

## **Oil Activity Still Escalating Offshore Namibia, adding to Pancontinental's exciting Cormorant-1 drilling NEXT MONTH**

- **News just released:** Oil major ExxonMobil has farmed-in to a second block (PEL 44) on trend to Pancontinental's 20% owned PEL 37, the location of the upcoming Cormorant-1 well. This follows the ExxonMobil farm-in to the block right next door to PEL 37 in April this year;
- **Drilling September 2018:** Spud of the Tullow Oil operated Cormorant-1 well in PEL 37 by the Ocean Rig Poseidon. Pancontinental holds 20%, free carried through the cost of the well. The rig is in-country and making final preparations for drilling. A potential game changer for Pancontinental and Namibia;
- **Resource announcement September 2018:** In its new, 75% owned, PEL 87 project, Pancontinental will soon announce estimates of the oil resource potential of the main Prospects and Leads. Details are expected to bolster Pancontinental's early view of the very high oil potential, and to attract considerable industry interest. Oil Majors Total and Shell are already positioned on-trend to this project;
- **Due September 2018:** At spud of Cormorant-1, Pancontinental will receive a further AU\$7.3 million cash payment from investment partner Africa Energy Corp.;
- **Further Drilling offshore Namibia:** After Cormorant-1, AIM listed Chariot Oil and Gas will drill a well using the Ocean Rig Poseidon in PEL 71, an offshore block south of PEL 37. PEL 71 is on-trend to PEL 37 and the two ExxonMobil farmin areas.

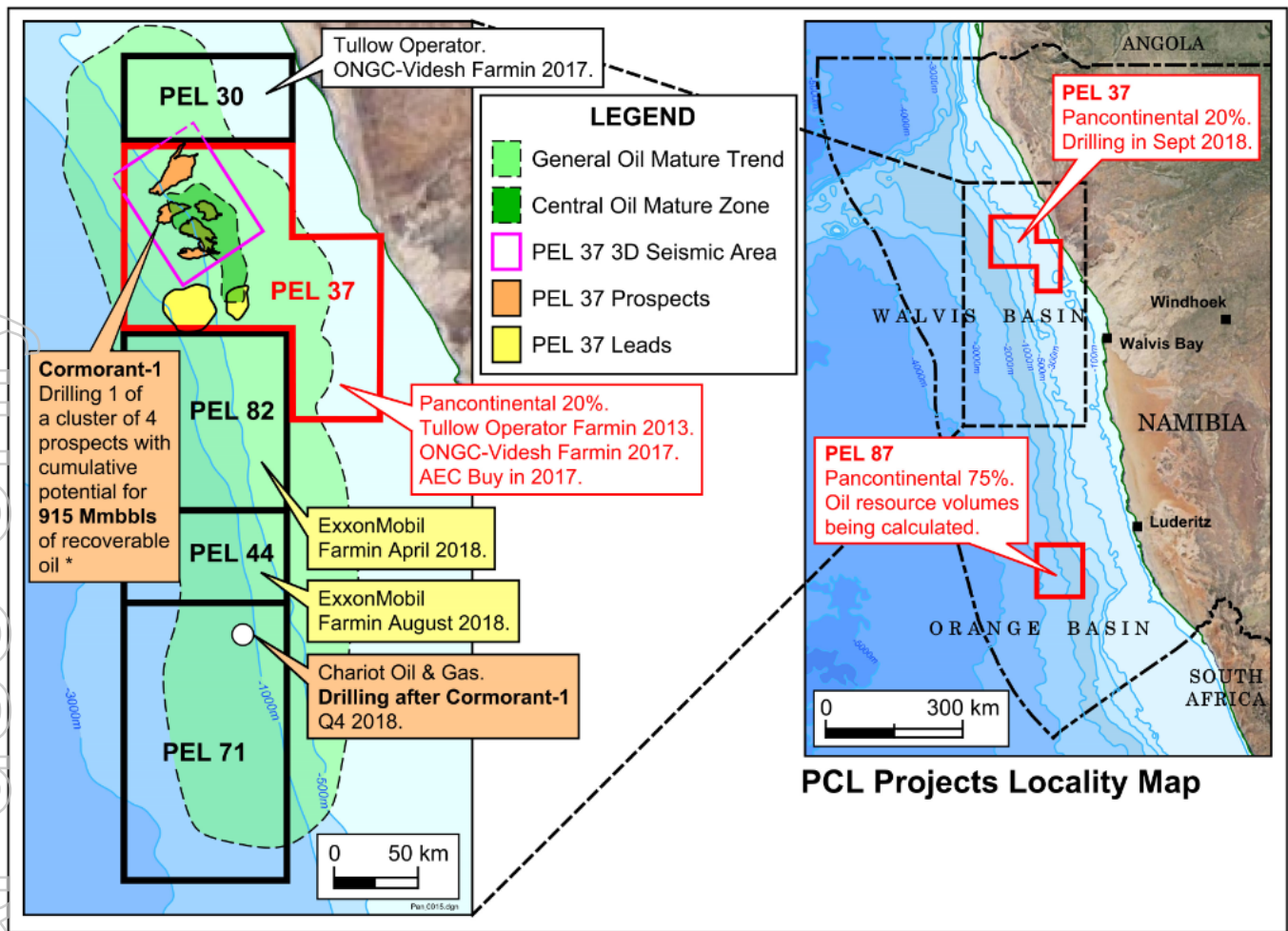
Commenting on the escalating oil industry investment offshore Namibia, Pancontinental CEO John Begg said:

*"In the search for Big Oil, these latest events provide further compelling evidence of the value of Pancontinental's highly material position in this global oil hotspot. We built our position early offshore Namibia and brought together a strong joint venture in PEL 37 that has led to drilling with the Company holding a free carried 20% interest. The recent ExxonMobil farmins attest to the size and importance of the play we are about to test with Cormorant-1 in PEL 37.*

*Now we are working to create our next industry- leading joint venture in PEL 87, leveraging our high interest there of 75%. Importantly our initial technical work is nearly complete in PEL 87. This will soon allow us to release details of the volumetric scale of the very large potential oil traps we are mapping there".*

**Please refer to the map on the second page of this press release.**

For and on behalf of  
**Pancontinental Oil & Gas NL**  
**John Begg, Executive Director & CEO**



#### \* Cautionary Statement

The recoverable resources referred to above have been calculated deterministically and are unrisks best estimate prospective resources. These were announced on 28 September, 2015.

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.

The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

#### JOINT VENTURE PARTNERS PEL 37:

Tullow Namibia Limited (Operator)	35.00%
ONGC Videsh Limited	30.00%
Pancontinental Namibia Pty Ltd	30.00%
Paragon Oil & Gas (Pty) Ltd	5.00%

\* Ownership of Pancontinental Namibia Pty Ltd:  
Pancontinental Oil & Gas NL 66.67%  
Africa Energy Corp. 33.33%

#### JOINT VENTURE PARTNERS PEL 87:

Pancontinental Orange Pty Ltd	75.00%
Custos Investments (Pty) Ltd	15.00%
NAMCOR	10.00%

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