

ASX Companies Announcement Office

**OFFSHORE NAMIBIA SHOWING CONSIDERABLE POTENTIAL
Petroleum Exploration Licence 37, Walvis Basin, Namibia**

- 4 Turbidite Prospects on 3D seismic over a prime oil exploration fairway have potential total Prospective Resources of 915 Million Barrels of Oil.* (see Cautionary Statement below) 3 mapped Leads have additional oil potential
- Prospects are now being prioritised for Drilling, with more than 100km of follow-up potential along the Exploration Fairway
- Experienced Operator, c. US \$35 million spent to date, with Pancontinental carried for 30% of that expenditure
- Pancontinental's 30% interest continues to be fully carried through the next well in PEL 37 **
- Pancontinental is considering divesting part of its 30% interest to strengthen its balance sheet and to fund possible high-potential new ventures

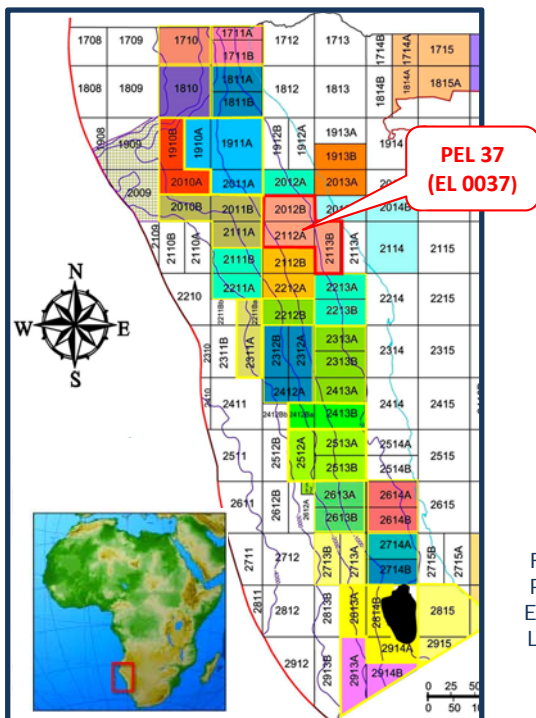


Figure 1 – Petroleum Exploration Licence 37 offshore Namibia

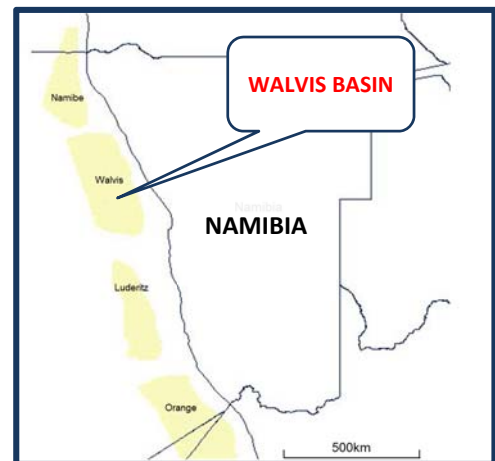


Figure 2 – Offshore Basins of Namibia

Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

* Prospective Resources – Best Estimate, 100% Basis – See Disclaimers for further information

** Subject to the exercise of a drilling option by Tullow Oil, required by 31 March 2016

Pancontinental is pleased to provide a Shareholder Update on the Company's Petroleum Exploration Licence 37 ("PEL 37", "EL 0037") in the Walvis Basin, Namibia.

A farmout to Tullow Oil by Pancontinental in 2013 saw Tullow acquire a 65% interest in the permit in exchange for 2D seismic, 3D seismic, interpretation, mapping and an exploration well all free carried for Pancontinental. In excess of US \$35 million has been spent to date on seismic, mapping and studies and the delineation of Prospects and Leads as potential drilling targets. Pancontinental retains a 30% interest.

The exploration work programme so far has established Turbidite Fan Prospects which have been confidently mapped on 3D seismic, ranging in resources of up to 349 Million Barrels of Oil.* (see Cautionary Statement below) This high impact new oil play has multiple follow-up potential along a central fairway of at least 100Km within the exploration licence. The oil play is supported by live oil and source rocks in nearby Wingat-1.

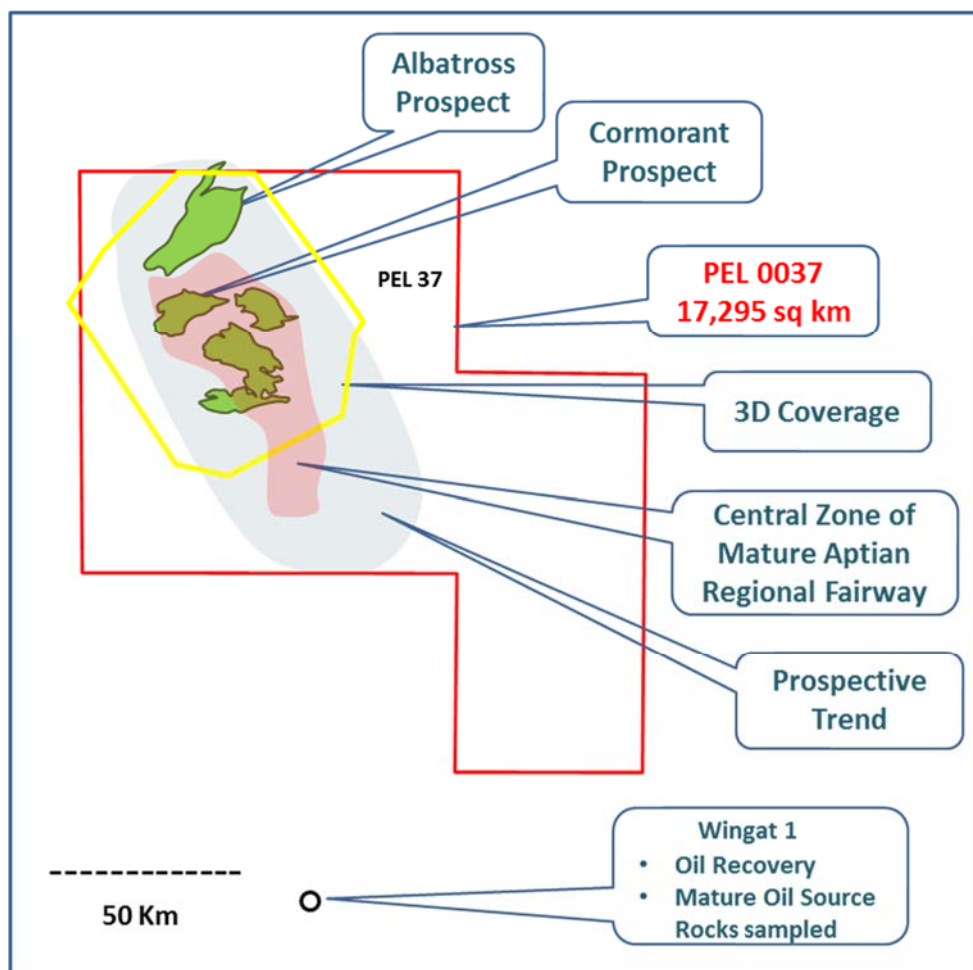


Figure 3 - Exploration Licence 0037, 3D Coverage, Central Zone of Oil-Mature Regional Fairway and Prospects

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Prospects & Leads

Pancontinental has estimated the Prospective Resource potential of the Prospects mapped to date using factors including estimates of the area of the Prospects, of to what level the Prospects may be oil filled, the thickness, geometry, porosity and net to gross factors of the potential reservoirs, oil saturations and commercial recovery factors. The estimates have been made on a deterministic basis and no probabilistic estimates or chances of drilling success have therefore been made in this case. Details of the Prospects and Leads mapped to date are as follows: (see Cautionary Statement below)

PROSPECT / LEAD	STATUS	AREA (Sq Km)	PROSPECTIVE RESOURCE 100% (MmBbls) *	NET TO JOINT VENTURE (MmBbls)	NET PANCONTINENTAL SHARE (MmBbls)
Albatross	Prospect	293	349	331.6	99.5
Seagull & Gannet S	Prospect	273	338	321.1	96.3
Seagull & Gannet N	Prospect	90	104	98.8	29.6
Cormorant	Prospect	120	124	117.8	35.3
Upper Fan 2	Lead	85			
Lower Fan 3	Lead	352			
Lower Fan 4	Lead	170			
TOTAL (Prospects Only)			915*	869.3	260.7

Table 1- Table of PEL 37 Prospects and Leads areas and Prospective Resource Volumes evaluated as at 28 September 2015

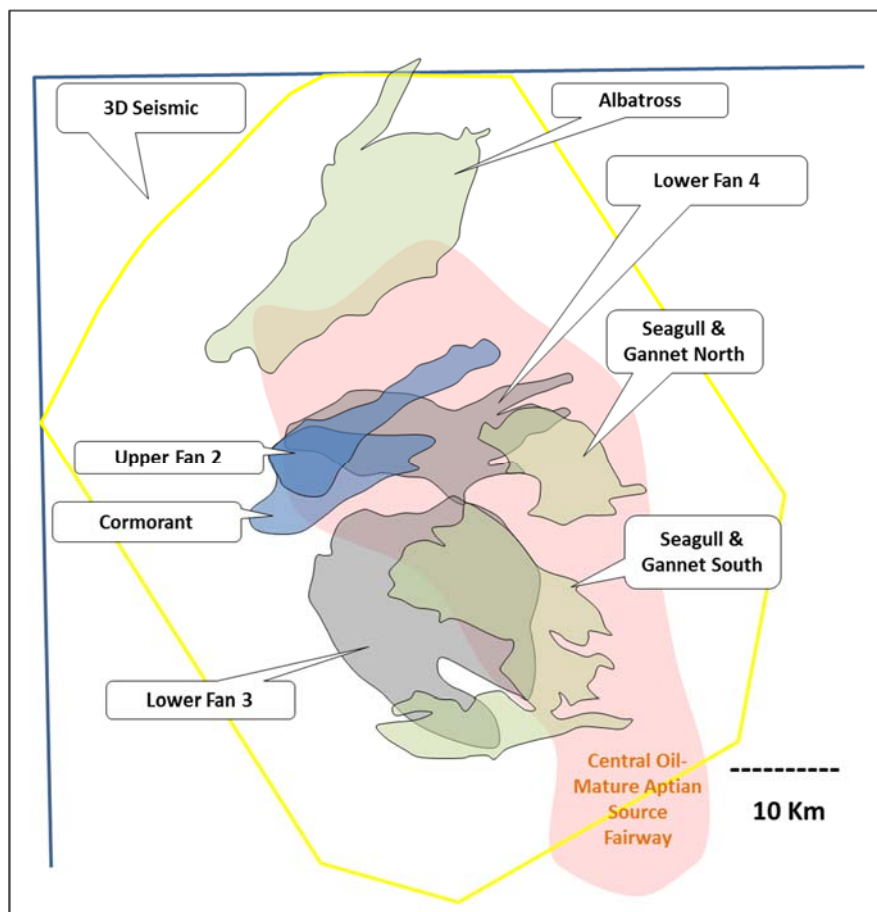


Figure 4 – PEL 37 Prospects & Leads

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The Cormorant Prospect

Cormorant is a Cretaceous base-of-slope turbidite fan prospect, located in water depths of 410+m. The prospect is located within the central part of a "fairway" which was predicted by Pancontinental during the formation of its exploration theories on Namibia. The Company's philosophy was supported when Brazil's HRT (now PetroRio) drilled and successfully recovered oil from the Wingat-1 well in 2013. The oil found in Wingat-1 is interpreted to be at approximately the same stratigraphic level as the PEL 37 prospects defined and identified on recent 3D. In addition, the prospects are interpreted to be close vertically to the interpreted oil source rocks that were also penetrated by Wingat-1.

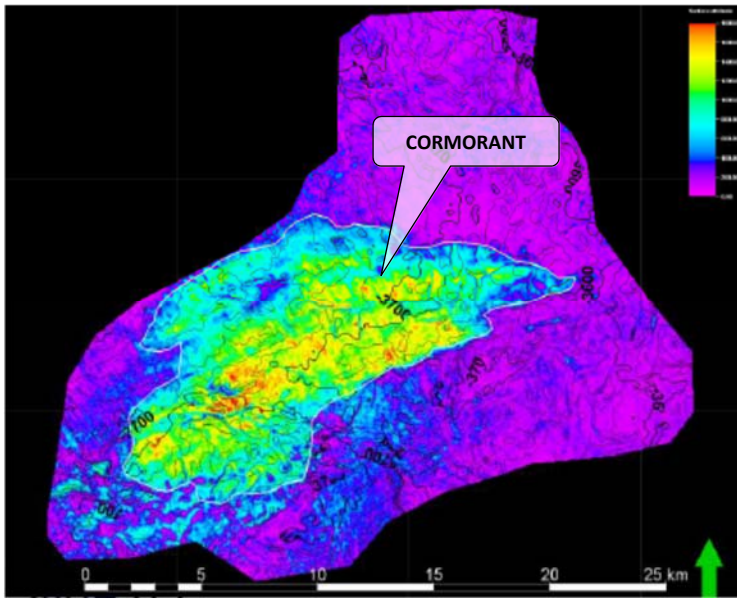


Figure 5 –
Seismic Attribute
Map of Cormorant
Prospect

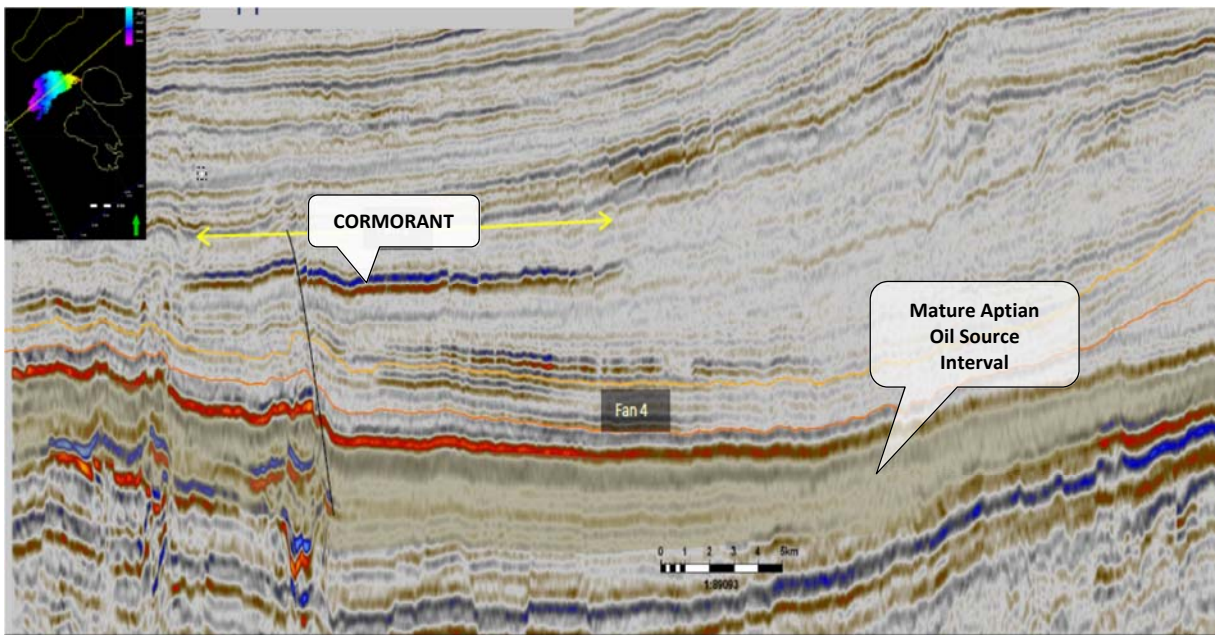


Figure 6 – Seismic Dip Line through Cormorant

The Albatross Prospect

Albatross is a Cretaceous slope and base-of-slope turbidite fan prospect located in a water depth of 400 m and covering the largest area of all the Prospects and Leads mapped to date. The Prospect is positioned on the northern flank of the fairway above Cormorant and the Seagull /Gannet Prospects and is interpreted to have access to some of the thickest and most mature area of the Aptian oil source rock fairway.

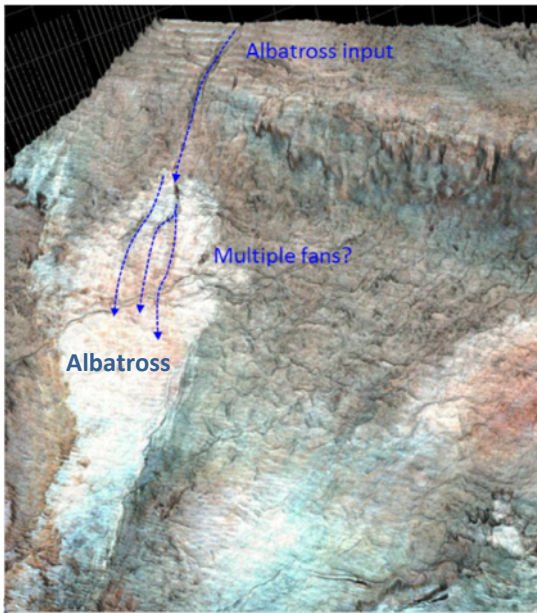


Figure 7 – 3D image of Albatross Prospect

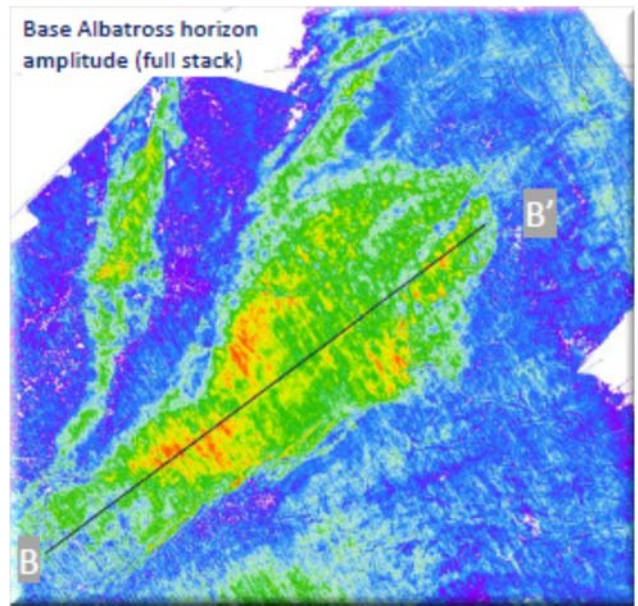


Figure 8 – Seismic Attribute Map of Albatross

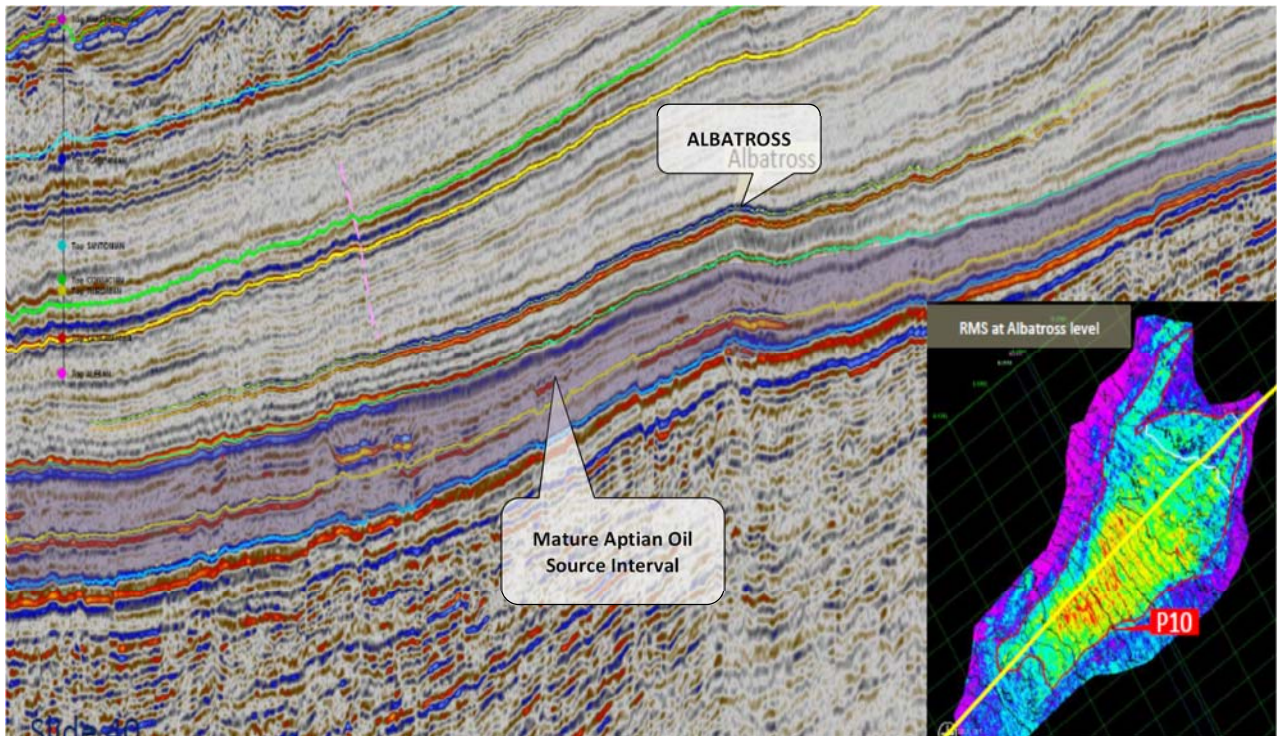


Figure 9 – Seismic Dip Line through Albatross

Example of Lead – Lower Fan 3

The Lower Fan 3 Lead immediately overlies mature oil source rocks as identified in Wingat-1. Significant additional potential lies in turbidite fans still being mapped on 3D in PEL 37 such as Lower Fan 3; a Prospective Resource estimate will be made when this Lead, with others, is upgraded to Prospect status.

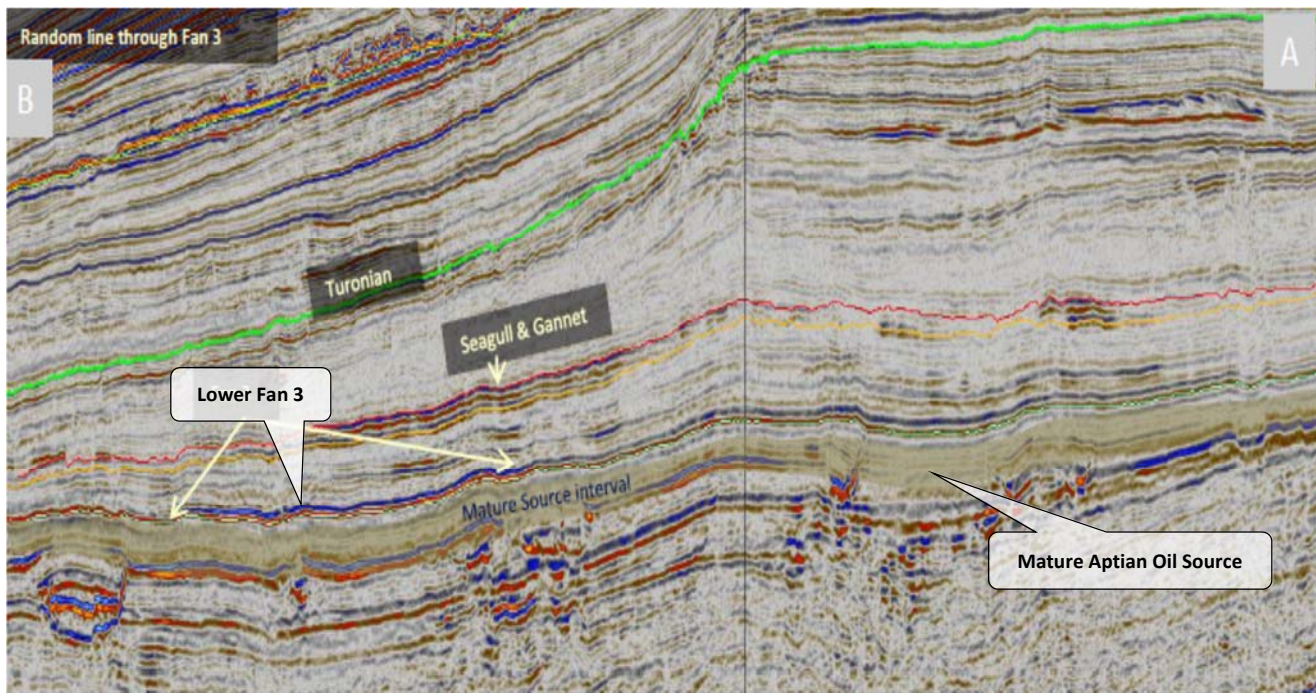


Figure 10 – Seismic Cross-Section of Lower Fan 3 Lead

Current and Future Exploration Activity

It is anticipated that PEL 37 operator Tullow Oil will continue with detailed mapping and sophisticated and detailed technical and commercial analysis of Prospects and Leads.

Prospects are being filtered for technical and commercial risks, and other factors and are being prioritised as drilling targets.

Leads are being mapped in detail with the aim of raising these to Prospect status.

Depending on an election by Tullow required by 31 March 2016 to commit to drilling, planning for drilling will continue. Drilling may be undertaken with an additional joint venture participant in 2016 or early 2017, depending on a number of factors such as rig availability.

Pancontinental is assessing opportunities to potentially divest a small part of its 30% interest in the project to strengthen its balance sheet and fund possible additional high-prospectivity new ventures.

Summary – Petroleum Exploration Licence 37 offshore Namibia

LOCATION:

Walvis Basin, Offshore Namibia

PROJECT SIZE:

17,295 square kilometres

JOINT VENTURE PARTNERS:

Tullow Kudu Limited (Operator)
65.00%

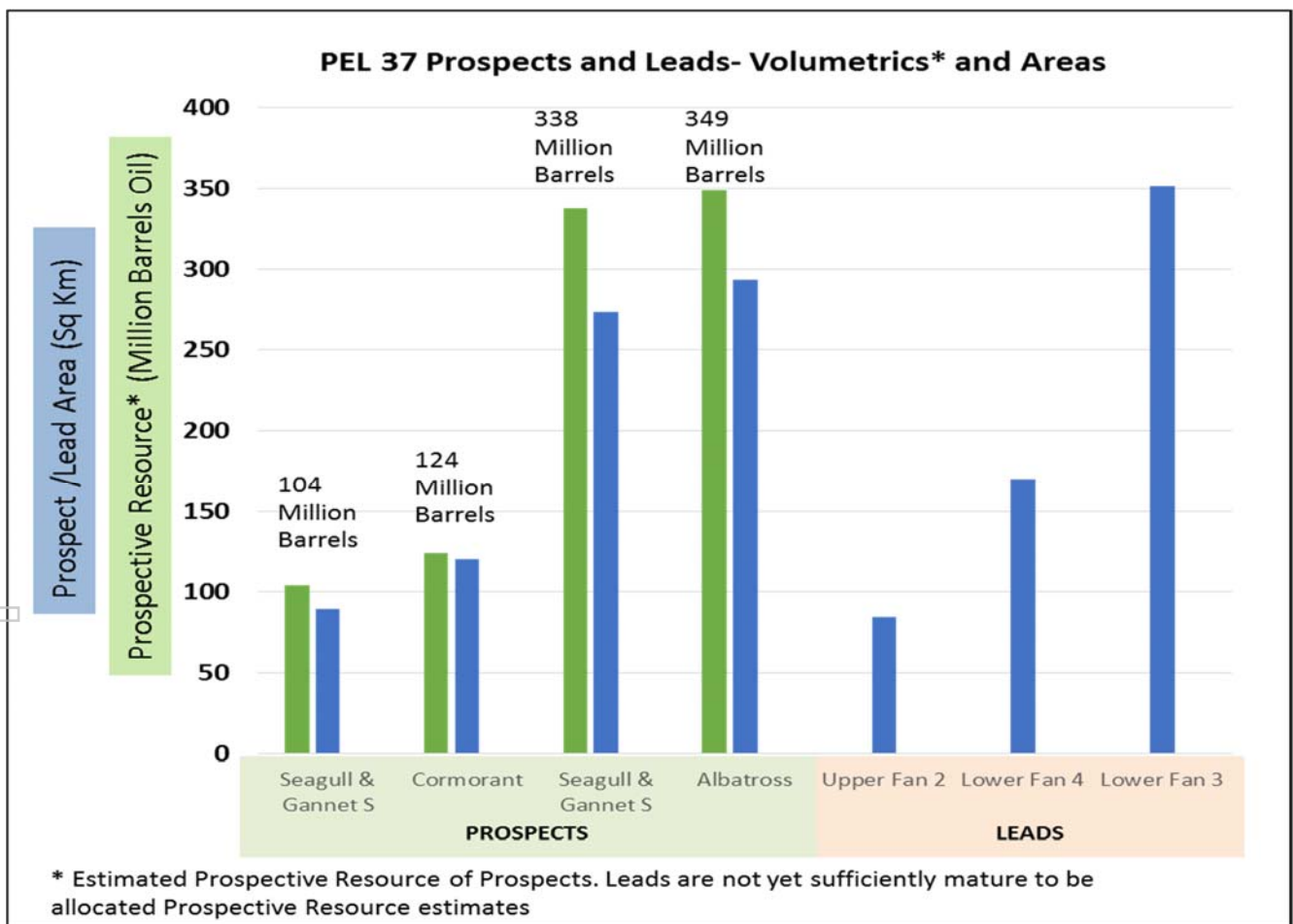
Pancontinental Oil & Gas Group
30.00%

Paragon Oil & Gas (Pty) Ltd
5.00%

Exploration licence 0037 is located offshore in the Walvis Basin. The Walvis Basin is one of four basins offshore Namibia and is an elongated SSE-NNW basin which is adjacent to the Walvis Ridge and north of the Luderitz Basin.

In this frontier basin, while the level of exploratory work conducted is not comparable to other advanced basins, the findings to date have been very encouraging in proving the necessary elements of a working petroleum system and the potential for multiple high-volume oil discoveries.

A number of Prospects and Leads mapped on 3D so far are located in favourable geological settings on an oil "fairway" identified by Pancontinental in its early exploration work in the area. Volumetric estimates of Prospects are as follows:



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Mr Barry Rushworth, CEO of Pancontinental commented-

"Pancontinental is extremely fortunate in having a 30% carried interest in what is proving to be an extremely promising project offshore Namibia. PEL 37 neatly covers the most prospective part of a very exciting offshore oil exploration fairway.

Project operator Tullow Oil has carried out mapping and analysis and de-risked the oil play here to a very high standard. We are delighted that our initial theories have been worked-up with such positive results.

The Prospective Resource oil volume potential estimated so far is extremely favourable and we expect that work on additional Leads will yield similar potential.

In the event of a discovery, we already have 7 large Prospects and Leads mapped and we fully expect more to exist along the 100Km of this trend, all within PEL 37.

We now look forward to drilling which is possible in 2016 or early 2017 depending on a number of factors such as rig availability."

DISCLAIMERS

Prospective Resource Estimates Cautionary Statement

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Prospective Resources

All Prospective Resource estimates in this report are prepared as of 28 September 2015. The estimates have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers and have been prepared using deterministic methods. Unless otherwise stated the estimates provided in this report are Best Estimates. The estimates are unrisks and have not been adjusted for an associated risk of discovery and risk of development. The 100% basis refers to the total resource while the Net to Pancontinental basis is adjusted for the Government Royalty of 5% under Production Sharing Contracts and Pancontinental's percentage entitlement under Joint Venture contracts.

Prospective Resources estimates in this report have been made by Pancontinental Oil & Gas and may be subject to revision if amendments to mapping or other factors necessitate such revision.

Prospects and Leads

The meanings of "Prospects" and "Leads" in this report are in accordance with the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers. A Prospect is a project that is sufficiently well defined to represent a viable drilling target. A Lead is a project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and / or evaluation to be classified as a Prospect.

Competent Person Statement Information

The hydrocarbon resource estimates in this report have been prepared by Mr Roy Barry Rushworth the Chief Executive Officer and Executive Director of Pancontinental Oil & Gas NL. Mr Rushworth has more than 30 years' experience in practising petroleum geology and exploration management.

Mr Rushworth consents to the inclusion in this report of information relating to the hydrocarbon Prospective Resources in the form and context in which it appears.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Pancontinental's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Pancontinental believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements.

For and on behalf of

Pancontinental Oil & Gas NL



Barry Rushworth
CEO and Executive Director

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