



**PANCONTINENTAL
OIL & GAS NL**

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MARKET DATA

ASX: PCL

12 month high: \$0.085

12 month low: \$0.049

Market cap: \$25M

Cash at bank: \$3.9M

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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15 November 2007

Stokes Bay-1 Exploration Well Drilling Update

Pancontinental Oil and Gas NL (ASX: PCL) wishes to advise that Joint Venture (JV) Operator Arc Energy (ASX: ARQ), advises that the EP104/R1 Joint Venture has re-commenced testing operations at the Stokes Bay-1 well at 09:45 Hrs on 14 November, 2007.

Testing operations are utilising a specialised testing crew that is more cost efficient than having the Century Rig 18 on location, and this small crew is also more able to access the Stokes Bay location during the wet season, which is imminent.

At completion of the initial test flow using Rig 18, the well was shut in and down hole pressure measurements taken. Interpretation of these pressure measurements together with surface shut in pressures provided encouragement that the well will flow and cleanup so that the nature of the reservoir fluid can be determined. Because of the vugular and cavernous nature of the porosity in the section and the amount of fluid lost to the formation, the well may take some time to flow and to cleanup. Wells in similar formations can take up to 30 days of flow before definitive reservoir fluids are observed.

Following initial setup and pressure testing of the wellhead, the first attempt to flow the fluids in the well to surface was not successful. The mobilisation of swabbing and other specialised equipment to the well-site will now take place to get the well to flow and assist with the clean-up of the well. Equity positions in the Stokes Bay-1 well are now:

| | |
|--------------------------------------|-------------------|
| • ARC Energy Limited | 38.95% (Operator) |
| • Empire Oil and Gas NL | 14.80% |
| • Emerald Oil & Gas NL | 12.75% |
| • Pancontinental Oil & Gas NL | 10.00% |
| • Phoenix Resources PLC | 10.00% |
| • First Australian Resources Limited | 08.00% |
| • Indigo Oil Pty Ltd | 05.50% |

Further Reports will be made when new information about the testing operations is available.

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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.