

## Tulainyo Drilled and Preparing For Gas Flow Test Program

- Drilling completed as planned at total depth of 5700 feet (1737 m).
- Gas indicated in all primary reservoir targets.
- Production casing being run ahead of flow test program.

Commenting on the project milestone, Pancontinental CEO John Begg said:

*"We are excited about the opportunity ahead of us. The operator CRPC has done an excellent job in drilling this well to target depth in a challenging geological environment. The combination of potential reservoirs and gas shows that were recorded in the well are what we were hoping to see. The sandstone units compare well with what was observed in the original, untested discovery well and the nearby extensive outcrop. A robust well design will provide flexibility in how we now go about the upcoming critical flow testing program".*

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 well has been drilled as planned to a total depth of 5,710 feet (1737 m). Multiple, potential sandstone gas reservoirs are indicated based on interpretation of drill cuttings, gas shows and wireline log data. Pancontinental considers the sands penetrated are at least as good as expected pre drill. Current operations are running 7 inch production casing, protecting the indicated gas zones for later testing. Once casing has been run, the well will be suspended and the Ensign Rig 587 demobilised from site.

A flow test program, using a specialised testing rig and equipment will then be brought to site with testing operations expected to commence early next year.

The Tulainyo joint venture includes operator California Resources Production Corporation ("CRPC"), 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 Effective 13.33% Interest

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

Assumes net beneficial position at completion of farmin earning wells and unrisks resources *per ASX 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**  
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