



PANCONTINENTAL Oil & Gas NL
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ASX Companies Announcement Office
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QUARTERLY ACTIVITIES REPORT
JUNE 2004

HIGHLIGHTS

- Pancontinental has completed negotiating the Production Sharing Contract (PSC) and awaits signing with the Eritrean Government for the offshore Massawa Block.
- Pancontinental signed a Reconnaissance Licence (RL) Agreement with the Moroccan Government for the Mediterranean Est. Block on 29th July.
- Cooper Energy has farmed into the offshore Morocco Mediterranean Est. Block by contributing to the costs of a 500 km 2-D offshore seismic survey in the last quarter of 2004.
- Pancontinental to continue with the offshore Kenyan L6, 8 & 9 blocks.
- Malta offshore seismic survey to commence in early August.

INTERNATIONAL PROJECTS.

MALTA PERMITS

OFFSHORE AREA 5; AREA 4, BLOCK 3

Pancontinental Oil & Gas NL - 40%

A contract to acquire 250 kms of 2-D seismic data to define the extent of the stacked reefal/biohermal trends present within the Area 5 permit has been signed (assuming this is the case) and the survey is scheduled to commence in early August. It is also planned that this vessel will conduct a seismic survey in the Company's Moroccan permit.

The forthcoming survey, in water depths up to 250 metres, will further define the size and extent of a number of prospects and leads, which appear to be very similar in age and geological character to major commercial oil and gas fields in neighbouring offshore Tunisian and Libyan waters. Included amongst the largest and closest of these neighbouring fields are the offshore Tunisian 300-400 million barrel Ashtart and Isis oil fields, approximately 20 kms west of the permit boundary. The Bouri field, 55 kms to the south in Libyan waters, is reported to have reserves in excess of a billion barrels of oil.

The Joint Venture has confirmed with the Malta Government that it has the right to obtain a Production Sharing Contract (PSC) over all and any portion of the area of the proposed seismic survey. The right to obtaining a PSC is a condition of the June 2003 Farmout Agreement with Sun Resources (Sun), whereby Sun will earn 20% equity in the permit areas by paying the costs of acquisition, processing and interpretation of the seismic data. The Company will retain 32% equity in the project.

The Malta permits cover an area of approximately 14,800 sq kms (3.7 million acres) and are in water depths which range from 100 to 400 metres. These water depths are considered to be shallow water by current offshore drilling and production technologies.

ERITREA PERMIT

MASSAWA BLOCK OFFSHORE ERITREA, RED SEA

Pancontinental Oil & Gas NL – 30.0%

Following the announcement by the company in January 2004 that it had signed a Memorandum of Understanding (MOU) with the Government of Eritrea over the 11,550 sq km Massawa Block offshore Eritrea Red Sea, the company has satisfactorily completed all negotiations relating to the Production Sharing Contract (PSC) with the Eritrean Government. The document will now be ratified by the Eritrean Government Cabinet prior to a signing in August by all parties. The other co-signatories to this Contract will be Afrex Limited (Afrex 40%) and Hardman Resources Limited (Hardman 30%). The PSC will give the joint venture exclusive rights to explore for hydrocarbons in the Massawa Block for up to 7 years. Hardman has agreed to "carry" the other two joint venture parties for the first US\$50,000 of expenditure.

The exploration programme in the Massawa Block will commence with re-mapping of the existing seismic data (and seismic reprocessing if necessary) to confirm and verify earlier work and the inventory of drillable prospects and semi-mature leads. Mapping of these late 1990's seismic data by earlier operators has indicated the presence of a number of large, mature prospects having significant potential reserves.

The Massawa Block lies in the salt basin of the southern Red Sea. Salt basins are amongst the most productive in the world. Other prolific oil bearing salt basins include the Gulf Coast province of the

Gulf of Mexico, and more recently offshore Mauritania, where Woodside and Hardman have made significant commercial oil and gas discoveries.

To the north of the Massawa Block, in offshore Egypt, a number of commercial oil and gas fields have been discovered over the past 20 years. These are supported by a sophisticated production and transport infrastructure.

Closer to the Massawa Block, an exploration well drilled to the north in Eritrean waters “blew-out”, with large volumes of gas/condensate flowing uncontrolled to the surface. It is believed that an appraisal of this discovery is planned by another operator in the near future.

In the Massawa Block and surrounding areas, major multinational oil companies have previously identified a number of large, seismically defined, salt related prospects, and oil has already been seen in a number of surface oil seeps in the Dahlak Islands. The joint venture will assess these prospects as potential drilling targets.

Mining companies associated with Pancontinental are actively conducting mineral exploration programs onshore Eritrea. These mining companies have established an excellent working relationship with the reputable, energetic and professional Ministry and Government. The Government is keen to advance the country’s economy by promoting the development of energy resources following the cessation of hostilities 3 years ago.

On completion of the technical work, the joint venture will then consider inviting farminees to earn equity in the Block by conducting, if necessary, 3-D seismic surveys prior to the drilling of a number of exploration wells.

MOROCCO PERMIT

MEDITERRANEE EST. BLOCK, OFFSHORE MOROCCO, MEDITERRANEAN SEA.

Pancontinental Oil & Gas NL – 40.0%

Following the completion of negotiations that have lasted over 18 months, the Company was able to announce that it had signed a Reconnaissance License (RL) Agreement with the Government of Morocco on 29th July. The RL will be issued in early August. The company is pleased to complete the RL negotiations for the 7,000 km² (1.73 million acres) permit as it now exposes the company to another area that it believes has the potential for world class oil and gas discoveries.

The RL Agreement also lays out the terms and conditions of the Petroleum Agreement (PA) that may be entered into on completion of the RL period. The RL has a duration of 12 months but can be extended for an additional 12 months. The PA period is for a period of 6 years.

During the first year of the Reconnaissance License period, the Joint Venture will shoot 500 km regional grid of high quality 2D seismic data. This cost will be largely met by Cooper Energy (BVI) Ltd, and this survey is planned to be recorded in September, on completion of the Company’s survey in Malta and a survey for another client in Tunisia.

The company has concluded a farmout agreement with Cooper Energy NL, which through its wholly owned subsidiary, Cooper Energy (BVI) Limited (Cooper), will earn a 20% interest in the Reconnaissance License (RL). Cooper will earn its equity by providing a redeemable bond in favour of the Government of Morocco of US\$175,000 and committing to funding the guaranteed minimum exploration work program of 500 km 2-D seismic survey work to this amount in the first term of the RL. The redeemable bond will be released to Cooper upon completion of the work commitment; and Cooper’s payments thereafter will be in accordance with the 20% interest of ongoing joint venture costs.

Subject to the completion of those earning obligations by Cooper, the participants in Reconnaissance License Mediterranee Est. will be:-

Afrex Limited	48%
Pancontinental Oil & Gas NL	32%
Cooper Energy (BVI) Limited	20%

Further, Cooper may, at its election and upon interpretation of the new seismic data, elect to acquire an additional 10% interest in the RL by the sole contribution of exploration costs in the amount of US\$175,000.

Two major play types have been defined in the area. The first is the Tertiary (Messinian) mass flow deposits ('turbidites') onlapping onto the basement ridges. The turbidites are blanketed by an extensive and more than 1,000 metres thick interpreted regional seal of Pliocene shale and marls. The largest of the turbidite related leads mapped to date has the potential of world class oil or gas accumulations.

The second play type is interpreted as shale-cored diapiric structures which also have the potential of world class hydrocarbon accumulations. Similar shale and salt 'diapir' related traps are the central controls for hydrocarbon accumulations in the highly prospective Gulf of Mexico, offshore Nigerian, and more recently offshore Mauritania productive areas.

Within the entire Western Mediterranean offshore Moroccan area only three exploration wells, none of them considered to be a valid test, has been drilled.

While there is a broad regional grid of existing seismic lines in the southern areas of the permit, the northern area requires a similar regional grid of modern seismic to define the tectonic elements of the permit and the inventory of possible leads and prospects. The 500 km RL period seismic program planned for later this year will have this as its main objective.

While oil is the principal thrust of the exploration project, if gas is found the main gas pipeline from Algeria to Spain and the European grid runs south of the block onshore Morocco. Europe is extremely gas hungry and a gas discovery in the Mediterranean would be in a good position to supply this market.

KENYA PERMITS
OFFSHORE BLOCKS DESIGNATED L6, L8 AND L9

Pancontinental Oil & Gas NL – 40%

In early June, following its interpretation of the 2003 regional 2-D seismic data and other technical data, Woodside advised the Company that it would withdraw from the 3 offshore Kenyan exploration blocks and return the earned equity back to the Pancon/Afrex Joint Venture.

The Company now has 40% equity in the permit and Afrex 60%. Although the withdrawal of Woodside was a surprise, the company now has the benefit of the regional 2-D seismic survey over the 3 permits and the associated technical work valued in excess of approx \$3.0 million. This expenditure has exceeded the Government work obligations and work commitments for the three PSCs. The Pancon/Afrex Joint Venture had successful meetings with the Kenyan Government in mid July during which the future exploration programs and strategies in the three PSC's was presented and certain concessions requested to accommodate the time loss associated with the Woodside withdrawal. A formal response to these requests is expected in early August.

Notwithstanding the withdrawal of Woodside the Company still maintains the view that L-6, L-8 and L-9 permits are in an optimum location with respect to basin position, source and generation kitchens, structural trends and water depth. This view is supported by the Company's interpretation of the results of the Woodside technical study. Given the few wells in the area and therefore the limited understanding of these issues in a very immature exploration area, the company believes that the L-6, 8 & 9 PSC's still have considerable technical merit, sufficient to attract farminees willing to earn equity by investing in the further exploration of the 3 areas. Prior to, and after the withdrawal of Woodside, the company received approaches from a number of multinational and large independent petroleum exploration companies expressing interest in the offshore Kenyan areas. The Joint Venture will commence discussions with these parties on completion of the technical data review.

The postulation that the offshore Kenyan area has very strong regional geological similarities to the North West Shelf of Western Australia remains unchanged. These geological similarities were generated by the parallel development of both areas during the break-up and separation of the Gondwana landmass during the Mesozoic and Tertiary Periods. As demonstrated on the North West Shelf, the deposition of favourable sequences of reservoir, source and seal sediments, when combined with optimal structural and thermal regimes for the generation of oil and gas, can give rise to a major petroleum province.

The 3 PSCs cover an area of approximately 21,200 km² (5.3 million acres). These PSC's represent about one third of the entire offshore area of Kenya under petroleum licenses. The majority of the acreage is in water depths less than 1,000 m with only the most south-west corner of L-9 reaching approximately 1,500m. These water depths are comfortably within the range of offshore exploration and production operations.

In neighbouring Tanzania, a commercial gas discovery has already been made in a comparable geological setting to the Company's Kenyan permits. The near-shore Songa-Songa gas field, with reserves of one to two trillion cubic feet (TCF), is now under development, including the building of a 300km gas pipeline to the capital Dar-Es-Salaam and the city's power generation station.

AUSTRALIAN PROJECTS

WA-312-P OFFSHORE BARROW DAMPIER SUB-BASIN, NORTHWEST SHELF

Pancontinental Oil & Gas NL – 33.3%

An inventory of attractive drillable prospects has been defined and the Joint Venture has commenced proceedings to attract parties willing to earn equity in the permit by funding exploration well drilling costs.

The potential unrisks recoverable reserves of the top 5 ranked prospects ranges from 15 to 144 million barrels. The Joint Venture believes that such undrilled reserves would be of interest to the Joint Ventures operating the neighboring oil producing platforms, and transport and other infrastructure facilities, as the relevant reserves are in decline. The tie-in of new discoveries proximal to these existing facilities can be achieved at low incremental cost.

Up to nineteen leads and prospects have been mapped by the Joint venture, with several being at the stratigraphic level of the neighboring Wandoo and Stag producing oil fields. The balance of prospects is at deeper stratigraphic levels, at which commercial discoveries have been made in neighboring areas of the basin.

WA-312-P has an area of 1850 sq kms, and is situated approximately 50 kms to the north of Karratha. The Permit is less than 1 kilometer south of the 75 million barrels recoverable Wandoo Oil Field,

currently producing approx 20,000 barrels of oil per day, and the Hampton-1 gas discovery, and 11 kms to the east of the 55 million barrels recoverable Stag Oil Field, currently producing 15,000 barrels of oil per day.

WA-340-P OFFSHORE BARROW DAMPIER SUB-BASIN, NORTHWEST SHELF

Pancontinental Oil & Gas NL – 20.0%

WA-340-P is located on the southern margin of the Dampier Sub-Basin, 35 km northwest of the Burrup Peninsula.

The permit has been granted for a period of six years and is adjacent to and south of WA-312P, where Pancontinental has a 33.3% working interest. Application for the WA-340-P permit was motivated by the recognition of a number of leads, having significant hydrocarbon potential, that were trending south-westwards across the WA-312-P permit boundary into the WA-340-P area. In addition, several other interesting leads were recognised within the WA-340-P area at the same stratigraphic levels as in the WA-312-P permit

Work has continued over the quarter to further evaluate these attractive and interesting leads by reprocessing the existing seismic data in order to mature them for farmout and early drilling. Reprocessing of the data was completed with interpretation progress on schedule during the quarter.

EP 414 ONSHORE PERTH BASIN.

Pancontinental Oil & Gas NL – 2.56%

No exploration work was carried out in EP 414 during the period.

EP 104 ONSHORE CANNING BASIN.

Pancontinental Oil & Gas NL – 8.0%.

The Company had previously reported that the Joint Venture had negotiated a Sales Agreements for the sale of Point Torment gas to LNG International (LNGI). Pursuant to that Agreement, LNGI would purchase 6.0 million cubic feet of gas per day at a price of Aus\$2.70 per gigajoule (one gigajoule is equivalent to approximately 930 cubic feet of gas) at the wellhead and adjusted to the Consumer Price Index for the life of the field. LNGI will build a mini gas processing plant in Derby to produce and transport gas to power generators in the Kimberley. The Agreement is subject to the Joint Venture drilling and production testing an appraisal well on the Point Torment gas field structure to establish proven gas reserves in the field of 5 billion cubic feet (BCF). The Stokes Point 1 appraisal well is planned to be drilled some 5.5 kms to the north west of the Point Torment-1 and some 70 metres updip.

The Joint Venture was advised in late June that a major farminees (contributor to the cost of the drilling of the Stokes Point appraisal) well had withdrawn. It is now most probable that a replacement farminee will not be found in time for the well to be drilled prior to the beginning of the wet season this year. The Company elected to participate in the farmout and will, by contributing 12% of the well costs, have an equity of 11% in the field.

Point Torment -1, 20 kms north of Derby in EP-104, was drilled in 1992 and tested gas at 4.3 million cubic feet of gas per day. At that time there was no significant gas market in the Kimberley region, but that is now changing with a growing power generation demand in the area, coupled with a significant cost saving conversion of existing facilities from diesel to LNG.

Based on current mapping, the Point Torment field is estimated to have potential recoverable gas reserves of 80 BCF. The gas also contains condensate, which would be stripped to provide additional cash flow. A deeper oil pool of up to 10 million barrels potential reserves was also indicated by the Point Torment -1 well.

As reported earlier, the Joint Venture has been granted a Retention Lease over the Point Torment Gas field, providing long term tenure over the gas resource.

The Joint Venture has been also been advised that the granting of the Production Licence over the West Kora Oil Field (Pancon 12%) has made substantial progress. There is now a strong expectation that the Licence could be awarded in the near term.

EP 110 and EP 424 ONSHORE CARNARVON BASIN.

Pancontinental Oil & Gas NL – 25%

As reported previously, the EP 110 Joint venture had negotiated to participate in an application area, of one graticular block, on the northern boundary of the EP110 permit. That application area has now been awarded as EP 424 by the WA State Government

EP 424 is interpreted to contain the crestal location of the Jasper prospect, on which the Jasper 1 well, within EP110, was drilled in the late 1980's. Jasper 1 recorded strong hydrocarbon shows within a well developed and thick Birdrong sandstone reservoir. These shows are interpreted to indicate that the well was drilled down-dip of a possible hydrocarbon accumulation, located in a more crestal position.

Given that the specific focus of both permits is the Jasper prospect which straddles the permit boundary, the Joint venture will now seek to synchronize the work programs of the two permits by renegotiating those obligations and schedules with Government.

This work will commence with the reprocessing and remapping of existing seismic data to determine the viability, potential reserves and location of the structural crest of the Jasper prospect.

Subject to final documentation and approvals, the Company will have an increased equity of 25% in both the EP110 and EP424 permits.

No exploration work was carried out in EP110 and EP 424 during the period.

EP 406 OFFSHORE SHARK BAY

Pancontinental Oil & Gas NL – 5%

No exploration work was carried out in EP-406 during the year, as it is still subject to the Shark Bay Marine Park Heritage Study and forthcoming environmental operational guidelines that are expected to flow from that study.

NEW ZEALAND PROJECTS

PEP 38716 ONSHORE TARANAKI BASIN

Pancontinental Oil & Gas NL – 7.56%

In April the PEP 38716 Joint Venture commenced the acquisition of 14 kms of 2-D seismic data in the south-western areas of the permit to delineate the Atarangi and Rawhitiroa prospects. Both of these

prospects are culminations south along the Waihapa anticlinal trend. The major producing Waihapa gas and oil field and associated petroleum processing plant lies immediately west of the PEP 38716 permit and produce from the prolific Tikorangi limestone reservoir and the underlying Tariki sandstone unit. Further to the north of the Waihapa field, on the same trend, are the Tariki and Ahuroa fields.

Following the interpretation and mapping of the new seismic data, the robustness of the closure of the two prospects will be determined, indicating whether the prospects can be drilled in the near term. As currently mapped, both prospects are of significant size with Atarangi possibly being in excess of 10square kms.

The reprocessing of existing seismic data in the area of Huinga and Huinga South prospects was completed and has the objective of producing better images at the level of the Tariki and Kapuni sandstones where the Huinga wells encountered and recovered significant “residual” oil and gas. This work is ongoing and will provide a better understanding of the trapping geometries within the overthrust structural trend in the PEP 38716 permit and along the eastern margin of the Taranaki Basin. An agreement to exchange data between the Huinga and neighbouring Makino Joint Venture will assist these studies.

The financial incentives to explore in New Zealand have risen considerably over the past year with the realization by Government and Industry that, with the premature depletion of the offshore Maui Gas Field, and the inability of remaining fields to meet the commercial, industrial and domestic consumer demands, gas prices are expected to rise considerably throughout New Zealand.

One of the main options being considered by Government is the importing of liquefied natural gas (LNG). To implement this, a substantial increase in historical gas prices will be needed to accommodate the high capital and other costs associated with such a project. Obviously, this environment is, and would be, highly favourable for successful local explorers to supply gas (and oil) into the local market.

PEP 38330 ONSHORE EASTCOAST BASIN

Pancontinental Oil & Gas NL – 42.87 %

The stratigraphic information gained by the drilling of Waingaromia-2 last year, indicated that the Joint Venture needed to focus on a group of substantial prospects mapped in the eastern areas of the permit. It was interpreted that good quality sandstone reservoirs at drillable depths could be expected. In order to mature these prospects for drilling additional seismic was needed to increase confidence that structural closure and valid traps were present in those prospects.

To assist in the planning of the new seismic surveys, a review of seismic acquisition parameters and energy source sizes was completed. In addition, the reprocessing of existing seismic data over two attractive prospects in the north and north-east of the permit was carried out to improve data quality. These prospects will be remapped and integrated with geological information to determine their priority for additional seismic control. This work is ongoing with the Joint Venture planning to acquire a minimum of 15 kms of new 2-D data over a number of prospects later this year in order to mature drillable prospects. Potential reserves estimates for a number of these prospects are estimated to be in excess of a hundred billion cubic feet of gas and 10 million barrels oil.

As pointed out earlier, the financial incentives to explore in New Zealand have risen considerably over the past year with the realization by Government and Industry that, with the premature depletion of the offshore Maui Gas Field, and the inability of remaining fields to meet the commercial, industrial and domestic consumer demands, gas prices are expected to rise considerably throughout New Zealand.

NEW VENTURES

The Company continues to review all Australasian onshore and offshore acreage gazettals, both at Federal and State Government levels. In addition, the Company is strongly focused on overseas opportunities, especially East and North Africa.

CORPORATE

AFREX ACQUISITION

Prior to the withdrawal of Woodside from the Kenya joint venture the Company had negotiated a heads of agreement to increase its equity in the Pancon/Afrex African joint venture projects by 150% by acquiring all of the issued capital of Afrex Limited (“Afrex”). The acquisition of Afrex would have resulted in the Company increasing its 40% interest in the “Afrex/Pancon” African project joint ventures to 100%. (Pancon is currently in joint venture with Afrex in a number of African projects in which the ratios are 40% Pancon and 60% Afrex, of the interests not held by other parties – see below).

Under the heads of agreement Pancon was to acquire all of the issued capital of Afrex Limited (“Afrex”) by issuing 178,426,000 ordinary fully paid shares to Afrex shareholders as consideration for their shareholdings in Afrex.

The withdrawal of Woodside from the Kenya project had a severe impact on the value of the project, accordingly the Company and the Afrex shareholders agreed to suspend the proposed acquisition pending the outcome of a review of the technical data generated by Woodside, discussions with the Kenyan Government and a revised valuation.

An independent valuation of the Kenya project had ascribed a value of A\$16.1m to Afrex’s interest in the Kenya project and A\$10.7m to the interest of Pancontinental. The total values of the Afrex assets to be acquired were valued at A\$29.1m. Pancontinental’s Australasian interests were valued at A\$2.6m and its African interests at A\$20.4m. The independent valuer is currently reviewing the Kenya project data and awaiting the response from the Kenyan Government to enable him to revise his valuation

It is expected that the company will have all of the relevant data shortly that will enable it to negotiate a revised agreement with the shareholders of Afrex Limited.

Summary of project interests held by Pancon in joint ventures with Afrex

Project	Pancon Current equity	Pancon equity post Afrex acquisition	Comments
Malta Area 4 and 5,Block 3	40%	100% (reducing to 80%)	Sun Resources earning 20% by funding seismic programme
Kenya Offshore blocks L6, L8 and L9	40%	100%	
Eritrea Offshore Massawa	30%	70%	Hardman Resources Limited holds 30%
Morocco	40%	100% (reducing to 80%)	Cooper earning 20% by funding seismic programme.

Placement of shares

During the quarter the Company placed 12 million shares to clients of Euroz Securities Limited at 14 cents each to raise \$1,680,000 (before costs). The placement increased the issued capital of the Company from 155,226,166 shares to 167,226,166 shares.

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It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.10, 5.11, 5.12 and 5.13 that the summary report on the oil and gas projects is based on information compiled by Mr A K Svalbe, BSc (Hons), AAPG, ASEG, FESWA, PESA, Chief Executive Officer of Pancontinental Oil & Gas NL and accurately reflects the information compiled by Mr Svalbe.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

PANCONTINENTAL OIL & GAS NL

ABN

95 003 029 543

Quarter ended ("current quarter")

30 June 2004

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (12 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales (petroleum) and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(72)	(410)
(b) development		-
(c) production		-
(d) administration	(193)	(719)
1.3 Dividends received		-
1.4 Interest and other items of a similar nature received	11	19
1.5 Interest and other costs of finance paid		-
1.6 Income taxes paid		-
1.7 Other (provide details if material)	-	(4)
Net operating cash flows	(254)	(1,114)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of		
(a) prospects – EP 413	92	601
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	92	597

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(162)	(517)
1.13	Total operating and investing cash flows (brought forward)	(162)	(517)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,680	2,291
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other –costs of issue	(89)	(116)
		1,591	2,175
Net increase (decrease) in cash held		1,429	1,658
1.20	Cash at beginning of quarter/year to date	303	74
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	1,732	1,732

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	108
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments to companies associated with directors for:	\$000s
Corporate consulting fees	20
Administration/secretarial fees	14
Technical & management salary (incl. PAYG & superannuation)	<u>74</u>
	108

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Appendix 5B
Mining exploration entity quarterly report

Kenya – PSC’s L-6, 8 &9. Woodside Energy Ltd advises that expenditures during the quarter amounted to \$136,956.

Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	144
4.2 Development	-
TOTAL	144

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	1,732	303
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item1.22)	1,732	303

Changes in interests in petroleum permits

Permit Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

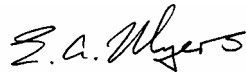
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities	167,266,166	167,266,166		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks	12,000,000	12,000,000	\$0.14	
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
<i>Public options PCLOA</i>	23,550,159	23,550,159	15 / 20cents	31/03/2005
<i>Directors options</i>	1,400,000		20cents	02/02/2005
<i>Directors options</i>	1,600,000		20cents	06/12/2006
<i>Directors and staff options</i>	4,025,000		8cents	27/11/2007
<i>Staff options</i>	3,625,000		10 cents	31/12/2008
	1,625,000		20 cents	31/12/2007
7.8 Issued during quarter <i>Directors and staff options</i>	1,625,000		20 cents	31/12/2007
7.9 Exercised during quarter				

Appendix 5B
Mining exploration entity quarterly report

	<i>Public options PCLOA</i>		-		
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30 July 2004

Print name: Ernie Myers

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.

PANCONTINENTAL OIL & GAS NL – PETROLEUM PERMIT SCHEDULE

as at 30 June 2004

Project	Permit reference	Interest
Petroleum prospects		
Western Australia	EP 104 (R4)	8.0 %
	EP 110	25%
	EP 414	2.78%
	EP 406	5%
	WA-312-P	33.3%
	WA-340-P	20%
New Zealand	PEP 38330	42.87%
	PEP 38716	7.56%
Malta	Area 5	40% Subject to JV- diluting to 32%
	Block 3 of Area 4	40% “ “
Kenya	L6	40%
	L8	40%
	L9	40%
Eritrea	Massawa Block – offshore MOU	30%
Morocco	Mediterranee Est. Block	40% - diluting to 32%