



PANCONTINENTAL Oil & Gas NL
ACN 003 029 543

Business Office
100 Stirling Street, Perth
Western Australia 6000

Postal Address
PO Box 8260
Perth Business Centre, Perth
Western Australia 6849

Tel: (61 8) **9227 7178**
Fax: (61 8) 9227 9079
Email: svalbe@pancon.com.au
Web: www.pancon.com.au

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Company Announcements Office
Australian Stock Exchange Limited
(via ASX online)

Pancontinental Kenyan 2-D seismic survey completed by Woodside

Pancontinental Oil and Gas NL (Pancon) has been advised by Woodside Energy Limited Group (Woodside) that the offshore Kenyan 2-D seismic survey of 2,272 km was completed using the seismic vessel "Polar Princess" on Tuesday 6 September. This survey completes the first stage of the farm-in agreement signed with Woodside in August this year to explore for oil in Kenyan areas held under Production Sharing Contracts (PSCs) L6, L8 and L9.

These areas are currently held by a joint venture between Pancon 40% and unlisted Afrex Limited 60% (Pancon/Afrex).

PSCs L6, L8 and L9 cover an approximate 21,254 km² area predominately offshore Kenya. The Pancon/Afrex areas amount to about one third of the entire offshore areas of Kenya under petroleum licenses. Approximately half of the Pancon/Afrex offshore acreage is in water depths less than 500 m with the deepest water reaching approximately 1,500m (see attached map).

As announced earlier, under the terms of the staged agreement, Woodside as operator:

- will shoot at least 2,000km of 2D seismic to earn 50% of PSCs L6, L8 and L9 (indicative cost US\$1.25 million);
- has the right to then conduct additional infill seismic (2D or 3D) in each of the permits if it so elects;
- must then elect in respect of each PSC to drill, and if warranted test, one well in the relevant PSC to increase its interest to 65%, or handing the 50% interest in that PSC back to Pancon and Afrex;
- has a further option in respect of each PSC to increase its interest to 75% by drilling, and if warranted testing, a 2nd well in the relevant permit.
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Pancon and Afrex will farm-down pro-rata and should Woodside elect to complete the drilling of the second well in a PSC the interest in that PSC will be:

Pancon	10%
Afrex	15%
Woodside	75%

As previously reported, preliminary mapping of the larger prospects in the PSCs by Pancon/Afrex indicates potential recoverable reserves easily exceeding a billion barrels of oil or several trillion cubic feet of gas. It must be stressed that these are preliminary results arising from the study. While the Pancon Board is pleased with the interpretation from mapping, only further technical work, including the acquisition and interpretation of this new seismic data and the drilling of exploration wells will confirm or refute the interpreted prospectivity of the area. The Woodside deal potentially provides the existing joint venturers a free carry for the cost of this work.

Enquiries:
Andrew Svalbe
Director,CEO.

Tel: 08 9227 7178
Fax: 08 9227 9079
Email: svalbe@pancon.com.au

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

