



PANCONTINENTAL Oil & Gas NL
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Company Announcements Office
Australian Stock Exchange Limited

African acreage update

Malta

Pancontinental Oil and Gas NL advises that it has reached preliminary agreement with Sun Resources NL under which Sun will fund the existing joint venturers through anticipated cost of the next seismic commitment in the Malta project in return for 20% equity.

The preliminary agreement is subject to being able to secure a satisfactory PSC over the presently targeted leads in Area 5 and completion of formal documentation.

On completion of such agreement and work Pancon would retain 32% equity in the project.

The current aim is to have an agreement and seismic completed such that a drillable prospect may be ready by early 2004.

Kenya

Further to the last quarterly report and the Company's announcement of 15 May concerning PSC's L6, L8 and L9, predominately offshore Kenya, the Company advises that farmin negotiations have now progressed to an advanced stage with a major company. Further details will be released following conclusion of documentation.

The current aim is to have an agreement completed so that a significant seismic program may commence shortly.

The Company is also aware of recent articles in the Kenyan press relating to the recommencement of exploration activities offshore Kenya and commenting on the growing interest in and on the prospectivity of east Africa generally.

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