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12 December 2002

Manager Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

## **ASX ANNOUNCEMENT**

### **Jingemia 1 Oil Discovery Production Testing Status Report.**

**EP 413, Perth Basin.**

**Pancontinental: 1.278%**

The Company has been advised by Origin Energy Resources Limited, as operator of Exploration Permit 413 that the 2 week production testing program of the Jingemia 1 oil discovery commenced on 11 December 2002, following the receipt of various Government approvals and permits. During this 2 week test period, after the initial clean-up flows, the well will be flowed at various controlled rates and choke sizes. This will be followed by a 2 week shut-in period. The reservoir engineering data which will be generated during these tests will be used to determine the potential daily production rates of the well and other parameters relating to the recoverable oil reserves of the Jingemia discovery.

The Company will make announcements on the results from the various phases of the tests as they become available.

Prior to rig release on 9 November 2002, the Dongara Sandstone perforated interval 2414.5 to 2419.5 metres flowed at a rate of 6 barrels per hour whilst displacing completion brine, and then cleaned up sufficiently to flow at approximately 2400 barrels of oil per day through a 1 inch choke during the last half hour of the total 6 hour and 40 minute flow period. A total of 150 barrels of fluid was recovered during the clean up.

Wireline electric log data and pressure measurements have already confirmed that a single oil column of at least 29 metres and more likely up to 33 metres, is present in the Dongara Sandstone.

Electric logs have also confirmed that the well intersected 34 metres of Dongara Sandstone of which 32 metres is interpreted as being of good to excellent reservoir quality. This overlies an additional 43 metres of poorer quality Wagina Formation.

Jingemia is located in the onshore Perth Basin 24 kms south of the Dongara township and Dongara gas and oil field. The Jingemia prospect is a fault dependent closure very similar to the Hovea oil discovery 5 kms to the north-east.

Commenting on the test results, Pancontinental's Chief Executive Officer Andrew Svalbe said "Although Pancontinental's equity in the Jingemia project is modest; the expected cash flows will be a milestone in the Company's growth history, as they are expected to cover the annual overheads of the Company, thus releasing additional funds for exploration drilling. Optimisation of Jingemia production rates and future exploration success in the EP413 permit on a number of attractive "look-alike" leads will add to these results."

<i>(ASX* listed) Participants in the EP 413 Joint Venture are:</i>	<i>Equity %</i>
<b>* <u>Pancontinental Oil &amp; Gas NL</u></b> (through subsidiary Euro Pacific Energy Pty Ltd)	<b>1.2780%</b>
* Origin Energy Resources Limited (Operator) (Subsidiary of Origin Energy Limited )	49.1890%
* Hardman Oil & Gas Pty Ltd	22.3760%
*AWE (Perth Basin) Ltd. (Subsidiary of Australian Worldwide Exploration Ltd.)	15.2450%
* Victoria Petroleum NL. (through subsidiary Victoria Petroleum Offshore Pty Ltd)	5.7685%
* Voyager Energy Ltd. (through subsidiary Chimelle Petroleum Ltd)	5.7685%

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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.*