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ASX Release

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### **Canning Basin Drilling Expected to Commence in August**

**Pancontinental Oil and Gas NL (ASX: PCL) advises that Joint Venture (JV) partner and operator of the EP 104 Onshore Canning Basin project, Arc Energy (ASX: ARQ), has scheduled the Century 18 drill rig to arrive on site in three weeks.**

Pancontinental General Manager Matthew Battrick said: "It is expected that the JV will spud the first Canning Basin prospect, the Valentine-1 exploration well in mid August. Valentine-1 has a potential resource of 70 million barrels of oil or 380 BCF gas.

"This will be immediately followed by the drilling of the second prospect Stokes Bay-1, which has 60 BCF gas and 5 million barrels of oil potential. The drilling of both wells will take approximately 50 days."

Pancontinental will be contributing 10.67% to the well costs to increase its participating interest from 8% to 10%. If successful, these two prospects have the potential to add a combined 7 to 10 million barrels of oil equivalent resources, net to Pancontinental.

The Canning Basin is one of the last under-explored areas in onshore Australia and has geological similarities with highly productive regions in Oman and the United States. The EP-104 permit is located adjacent to Derby and 150km northeast of Broome in Western Australia's Kimberley Region.

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*The summary report on the oil and gas projects is based on information compiled by Mr M A Battrick, BSc, MAAPG, MPESA, MAICD, MPESGB, General Manager of Pancontinental Oil & Gas NL. Mr Battrick has the relevant degree in geology and has been practising petroleum geology for 26 years.*

*Mr Battrick is a full-time employee of Pancontinental Oil & Gas NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.*



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