



PANCONTINENTAL OIL & GAS NL

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PANCONTINENTAL

ASX Companies Announcement Office

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MBAWA DRILLING UPDATE

- First casing set at 1,503m
- Current drill depth is 2,005m

KENYA L8 MBAWA DRILLING

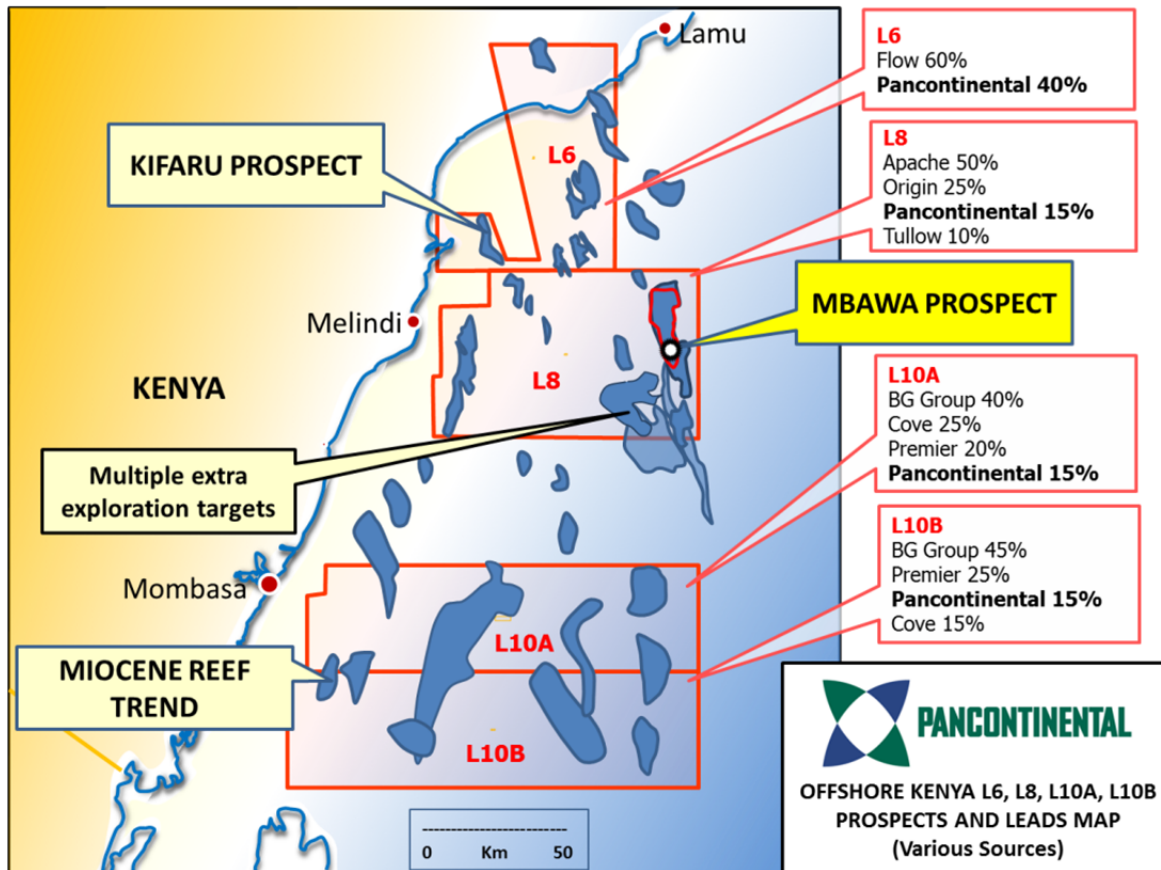
Pancontinental Oil & Gas NL (“Pancontinental”) is pleased to announce that the first casing string in the Mbawa well has been set at 1,503m RT (below the drill floor).

Drilling has continued below the first casing and the depth of the well at 10:00 AEST was 2,005m RT.

Operations are continuing according to the drilling plan.

The drillship Deepsea Metro 1 is expected to spend a total of about 60 days for well operations to reach a total depth of 3,250m subsea in a water depth of 864m, easily within the range of modern exploration and production techniques.

Additional information about Mbawa is available in previous reports issued by Pancontinental and available on the company’s website www.pancon.com.au



L8 / Mbawa Joint Venture

The Kenya L8 Joint Venture consortium consists of-

Apache Corporation (Operator)	50%
Origin Energy Limited	20%
Pancontinental Oil & Gas NL	15%*
Tullow Kenya B.V.	15%

* Pancontinental's 15% interest is "free-carried" through Mbawa drilling by Tullow Oil plc up to a "cap" of US\$ 9 million (as reduced by other exploration expenditure). After the first earning phase Tullow has an option to earn a further 5% by providing funding on Pancontinental's behalf to a cap of US\$ 6 million in any second well.

ABOUT PANCONTINENTAL

Pancontinental Oil & Gas is listed on the Australian Securities Exchange (ASX: PCL) and has a market capitalisation of approximately A\$ 220 million.

Pancontinental has four projects offshore Kenya covering more than 18,000 square kilometres in licences L6, L8, L10A and L10B, with the L8 / Mbawa project being the most advanced and Mbawa being the first prospect to be drilled.

Pancontinental has a 15% interest in offshore Kenya licence L8 (Mbawa) (reduced from 25% by farmout to Tullow Kenya B.V.), a 40% interest in adjacent licence L6 and a 15% interest in Kenya licences L10A and L10B, operated by BG Group.

Co-venturers in these four Kenyan licences (although not in each licence) are Apache Corporation, Tullow Oil, Origin Energy, Cove Energy, Premier Oil, BG Group and FAR.

Offshore Namibia, Pancontinental was awarded the 17,000 sq km licence EL 0037 in 2011. Pancontinental holds 95% and is the operator of this licence.

Pancontinental's website is www.pancon.com.au/

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.