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ASX Company Announcements

### **Kenya L6 Joint Venture**

Pancontinental and Afrex (“Pancontinental”) and the Operator of Kenya L6, Gippsland Offshore Petroleum Limited (“GOP”) are in dispute over expenditure claims by GOP which Pancontinental has advised GOP are unauthorised. On 22 July 2009 GOP threatened to take a transfer of Pancontinental’s interest in the above mentioned joint venture unless it paid the amount that GOP claimed was due. On 23 July 2009 Pancontinental responded to GOP advising it once again that its claims to be paid were unauthorised under the relevant joint venture agreement, but that to avoid litigation it was intending to pay the disputed amounts under protest and to seek an audit of the Joint Venture accounts. Accordingly on 24 July 2009 Pancontinental arranged for the transmittal of the disputed amount to GOP.

On Friday afternoon ( Perth time) GOP emailed Pancontinental a letter to the effect that it had transferred Pancontinental and Afrex’ interest for the alleged default. Pancontinental disputes that GOP has the right to take such action and intends to demand that unless GOP reverse those actions, it will issue legal proceedings to protect its interests.

For and on behalf of  
**Pancontinental Oil & Gas NL**

E A Myers  
**Director & Company Secretary**