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Pancontinental Oil & Gas NL offshore Malta 2-D seismic survey

Pancontinental Oil and Gas NL (“Pancon”) advises that the 260 km 2-D seismic survey has been delayed due to the contractors vessel remaining in dry dock for repairs. The programme will be delayed for up to 2 months.

Pancontinental is investigating the availability of other suitable survey vessels to carry out this work prior to August.

Participants in the Project are Pancon 100%, subject to the completion of the merger with Afrex Limited (“Afrex”) and as previously announced in July 2003, Sun Resources NL will make a A\$325,000 contribution to the cost of acquiring 2D seismic to earn a 20% interest in the project.

The aim of the seismic program is to further delineate the extent and nature of large stacked Lower Cretaceous to Eocene age reefal mound structures that have been previously confirmed by Afrex-Pancon’s earlier reconnaissance 2D seismic survey. These new seismic data will be processed and interpreted over the next 3 months to determine the prospectivity of those targets.

The existing seismic data suggests the presence of large individual target structures which are currently mapped to be 70 square kilometres in areal extent, and ranging from 500 to 700 metres in thickness, giving large potential volume traps for hydrocarbon accumulations.

Similar stacked reef mounds in adjacent Tunisian and Libyan waters are prolific producers of both oil and gas and the major fields, such as Bouri in Libya with reported reserves of 2,500 million barrels of oil recoverable and 1.9 trillion cubic feet of gas recoverable.

These offshore Tunisian and Libyan fields are supported by a sophisticated pipeline infrastructure that is one of the principal suppliers of energy to European consumer countries, notably Italy, southern and central Europe.

Enquiries:

A handwritten signature in black ink, appearing to read 'A Svalbe', with a stylized flourish at the end.

Andrew Svalbe
Director, CEO.

It is advised in accordance with Australian Stock Exchange Limited Listing Rule 5.11 that the report on the above project has been prepared by Mr. Andrew Svalbe, AAPG, PESA, ASEG, FESWA who has had more than the required five years experience and is a competent person as defined in the Listing Rules of Australian Stock Exchange Limited and has consented in writing to the inclusion of this report as it appears here