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ASX Company Announcements Office

## **KENYA L8 PROJECT UPDATE**

### **MBAWA 3D SEISMIC SURVEY CONTRACT SIGNED & SURVEY STARTUP IMMINENT**

Pancontinental Oil & Gas (ASX:PCL) is pleased to announce the signing of a contract by L8 operator Origin Energy (ASX:ORG) with seismic contractor Fugro Geoteam SA for the Mbawa 3D Seismic Survey offshore Kenya. Survey start-up is planned for November this year and completion by year-end.

Pancontinental has a 25% free carried interest in the L8 survey, which will largely concentrate on the area of the giant MBawa Prospect.

The survey vessel "RV Geo-Barents" is currently en-route to Cape Town for provisioning and briefing of personnel. The vessel will then transit to Kenya for the survey covering 800 square kilometres (upgraded from 300 sq km) and costing US\$ 10 million.

In Mbawa, interpreted "flat spots" ("AVO anomalies") on seismic data indicate possible gas and oil columns in the Lower Tertiary / Upper Cretaceous. "Slicks" of light oil or condensate interpreted on the sea surface above Mbawa are thought to result from sea - floor leakage, suggesting the existence of an active petroleum generating system. Other prospects in L8 are also associated with interpreted slicks.

Mbawa has Lower Tertiary / Upper Cretaceous P10 potential for 3.6 billion barrels of recoverable oil or up to 1.5 billion barrels of oil plus a gas cap of 400 billion cubic feet. An alternate model has P10 potential for 11 trillion cubic feet of recoverable gas.

Pancontinental's share of Mbawa reserves at its current project equity level would be 900 million barrels oil or 2.75 trillion cubic feet gas, however the actual reserves (if any) will only be determined by the survey and subsequent drilling.

Additional very large oil and gas potential lies in a deeper Jurassic closure in Mbawa and in other large prospects in L8. Pancontinental also has a 40% interest in adjacent licence area L6.

**Pancontinental Oil & Gas NL**

**Ernie Myers**  
**Director & Company Secretary**

