



PANCONTINENTAL Oil & Gas NL
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Manager Announcements
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ASX ANNOUNCEMENT

Carlston 1 Drilling Status Report.

Carlston 1 exploration well – EP 410, onshore Southern Carnarvon Basin, W.A.

Pancontinental Oil & Gas NL has been advised by the operator that at 06.00 on 7th January, the Carlston 1 exploration well was at a depth of 70 meters, running and cementing 340 mm casing to 57 metres.

Carlston 1 is located approximately 110 kilometres NNE of Carnarvon; 12.5 kms east of the Minilya Bridge roadhouse and 30 kms west of the Northwest Shelf to Perth gas pipeline.

Carlston 1 will be drilled to a total depth of 1020 metres to test Devonian age reefal limestone and dolomite reservoirs of the (primary) Point Maud Member and (secondary) Gneudna Formation. This new field wildcat well will be the first test of these Devonian play types in this basin, and if successful, will open up the Gascoyne Sub-basin of the onshore southern Carnarvon Basin as a new exploration province. This province has an area of approx 100,000 square kilometres (25 million acres) and is under permit to this Joint Venture.

The Carlston prospect and 4 neighbouring prospects have been mapped with a grid of modern 1990's seismic data. The interpreted reefal build-up of the Carlston prospect has an area of 625 hectares and vertical relief of 45 metres.

The operator has estimated that the Carlston prospect potential recoverable oil reserves are 11.6 million barrels.

Devonian age reservoirs host the commercial oil fields of the Canning Basin Western Australia and the prolific oil fields of western Canada.

Under the terms of the farmout agreement, Pancontinental reduced its equity from 31.67% to 13.0% and will be carried for the majority of the well costs.

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Carlston-1 spudded:	30 December 2001
Drilling days to Total Depth.	18 days.
Drilling Contractor/Rig:	Drilling Contractors of Australia (DCA)/Rig 6.
Location of Well:	Latitude - 23 degrees 49' 56.0" South Longitude - 114 degrees 11' 14.00" East
Operation since last report:	Drilling 444 mm hole to 57 meters.
Current operation:	Running and cementing 340 mm casing.
Depth @ 6.00am.	70 metres
Progress since last report:	70 metres
Proposed Total Depth:	1020 metres
Primary Objectives:	Devonian age Point Maud Member reefal dolomites and limestones.
Secondary objectives:	Devonian age Gneudna Formation dolomites.
Depth of target:	990 metres (primary) 460 metres (secondary)
Proposed operation next 24 hours:	Complete setting 340 mm casing, nipple up diverter and drill ahead with 311 mm hole.
Hydrocarbon Indications:	N/A

Comments:

Note: All reported depths are referred to the rig rotary table.

<i>ASX listed participants in the Joint Venture are:</i>	<i>Equity %</i>
Pancontinental Oil & Gas NL	13.0
West Oil NL	33.8
Empire Oil & Gas NL (Operator)	20.0
First Australian Resources Ltd	10.0
Longreach Oil Ltd	10.0
Private interests	13.2

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It is advised in accordance with Australian Stock Exchange Limited Listing Rule 5.11 that the report on the above project has been prepared by Mr Andrew Svalbe, AAPG, PESA, ASEG, FESWA who has had more than the required five years experience and is a competent person as defined in the Listing Rules of Australian Stock Exchange Limited and has consented in writing to the inclusion of this report as it appears here.