



PANCONTINENTAL Oil & Gas NL
ABN 95 003 029 543

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: info@pancon.com.au
Web: www.pancon.com.au

ASX Release
13th September 2007

Valentine-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 drilling operations at the Valentine 1 exploration well are continuing at a measured depth of 3,038m and the latest activity was tripping out of the hole for a bit change.

Intermediate logging over the interval 808m to 2589m MD has been completed and the well is now being deepened to the primary target. The total measured depth of the Valentine-1 well is programmed to be 3,407mRT with the target Virgin Hills Formation at approximately 3,222mRT. Final 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 continue to record elevated gas readings intermittently as we drill through claystones, Limestones and sandstones of the Clanmeyer Formation."

"The significance of these elevated gas readings will be determined once the well has reached total depth and wireline logging operations have been completed" Matthew said.

Enquiries:

Matthew Battrick, General Manager
Tel: 08 9227 3220, Fax: 08 9227 3211
Email: info@pancon.com.au

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.