

Termination of the Walyering Farmin

In July 2017 by acquisition of a new subsidiary, Pancontinental obtained the right to farmin for a 70% operated interest in EP 447 (Permit) in the Perth Basin, an area covering the Walyering Gas Field.

By virtue of the relevant farmin agreement, if Pancontinental had not completed the 3D Seismic Survey by 1 June 2019 then the holders (Holders) of the Permit and Pancontinental were required to meet and work together for the purpose of completing that survey in a timely fashion. The parties have been unable to agree a revised basis to complete the survey and the Holders have decided to terminate the farmin agreement.

Pancontinental will now seek to meet the Holders to agree on all actions and payments that may be required to restore each to the position it would have been in if the farmin agreement had not been entered into.

Commenting on this development, Pancontinental CEO Ernie Myers said "Pancontinental is operating in a very competitive environment and the inability of the Holders and the Company to reach agreement on a revised basis to complete the survey reflects this environment and the changed circumstances since 2016 when the relevant farmin agreement was entered into. Despite the disappointment with exiting Walyering, the Company has a significant position in Namibia which has the attention of the Oil Majors. We are also looking at new projects which offer a clear timetable to drilling and the opportunity to add value for shareholders."

For and on behalf of
Pancontinental Oil & Gas NL

Ernie Myers
CEO & Executive Director

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