

Highlights

Namibia EL 0037 – Analysis of Extensive Seismic Data Continues

- » Operator Tullow Kudu Limited continued its exploration efforts in analysing seismic data acquired in the Walvis Basin for blocks 2012B, 2112A and 2113B.
- » With a number of key Prospects mapped to date, the joint venture is extracting valuable information from seismic records to delineate prospects for potential drilling.
- » Pancontinental is in a sound position with regard to these permits as the financial exposure rests 100% with Operator Tullow. The exploration programme to date consisting of 3D and 2D acquisitions, processing and initial interpretation (totalling approximately US\$30 million so far) have all fallen under the farmout agreement terms with Tullow, at no cost to Pancontinental.

Kenya L10A – Regional Activity Confirms Interest in the Area

- » While the L10A joint venture is awaiting further exploration findings from Operator BG, regional activity will also bring important information to be considered in the evaluation. Experienced explorer Anadarko Petroleum is considering drilling the Mlima-1 well in neighbouring permit L11B in the near term. The potential drilling will be watched closely by the L10A joint venture as it is reported to be targeting a large four way dip structure.

Kenya L6- Preparation Continues for Seismic and Drilling

- » Planning continued for onshore seismic and drilling by farminee Milio International. It is anticipated that operations will commence within the forthcoming months.

Australia

- » Non-core, low reward Australian assets were relinquished during the quarter.

Corporate

- » Cash balance of \$2.9 million as at 31 March 2015.
- » Pancontinental's corporate head office in Perth was relocated to new premises during the quarter.

ASX Code – PCL

Issued shares – 1,151 million

Market Capitalisation - @ 1.2 cps - \$13.8 m

Cash at End of Quarter - \$2.9 million

Overview

While market conditions continue to dictate the oil and gas environment, Pancontinental maintains that in the Company's frontier areas, exploration success is the Company's primary aim.

The Company's financial exposure on two of its key assets has been farmed out to joint venture partners. The licence EL 0037's exploration programme offshore Namibia is continuing to yield strong results, with no capital required to be expended by Pancontinental for the current exploration programme, while Licence L6 in Kenya has been farmed out for onshore seismic and drilling.

The L10A and L10B permits have recently been the financial spotlight and the focus for management. While both areas are prospective and a number of mapped prospects straddle the blocks, the L10A block has a higher reward profile and as such it was decided post quarter end to withdraw from the L10B joint venture. Pancontinental was the last remaining joint venture partner other than the Operator BG Group in L10B. Pancontinental believes that it still has sufficient and very valuable exposure to the prospectivity of this immediate area through the 18.75% interest in L10A.

Your Board and Management Team look forward to ongoing activity in the coming months, especially in relation to our Namibia licence EL 0037.

International Projects



Kenya

Kenya Offshore & Onshore

Around 2002, during Pancontinental's geological evaluation of new venture areas, the Company recognised the oil potential of the Lamu Basin offshore Kenya. Applications for exploration areas were submitted to the Ministry of Energy and Petroleum and as a result several permits were granted.

Exploration work programmes and strategic joint venture alliances mean that Pancontinental is a key offshore explorer, with recent success in both oil and gas discoveries. Now, as the longest standing oil explorer offshore Kenya, Pancontinental continues in its pursuit of commercial oil in blocks L6 and L10A.

Subsequent to the end of the Quarter, Pancontinental decided to make a strategic withdrawal from licence L10B, leaving BG Group as the only remaining of the original four licence participants. Pancontinental retains its interest in the prospectively offshore southern Kenya through its interest in licence L10A, as well as L6 further north.

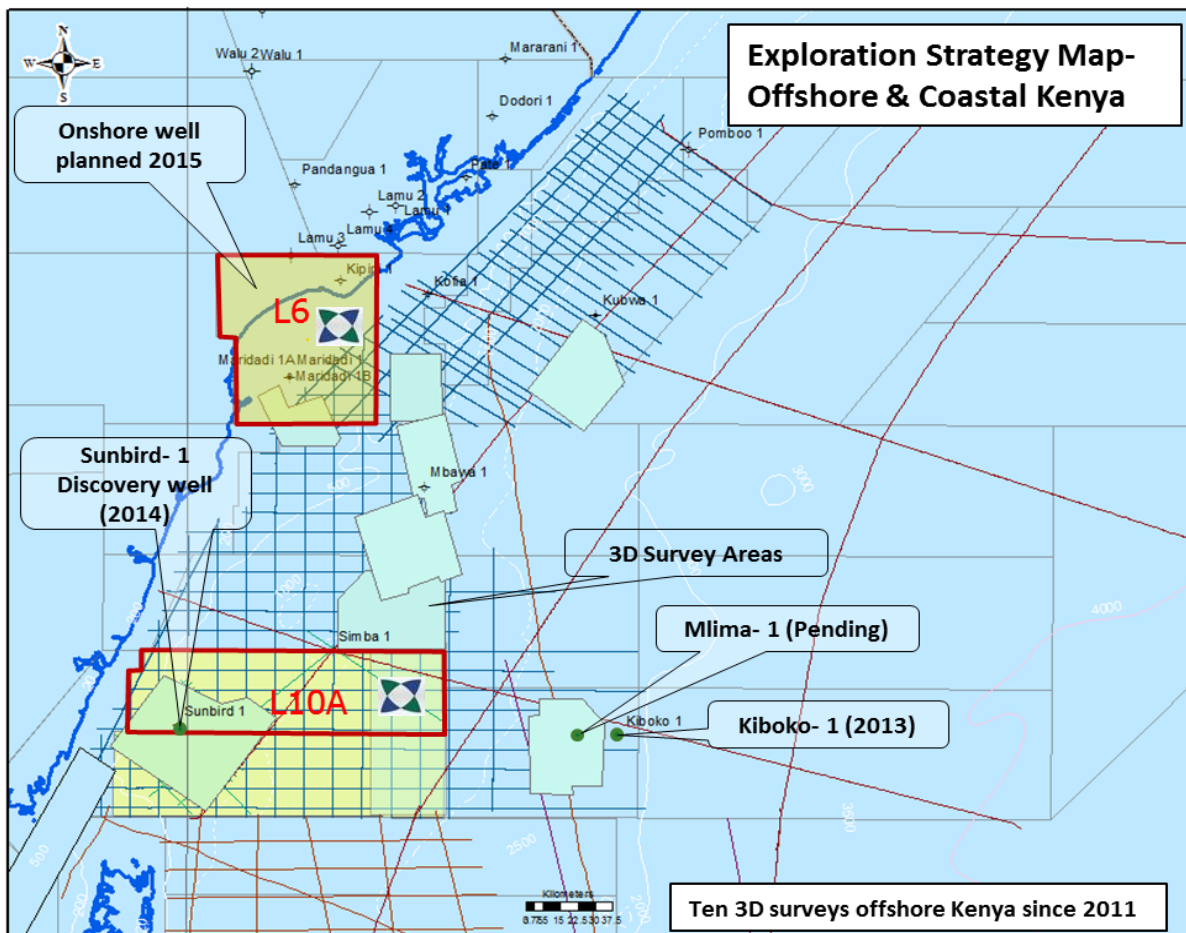


Figure 1 - Kenyan Exploration Strategy Map

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Kenya Offshore Block L10A

Location:	Lamu Basin	
Project Size:	4,962 square kilometres	
JV Partners:	BG Group (Operator)	50.00%
	Pancontinental	18.75%
	PTTEP	31.25%

Exploration Activity

During 2014, the L10A joint venture drilled the Sunbird Prospect in Kenya with positive results. The discovery was the first-ever offshore oil for the country as well as for the entire East African Coast.

Since the completion of the Sunbird-1 well, detailed studies have been the focus of joint venture activities. These studies will help to unravel the geological complexity in the region and progress future exploration.

With 4,800km² of high-quality 3D seismic data acquired over recent years in combination with the oil and gas data recovered from the Sunbird-1 well, the joint venture is in possession of valuable information which will be further developed and regional activity continues to yield additional information. Seasoned US explorer Anadarko Petroleum may potentially be drilling the Mlima-1 well in the adjoining L11B permit. The proposed drilling will concentrate on a large four way structure.

Once assessment and review of all the available data has been taken into account and applied to the existing known prospects and leads, the joint venture will be in a position to consider recommendations by the Operator BG Group on further exploration activities in the permit.

Kenya Offshore Block L10B

Location:	Lamu Basin	
Project Size:	5,585 square kilometres	
JV Partners:	BG Group (Operator)	75.00% (pre PCL withdrawal)
	Pancontinental	25.00% (pre PCL withdrawal)

Exploration Activity

Pancontinental has revised its Kenyan exploration strategy and as such withdrew from the L10B block post quarter-end. Under the terms of the joint venture, Pancontinental's withdrawal is not effective until 31 May and will also require consent from the Kenyan Ministry. The Company has queried the overheads and costs charged by the operator and is seeking a resolution to this issue so that an orderly exit can be achieved.

The Company considers that, while there is considerable merit in the oil play opened by the Sunbird discovery, it has sufficient exposure to that play in area L10A.

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Kenya Onshore/Offshore Block L6

Location:	Lamu Basin	
Project Size:	5,010 square kilometres	
JV Partners	FAR Limited (Operator)	60.00%
Offshore:	Pancontinental	40.00%
JV Partners	Milio International (Operator)	60.00%
Onshore:	Pancontinental	16.00%
	FAR Limited	24.00%

Exploration Activity

Onshore

Pancontinental's farmout to Dubai-based Milio International will carry the Company through exploration expenditure on 2D seismic and an exploration well in the onshore portion of the block.

Preparations are currently underway for seismic operations, the results of which will be processed and interpreted to assess the ideal locations for near term drilling. Milio's interest in the L6 permit was sparked during exploration works on their neighbouring permit L20 and as such farmout terms were agreed for the entry of Milio into the L6 joint venture.

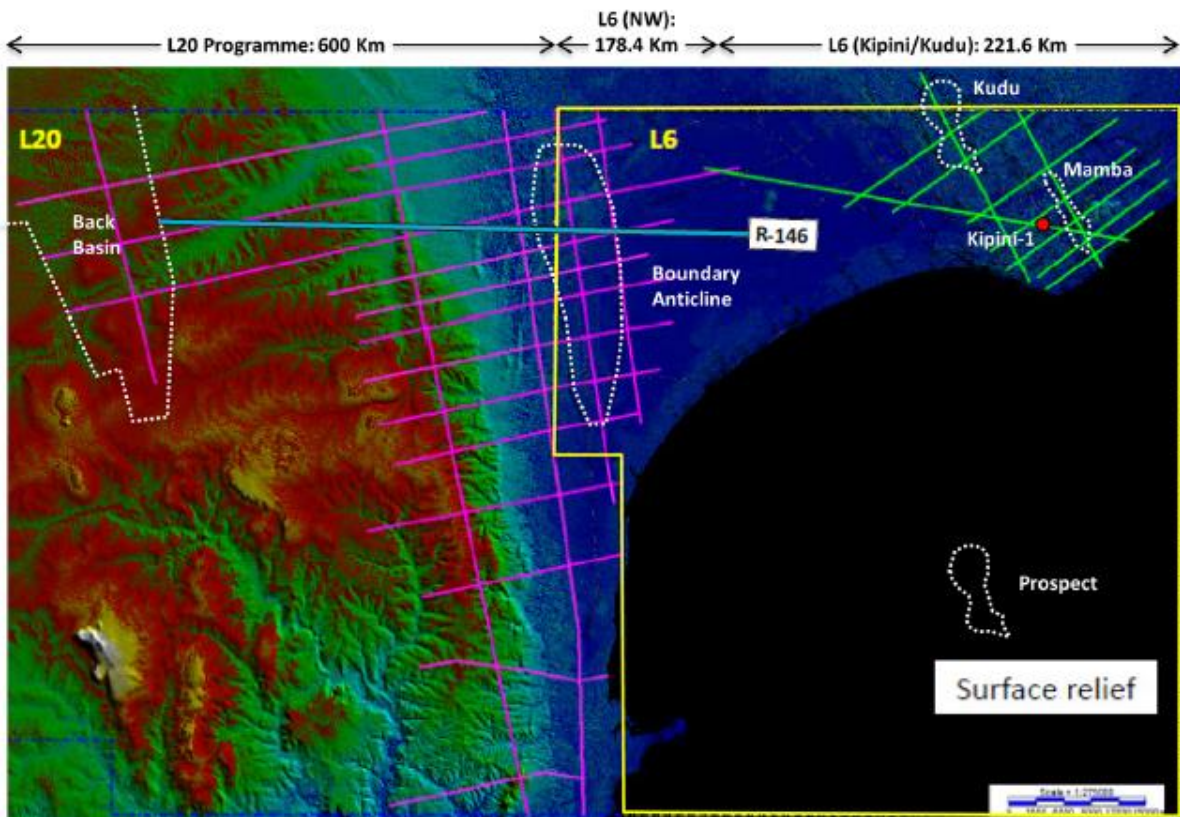


Figure 2 – Milio International's proposed seismic programme
[Source: Milio International]

Offshore

The L6 permit is a combination of both onshore and offshore areas. The onshore portion of the block has been farmed out and is free carried for the next phase of exploration activity. Pancontinental and its joint venture partner FAR Limited are also looking for an attractive farmout deal for the offshore section on similar terms. With a strong 40% interest Pancontinental is well positioned for mitigating risk by reducing its interest while retaining a percentage so as to benefit from any exploration success that may be encountered within the permit.

A number of drill-ready prospects have been mapped using 3D seismic acquisition and interpretation. Tembo, an Eocene sand play; Kifaru and Kifaru West are reef prospects and it is believed that the prospects have access to the same oil source discovered by the Sunbird-1 well.

In addition to the joint venture's own exploration findings via seismic and desktop studies, the participants watch the progress of regional exploration programmes in order to assess the best route for exploration going forward.

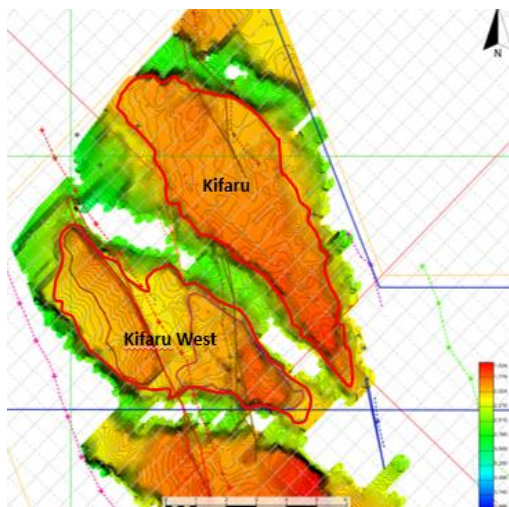


Figure 3 – Kifaru & Kifaru West Prospects

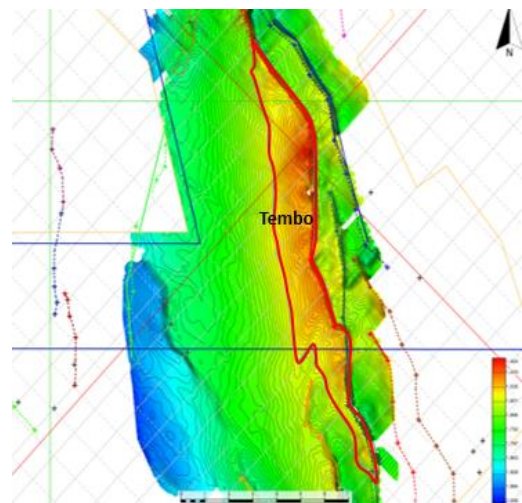


Figure 4 – Tembo Prospect

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International Projects



Namibia

Namibia Offshore



Pancontinental's presence in Namibia has spanned over a decade. During that time the Company has developed strong working relationships with the Government as well as local joint venture partners in the exploration of Namibia's offshore areas.

Namibia's stable economy and transparent business practices have enabled Pancontinental to successfully conduct business there for many years.

Currently the Company holds three blocks offshore Namibia; 2012B, 2112A and 2113B. All three blocks are governed by licence EL 0037.

Figure 5 – Licence EL 0037 Offshore Namibia
[Source: Tullow Kudu Limited]

Participants in the EL 0037 joint venture initially began with Pancontinental and a local partner Paragon Oil & Gas (Pty) Ltd in 2011. Since then, Tullow Kudu Limited has conducted its own analysis of the area and confirmed interest in the geology of offshore Namibia by entering into two exploration licences; one of which is Pancontinental's EL 0037.

Tullow's acreage acquisition positioned the company in a location that could target an extension of a material oil play in favourable water depths.

Pancontinental welcomed the entry of Tullow into the joint venture as the Company could retain a significant interest in the licence while participating in a Tullow led exploration campaign worth an estimated US \$130 million – free carried.

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Namibia Offshore EL 0037

Location:	Walvis Basin	
Project Size:	17,295 square kilometres	
JV Partners:	Tullow Kudu Limited (Operator)	65.00%
	Pancontinental	30.00%
	Paragon Oil & Gas (Pty) Ltd	5.00%

Exploration Activity

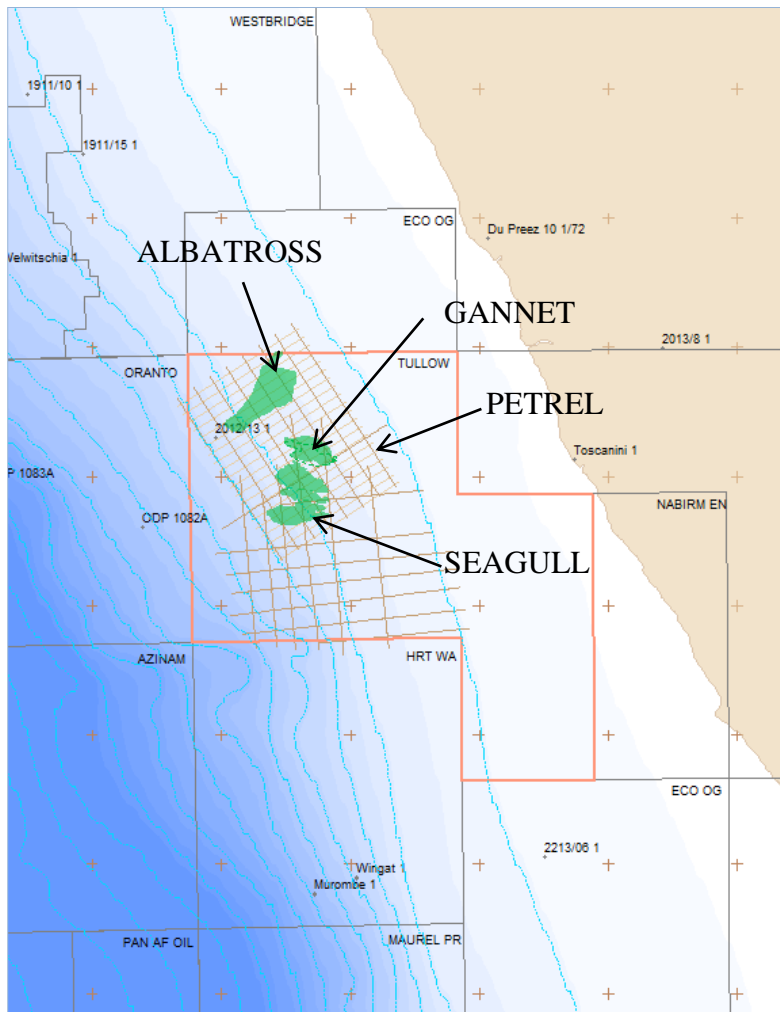


Figure 6 – Prospects within Licence EL 0037
Offshore Namibia

Pancontinental's three exploration blocks are located offshore Namibia in the Walvis Basin.

Initial exploration by Pancontinental and its local joint venture partner Paragon Oil & Gas (Pty) Ltd identified an oil mature fairway and a "sweet spot" area for oil generation.

In September 2013, Tullow Kudu Limited farmed into the licence for a 65% operator interest. An exploration campaign for the licence is being fully funded by Tullow, leaving Pancontinental with no financial obligations.

Following Tullow's entry into the joint venture, acquisition of 3,000 sq km of 3D seismic and an

additional 1,000 km of 2D seismic has been completed. The processing of this data has also been completed with several prospects and leads identified on early data.

The initial fairway predicted by Pancontinental holds the four major prospects; Albatross, Gannet, Petrel and Seagull.

Ongoing analysis of the data acquired will provide the information required to assess the prime locations for future potential drilling.

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Licence Schedule

Licence Location	Licence Reference	PCL (consolidated) interest at the beginning of the quarter	Movements for the current quarter	PCL (consolidated) interest at the end of the quarter
Kenya	L6 offshore	40.00%	0.00%	40.00%
	L6 onshore	16.00%	0.00%	16.00%
	L10A	18.75%	0.00%	18.75%
	L10B*	25.00%	0.00%	25.00%
Namibia	EL 0037	30.00%	0.00%	30.00%
Western Australia	EP 104 (R1)	11.11%	(11.11)%	0.00%
	EP 110	38.462%	(38.462)%	0.00%
	EP 424	38.462%	(38.462)%	0.00%
	L15	12.00%	(12.00)%	0.00%

* Withdrawal post- quarter-end

Corporate

Cash Position

- » As at 31 December 2014, Pancontinental's cash position was \$2.9 million;
- » The major items of expenditure during the March 2015 Quarter were:
 - Exploration and Evaluation \$5.6; and
 - Administration \$0.3
- » During the quarter, the Company continued its review of discretionary spending in order to preserve cash balances. The Company's Australian assets were relinquished during the quarter due to their low reward profile, so that capital could be directed to key assets.

Change of Registered Office and Principal Place of Business

Pancontinental has relocated its office to new corporate accommodation. The Company's new details are as follows:

Office Address: Level 1, 10 Ord Street, West Perth WA 6005

Mailing Address: PO Box 1154, West Perth WA 6872

Telephone Number: (08) 6363 7090

Facsimile Number: (08) 6363 7099

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Conferences

The Africa Oil and Gas Forum was held during March 2015 at the Perth Convention Exhibition Centre. The event included presentations from dignitaries of a number of Africa's leading oil and gas provinces sharing their wealth of information on what it takes to succeed in Africa.

Pancontinental is pleased to have been included in the presentation agenda and given the opportunity to present to such an audience. The Company's presentation was well received with much interest received on the projects and progress of Pancontinental's activities.

New Ventures

The Company's firm belief in the prospectivity of its major African assets continues. Changes in the international exploration environment may bring potential for entry into new areas for a lower initial costs. Pancontinental is exploring such avenues to add to its portfolio of assets.

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Disclaimers

Any 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.

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.

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