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The Manager
Australian Stock Exchange Limited
Company Announcements Office
20 Bond Street
SYDNEY NSW 2000

Dear Sir

**PANCONTINENTAL OIL & GAS N.L. ANNOUNCES THE GRANT OF APPLICATION
16/00-1, ONSHORE CARNARVON BASIN AS PETROLEUM PERMIT EP 439**

Please find attached details of the grant of Petroleum Exploration Permit EP 439 (previously Application 16/00-1) located in the Onshore Carnarvon Basin.

Yours faithfully

AK (Andy) Svalbe
CEO & Director
PANCONTINENTAL OIL & GAS NL

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STOCK EXCHANGE RELEASE

Pancontinental Oil & Gas N.L. is pleased to announce the formal grant by the Western Australian State Government of the Petroleum Permit Application 16/00-1 on 10 February 2005, located in the Onshore Carnarvon Basin as Exploration Permit EP 439.

The permittees to the EP 439 Permit are:

Euro Pacific Energy Pty Ltd <i>(Wholly-owned subsidiary of Pancontinental Oil & Gas N.L.)</i>	23%
Empire Oil Company (WA) Limited <i>(Wholly-owned subsidiary of Empire Oil & Gas N.L.)</i>	35% (Total 44%)
Gulliver Productions Pty Ltd <i>(Wholly-owned subsidiary of Empire Oil & Gas N.L.)</i>	9%
Indigo Oil Pty Ltd	9%
Falcore Pty Ltd	5%
Vigilant Oil Pty Ltd	1%
Longreach Oil Limited <i>(beneficially held by the Permittees)</i>	18%
	<hr/> 100%

The EP 439 Petroleum Exploration Permit is located in the Gascoyne Sub Basin, Southern Carnarvon Basin, Western Australia. The port of Carnarvon is 100 kilometres to the south west of the Permit.

The immediate focus of exploration in the EP 439 Permit is the large oil prospect called Lake McLeod with estimated potential recoverable oil reserves in the order of 150 million barrels.

The structure is interpreted from seismic data as an anticlinal feature where Devonian-aged carbonate sediments drape over an older Silurian-aged fault block. This structure therefore exhibits the necessary prerequisites of structural timing for oil generation and entrapment. Good oil-prone source rocks are present in organic-rich marine shales in the lower part of Devonian Gneudna Formation. This is based on published data from the existing petroleum wells in the Basin.

The Devonian section in the nearby Quobba-1 well demonstrates both the potential for reservoir quality and seal together with the recording of good oil and gas shows throughout the Gneudna Formation. The reservoir objectives of the Lake McLeod Prospect are dolomites which demonstrated good reservoir potential with oil and gas shows in Quobba-1.

The Company is planning a petroleum geochemical survey over the Lake McLeod Prospect in April 2005. The planned survey technique demonstrated significant and encouraging results further north in the Carnarvon Basin over the Company's Parrot Hill East oil prospect. This geochemical technique is considered applicable to the Lake McLeod Prospect as the objective reservoirs are also shallow oil targets. The survey is planned for April to coincide with the post summer dry conditions ideal for this geochemical survey.

The drilling depth to the Gneudna Formation dolomite reservoir objective is approximately 1,000 metres. Depending on the seismic reprocessing and remapping and the petroleum geochemical survey results, the drilling of Lake McLeod will be progressed by farmout.

For further information please contact:

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