

ASX Release



PANCONTINENTAL Oil & Gas NL
ACN 003 029 543
ABN 95 003 029 543

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MARKET DATA

ASX: PCL

12 month high: \$0.085

12 month low: \$0.059

Market cap: \$26M

Cash at bank: \$3.6M

Issued shares: 444M

PROJECTS

- **Australia**
Onshore Canning Basin
Offshore Carnarvon Basin
- **Kenya**
Offshore Lamu Basin
- **Malta**
Offshore Chebba Marin
Basin
- **Namibia**
Offshore

DIRECTORS & MANAGEMENT

David Kennedy
Chairman

Peter Munachen
Finance Director

Barry Rushworth
New Ventures Director

Ian Cornelius
Non-executive Director

Andy Svalbe
Non-executive Director

Matthew Battrick
General Manager

CONTACT DETAILS

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4 October 2007

Stokes Bay-1 Exploration Well Drilling Update

Pancontinental Oil and Gas NL (ASX: PCL) wishes to advise that Joint Venture (JV) partner and operator of the EP 104 & R1 Onshore Canning Basin project, Arc Energy (ASX: ARQ), has announced that operations at the Valentine-1 exploration well have completed and that drilling operations at the Stokes Bay-1 well bore have commenced.

Drilling in the Stokes Bay-1 sidetrack commenced at 0930 hrs on 3 October 2007 and the current plan is to drill to 2,500mMDRT. Interests in R1 and EP104 post the Valentine-1 well farm-in earning program are:

| | |
|--|------------|
| ARC Energy Limited (Operator) | 38.95% |
| Empire Oil and Gas NL | 14.8% |
| Emerald Oil & Gas NL | 12.75% |
| Pancontinental Oil & Gas NL | 10% |
| Phoenix Resources PLC | 10% |
| First Australian Resources Limited | 8% |
| Indigo Oil Pty Ltd | 5.5% |

Pancontinental General Manager, Matthew Battrick said: "We look forward to sidetracking the well to the Stokes Bay-1 target location to further evaluate the very strong gas shows and indications of porosity in the intersected intervals of the Anderson and Laurel Formations of the Valentine-1 well bore. These shows were considered very encouraging for the targets of the Stokes Bay 1 well which will be encountered as planned substantially up-dip in the Stokes Bay structure."

Enquiries:

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General Manager

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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.