



PANCONTINENTAL Oil & Gas NL
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Company Announcements Office
Australian Stock Exchange Limited

MALTA SEISMIC DELAYED

At the end of June 2005 Pancontinental Oil and Gas NL (“Pancon”) announced that it had signed a participation agreement with Anadarko International Energy Company (“Anadarko”) which provided for Anadarko to earn an interest in the Malta project by funding agreed activities. This included a regional 2-D seismic program and at that time, it was also announced that Anadarko was tendering for a seismic vessel and that it was expected that the programme would take four weeks.

The planned 2-D seismic program is to be conducted in the joint venture project Exploration Study Area (“ESA”). The ESA comprises of two contiguous areas totalling 14,800 sq kms: - Area 4, Block 3; and Area 5, on the Pelagian Platform in southern Maltese waters abutting Tunisia and Libya.

The Maltese Government has requested that the Joint venture suspend the planned 2005 seismic survey for 6 months to assist it in facilitating the resolution of the border issues it has with both Tunisia and Libya. These border issues affect the western and southern boundaries of Area 5 of the joint venture ESA area.

The 2004 seismic surveys were conducted within undisputed Maltese waters and away from the unresolved border areas. Those seismic surveys revealed a number of significant, world class prospects and leads which motivated Anadarko to conclude a Participation (Farmin) Agreement (“Agreement”) with the company in June 2005.

The seismic program was due to be carried out by Anadarko, in undisputed Maltese waters, to determine the viability of a number of prospects including the very large Chianti and Limoncello Prospects delineated in 2004 by the Joint Venture. These prospects have a large speculative reserve potential, with the Chianti Prospect, 455 (mean) million barrels recoverable oil potential and the Limoncello Prospect, 968 (mean) million barrels recoverable oil potential, based on current mapping and representative reservoir parameters from neighbouring commercial fields.

Anadarko, under the Agreement, has options to earn a 65% interest in a Production Sharing Contract area on completion of one well, and to increase its interest to 75% by drilling a further well at no cost to the Malta Joint Venture partners.



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Current equities in the Malta Joint venture are;

Pancontinental Oil & Gas NL	80%	(reducing to 28.0% after one well)
<u>Sun Resources NL</u>	<u>20%</u>	<u>(reducing to 7.0% after one well)</u>
	100%	

Pancontinental's CEO Andrew Svalbe said " Whilst the request of the Maltese Government will delay the seismic programme, Pancontinental is pleased that the border issues are being addressed. Resolution of the boundary issues has the potential to open up additional areas for exploration within our permits that previously we chose not to enter. The border negotiations do not impact on our mapped main prospects and leads. We expect that the delay will now see the programme deferred until early 2006 after the northern hemisphere winter, which is a period not conducive for seismic operations."

Enquiries:

Andrew Svalbe
Director & CEO

It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.10, 5.11, 5.12 and 5.13 that the summary report on the oil and gas projects is based on information compiled by Mr A K Svalbe, BSc (Hons), AAPG, ASEG, FESWA, PESA, Chief Executive Officer of Pancontinental Oil & Gas NL and accurately reflects the information compiled by Mr Svalbe.

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