

PEL 37 Joint Venture Votes to Drill Offshore Namibia

- The PEL 37 Joint Venture has voted to drill the Cormorant Prospect offshore Namibia, with a targeted spud date of 1 September, 2018.
- Pancontinental will have an effective 20% carried interest uncapped through the cost of drilling the well.
- Cormorant drilling remains subject to Ministry endorsement and the grant of renewal of PEL 37 for the Second Renewal Exploration Period.
- Operator Tullow has already commenced drilling preparations.
- Pancontinental estimates Cormorant has the potential to contain Prospective Resources of 124 MmBbls* of recoverable oil on an un-risked Best Estimate basis. The cumulative Best Estimate oil resource potential of the leading four mapped prospects in the block total 915 MmBbls recoverable oil*.
- ONGC Videsh and Africa Energy Corp. have recently entered the project, strengthening the joint venture.

Commenting on the drilling news, Pancontinental CEO John Begg said:

"This is an exciting time for Pancontinental. We now have confirmation of the much anticipated drilling in Namibia. Currently we are also testing a potentially significant new gas discovery in California and we have commenced an appraisal well to evaluate another large gas discovery there.

The Cormorant Prospect was unanimously selected by the PEL 37 Joint Venture as the first test of a series of large oil-prone prospects in PEL 37 that have been mapped by operator Tullow using high quality 3D seismic.

These submarine fan plays are analogous to successful large, commercial oil finds elsewhere along the African coast, triggering ongoing interest in offshore Namibia from major oil companies and Africa specialist players. This is amply demonstrated by the entry since mid-2017 of ONGC Videsh into the PEL 37 joint venture, Africa Energy's entry as a shareholder in Pancontinental Namibia and the farmin of French oil major Total into a block to the south".

*** The Prospective Resources referred to were first announced 28 September 2015.**

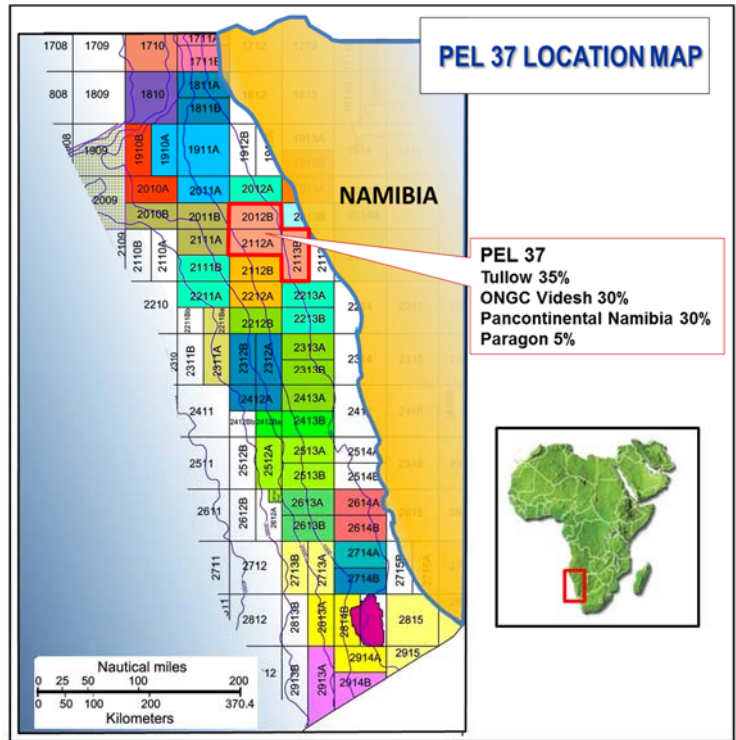
The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply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

Cormorant Drilling

Pancontinental Oil & Gas NL (“Pancontinental”) is pleased to announce that, on 23 November 2017, the PEL 37 Joint Venture operating in the Walvis Basin offshore Namibia voted to drill an exploration well on the Cormorant Prospect, with a targeted spud date of 1 September 2018. Pancontinental will be carried through the drilling related costs of the well.

In order to drill the well the Joint Venture has elected to apply to the Ministry to enter into the next phase of the licence, the Second Additional Exploration Period.

The planned activities are subject to the endorsement of the Minister of Mines and Energy of Namibia.



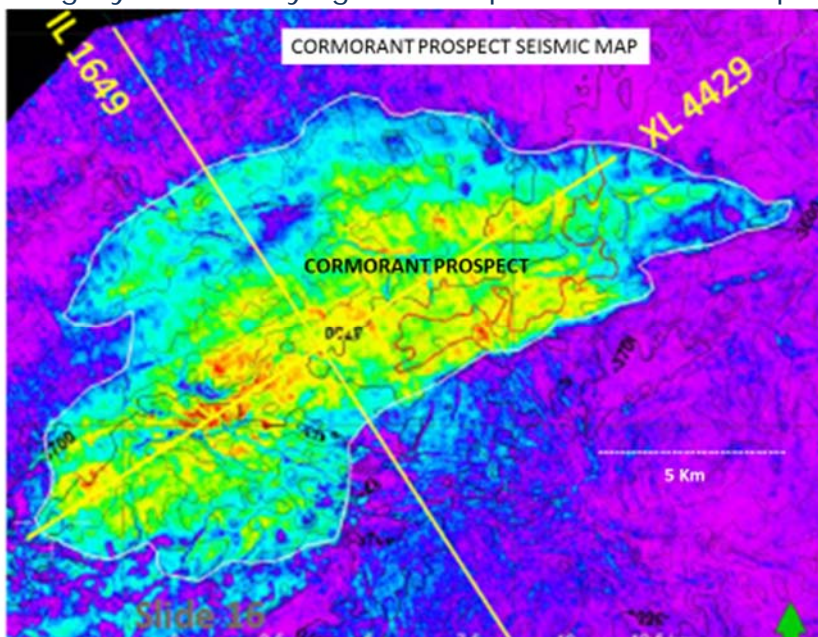
Location Map of PEL 37 offshore Namibia

Cormorant Prospect

Cormorant shows a Type II AVO anomaly on seismic that is consistent with oil fill, although it is not necessarily directly associated with oil. Other seismic factors are also encouraging.

Pancontinental believes that the Cormorant submarine fan target is highly prospective for oil, with high quality underlying mature oil source rocks and an interpreted high-integrity seal overlying the Prospect. The water depth at the Prospect is moderate at approximately 550m, and the total drill depth will be 3,830m below Sea Level. Drilling time to Total Depth is estimated at 30 days.

Cormorant is similar to many successful oil-charged turbidite or submarine fan prospects along the West African margin and is mapped covering some 226 km² at its greatest extent.

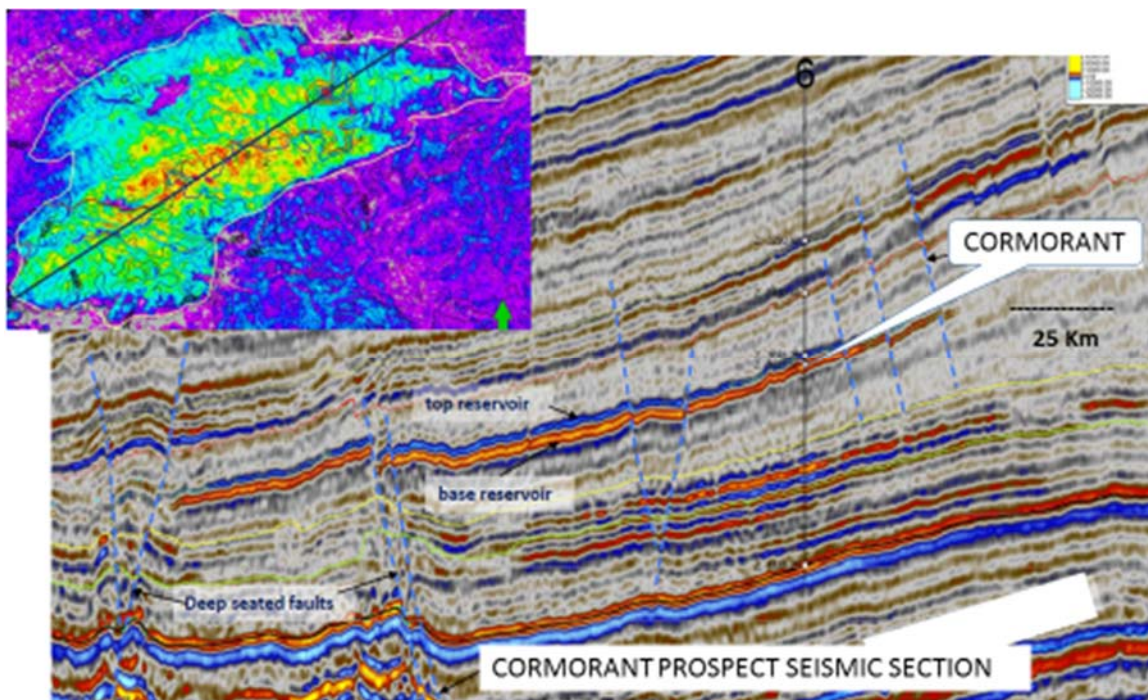
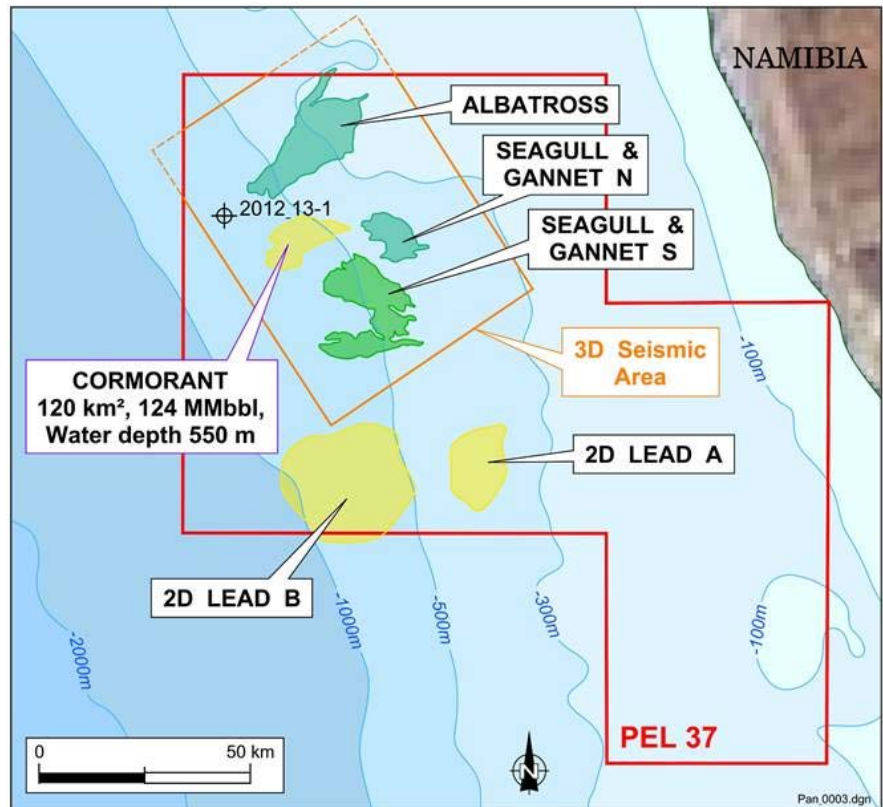


Seismic map display over Cormorant derived from 3D seismic

In the event of success at Cormorant, a number of other, similar, large volume-potential turbidite Prospects are available for drilling within the 3D seismic area covering Cormorant, and further prospective features are mapped on 2D seismic.

The Kudu Shale source rock is interpreted to have charged Cormorant with oil of high quality by reference to regional wells, however only drilling will be able to determine if this interpretation is correct.

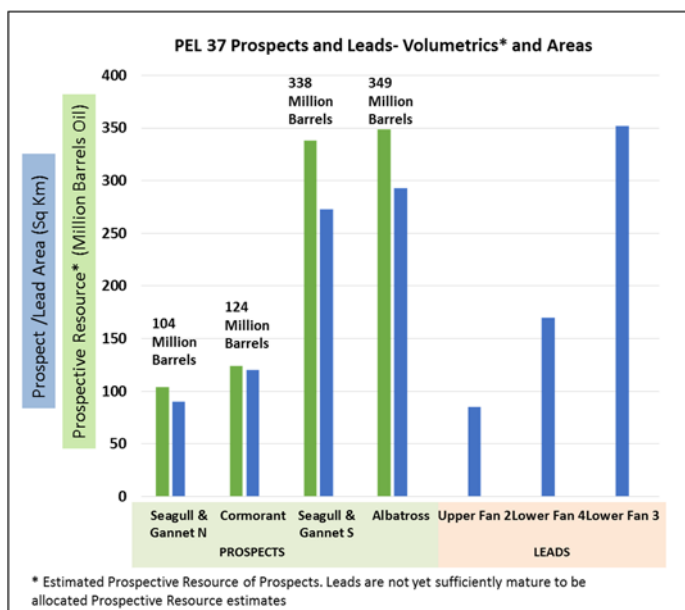
PEL 37 Schematic Leads and Prospects Map



PEL 37 3D seismic section across Cormorant Prospect

Oil Resource Potential

The following graph summarises the potential recoverable oil resources for the leading four submarine fan (turbidite) prospects mapped in PEL 37, including Cormorant. A number of other leads have yet to be quantified. The Prospective Resources have been estimated using a deterministic method and represent un-risked, Best Estimate figures. Upside resource estimates are not shown.



The Prospective Resources referred to here were first announced 28 September 2015.

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.

PEL 37 Joint Venture

The participants in the PEL 37 joint venture are:

Tullow Namibia Limited	35%
ONGC Videsh	30%*
Pancontinental Namibia Pty Ltd	30% (owned 66.67% by Pancontinental Oil & Gas NL and 33.33% by Africa Energy Corp.)
Paragon Oil & Gas	5%

* In June 2017 ONGC Videsh entered the PEL 37 project through a farmin to the interest of Operator Tullow Namibia Limited ("Tullow").

Pancontinental originated the PEL 37 project in 2011 and farmed out to Tullow in 2013. To date, Pancontinental's interest has been carried through approximately \$34 million of extensive seismic and other work and will now be carried through the Cormorant well that has an estimated cost of US\$35 million.

As reported to the ASX on 14 September 2017, Pancontinental sold one third of its shares in Pancontinental Namibia (a wholly owned subsidiary) to Africa Energy Corp. ("AEC") for US\$7.7 million. The first payment of US\$2.2 million was made to Pancontinental on 11 September 2017 and a second payment of US\$5.5 million will be made on the commencement of Cormorant drilling.

For and on behalf of
Pancontinental Oil & Gas NL

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