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ASX Announcements

Eritrea

Pancontinental, together with its joint venture partners, Afrex Limited and Hardman Resources Limited, negotiated a Memorandum of Understanding (MOU) with the Eritrean Ministry of Energy and Mines for the offshore Red Sea Massawa Block.

The MOU was initially for a six month period commencing on 24 December 2003. A number of extensions have been granted since that date to enable continued negotiations with the Ministry for a Petroleum Sharing Contract (PSC). The final draft of the PSC was submitted to Cabinet for ratification.

Notification has now been received from the Ministry that the MOU and any other documents relating to the Massawa Block have been declared null and void.

Afrex Limited, as operator of the joint venture, is now seeking discussions with the Eritrean authorities for an explanation and clarification of the situation.

For and on behalf of
Pancontinental Oil & Gas NL

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