



PANCONTINENTAL OIL & GAS NL

INVESTOR UPDATE

March 2007

Pancontinental Oil & Gas (ASX: PCL) is an exploration company focused on key assets in Australia, Kenya, Malta and Morocco. PCL has excellent exposure to a range of potentially very large oil targets. High levels of project equity, plus PCL's small market cap means that if any of these targets prove successful, the company is extremely highly leveraged.

MARKET DATA

Australia: PCL.ASX

Germany: PUB.BE

Shares on Issue: 371 million

Share Price: 0.061c

Mkt Cap: AUD\$22.6 million

Cash at Bank: AUD\$1.7 million

KEY MANAGEMENT

Andrew Svalbe
CEO & Director

Barry Rushworth
New Ventures Director

Matthew Battrick
Exploration Manager

Peter Munachen
Finance Director

Dave Kennedy
Chairman

MAJOR SHAREHOLDERS

Troy Resources Ltd	23%
ANZ Nominees Ltd	9%
SKYE Grantees Ltd	6%
Robert Boas	2%

The top 20 shareholders own 55% of the issued capital, including Dave Kennedy with 123m and Barry Rushworth with 30m shares

CONTACT DETAILS

Pancontinental Oil & Gas NL
Ground Floor 288 Stirling Street
Perth Western Australia 6000
T: (+61 8) 9227 3220
F: (+61 8) 9227 3211
E: info@pancon.com.au
W: www.pancon.com.au



KEY HIGHLIGHTS

- **2 x 50M bbl targets in Australia, drilling in 07**
- **4 x 1B+ bbl targets in Kenya, drilling in 08***
- **500M-1B bbl targets in Malta, drilling in 08***

* Should ORG or Anadarko elect to drill these wells

KEY ACHIEVEMENTS – FY 2006/2007

- Drilling cleared to begin at Canning Basin, Western Australia, late May – Arc Energy (ARQ) operator
- Planning for drilling Baniyas-1 in Carnarvon Basin by Strike Oil (STX) underway
- Completion of seismic acquisition on Kenya Blocks L8 & L9, Feb 07 by Origin Energy (ORG) = PCL free-carried for seismic and 2 exploration wells
- \$1.3M Capital Raising & Share Placement
- Seismic and Falcon gravity completed on Kenya Block L6 by Gippsland Offshore Petroleum (GOP) Mar 07 = PCL free-carried for seismic & gravity

MALTA PROJECT

The Malta JV has outlined two world class leads, Limoncello and Chianti - both with the potential for multi-hundred million barrel oil reserves. As a result, \$30 billion US oil giant Anadarko will fund a 1,385 km 2D seismic program, followed by drilling, possibly in 2008 if Anadarko elects to drill. Both prospects may be drilled and tested in a \$50 million program funded by Anadarko, earning it a 75% interest in the project. After one well, PCL will retain 28%, diluting to 20% after two wells.

KENYA PROJECT

Blocks L8 & L9

Results obtained from a US\$4million 2D seismic completed by JV partner Origin Energy Ltd (ORG) in January are currently being processed. Blocks L8 and L9 contain over 40 mapped leads, nine of which have in excess of 500 million barrel potential, and four of which have in excess of 1 billion barrel potential. ORG may elect to drill a well in each Block to earn 75%, with PCL retaining 25%. Drilling expected in 2008.

Block L6

PCL has signed a Farm-out Agreement with Gippsland Offshore Petroleum Ltd (GOP) for Kenya Block L6 requiring GOP to fund US\$1.9million of offshore 2D seismic and offshore/onshore airborne gravity data. Seismic acquisition is now complete, with PCL retaining 40%. The 1,500km FALCON® airborne gravity gradiometry survey is scheduled for start-up in March 2007.

AUSTRALIA

Offshore Carnarvon Basin

The Baniyas prospect is a 30 million barrel target on the North West Shelf, of which PCL holds 25%. Strike Oil (STX) has commenced planning for possible drilling in the second half of 2007. Success here would quickly tie into existing infrastructure from nearby Chevron-operated oil fields, representing significant upside and cash flow in the near term.

Onshore Canning Basin

Stokes Bay-1 (60 BCF gas and 5 mmbbl oil) will be drilled by Arc Energy (ARQ) in late May 2007. The Valentine prospect (70 mmbbl oil or 380 BCF gas) is being proposed for drilling immediately before Stokes Bay-1.

NAMIBIA

PCL has been awarded 100% of a 30,000 km² Reconnaissance Licence (RL No.1 of 2007) offshore Namibia. RL No.1 of 2007 is located in the Walvis Basin in water depths of 300m to 3,000m. PCL has two years to undertake more detailed studies of existing seismic and well information to refine and establish an inventory of commercially viable prospects and leads. PCL can then elect to enter a Petroleum Agreement with an exploration period of up to eight years.

MOROCCO

PCL awaits an award from the Moroccan Government for a large tract off the Mediterranean Coast of Morocco. Once awarded, seismic will be partially funded by farm-in partner, Cooper Energy Ltd (COE).

The areas referred to above in which there is a reference to targets and potential reserves including the references in the "Onshore Canning Basin" are at the pre-hydrocarbon reserve stage and are not hydrocarbon reserves.

Selected Prospects – Un-risked Speculative Potential **

Well (*No risk analysis performed)	Location	Timing	Est. Size (MMBO)	PCL %	Est Barrels to PCL (MMBO)
Stokes Bay - 1	Canning Basin	May 07	15	10%	2
Valentine	Canning Basin	May 07	70	10%	7
Baniyas	North West Shelf	3Q 07?	50	25%	13
Chianti	Malta	2008?	543	20%	109
Limoncello	Malta	2008?	968	20%	194
L - 8	Kenya	2008?	1000	25%	250
L - 9	Kenya	2009	1000	25%	250
L - 6	Kenya	2009	500	20%	100