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31 August 2009

ASX Company Announcements

KENYA L6 PROJECT UPDATE

L6 PARTIAL ACREAGE RELINQUISHMENT & REVISED WORK PROGRAMME

Pancontinental Oil & Gas NL (ASX:PCL) advises that the Minister of Energy of Kenya has approved the layout of a partial relinquishment of the L6 licence area and has also approved a revised exploration work programme and other contract terms.

The partial relinquishment is obligatory under the L6 licence terms (see map below).

Under the revised licence terms, during the two years commencing 18 June 2009 an onshore 2D seismic survey is required. During the third and fourth years, one well is required in each year.

Pancontinental has a 40% working interest in the licence.

L6 is adjacent and geologically continuous to L8 where the giant Mbawa Prospect will be covered by 3D seismic commencing October 2009 (PCL free-carried 25%).

Mr Barry Rushworth, Director of Pancontinental Oil & Gas NL, commented:

"This revision of the L6 licence terms means that the joint venture will be able to move forward with exploring the onshore portion of L6 where we are primarily looking for gas, although the presence of condensate and oil cannot be ruled out in this exploration setting.

Kenya has a burdensome energy shortage and any significant hydrocarbons

found onshore, including gas, could be readily commercialised.

Pancontinental has 40% interest in this licence and we are currently seeking a farminee to join the exploration venture.

We look forward to firming-up the onshore Kudu and Updip Kipini leads with 2D seismic”.

Yours sincerely for and on behalf of
Pancontinental Oil & Gas NL

A handwritten signature in black ink, appearing to read "E. A. Myers". The signature is written in a cursive, flowing style.

E A Myers
Director & Company Secretary

