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**ASX Companies Announcement Office**

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**KENYA L8 – NANAA 3D SEISMIC SURVEY COMPLETED**

Pancontinental Oil & Gas NL is pleased to announce the completion of the Nanaa 3D seismic survey in area L8 offshore Kenya. The survey is additional to the earlier Mbawa 3D survey.

Conducted by operator Apache Corporation on behalf of the L8 Joint Venture, the survey covers approximately 1,400 sq km in the southeast of the L8 area.

The survey covers the large Nanaa and Kozi Leads at levels from the Tertiary to the Jurassic as well as covering the large Bundi and Tai Prospects in the Cretaceous to the Upper Jurassic.

Data processing and interpretation are expected to be completed by the end of 2012. Drilling on the Mbawa Prospect is currently planned for during or before Q3 2012.

Mbawa and the newly covered leads are interpreted to be located in optimal positions to trap oil and gas generated in the basin.

The inverted basinal structural setting of this part of the Lamu Basin has combined with a restricted depositional environment between the Davie Ridge and a faulted rift margin high. There is interpreted to be a thick oil prone potential source interval, closure in prospects / leads directly above the source interval and optimal structural timing and source maturation and migration. Seismic “flat spots”, AVO anomalies and interpreted naturally occurring oil seeps support the concept of oil generation, charge and entrapment.

Pancontinental has been free-carried through the Nanaa 3D by farminee Tullow Kenya B.V. a wholly owned subsidiary of Tullow Oil plc.

The Kenya L8 consortium consists of-

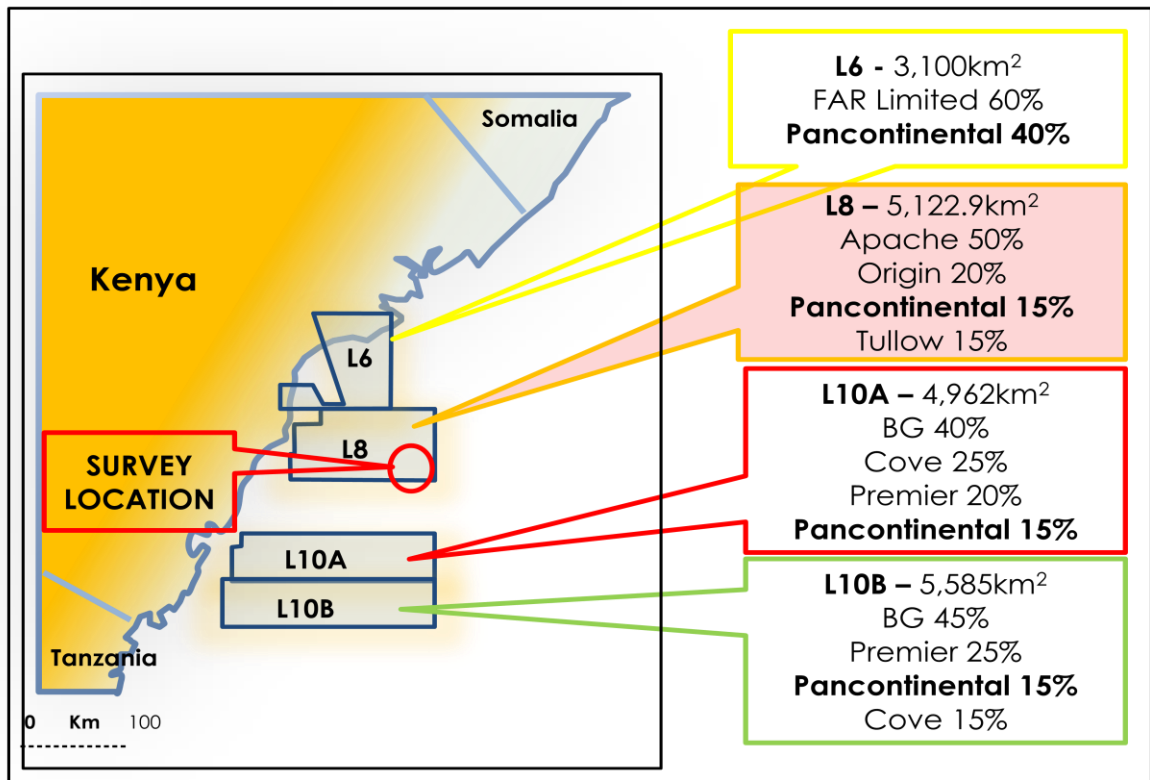
Apache Corporation (Operator)	50%
Origin Energy Limited	20%
<b>Pancontinental Oil &amp; Gas NL</b>	<b>15%</b>
Tullow Kenya B.V.	15%

Mr Barry Rushworth, the CEO of Pancontinental commented-

“This new 3D seismic and the enthusiasm of the joint venture in accelerating exploration in L8 is gratifying industry support for Pancontinental’s long-held view of the very positive petroleum prospectivity of this region offshore Kenya.

Pancontinental’s original geological concepts have been supported by the entry of notable international exploration and production companies to the region, both in L8 and in other licence areas including L10A and L10B (Pancontinental interest 15%) although only drilling has the capability to fully confirm the concepts.

The new Nanaa 3D survey should add considerable volumetric potential to the L8 inventory of hydrocarbon prospects and leads and in the event of success on Mbawa we expect to have a substantial ready-made inventory of follow-up opportunities for drilling”.



Pancontinental believes that it has identified an oil-prone “sweet spot” offshore Kenya and this will first be tested by drilling planned for during or before Q3 2012 on the giant Mbawa Prospect in L8. Mbawa has potential to contain more than 4.9 billion barrels of oil (P10, in place, unrisked) and a corresponding P50 value of approximately 2 billion barrels of oil (in place, unrisked), although these can only be verified by drilling.

Using the “sweet spot” concept, Pancontinental has acquired interests in four licences offshore Kenya, L6, L8, L10A and L10B covering more than 18,000 square kilometres.

Yours sincerely for and on behalf of  
**Pancontinental Oil & Gas NL**

**Barry Rushworth, CEO and Director**

*The summary report on the oil and gas projects is based on information compiled by Mr R B Rushworth, BSc, MAAPG, MPESGB, MPESA, Chief Executive Officer of Pancontinental Oil & Gas NL. Mr Rushworth has the relevant degree in geology and has been practising petroleum geology for more than 30 years.*

*Mr Rushworth is a Director of Pancontinental Oil & Gas NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.*