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ASX Announcements

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NAMIBIA EXPLORATION AGREEMENT

Pancontinental Oil & Gas NL (ASX code PCL) has signed a Consortium Agreement with Key Petroleum Limited (ASX code KEY) for petroleum exploration offshore Namibia.

Pancontinental holds a Reconnaissance Licence No RL-1 of 2007 ('RL') over an area of approximately 30,000 square kilometres, offshore in the Walvis Basin, Namibia. The company is applying for a Petroleum Agreement and Exploration Licence over the RL area and the two companies have agreed that each will be a 50% participant in any successful award.

Offshore Namibia is an extension of the West African continental margin, which hosts prolific oil and gas producing areas such as Nigeria and Angola. Petroleum exploration activity offshore Namibia is increasing, with companies such as Hunt, BHP Billiton and Tullow Oil all holding exploration licences in the area.

Pancontinental and Key have been conducting studies of existing data from the area and they believe that the area holds a significant exploration opportunity.

Under the agreement between the two companies, Key will pay Pancontinental, on fulfilment of a number of conditions, up to A\$100,000 in reimbursement of past expenditure, and will share in certain future costs.

About Pancontinental.

Pancontinental is an Australian listed company. It is focused on high-reward petroleum exploration ventures in Australia, Africa and the Mediterranean. More information on the company can be found at www.pancon.com.au

About Key.

Key is an Australian listed company with an international focus on petroleum ventures. It is a participant in the recent Kiliwani North gas discovery offshore Tanzania and has additional interests in Italy and Suriname. More information on Key can be found on website www.keypetroleum.com

Pancontinental director, Mr Barry Rushworth commented- " Pancontinental is delighted to be joined by Key Petroleum in pursuing oil exploration ventures offshore Africa. The entry of Key with Pancontinental into this new venture represents a vote of confidence from a capable and respected industry peer. Key has demonstrated its ability to find petroleum by the success in its recent drilling venture on the east coast of Africa, while Pancontinental continues to pursue world-class exploration projects in an environment of increasing oil prices and tightening exploration opportunities around the African continent."