

ASX Release



PANCONTINENTAL Oil & Gas NL
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ABN 95 003 029 543

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MARKET DATA

ASX: PCL

12 month high: \$0.085

12 month low: \$0.054

Market cap: \$25M

Issued shares: 433M

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

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CONTACT DETAILS

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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 the current operation at the Stokes Bay-1 well is pulling out of the hole to run casing after stabilising mud losses in preparation for testing the Nullara Formation.

Since last report on Thursday October 18th, Stokes Bay-1 has remained at a TD of 2755mMD whilst tubing conveyed logging has been conducted, and plans are now being implemented to case and test the well. Due the angle of the well and hole condition, tubing conveyed logs rather than wireline logs have been run to TD and are being interpreted, as follows:

- a) Preliminary interpretation indicates modest oil potential in the Anderson Sands that will probably need formation testing to verify commerciality. Work on this continues, and a JV decision on whether to test the Anderson is yet to be taken. Such a test would follow operations to evaluate the Nullara Formation.
- b) Whilst the top of the Nullara Fm is recognised on logs at 2722mMD, below 2732m MD log quality is severely degraded by hole condition and this is interpreted as being due to large scale vuggy porosity, such that quantitative interpretation is not feasible.

In addition to the mud loss event reported last week, while conditioning the well for logging and preparing to case the hole, there have been other several instances where the mud column has been lost to the Nullara Formation at or near TD. As yet, there have been no cuttings or mud returns from the Nullara at this depth, and therefore as yet there is no indication of fluid type.

As described in last week's announcement, all JV partners are participating in the shallow part of Stokes Bay-1 (above 2589m MD). However, less than all parties are participating in the well below 2589mMD such that equity levels in this part of the Stokes Bay-1 well (below 2589mMD) are:

- ARC Energy Limited – 69.25% (Operator)
- Emerald Oil & Gas NL - 12.75%
- **Pancontinental Oil & Gas NL - 10.0%**
- First Australian Resources Limited - 8.0%

Under the Joint Venture Operating Agreement, the non-participating parties in the deeper part of the well (Empire, Phoenix and Indigo) retain a future right to earn back into the well by the payment of penalties.

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.