

Pancontinental to raise up to \$2 million

- **Placement to raise up to \$2 million from professional and sophisticated investors**
- **Subject to the completion of the acquisition of Bombora Natural Energy Pty Ltd, Pancontinental is fully funded to participate in the drilling of the Dempsey-1 well spudding in weeks**
- **Strong activity pipeline - up to two wells being drilled in the next few months in the Sacramento Basin together with heightened interest in Namibia PEL 37 given ONGC Videsh's recent farm-in**

Pancontinental Oil & Gas NL ("Pancontinental", "the Company") (ASX Code: PCL) is pleased to advise that it has received commitments for a placement to sophisticated and professional investors to raise up to \$2 million through the issue of up to 1 billion fully paid ordinary shares in the Company ("Shares") at an issue price of 0.2 cents per Share ("the Placement").

Funds raised pursuant to the Placement will be used, in conjunction with existing cash, to fund the Company's upcoming drilling commitments associated with the Acquisition of Bombora Natural Energy Pty Ltd, in particular the commitments associated with drilling Dempsey-1, minimal costs associated with Licence Area PEL 37 offshore Namibia, other new venture costs and for general working capital purposes and other payables.

Commenting on the Placement, Pancontinental CEO Barry Rushworth commented:

"We are very pleased to have successfully completed the placement with strong support from professional and sophisticated investors both existing and new.

The success of the placement is both a validation of our existing assets and our planned acquisition of Bombora with its near-term drilling opportunities in the Sacramento Basin.

Importantly we are, subject to completing the acquisition of Bombora, fully funded for the upcoming drilling of Dempsey-1 which is expected to spud in the next few weeks.

We are now looking forward to what will be a very exciting period for the Company with up to two wells being drilled in the next three to four months in the Sacramento Basin together with heightened interest in our Namibian assets given

ONG Videsh's recent farm-in to Namibia PEL 37 where we hope to see drilling activity in 2018".

Hartleys Limited is Broker to the Offer in respect of the Placement.

Settlement of the Placement for up to 1 billion Shares is scheduled for Monday, 17 July 2017 subject to shareholder approval at the General Meeting to be held today, Monday 10 July 2017 and the completion of the acquisition of Bombora by Pancontinental.

Pancontinental Acquisition of Bombora

As announced on 7 June 2017, Pancontinental has executed a Binding Heads of Agreement to acquire Bombora, a gas and oil explorer focused mainly on the appraisal of discovered gas fields in the onshore Sacramento Gas Basin and the Perth Basin.

The completion of the acquisition is subject to the approval of Pancontinental shareholders in a General Meeting on 10 July 2017, as well as the fulfilment of certain conditions precedent including the requirement that Pancontinental must have received by 10 July 2017 binding commitments for the raising of at least \$550,000 as part of the capital raising referred to in the Notice of Meeting sent to shareholders on 13 June 2017 which gives details of the transaction.

Bombora has the right to interests in near-term projects close to strong gas markets and infrastructure, with the potential for rapid development and early production.

Bombora provides Pancontinental with near-term activity to complement existing larger, but longer term African projects.

Further asset expansion is planned in the USA, Africa and Australia.

ABOUT PANCONTINENTAL

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

Offshore Namibia, Pancontinental has a free-carried 30% interest in Petroleum Exploration Licence 37 (PEL 37). The Operator has conducted 2D and 3D seismic surveys and is interpreting the results to decide on a well location. A number of high-potential Prospects have been mapped from 3D data.

ONGC Videsh, a major Indian oil and gas company, has recently announced a farmin to Tullow's interest (which was itself acquired through farmin to Pancontinental's interest).

Sacramento Basin, California

The Company is targeting overlooked petroleum systems with the potential for near-term commercial gas production. There is an ongoing opportunity to acquire a range of projects that have the potential to "open up" the basin.

The Company's Sacramento Basin projects include:

The Dempsey Gas Project: Under a farmin agreement with Sacgasco Limited (ASX:SGC) the Company may earn a 10% interest by funding 20% of a planned 3,200m well, up to an agreed cost "cap". The estimated further cost to Bombora is A\$0.8 million. Dempsey-1 is expected to commence drilling in July 2017.

Dempsey Trend Projects: Under a farmin agreement with Sacgasco and Xstate Resources Limited ("Xstate" ASX: XST) the Company is in the process of earning a 15% interest in acreage within a large prospective area which includes at least 3 identified prospects near the Dempsey Gas Project.

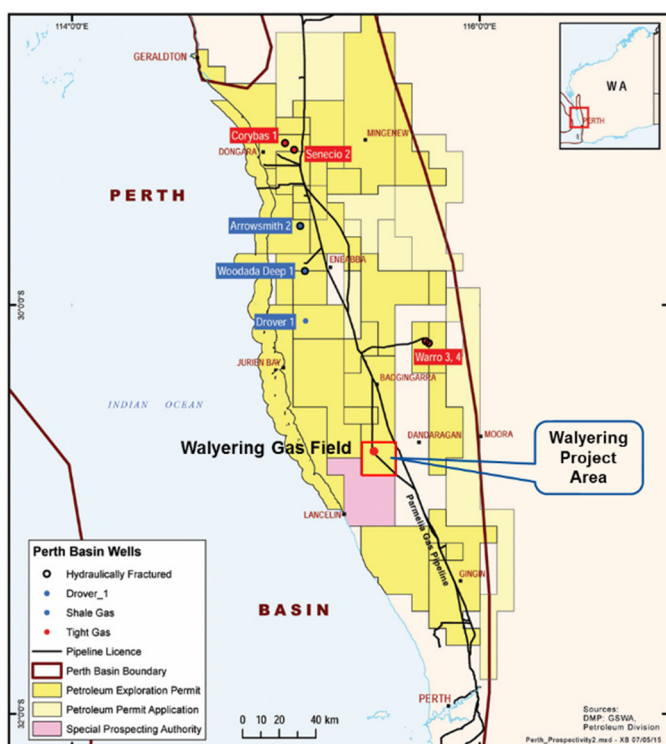
The Tulainyo Gas Discovery: Under a farmin with California Resources Production Corporation and Cirque Resources LP, Bombora subsidiary Gas Fields LLC ("Gas Fields") plans to fully fund up to three wells over 18 months. The farmin agreement includes options for each drilling stage and mechanisms to limit the cost exposure per well. Gas Fields has the ability to earn up to 33.33% of the project. The first well in this potentially very large gas project is estimated to cost approximately A\$4 million and must commence by 1 September 2017. Gas Fields has entered into a letter agreement for another company to provide most of the funding for drilling the initial well and reducing Bombora's beneficial interest in Gas Fields to 40%. Further details will be announced at a later date.

The Alvares Gas Discovery: Under a farmin with Sacgasco Limited (ASX: SGC) and Xstate Resources, Bombora has the right to earn a 10% working interest by funding 13.33% of the next well on the 1982 Alvares discovery. Bombora's promoted cost for this well is capped at A\$1.75m. There is currently no commitment to drill at Alvares. Bombora has an option to earn a further 5% in Alvares, by funding Sacgasco's share of a re-entry of the discovery well to assess it for a sidetrack to the gas reservoirs. A sidetrack could significantly reduce the cost of testing the gas

zones. The promoted component of Bombora's cost to earn its extra interest would be capped at circa US\$200,000.

Perth Basin, Australia

Walyering Gas Field: Under a farmin with UIL Energy Ltd (ASX: UIL), the Company can earn a 70% operated interest in the southern part of onshore exploration licence EP 447. The Company must carry out permitting for the project (remaining cost c. A\$150,000) thereby earning the right to a 70% operated interest by acquiring a 3D seismic survey before August 2018 at a cost of approximately A\$1.8 million.



Walyering Project Location

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

Yours sincerely for and on behalf of

Pancontinental Oil & Gas NL



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