

COMPLETION OF BOMBORA NATURAL ENERGY PTY LTD ACQUISITION & CAPITAL RAISING

- **Pancontinental shareholders approve Bombora acquisition and changes to the Pancontinental Board**
- **Settlement of \$2 million capital raising due on 17 July 2017**
- **First fully funded well Dempsey-1 to commence within weeks**

Pancontinental Oil & Gas NL (ASX: PCL) ("Pancontinental" or "Company") is pleased to announce that, further to the announcements of 7 June 2017 and 10 July 2017, the conditions precedent for the transaction to acquire Bombora Natural Energy Pty Ltd ("Bombora"), which included Pancontinental shareholder approval, have been met, and as such the Company has successfully completed the acquisition of 100% of the shares of Bombora.

The Bombora acquisition is aligned with the Company's growth strategy and introduces near term drilling activity as well as offering future upside in exploration and a line-of-sight to potential gas production.

The Pancontinental Board has also changed effective from 10 July. Pancontinental director (and former Chairman) Mr Dave Kennedy has again taken up the role of Chairman from Mr John Leach, who has stepped down as Chairman. The Board would like to take this opportunity to thank Mr Leach for his valuable contribution and leadership of the Company.

Mr John Begg and Ms Marie Malaxos, current Directors of Bombora, have joined the Board as Executive and Non-Executive Directors respectively. Mr Begg takes over as CEO from Mr Barry Rushworth. Mr Begg has been involved in the discovery and development of oil and gas on three continents and is highly experienced in a variety of technical and corporate roles.

Mr Rushworth (formerly CEO and Executive Director) will remain on the Board as a Non-Executive Director and will continue to have responsibility for Pancontinental's high-potential African ventures.

Mr Ernie Myers (formerly Executive Finance Director) will also remain on the Board as a Non-Executive Director and Ms Vesna Petrovic (former Executive Director) has stepped down from the Board but remains a part of the management team in the role of CFO and Company Secretary.

Mr Begg, Pancontinental's new Executive Director and CEO, commented:

"First and foremost, I would like to thank the Board, both past and present, for their hard work and commitment to the Company. The recently announced farm in by ONGC to the flagship Namibia PEL 37 where Pancontinental is carried at 30% through the next well to be drilled confirms the potential of their original vision for the Company. By acquiring Bombora Pancontinental brings into the portfolio funded, near term drilling that could deliver early production.

Although in the new assets Pancontinental will mostly be targeting existing discovered gas resources requiring appraisal drilling to prove commerciality, there are many common elements to the expanded portfolio. The Company continues to focus on conventional plays with high resource volume potential and where it can add value via the drill bit.

We expect to be one of the most active junior companies in the sector over the coming 12 months, with our drilling program commencing in just a few weeks".

Planned Drilling Activity

Pancontinental has previously published details of the potential net Prospective Resources for recoverable oil and gas for each of the high graded drilling projects listed below and the following Cautionary Statement about oil and gas resource estimation applies:

**Cautionary Statement:*

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 petroleum.

The company confirms that it is not aware of any new information or data that 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.

Namibia PEL 37

Pancontinental holds a 30% free carried interest in Petroleum Exploration Permit 37, offshore Namibia. On 4 July 2017, the Company was informed by project operator Tullow Namibia Limited ("Tullow"), that a Farmout Agreement with ONGC Videsh Limited ("ONGC Videsh") had been signed. Pursuant to the Farmout Agreement, Tullow has agreed to transfer to ONGC Videsh a 30% non-operated participating interest in PEL 37, subject to the satisfaction of certain conditions. Tullow will remain the Operator with a 35% interest. This latest development with ONGC Videsh gives the Company confidence that it will enter into a firm drilling program in 2018.

Pancontinental's unrisks net Best Estimate resource potential for the four leading oil prospects identified by 3D seismic in PEL 37 calculated on a deterministic basis totals some 275 MMbbl (refer to release 28 September 2015) .

USA Dempsey Gas Project

Under a farmin agreement with Saccgasco Limited (ASX:SGC), the Company is earning a 10% interest by funding 20% of a planned 3,200m well, up to an agreed cost "cap". The well is fully funded and due to spud within weeks in late July. The Company is also a participant in an AMI area where several follow up prospects have been mapped and over which leasing is advanced.

Pancontinental estimates on a deterministic basis, unrisks, Best Estimate recoverable Prospective Resources net to its 10% interest in the Dempsey project to be 77 Bcf (refer to ASX announcement 5 July 2017).

USA Tulainyo

The Company via Bombora is earning up to a 33.33% interest via a staged up to three well farmin to this potentially giant scale, untested high pressure gas discovery on the flank of the Sacramento Gas Basin. The Tulainyo-2 gas discovery appraisal well is estimated to cost approximately A\$4 million and is due to commence 1 September 2017. Gas Fields LLC (a subsidiary of Bombora that holds the rights to the asset) has entered into an agreement for another company to provide most of the funding for drilling the initial well in the farmin program that is expected to reduce Pancontinental's beneficial interest in Gas Fields to 40%.

Pancontinental estimates unrisks recoverable P50 Prospective Resources net to its interest to be 233 Bcf (refer to ASX Announcement 23 June 2017). These estimates have been made on a probabilistic basis. These resources have been calculated on a probabilistic basis for Pancontinental's expected net interest in the Tulainyo Project, assuming completion of the FIA three well earning program.

For and on behalf of

Pancontinental Oil & Gas NL

John Begg
Executive Director & CEO

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