

Drilling Starts on Pancontinental's Cormorant-1 Well in PEL 37 Offshore Namibia

- *Targeting 124 Million Barrels of Oil Recoverable* plus huge upside*
- *Cretaceous Turbidite Fan*
- *Estimated 34 days to completion*

Pancontinental Oil & Gas ("Pancontinental") is very pleased to announce the spud of the Cormorant-1 well in Petroleum Exploration Licence 37 ("PEL 37") offshore the Republic of Namibia. Pancontinental holds a 20% effective interest in PEL 37 and was the originator of the project, and initial Operator.

PEL 37 covers an area of 17,295 square kilometers in the Walvis Basin offshore Namibia.

Cormorant-1 is being drilled by the Ocean Rig Poseidon, a 6th Generation drillship, in 545 meters of water, to a total depth of 3,830 meters subsea. The well will test the oil potential of a mid-Cretaceous marine turbidite "fan" sandstone system. Drilling and evaluation of the well is expected to take about 34 days.

In 2013, the Wingat-1 and Murombe-1 wells, directly south of PEL 37, confirmed high quality mature oil-prone source rocks in the Walvis Basin. The Cormorant Prospect, mapped using high-quality 3D seismic data, is one of four submarine fan prospects identified so far in the block and interpreted to be charged by the same source rocks.

The Cormorant Prospect has gross best estimate prospective recoverable resource potential of 124 Million Barrels of Oil* and, if successful, would open a fairway of similar fans, potentially creating a substantial spread of resources across PEL 37.

The total estimated oil potential of the four main Prospects mapped so far in PEL 37 is 915 Million Barrels of Oil*. Additional potential exists in large "Leads" that have also been identified.

Pancontinental Oil & Gas NL owns two thirds of Pancontinental Namibia Pty Ltd, which holds a 30% participating interest in PEL 37, giving it a 20% effective interest in PEL 37.

Now that drilling has commenced, Pancontinental will receive cash of US\$5.5 million (A\$7.5 million) from Africa Energy Corp.

Cautionary Statement - *Prospective Resources – Best Estimate, 100% Basis

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

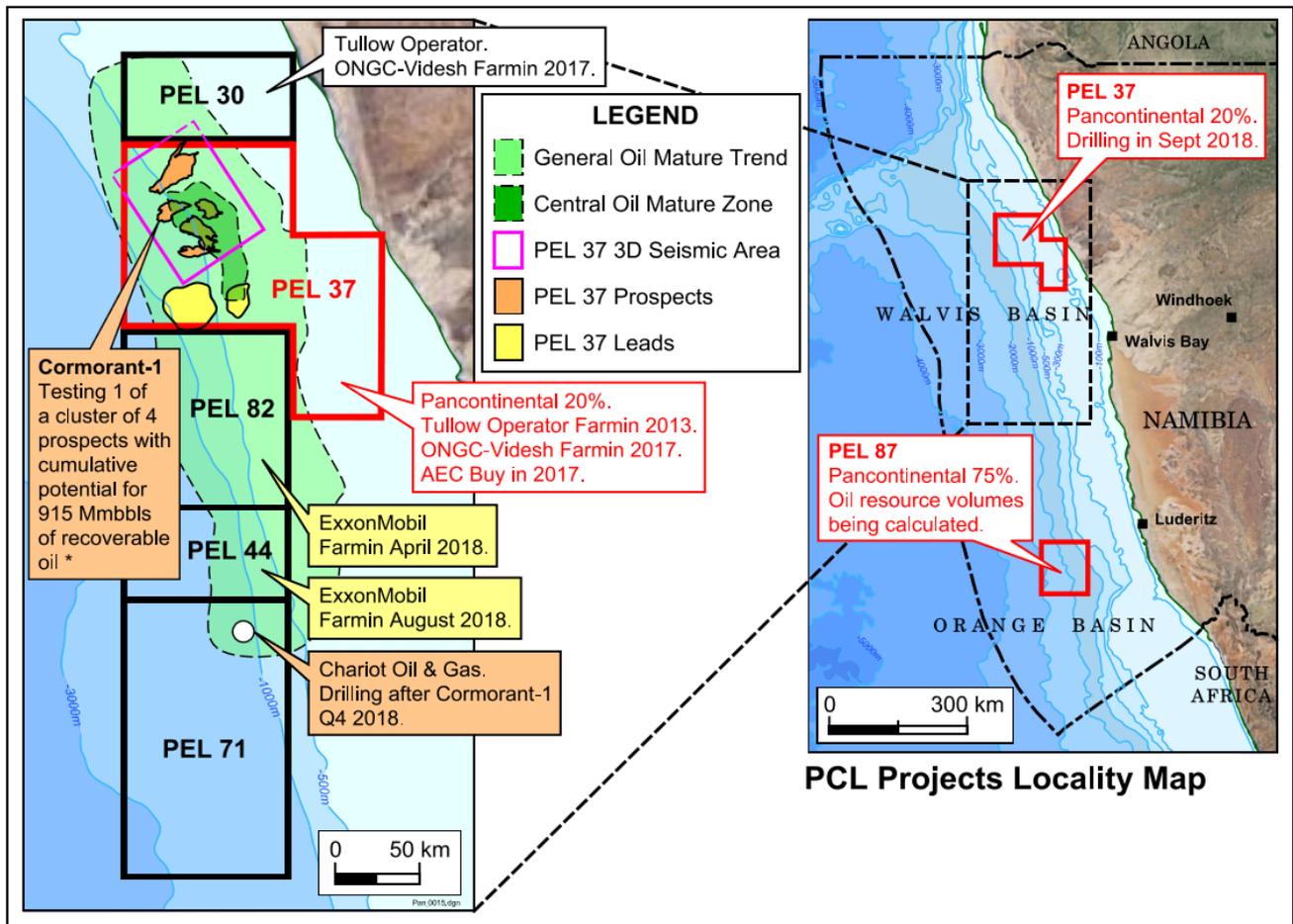
The resources referred to above were announced 28 September 2015. The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed

The participants in Cormorant-1 are-
 Tullow Namibia Limited (Operator)
 Pancontinental Namibia Pty Ltd
 ONGC Videsh Limited
 Paragon Oil & Gas (Pty) Ltd

35.00%
 30.00% *
 30.00%
 5.00%

* Ownership of Pancontinental Namibia Pty Ltd:
 Pancontinental Oil & Gas NL 66.67%
 Africa Energy Corp. 33.33%

Pancontinental is listed on the ASX: Code PCL



Pancontinental has interests in Blocks PEL 37 (PCL 20%) and operates PEL 87(PCL 75%) Offshore Namibia.

For and on behalf of
Pancontinental Oil & Gas NL

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