

Tulainyo Gas Flow Test Program Commencing

- **Test equipment is onsite at the Tulainyo gas discovery.**
- **Flow testing is expected to commence within the next week.**
- **Two tests, involving multiple potential conventional sandstone gas reservoirs are planned.**

Commenting on the test program, Pancontinental CEO John Begg said:

"Our post- drill analysis indicated potential net gas pay of 56 metres (183 feet) from within a gross reservoir section of up to 118 metres (386 feet). We are now, after extensive engineering work and pre-planning, ready to flow test a representative suite of these sands.

The goal is to prove these sandstone reservoirs have sufficient quality to support commercial scale flows of natural gas. Pancontinental believes there is an excellent chance of achieving this objective across a two-stage test 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. Pancontinental is earning up to an effective 13.33% interest in the project.

The Tulainyo 2-7 well was drilled as planned to a total depth of 5,710 feet (1740 metres). This represented a significant engineering achievement by the Joint Venture due to the challenging over-pressured geological conditions within the very large anticlinal structure. Post well analysis indicates multiple stacked sandstone units, varying as expected in thickness and quality, that are all gas saturated.

A two-stage test program will now be carried out with perforations into the selected reservoir intervals using Tubing Conveyed Perforating Equipment or TCPs. Testing will commence across a zone lower in the well with perforations across at least three separate sands with varying, interpreted reservoir quality. Once sufficient data has been captured from the first test, a removable bridge plug will be set to isolate the lower test zone and a second test will be conducted over a shallower, thicker sand package.

Overall the flow testing program is expected to take approximately one month to complete. Further information will be released to the market once there is clarity of the test results.

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.

For and on behalf of

Pancontinental Oil & Gas NL

John Begg - Executive Director and CEO

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