	The listing rules of the ASX.
ASX	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	Notice or Notice of Meeting	The Notice of Meeting and the Explanatory Notes.
AWST	Australian Western Standard Time.	Ordinary Resolution	A resolution that must be passed by at least 50% of the votes cast by Shareholders being in favour of the resolution.
Board	The board of Directors of the Company.	Placement	Has the meaning given to it in the "Background" section on page 4.
Chair	The chair of the General Meeting.	Proxy Form	The proxy form included with this Notice.
Company or Pancontinental	Pancontinental Oil & Gas NL (ABN 95 003 029 543).	SPP	Has the meaning given to it in the "Background" section on page 4.
Constitution	The Company's constitution.	Share	A fully paid ordinary share in the capital of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).	Shareholder	Any person holding a Share in the Company's share register.
Director	A director of the Company.	Voting Record Date	9.30am (AWST) on Saturday, 23 January 2016.
Explanatory Notes	The Explanatory Notes attached to the Notice of Meeting.		
General Meeting	General Meeting of Shareholders of the Company to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6005 on Monday, 25 January 2016 at 9.30am (AWST), or any adjournment thereof.		
Item	Each resolution set out in the Notice of Meeting.		

Pancontinental Oil & Gas NL
ABN 95 003 029 543
PROXY FORM

I/We being a member/s of **Pancontinental Oil & Gas NL** and entitled to attend and vote hereby appoint

	the Chair of the General Meeting (mark with an 'X')	OR		If you are not appointing the Chair of the General Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.
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or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the General Meeting, as my/our proxy at the **General Meeting of Shareholders of Pancontinental Oil & Gas NL ABN 95 003 029 543 to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6005 on 25 January 2016 at 9:30am (AWST)** and at any adjournment or postponement of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy (except where I/we have indicated a different voting intention below) even if the Item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair of the General Meeting intends to vote all available proxies in favour of each Item.

ITEM	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	Ratification of Placement carried out under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of Placement carried out under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval for Mr Henry David Kennedy to participate in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this.....day of.....2016

Please sign on the reverse of this form. If the member is a company, it must sign in accordance with its constitution.

Proxy Forms (and power of attorney, if any, under which the Proxy Form is signed) must be sent by mail to PO Box 1154, West Perth WA 6872 or delivered to Level 1, 10 Ord Street, West Perth, WA 6005 or by fax to +61 8 6363 7099 and must be received no later than 9:30am (AWST) on Saturday, 23 January 2016.

Pancontinental Oil & Gas NL

ABN 95 003 029 543

If the member is a company:

EXECUTED by)
)
ACN)
in accordance with section 127 of the *Corporations*)
Act 2001 (Cth))

Director/Company Secretary*

Director/Sole Director and Sole Company Secretary*

Name of Director/Company Secretary*
(BLOCK LETTERS)

Name of Director/Sole Director and Sole Company
Secretary* (BLOCK LETTERS)

*Delete whichever is not applicable
or

Signature

(Insert capacity in which duly authorised officer is
signing for a member which is a company)

If the member is an individual or joint holders:

Signature

Signature

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote at the General Meeting convened by the above Notice is entitled to appoint not more than two proxies to vote on the Shareholder's behalf.
2. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the Shareholder's voting rights.
3. A proxy need not be a Shareholder.
4. Proxy Forms (and the power of attorney, if any, under which the Proxy Form is signed) must be received by mail at PO Box 1154, West Perth WA 6872 or delivered to Level 1, 10 Ord Street, West Perth, WA 6005, or by fax to +61 8 6363 7099 no later than 9:30am (AWST) on Saturday, 23 January 2016.
5. Appointment of a proxy by a Shareholder being a natural person must be under the hand of the Shareholder or of an attorney appointed in writing by the Shareholder.
6. Appointment of a proxy by a Shareholder being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 9.30am (AWST) on 23 January 2016 will be taken for purposes of the General Meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Proxy Forms (and power of attorney, if any, under which the Proxy Form is signed) must be sent by mail at PO Box 1154, West Perth WA 6872 or delivered to Level 1, 10 Ord Street, West Perth, WA 6005, or by fax to +61 8 6363 7099.