



PANCONTINENTAL

PANCONTINENTAL OIL & GAS NL

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PANCONTINENTAL SEEKS INJUNCTION AGAINST THE GOVERNMENT OF MALTA

A Joint Venture ("Joint Venture") of Pancontinental Oil & Gas NL ("Pancontinental") and Sun Resources Limited ("Sun") has for some time been in discussions with the Government of Malta ("Government") about, amongst other things, whether or not its existing exploration study agreement ("ESA") with the Government has expired as alleged by the Government or whether the obligations under the ESA are suspended pending the ending of the event of force majeure which was the subject of a notice to the Government by the Joint Venture on 12 September 2005. The event of force majeure is a border dispute between Libya and the Government over an area offshore Malta within the area of the ESA which prevented, and continues to prevent, the Joint Venture from conducting an extensive seismic programme.

The parties have been attempting to negotiate revisions to the ESA and at a meeting held on 22 July 2011 with representatives of the Government the Joint Venture thought that substantial progress toward a resolution was made. However, notwithstanding the state of those negotiations and the Joint Venture's position that the ESA is still in force, the Government, without any warning to the Joint Venture, has called for bids ("Bidding Regime") from interested companies for the grant of petroleum rights over certain offshore areas, a portion of which includes an area that is the subject of the ESA.

Despite many requests by the Joint Venture and its representatives for a meeting with the Government to discuss this sudden and unexpected development, the Government has steadfastly refused to meet, leaving the Joint Venture with no alternative but to seek an injunction against the Government seeking to restrain it from proceeding with the Bidding Regime in respect of any part of the area the subject of the ESA and from granting any petroleum rights over that area until the dispute between the Government and the Joint Venture is resolved. Accordingly the Joint Venture has now commenced legal proceedings in Malta seeking that injunction against the Government.

The ESA covers Area 5 and Block 3 of Area 4 held by the Joint Venture since 2001.

Pancontinental and Sun remain steadfastly resolved to retain their rights under the ESA and to recommence oil and gas exploration for the benefit of both Malta and their shareholders as soon as possible.

Pancontinental and Sun are both quoted on the Australian Securities Exchange (ASX) and have exploration ventures in countries including Australia, Kenya, Namibia, Thailand and the USA. Major multinational partners in these projects include BG Group, Origin Energy, Tullow Oil, Apache Corporation and Premier Oil.

Yours sincerely for and on behalf of
Pancontinental Oil & Gas NL

Barry Rushworth, CEO and Director

The summary report on the oil and gas projects is based on information compiled by Mr R B Rushworth, BSc, MAAPG, MPESGB, MPESA, Chief Executive Officer of Pancontinental Oil & Gas NL. Mr Rushworth has the relevant degree in geology and has been practising petroleum geology for more than 30 years.

Mr Rushworth is a Director of Pancontinental Oil & Gas NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.