



PANCONTINENTAL Oil & Gas NL
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Company Announcements Office

Australian Stock Exchange Limited

(ASX CODE: PCL)

1 November 2006

Placement to Strategic Investors

The Company has agreed to place 14,000,000 ordinary fully paid shares at an issue price of \$0.06 (6 cents) cents per share as an excluded offer to strategic investors. The placement will raise \$840,000 before brokerage and costs, and is being managed by DJ Carmichael Pty Limited.

The funds raised will be used in funding the Company's continuing exploration activities as well as its ongoing corporate overheads.

The shares issued pursuant to the placement will rank equally in all respects with all existing ordinary shares previously issued by the Company and quoted on the Australian Stock Exchange Limited (ASX). Application will be made to the ASX for quotation of the placement shares.

The placement will be done within the Company's 15% placement capacity. Settlement is expected on the 6 November 2006.

For and on behalf of
Pancontinental Oil & Gas NL

E A Myers
Company Secretary