

Highlights



Namibia EL 0037 – Updated Prospective Resources

- » Four turbidite Prospects have been mapped on 3D seismic with the potential for Prospective Resources of 915 Million Barrels of Oil.* (see Cautionary Statement below) In addition, three Leads have additional oil potential.
- » In less than six months a drilling decision will be made by operator Tullow.

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.



Kenya L6 – 2D Seismic Planning for the Onshore Portion of the Block

- » Milio International negotiated entry into the onshore area of block L6 in Kenya to earn a 60% interest in exchange for a 2D seismic programme, drilling and testing of an onshore well and additional costs such as processing and interpretation with no financial obligation falling to Pancontinental.
- » Planning for the seismic acquisition is ongoing, with the operator coordinating with local authorities.



Corporate

- » Cash balance of \$993k as at 30 September 2015.

ASX Code – PCL

Issued shares – 1,151 million

Market Capitalisation - @ 0.5 cps - \$5.8 m

Cash at End of Quarter - \$993k

Overview

Pancontinental has strategically realigned its activities in the current worldwide petroleum industry downturn. The Company is free carried in both of its exploration permits, as well as operating at lowered corporate and overhead levels.

In Exploration Licence 0037 offshore Namibia, considerable potential is indicated by the updated prospective resource estimates released during the quarter. Operator Tullow has led an impressive exploration work programme and by March 2016 is required to determine if it will proceed with drilling within the permit. Pancontinental is looking forward to a positive outcome for the future exploration potential in the licence.

International Projects



Kenya Offshore & Onshore

Pancontinental's strategy of acquiring acreage in prospective under-explored areas extended to the onshore and offshore regions of Kenya in 2002 when the Company's first exploration licences were granted by the Ministry of Energy and Petroleum in Kenya. Since then, additional licences were granted and work obligations on the blocks fulfilled with successful exploration programmes.



Kenya's first offshore gas find was made by Pancontinental and its L8 joint venture partners in 2012 with the Mbawa-1 well. Then in 2014, the Sunbird-1 well brought promising results for the Company and its partners with the first ever offshore oil discovery, in the L10A block.

Both discoveries were located offshore in the highly prospective Lamu Basin.

A Miocene reef trend, proven to contain oil by Sunbird 1, extends to

block L6 (current Pancontinental block) where the earlier Maridadi-1 well also encountered oil indications.

The Company is now focusing on exploring the geological environments in block L6, both offshore and onshore, with the goal of achieving commercial discoveries.

Kenya Onshore/Offshore Block L6

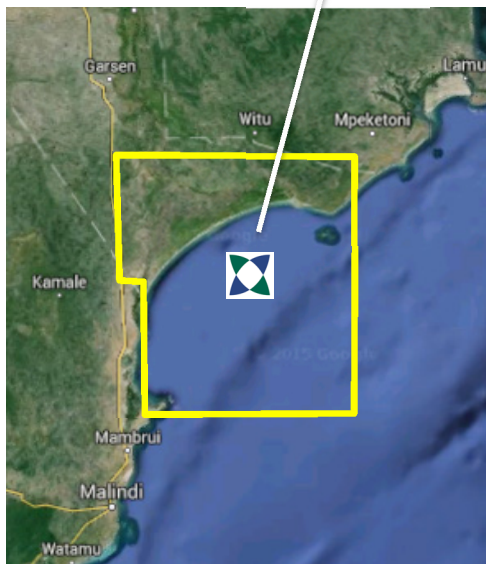
Location:	Lamu Basin	
Project Size:	5,010 square kilometres	
JV Partners	FAR Limited (Operator)	60.00%
Offshore:	Pancontinental	40.00%
JV Partners	Milio International (Operator)	60.00%
Onshore:	Pancontinental	16.00%
	FAR Limited	24.00%

Exploration Activity

Pancontinental's interest in the exploration licence covering Kenya's onshore/offshore block L6, dates back to its initial award in 2002. Since that time, and in conjunction with well-respected joint venture partners, the Company has undertaken a number of exploration programmes including Falcon airborne gravity and magnetics surveys, 2D seismic acquisition and interpretation, as well as 3D seismic and related processing, interpretation and mapping.



Location of Pancontinental's L6 Block



The L6 block is divided into onshore and offshore zones with the operator onshore Dubai-based Milio International ("Milio") and the operator offshore Australian-based FAR Limited ("FAR"). Both companies have considerable experience in the African continent and have the ability to lead the joint ventures to exploration success.



Tana River Delta

It has been Pancontinental's long held view that the Tana River which flows from the north near Mt Kenya, into the Indian Ocean, carried with it sediments into offshore troughs; Tembo and Maridadi. Both troughs flow south through block L6 and it is along this path that the Company believes is the prime location for oil generation.

Onshore

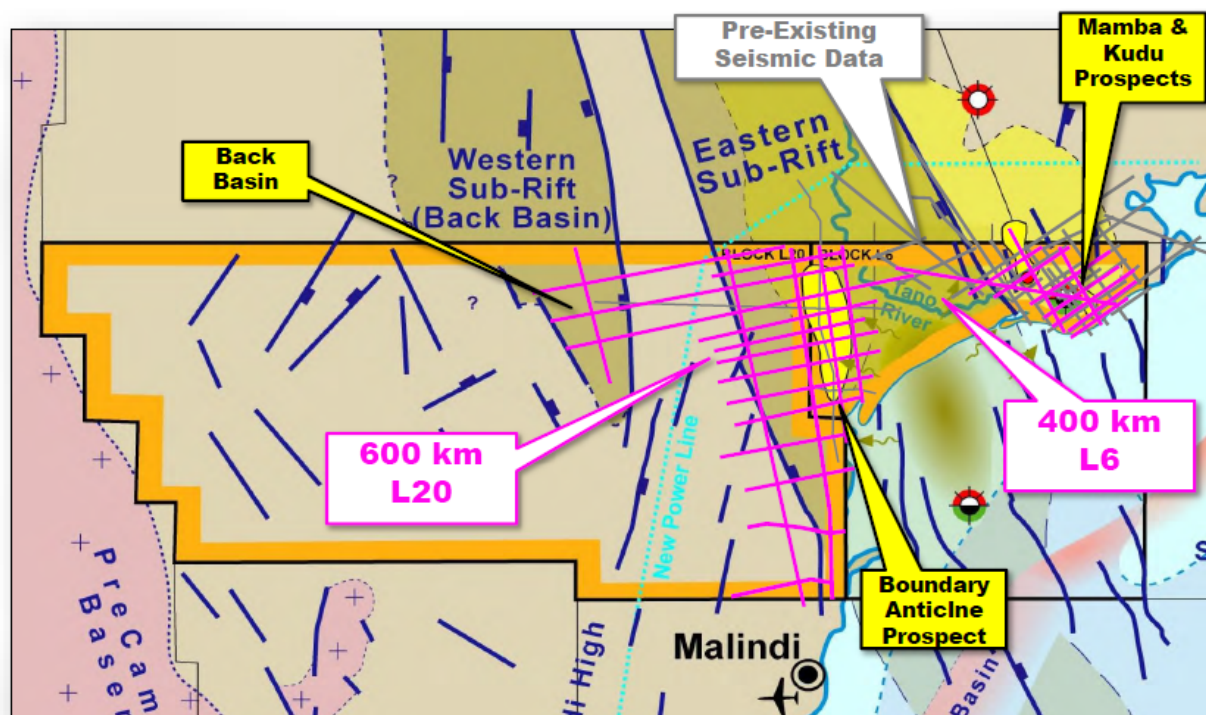
During the 2014 financial year, Pancontinental and its joint venture partner in block L6 agreed with Milio International for Milio's entry into the licence in exchange for fully funding the following exploration programme:

- 2D seismic survey of not less than 1,000km²;
- Drilling and testing of an onshore exploration well post the 2D seismic;
- Additional costs such as processing and interpreting of the 2D seismic

with no financial obligations reverting to Pancontinental in the case of unforeseen circumstances such as cost overruns.

Milio are operators of block L20 adjacent to Pancontinental's L6 block. During regional evaluation of existing wells and reprocessed 2D, Milio became aware of the prospectivity of the onshore region in L6. Milio and the L6 joint venture partners agreed a farmin deal which will see Milio earn a 60% interest in L6 and hold a combined block position over the prospective play trend.

Planning for seismic over the area is ongoing, although operational delays have been experienced. The below image shows the areas to be covered by 2D seismic. It is expected that the seismic will define drillable locations on primary prospects Mamba, Kudu and Boundary Anticline within block L6.

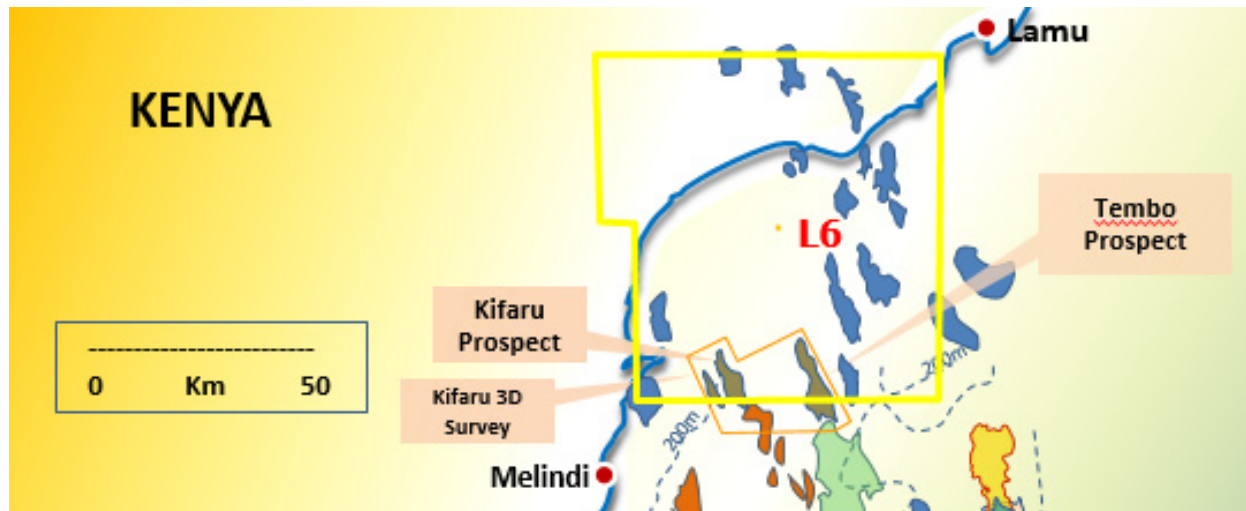


Milio International's planned seismic programme over blocks L6 and L20
[Source: Milio International]

Milio is an experienced operator in Kenya, with the commercial arm of Milio delivering 35% of Kenya's domestic LPG requirements in 2013. Pancontinental looks forward to the outcome of planned exploration activities for onshore block L6.

Offshore

The offshore section of block L6 is favourably positioned in the Tembo and Maridadi troughs that constitute a hydrocarbon “source kitchen”. A source kitchen is the area within which a source rock is capable of generating oil. Potential hydrocarbon trapping prospects have been identified in the L6 area as shown in the below image.



Offshore Kenya L6 Prospects

A number of drill-ready prospects have been matured using 3D seismic acquisition and interpretation and are similar to those in the Sunbird-1 oil discovery well, drilled in 2014 on block L10A further south.

The Kifaru and Kifaru West Prospects are:

- inboard prospects;
- interpreted to be large stacked Miocene reefs;
- have good lateral and top seals
- and in close proximity to mature Eocene source rocks.

The Tembo Prospect is:

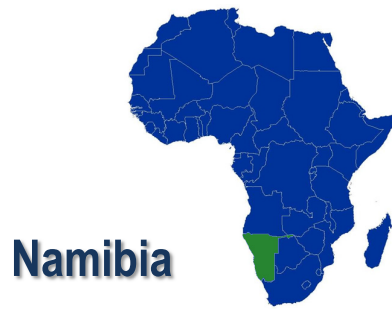
- an outboard prospect;
- an Eocene sand play;
- large tilted fault block trap; and has
- interpreted sandstone reservoirs at a number of levels.

Prospects in the offshore portion of permit L6 are on-trend to Pancontinental's Sunbird-1 discovery in block L10A, and it is believed that the L6 prospects have access to the same source as prospects in the L10A block.

The characteristics of the Company's L6 offshore block are encouraging for further exploration.

FAR Limited as operator of the offshore portion of the permit are experienced in the African exploration setting and Pancontinental is confident of the favourable prospective attributes of the licence.

International Projects

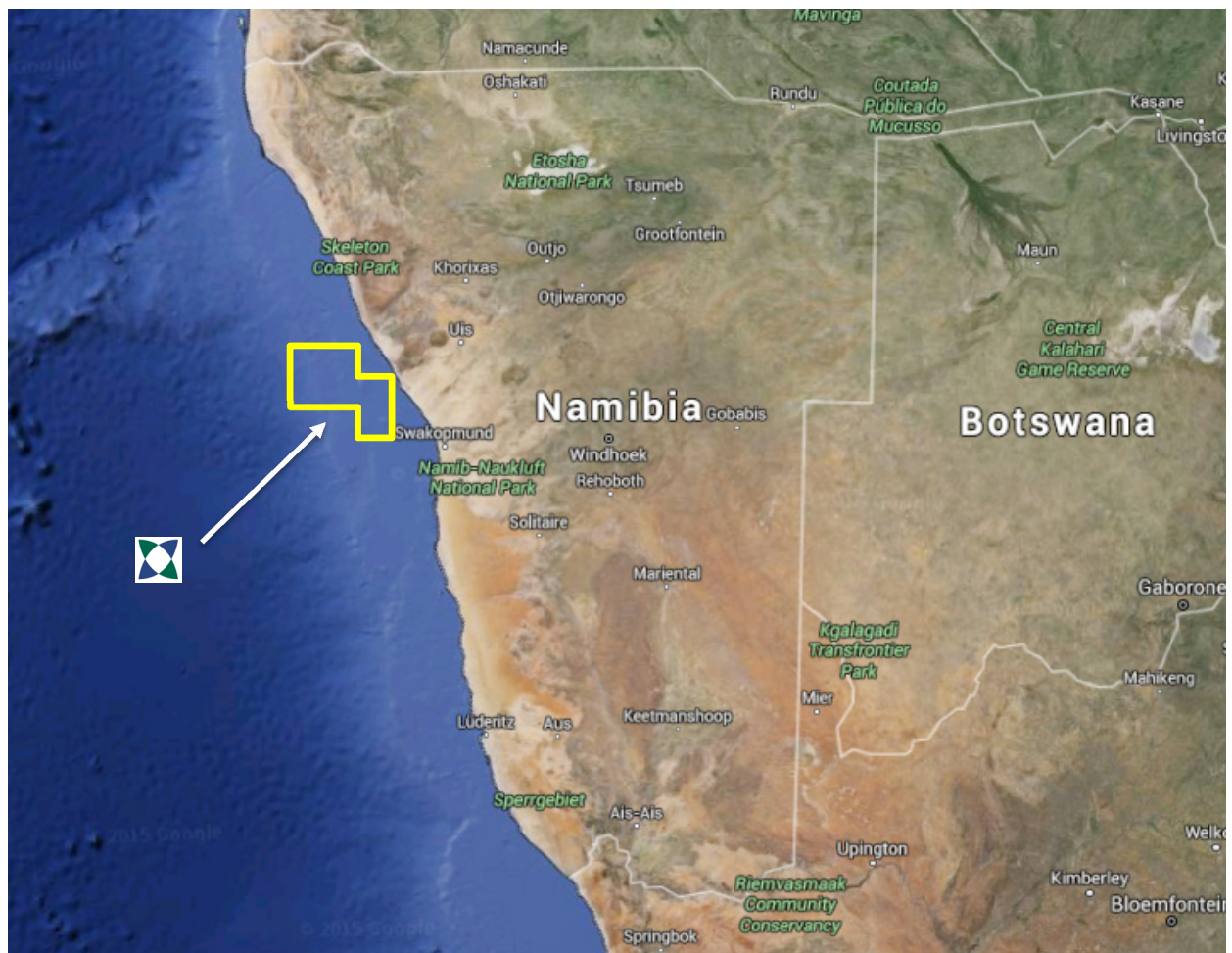


Namibia Offshore

Pancontinental has been active in Namibia for over ten years, with the Company's current exploration activities commencing in 2011 upon the award of a petroleum exploration licence "0037" over three blocks in the offshore waters of Namibia.

Early exploration programmes conducted by Pancontinental confirmed the prospectivity of the offshore region of Namibia and the Company has been present in country ever since.

Namibia's basins are still considered frontier basins due to the minimal exploration that has been conducted to date. However, in 2013 oil recovered from the Wingat-1 well drilled by Brazil's HRT (now PetroRio) in the licence immediately to the south of EL 0037, brought international attention to the area with majors now making their way back to the country.



Pancontinental's Offshore Namibian Exploration Licence

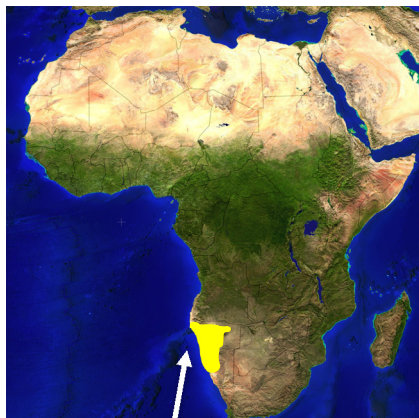
Namibia Offshore EL 0037

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

Exploration licence 0037 covers an area of 17,295 square kilometres offshore Namibia. Pancontinental and its local Namibian partner Paragon Oil & Gas (Pty) Ltd were the original applicants for the licence which was granted in 2011. Pancontinental then conducted further analysis confirming the potential of the area and acquired an additional 10% from its local partner, bringing its interest to 95%.

Tullow Oil joined Pancontinental by farming into its Namibian licence on favourable terms through subsidiary Tullow Kudu Limited ("Tullow").



Location of Pancontinental's EL 0037 Licence



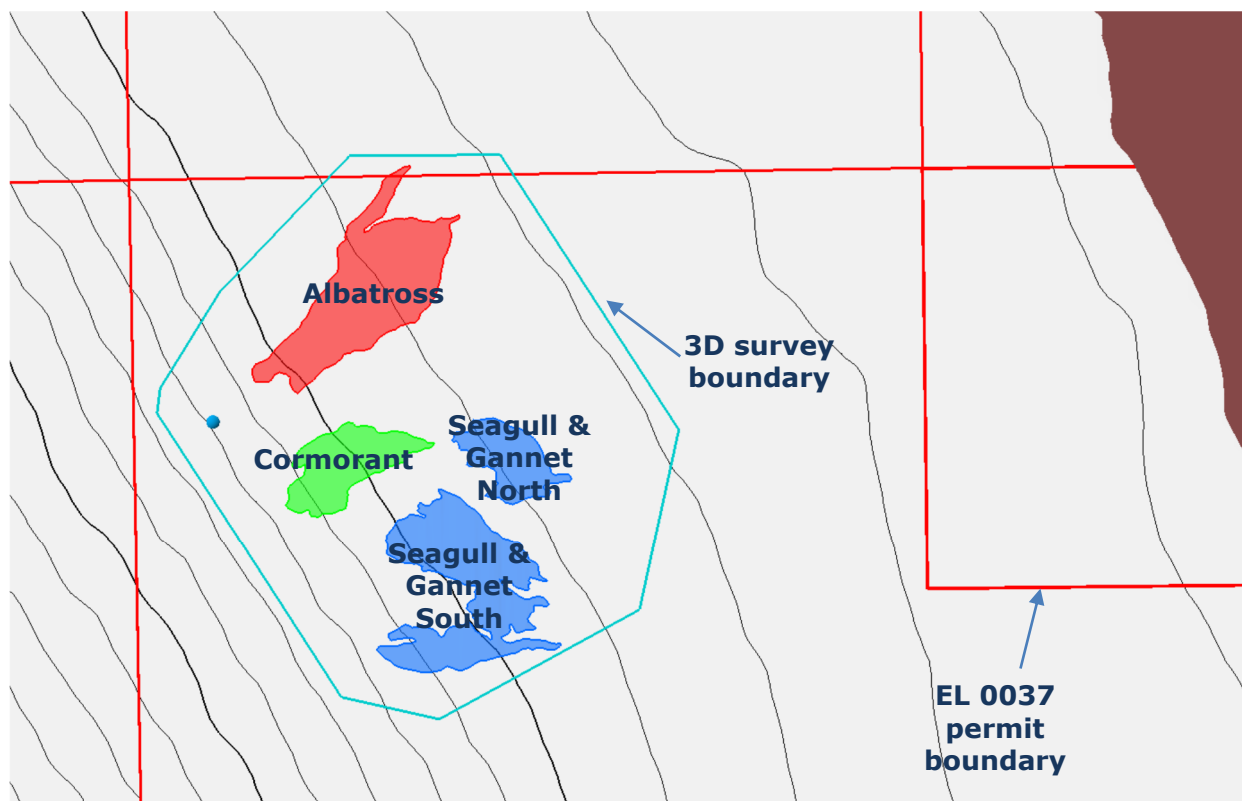
The farmin programme, worth in excess of US \$100 million, has been underway since 2014 with the following programme completed at a cost of approximately US \$34 million:

- 3,000 km² of 3D seismic covering approximately 17% of the licence;
- 1,000 km of 2D seismic;
- Processing of the seismic acquisition data; and
- Interpretation and mapping.

In addition to the above, under farmin Tullow will earn its full 65% interest by funding an exploration well with no financial "cap". The current phase in the exploration work programme is crucial as it will form the foundation for the drilling decision which is required to be made by Tullow no later than 14 March 2016.

With recent positive results from Brazils' HRT (now PetroRio) in the permit directly to the south of Pancontinental's licence and Tullow's successful and timely fulfilment of farmin obligations to date, Pancontinental is encouraged that the year ahead will bring a greater understanding of the geological background of offshore Namibia and a drilling campaign to prove the expectation of commercial oil reserves.

During the current quarter Pancontinental announced that the exploration findings to date have delineated four Turbidite Fan Prospects as shown in the below image; Albatross, Cormorant, Seagull & Gannet North and Seagull & Gannet South. In addition, three leads in the area have also been recognised, Upper Fan 2, 3 and 4 (not shown).



Extract of northern portion of EL 0037 showing 3D seismic boundary and mapped prospects

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 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
TOTAL (Prospects Only)			915*	869.3	260.7

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

DISCLAIMERS

Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum in this report 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

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 unrisked 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 Oil & Gas NL's percentage entitlement under Joint Venture contracts.

Prospective Resources estimates in this report have been made by Pancontinental Oil & Gas NL 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 Oil & Gas NL'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.

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%
Namibia	EL 0037	30.00%	0.00%	30.00%

Corporate

Cash Position

- » As at 30 September 2015, Pancontinental's cash position was \$993k;
- » The major items of expenditure during the September 2015 Quarter were:
 - Exploration and Evaluation \$91k; and
 - Administration \$289k.

Conferences

During the quarter, Finance Director Ernie Myers had the pleasure of presenting at the East Africa Oil & Gas Conference. The event is an emerging industry event that connects professionals from the Australian oil and gas sector with local governments, project and investment opportunities.



Pancontinental's Finance Director Ernie Myers presenting at the East Africa Oil & Gas Conference

The conference provided excellent opportunities to develop networks and business relationships.



Ernie Myers at the East Africa Oil & Gas Conference

New Ventures

The Company is favorably placed with its two exploration licences free carried for the next phase of work commitments. However, Pancontinental is continually considering new potential project areas that could add to the Company's portfolio.

Company Enquiries:

Barry Rushworth

CEO and Director

Tel: +61 8 6363 7090

Email: info@pancon.com.au

www.pancon.com.au

Head Office – Level 1, 10 Ord Street, West Perth, Western Australia 6005

Postal Address - PO Box 1154, Perth Business Centre, Western Australia 6872

Telephone +61 8 6363 7090

Facsimile +61 8 6363 7099

ACN 003 029 543