



PANCONTINENTAL Oil & Gas NL
ACN 003 029 543

Ground Floor
288 Stirling Street
Perth Western Australia 6000
P O Box 8260
Perth Business Centre
Western Australia 6849

Tel: (61 8) 9227 3220
Fax: (61 8) 9227 3211
Email: svalbe@pancon.com.au
Web: www.pancon.com.au

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Company Announcements Office
Australian Stock Exchange Limited

KENYAN PROJECT FARMOUT TO ORIGIN ENERGY

Pancontinental Oil and Gas NL (“Pancon”) has concluded a Farmin Agreement (Agreement) with Origin Energy Bairnsdale Pty Limited (“Origin”), a subsidiary of Origin Energy Resources limited, on the Kenyan Production Sharing Contracts (PSC) L-8 and L-9 offshore Lamu Basin. This Agreement is subject to approval by the Kenyan Government.

Under the Agreement Origin may:-

- **Earn 50% in each block by conducting a US\$4.0 million detail 2-D seismic program within these two blocks.**
- **Earn an additional 25% in a given block by drilling an exploration well and meeting all drilling and testing costs of that exploration well.**
- **Pancontinental will retain 25% after a free carry through the seismic, drilling, production testing and all other permit costs in each drilled block.**

The acquisition of the new 2-D seismic data will commence within the two contiguous L-8 and L-9 areas, totalling 12,085 sq kms, in early 2006 on ratification of the Agreement by the Kenyan Government, the contracting of a seismic vessel and suitable weather conditions. The US\$4.0 million seismic survey will determine the viability of a number of very large prospects delineated by the 2003 and earlier seismic surveys. These prospects, based on current mapping and representative reservoir parameters using industry analogues, are estimated to have world class size speculative oil and gas reserves potential. Origin will also cover all other costs associated with the PSC areas during the earning stages of the Agreement.

The Agreement requires Origin, on or before 23 May 2007, following interpretation of the US\$4.0 million 2D seismic survey, to advise Pancontinental of its election or otherwise to commit to drill a prospect in one or both of the blocks. The drilling of the exploration well(s) is required prior to September 2009.

Pancontinental’s CEO Andrew Svalbe said “Pancontinental is very pleased to have negotiated an Agreement with a company having the technical, financial resources and the operational capabilities of Origin.

It also completes a very rewarding 2005 year during which Pancontinental completed farmout agreements with Anadarko Petroleum Corporation and Origin that could result in the company

being free carried through expenditures of an estimated A\$100 million over the next few years if the farminees exercise their options with the drilling of 2 wells by Anadarko in Malta, and two wells by Origin in Kenya, plus all preceding seismic and other permit costs.

This Agreement with Origin supports our view that the Kenya asset, with its high petroleum prospectivity, attractive Government commercial terms, proximity to the Kenyan and growing East African energy markets, is a quality component of our exploration portfolio.”

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.

Telephone: 08 9227 3220

Fax: 08 9227 9079

Email: svalbe@pancon.com.au.