

Dempsey-1 Well in California USA Commences Drilling

- **Dempsey-1 presently drilling ahead at a depth of 70m**
- **Pancontinental has already earned its way to a 10% interest in the Dempsey Gas Project;**

Pancontinental Oil and Gas NL (ASX: PCL) ("Pancontinental", the "Company"), is pleased to provide an update on Dempsey-1, the first well of what the Company expects to be a minimum, three well fully funded drill program in 2H 2017 and 2018. The Dempsey Gas Project, located in the onshore Sacramento Gas Basin in California is one of a portfolio of gas focussed projects acquired through the recent transaction with Bombora Natural Energy Pty Ltd.

The Dempsey-1 well located in the Sacramento Gas Basin has commenced drilling and has a planned total depth of 3,200 metres. The well will initially drill through shallow targets in an existing gas field before drilling down through interpreted larger, stacked conventional sandstone targets in a robust structure defined by 3D seismic.

Further releases will be made once key operational milestones have been met.

Working interests in the Dempsey Gas Project:

Sagasco Limited (ASX:SGC) (Operator)	50%
Empyrean Energy PLC (LON:EME)	30%
Pancontinental Oil & Gas NL (ASX:PCL)	10%
Xstate Resources Limited (ASX:XST)	10%



Rig #9 and associated equipment at Dempsey 1-15

For and on behalf of
Pancontinental Oil & Gas NL

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