

PANCONTINENTAL TO RAISE \$1.0 MILLION

Pancontinental Oil & Gas NL ("Pancontinental" "the Company") (ASX Code: PCL) is pleased to advise that it has completed a bookbuild for a placement to sophisticated and professional investors to raise up to \$1.0 million through the issue of up to 333 million fully paid ordinary shares in the Company ("Shares") at an issue price of 0.3 cents per Share ("the Placement").

Funds raised pursuant to the Placement will be used to pay Tullow Oil in respect of costs for Namibia PEL 37 for the years 2014 to 2016 (circa A\$600k remaining – see announcement 5 January 2017*), further exploration costs in respect to Namibia PEL 37 and for general working capital.

* Pancontinental has reserved its right in respect of the payment and is considering its position in respect of resolving the matter (see ASX Announcement 5 January 2017).

The key focus for Pancontinental at the current time is the Offshore Namibian Project PEL 37. Successful 3D and 2D seismic programmes have recently been completed and processed at a cost to Tullow Oil of in excess of US\$30 million.

As announced on 30 November 2016, Pancontinental agreed to assign a 10% interest in the project to Africa Energy Corp. in exchange for staged payments totalling US \$6.5 million (approximately AU \$8.6 million), subject to certain conditions.

Should Tullow Oil elect to commit to drilling, Pancontinental would be free carried on a well with no caps.

Given the quality and the value of the exploration undertaken to date and the considerable potential for oil in a numbers of prospects, Pancontinental is confident a decision to drill will be forthcoming which will be of considerable value to PCL's healthy free carried position in PEL 37.

Hartleys Limited acted as Broker to the Offer in respect of the Placement. The Company also received support from the UK via Peel Hunt.

Settlement of the placement for up to 333 million Shares is scheduled for Friday, 27 January 2017 and is not subject to shareholder approval. This part of the Placement falls within the Company's existing placement capacity under Listing Rules 7.1.

Subject to shareholder approval, Directors of Pancontinental have collectively committed to subscribe for \$230,000 in the Placement. The Company will seek shareholder approval for the placement to Directors at a general meeting to be held in late February 2017.

ABOUT PANCONTINENTAL

Pancontinental Oil & Gas is listed on the Australian Securities Exchange (ASX: PCL).

Offshore Namibia, Pancontinental has a free carried 30% interest (reducing to 20% after Africa Energy Corp. farmout) in Petroleum Exploration Licence 37. The Operator has conducted a 2D and 3D seismic survey and is interpreting the results to decide on a well.

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Should the well proceed Pancontinental will be free carried with no cap.

In Kenya Pancontinental has a 40% interest in the offshore portion of Licence L6 and a 16% free carried interest in the onshore portion of Block L6.

Visit Pancontinental's website for further information at www.pancon.com.au/

For and on behalf of
Pancontinental Oil & Gas NL

V Petrovic
Company Secretary

Head Office – Level 1, 10 Ord Street, West Perth, Western Australia 6005

Postal Address - PO Box 1154, West Perth, Western Australia 6872

Telephone +61 8 6363 7090

Facsimile +61 8 6363 7099

ACN 003 029 543

www.pancon.com.au