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Company Announcements Office  
Australian Stock Exchange Limited

### **ANADARKO FARMS INTO MALTA OFFSHORE PROJECT**

Pancontinental Oil and Gas NL (“Pancon”) has entered into a Participation Agreement (Agreement) with Anadarko International Energy Company (“Anadarko”) a subsidiary of Anadarko Petroleum Corporation (NYSE:APC), that provides for Anadarko to farm into the Malta project, Exploration Study Area (ESA).

Anadarko is a Houston based, US listed company with a market capitalisation of US\$18.9 billion. In 2004 it was number 354 on the “Fortune 500” list. It has global operations with production in USA, Canada, Algeria, Venezuela and Qatar, as well as a worldwide program of exploration for hydrocarbons. Its 2004 production was 190 million barrels of oil equivalent (“BOE”) and it reported 2.37million BOE in proved reserves. (for further information inclusive of the above go to [www.anadarko.com](http://www.anadarko.com))

Under the agreement Anadarko may;

- earn up to 65% interest by conducting regional 2-D seismic and then electing to enter into a Production Sharing Contract ( “PSC”) by 30 June 2006 that will require them to drill an exploration well prior to 31 December 2007 (but no later than 30 June 2008 ), and
- earn an additional 10% to take its interest to 75% in the PSC by drilling a further well at its cost in the PSC area.

Pancon and its current co-venturers, Afrex Limited (“Afrex”) and Sun Resources NL (“Sun”) will be free carried through the various phases as Anadarko earns its interest and the parties will dilute proportionately.

The Exploration Study Area (ESA), comprises two contiguous areas totalling 14,800 sq kms (Area 4, Block 3; and Area 5) on the Pelagian Platform in southern Maltese waters and abuts Tunisia and Libya. The ESA has a number of prospects including the very large Chianti and Limoncello prospects delineated in 2004 by the Joint Venture. These prospects, based on current mapping and representative reservoir parameters from neighbouring commercial fields, have a large speculative reserve potential, with the Chianti, 455 (mean) million barrels recoverable oil potential, and Limoncello, 968 (mean) million barrels recoverable oil potential.

Significant producing oil and gas accumulations in neighbouring Tunisian and Libyan waters are analogous to these prospects; for example in Tunisia – Miskar, 1.5 trillion cubic feet of gas condensate recoverable and Isis, 400 million barrels of oil recoverable, and in Libya – Bouri, 2.5 billion barrels of oil recoverable.

The initial phase will see Anadarko conduct a detailed and regional 2-D seismic program (1,385 line kilometres) in Maltese waters to determine the viability of a number of prospects including the Chianti and Limoncello Prospect.

Anadarko is in the process of tendering for a seismic contractor to conduct the acquisition program as soon as possible. It is anticipated that acquisition will take approximately 4 weeks.

**Current equities in the Malta Joint venture are;**

	<b>Current equity</b>	<b>Equity post Anadarko drilling first well</b>
	<b>%</b>	<b>%</b>
Pancontinental Oil & Gas NL ( ASX code : PCL)	32	11.2
Sun Resources NL ( ASX code : SUR)	20	7.0
Afrex Limited – Unlisted – ( current operator)	48	16.8

(Note: Afrex and Pancon have announced the intention to merge and the transaction has received ASIC approval. The transaction is now the subject of approval by Pancon shareholders and a meeting of Pancon shareholders will be convened on 5 August 2005 to consider and vote on the proposed merger. In the event that Pancon shareholders approve the transaction, its equity will increase to 80% pre Anadarko and 28%, post Anadarko drilling the first well.)

Pancon's CEO, Andrew Svalbe said "Pancontinental is very pleased to have negotiated an Agreement with a company having the technical and financial resources and the calibre of Anadarko. This agreement supports our view that that Pancontinental has accumulated a number of highly interesting international petroleum exploration assets capable of attracting a major international exploration and production company. The Malta asset, with its high petroleum prospectivity, attractive Government commercial terms, proximity to infrastructure and the European energy markets, justifies that interest and the quality of the 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.

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