

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: \$0.065

Market cap: \$28M

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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24 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 below a measured depth (MD) of 3,382m and is drilling ahead after rig repairs.

Intermediate logging over the interval 808m to 2,589mMD to evaluate oil & gas shows recorded at various intervals below 2,200mMD 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 sandstones of the Virgin Hills Formation yet to be penetrated. 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 are continuing to drill slowly through this interbedded sequence of hard rock layers toward the target zone within the Virgin Hills Formation.

"Lithologies are predominantly tight dolomites and minor dolomitic sandstones and claystones of Devonian (?) age with minor mud gas shows observed."

Enquiries:

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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.