

27 September 2018

Mr Wade Baggott

Principal Adviser, Listings Compliance (Perth)
ASX Limited

By email: wade.baggott@asx.com.au

Dear Mr Baggott,

Pancontinental Oil & Gas NL ("PCL"): Aware Query

With regard to the letter sent to the Company on 24 September 2018, please find below responses to your queries:

- Q1. When did PCL first become aware of the Relevant Information?
A1. PCL first became aware of the relevant information at 2:35pm WST post ASX market close on Thursday 20 September 2018.
- Q2. Does PCL consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
A2. Yes
- Q3. If the answer to question 2 is "no", please advise the basis for that view.
A3. N/A
- Q4. If the answer to question 2 is "yes" and PCL first became aware of the Relevant Information before the Relevant Date, did PCL make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe PCL was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps PCL took to ensure that the Relevant Information was released promptly and without delay.
A4. Information about the Well began to become available post market on Thursday 20 September post ASX market close.
There was uncertainty about the result at the time (the target section had not been fully penetrated) requiring information from the next day's drilling to be available.

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The Company decided to enter a trading halt while waiting on the information and then released the results as soon as practicable which was pre-market Monday 24 September.

- Q5. Did Mr Begg comply with PCL's Securities Trading Policy and obtain the written acknowledgement of the Chair prior to carrying out the Change in Director's Interests and confirm that he was not in possession of inside information at the time? If so, please provide a copy of the written communications? If not, why not?
- A5. Yes –written communication has been provided to ASX (not for release to the market). An amended Appendix 3Y will be lodged 27 September 2018.
- Q6. Did the Chair grant approval (written or otherwise) to Mr Begg to carry out the Change in Director's Interests that took place during a Closed Period? If so, on what basis did it do so? If not, why not?
- A6. Yes, on the basis that the market was informed.
- Q7. What disciplinary or remedial action has the board of PCL taken, or is it proposing to take, in relation to Mr Begg's apparent and material breach of PCL's Securities Trading Policy?
- A7. N/A
- Q8. Please confirm that PCL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
- A8. PCL is in compliance with the Listing Rules, and in particular, Listing Rule 3.1
- Q9. Please confirm that PCL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PCL with delegated authority from the board to respond to ASX on disclosure matters.
- A9. The above responses have been authorised by the PCL Board.

Should you have any further queries, please contact the undersigned.

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

[Sent electronically without signature]

Vesna Petrovic
Company Secretary



24 September 2018

Ms Vesna Petrovic

Company Secretary
Pancontinental Oil & Gas NL

By email: vesna@pancon.com.au

Dear Ms Petrovic

Pancontinental Oil & Gas NL (“PCL”): aware query

ASX Limited (“ASX”) refers to the following:

- A. The Appendix 3Y lodged on the ASX Market Announcements Platform (“MAP”) and released at 11:29am AEST (“Appendix 3Y”) on 18 September 2018 disclosing a change in director’s interests for Mr John Begg (“Change in Director’s Interests”). The Appendix 3Y indicated that the Change in Director’s Interests did not occur within a closed period.
- B. The Appendix 3Y also indicated that the Change in Director’s Interests included:
 - a) the exercise of 66,000,000 Class A Options; and
 - b) on market sale of 61,000,000 fully paid ordinary shares.
- C. PCL’s announcement entitled “Notice under s708A of the Corporations Act 2001” lodged to the MAP and released at 9:00am AEST on 19 September 2018.
- D. The Trading Halt requested by PCL, lodged to MAP and released at 9:22am AEST on 21 September 2018.
- E. PCL’s announcement entitled “Cormorant-1 Exploration well in PEL 37 Offshore Namibia Result” (“Announcement”) lodged on the MAP and released at 9:51am AEST on 24 September 2018 (“Relevant Date”), disclosing exploration results at the PEL 37 Offshore Namibia Project (“Relevant Information”).
- F. The change in the price of PCL’s securities from a high of \$0.09 on 19 September 2018 on to a low of \$0.03 at the time of writing today.
- G. PCL’s securities trading policy available on its website at <https://pancon.com.au/wp-content/uploads/2014/03/Securities-Trading-Policy.pdf> (“Securities Trading Policy”) which states (amongst other things):

“Closed Periods for Key Management Personnel

A closed period is one where trading in the Company’s securities is prohibited for Key Management Personnel. The Company’s closed periods are as follows:

- 1. Half Year Financial Report – One month preceding the release of results to the ASX; and*
- 2. Year End Financial Report – One month preceding the release of results to the ASX.*

Key Management Personnel will be required to read and sign a copy of the Trading Policy to ensure that they fully understand their obligations with regard to the requirements

Trading excluded from the Company’s Trading Policy

Trading excluded from the restrictions of the Company’s trading policy may occur in the

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following circumstances:

- Trading where there is no change in the beneficial interest of the security;
- Where a third party is in control of trading decisions;
- Instances where directors, officers and employees have no control or influence over the trading of the security; and
- An offer which is presented to all security holders.

In addition to the above situations, there may be other exceptional circumstances where trading may be permitted. These circumstances will be assessed on a case by case basis upon written request to the Chair. Clearance from the Chair may be in electronic or paper form and will specify the details of the clearance such as the duration and if there are any other conditions to the trading being permitted.”

And

“SUMMARY OF POLICY FOR TRADING IN COMPANY SECURITIES

The board has adopted a Policy which prohibits dealing the Company's securities by directors, officers and employees when those persons possess inside information. The Policy provides that the written acknowledgement of the Chair must be obtained prior to trading.”

H. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

I. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

K. ASX's policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks PCL to respond separately to each of the following questions and requests for information:

1. When did PCL first become aware of the Relevant Information?
2. Does PCL consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If the answer to question 2 is “yes” and PCL first became aware of the Relevant Information before the Relevant Date, did PCL make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe PCL was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps PCL took to ensure that the Relevant Information was released promptly and without delay.
5. Did Mr Begg comply with PCL’s Securities Trading Policy and obtain the written acknowledgement of the Chair prior to carrying out the Change in Director’s Interests and confirm that he was not in possession of inside information at the time? If so, please provide a copy of the written communications? If not, why not?
6. Did the Chair grant approval (written or otherwise) to Mr Begg to carry out the Change in Director’s Interests that took place during a Closed Period? If so, on what basis did it do so? If not, why not?
7. What disciplinary or remedial action has the board of PCL taken, or is it proposing to take, in relation to Mr Begg’s apparent and material breach of PCL’s Securities Trading Policy?
8. Please confirm that PCL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that PCL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PCL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 7.30 a.m. WST) on Friday 28 September 2018.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PCL’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that PCL’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PCL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require PCL to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in PCL's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Wade Baggott

Principal Adviser, Listings Compliance (Perth)