

## Drilling of the Tulainyo Gas Discovery Appraisal Well has commenced

- **The Company's highly anticipated well has commenced drilling.**
- **Pancontinental 40% owned subsidiary earning up to 33.33% (13.33% net) in project with giant – scale gas resource potential.**

Pancontinental Oil & Gas NL (ASX: PCL) ("Pancontinental" or "Company") is pleased to provide the following operations update for the Tulainyo 2-7 gas appraisal well in the Sacramento Gas Basin, California.

The Ensign Rig 587 is onsite and has commenced drilling. The past 24 hours have seen the rig equipment tested and pre-spud safety procedures performed. The well is planned to a total, measured depth of approximately 1,700 metres (5,600 feet) with drilling operations expected to take less than one month to complete.

The Tulainyo joint venture includes operator California Resources Production Corporation, a subsidiary of a NYSE-listed company that is one of California's largest oil and gas production companies and Cirque Resources LP, a private company based in Denver, Colorado.

### Recoverable Gas Resource Potential Net to PCL

Region	Project	Type	Net Prospective Resource	Method of Estimation
California	Tulainyo	Gas discovery appraisal	<b>233 Bcf<sup>2</sup></b>	Probabalistic (P50)

Assumes a net beneficial position at completion of farmin earning wells and unrisks resources *per press release 23 June 2017*.

*Cautionary statement: The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

For and on behalf of  
**Pancontinental Oil & Gas NL**

**John Begg**  
 Executive Director & CEO

Head Office – Level 1, 10 Ord Street, West Perth, Western Australia 6005  
 Postal Address - PO Box 1154, West Perth, Western Australia 6872  
 Telephone +61 8 6363 7090      Facsimile +61 8 6363 7099  
 ACN 003 029 543