



For personal use only



# Annual General Meeting Presentation

30 November 2012

# Disclaimer



These materials are strictly confidential and are being supplied to you solely for your information and should not be reproduced in any form, redistributed or passed on, directly or indirectly, to any other person or published, in whole or part, by any medium or for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

These materials do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, or any offer to underwrite or otherwise acquire any securities, nor shall any part of these materials or fact of their distribution or communication form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever in relation thereto. The information included in the presentation and these materials is subject to updating, completion, revision and amendment, and such information may change materially. No person is under any obligation to update or keep current the information contained in the presentation and these materials, and any opinions expressed in relation thereto are subject to change without notice.

The distribution of these materials in other jurisdictions may also be restricted by law, and persons into whose possession these materials come should be aware of and observe any such restrictions.

This presentation includes forward-looking statements that reflect the company's intentions, beliefs or current expectations. Forward looking statements involve all matters that are not historical fact. Such statements are made on the basis of assumptions and expectations that the Company currently believes are reasonable, but could prove to be wrong. Such forward looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Additional factors could cause actual results, performance or achievements to differ materially. The Company and each of its directors, officers, employees and advisors expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in the presentation or these materials, and any change in the Company's expectations or any change in the events, conditions or circumstances on which these forward-looking statements are based as required by applicable law or regulation.

By accepting any copy of the materials presented, you agree to be bound by the foregoing limitations.

***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.***

**Pancontinental Oil & Gas NL (“PCL”)** is an ASX listed Oil & Gas Exploration Company

**Anomalous** - best positioned of the few junior explorers left standing offshore East Africa & Namibia

**Participation in potentially 4 wells offshore Kenya over the next 12 to 18 months (subject to joint venture final approvals, rig availability etc) ) and exposure to 3 nearby wells planned by others**

**Offshore Namibia- up to 6 wells planned by others in next 12 months and direct exposure to 1 well under farmout (timing to be determined by farmout terms)**

**Early mover advantage** has positioned Pancontinental amongst much larger players — BG Group, Origin, Apache, Tullow, PTTEP, Total, Anadarko, BP, HRT, Repsol etc

**Mbawa 1** Exploration Well – recent **first ever discovery offshore Kenya**

**Highly Leveraged** into two oil and gas regions on the brink of game-changing drilling programmes

**Experienced management team** with long track record in Africa

# Board & Management



## **Mr Henry David Kennedy, Chairman**

Mr Kennedy has had a long association with Australian and New Zealand resource companies. As a technical director he has been instrumental in the formation and/or development of a number of successful listed companies. These include Pan Pacific Petroleum NL, New Zealand Oil and Gas Limited (NZOG), Mineral Resources (NZ) Ltd and Otter Exploration NL. During his term as Executive Director of Pan Pacific, NZOG and Otter, these companies were involved in the discovery of a number of oil and gas fields. These included the Tubridgi gas field and South Pepper, North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. He is also a director of Norwest Energy NL.



## **Mr Roy Barry Rushworth, CEO**

Mr Rushworth has more than thirty years experience in petroleum exploration. He is a graduate of Sydney University, with a Bachelor of Science Degree in Geology and Marine Sciences. Commencing with positions in exploration operations, his career then extended to a period as Chief Geologist and subsequently Exploration Manager for an Australian listed company. A number of oil and gas discoveries were made by the company during that time. More recently, as the General Manager and Director of Afrex Limited, he was responsible for acquiring international new venture opportunities for Afrex Limited and its then co-venturer Pancontinental Oil & Gas NL. In this position he identified and negotiated projects in Malta, Kenya and Morocco. Following the merger of Afrex Limited with Pancontinental in August 2005, he accepted the position of Director - New Ventures for Pancontinental and is now the Chief Executive Officer of the Company.



## **Mr Ernest Anthony Myers, Finance Director**

Mr Myers has over 30 years experience in the resources industry. He is an accountant (CPA) who has held senior management and executive roles within a number of ASX listed companies. Ernie joined Pancontinental in March 2004 as Company Secretary and was appointed Finance Director in January 2009. He brings corporate and operational experience in a variety of fields including project development, feasibility studies and both equity and debt financing. Prior to his appointment with Pancontinental, he was CFO and Company Secretary of Dragon Mining Limited for a period of six years during its transition from explorer to gold producer in Sweden. Ernie has extensive experience in exploration and operational issues particularly in Kenya, Tanzania, Namibia and Eritrea.



## **Mr Anthony Robert Frederick Maslin, Non-Executive Director**

Mr Maslin is a stockbroker with corporate experience in both management and promotion, along with an extensive understanding of financial markets. Mr Maslin has been instrumental in the capital raisings and promotion of several resource development companies.



## **Mrs Vesna Petrovic, Company Secretary**

Mrs Petrovic has an accounting background with a Bachelor of Commerce, Major in Accounting & Business Law, she is a Certified Practicing Accountant and has completed the Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia Ltd. Mrs Petrovic has experience in the resources sector, particularly with companies involved in Africa.

# Corporate Snapshot

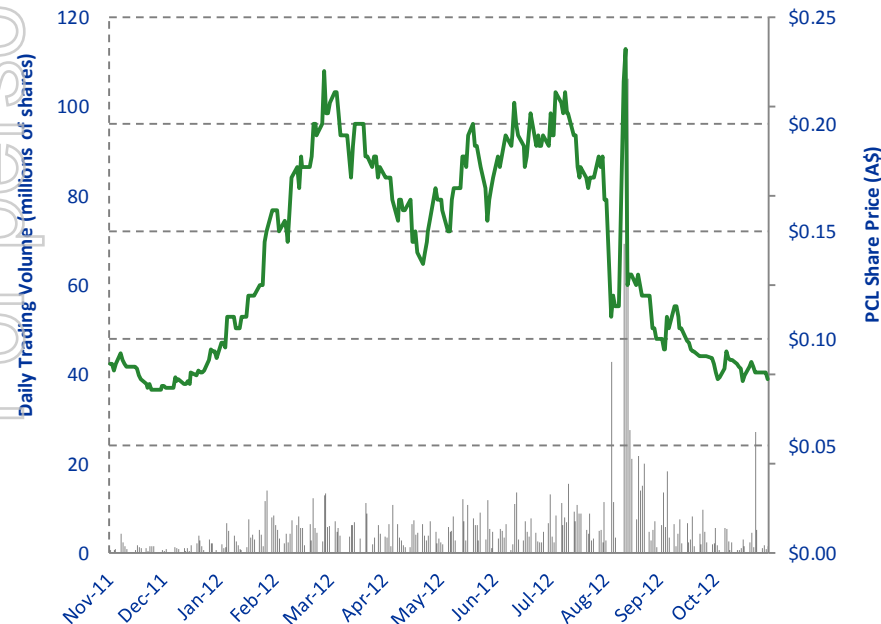


## Capital Structure

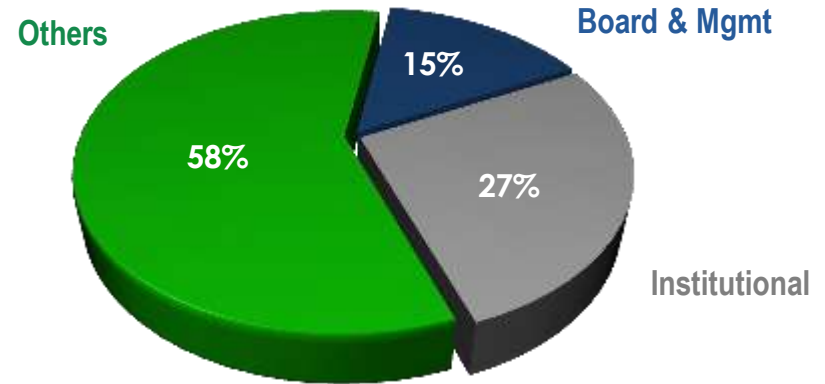
Shares on Issue	1,151 m
Options on Issue <sup>1</sup>	2.25 m
Market Cap. (at \$0.081)	\$93 m
Cash (September 2012)	\$39.2 m
Debt	Nil
Enterprise Value	\$54m

<sup>1</sup> 2.25m options (exercise price \$0.1225, expiry Nov 2014),

## Share Price History



## Shareholder Split



## Date Key Event

Date	Key Event
Sep 2012	PCL announces first offshore Kenya gas discovery (Mbawa 1 – 52 net metres of gas pay)
Aug 2012	PCL announces completion of its A\$50 million capital raising
Jul 2012	PCL announces acquisition of additional 10% in Namibia Licence EL 0037
May 2012	PTTEP ups bid to US\$1.92bn for Cove Energy (Recommended by Cove Directors)
May 2012	Tullow Oil PLC announces Kenya's first oil discovery (far better than expected)
Apr 2012	PCL announces contract awarded for Kifaru 3D Seismic Survey on Kenya Block L6 in Q2 2012
Apr 2012	PCL announces A\$45 million placement and A\$5 million share purchase plan
Apr 2012	Shell ups bid to US\$1.8bn for Cove Energy (Recommended by Cove Directors)
Feb 2012	Thailand's PTTEP overbids Shell With US\$1.8bn for Cove Energy
Feb 2012	Shell bids US\$1.6bn for Cove Energy (large East African acreage position)
Jan 2012	Completion of 3D & 2D seismic on L10A & L10B
Dec 2011	PCL announces share placement to raise A\$15m
Oct 2011	Ophir Energy announce intention to acquire Dominion Petroleum (substantial offshore Kenyan acreage holding). Deal valued at US\$186m
Aug 2011	> Ten strong leads for follow up 3D and 2D on Block L10A & L10B announced

# Pancontinental's Project Interests



## KENYA OFFSHORE

Asset	PCL%	Sq Km	Partner	Operator
Kenya L6	40%	3,134	FAR 60%	FAR
Kenya L8	15%*	5,115	Apache 50% Origin20% Tullow15%	Apache
Kenya L10A	15%	4,962	BG Group 40% PTTEP 25% Premier 20%	BG Group
Kenya L10B	15%	5,585	BG Group 45% PTTEP 15% Premier 25%	BG Group

\* Tullow has an option to earn a further 5% interest from Pancontinental

Asset	PCL%	Operator
Carnarvon Basin EP424 EP 110	38.5% 38.5%	Strike

Asset	PCL%	Operator
Canning Basin EP 104 / R1 L15	10% 12%	Strike

## AUSTRALIA ONSHORE

## AUSTRALIA OFFSHORE / ONSHORE

## NAMIBIA OFFSHORE

Asset	PCL%	Sq Km	Partner	Operator
Namibia EL 0037	95%	17,295	Paragon 5%	Pancontinental

For personal use only

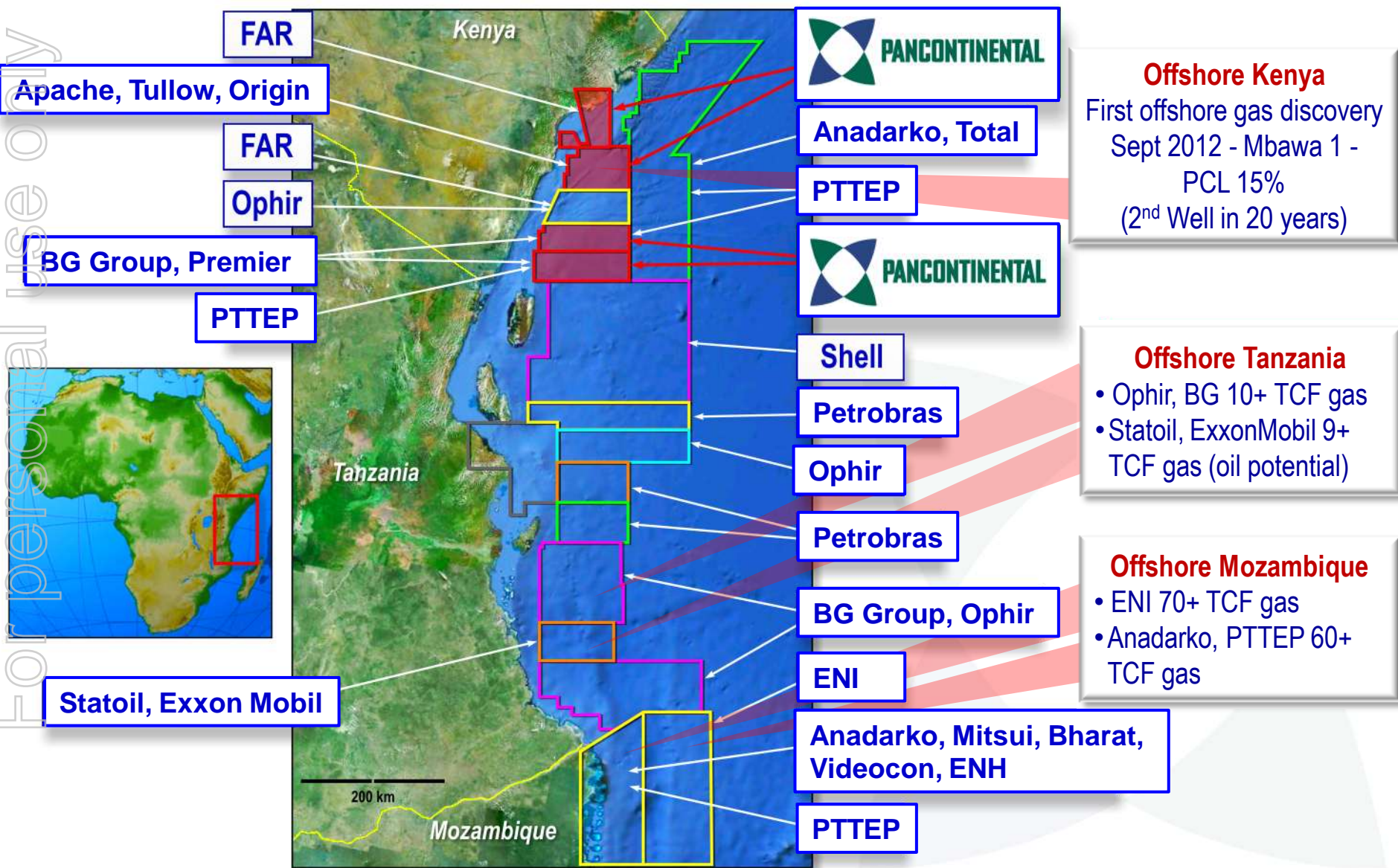
# Kenya – Success in East Africa

## Driving Industry Interest



- ▶ Pancontinental has an **early mover advantage** in Kenya – now positioned alongside majors
- ▶ **Focus now beginning to turn to offshore Kenya after multiple gas discoveries offshore Mozambique and Tanzania**
- ▶ **Mbawa 1 gas discovery - the first ever discovery and only the second well in 20 years in the northern part of the East African margin-has opened new hydrocarbon province**
- ▶ Industry analysts say **East Africa** may be amongst the world's largest nascent oil and gas plays
- ▶ Also offshore Kenya, Anadarko / Total / PTTEP to drill **2 wells commencing December 2012**

# East Africa – Main Offshore O&G Players



Map refers to main oil & gas players offshore East Africa as at October 2012 (this is not a comprehensive list)



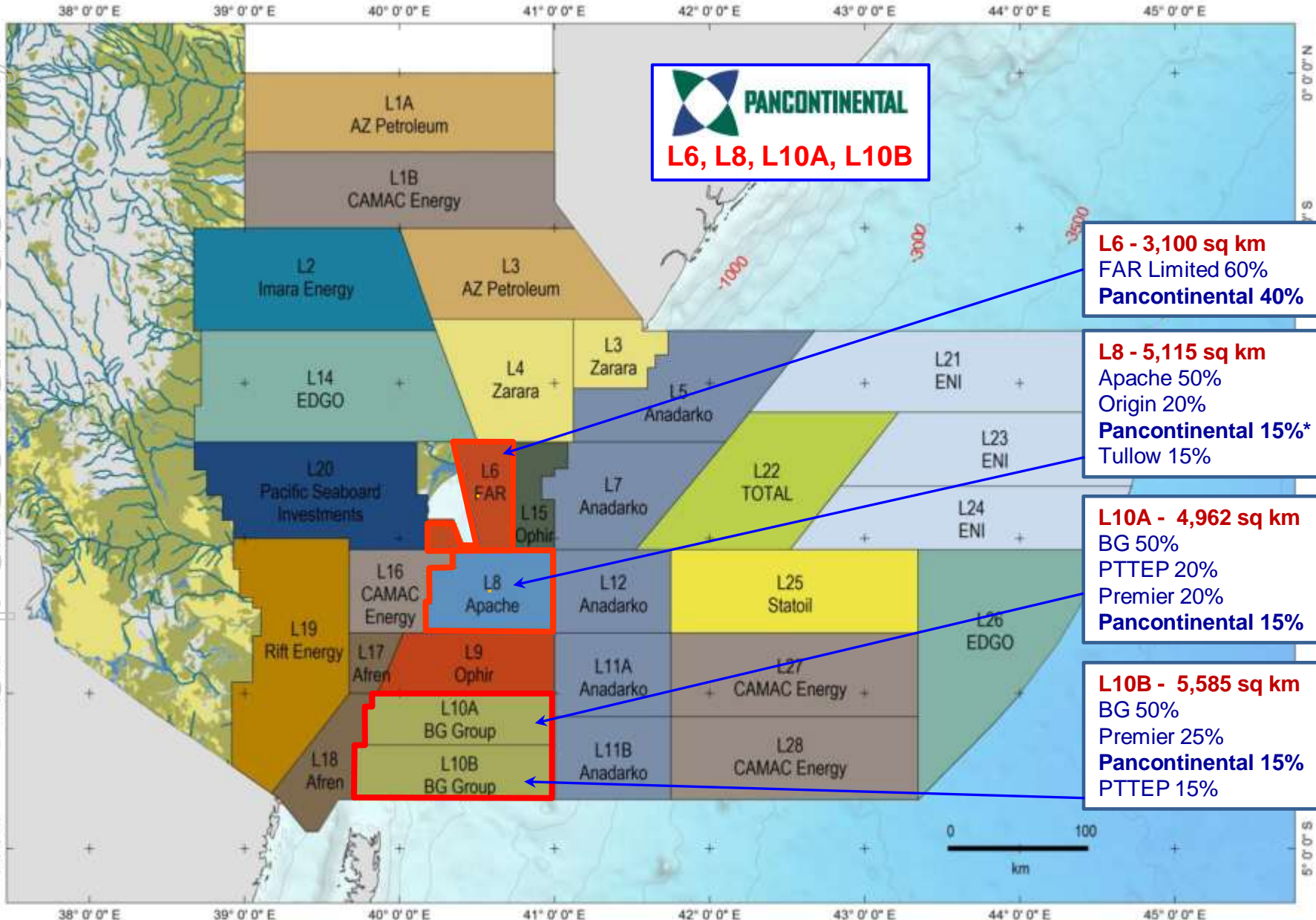
# Offshore Kenya – Exploration Areas



For personal use only



**PANCONTINENTAL**  
**L6, L8, L10A, L10B**



**L6 - 3,100 sq km**  
 FAR Limited 60%  
**Pancontinental 40%**

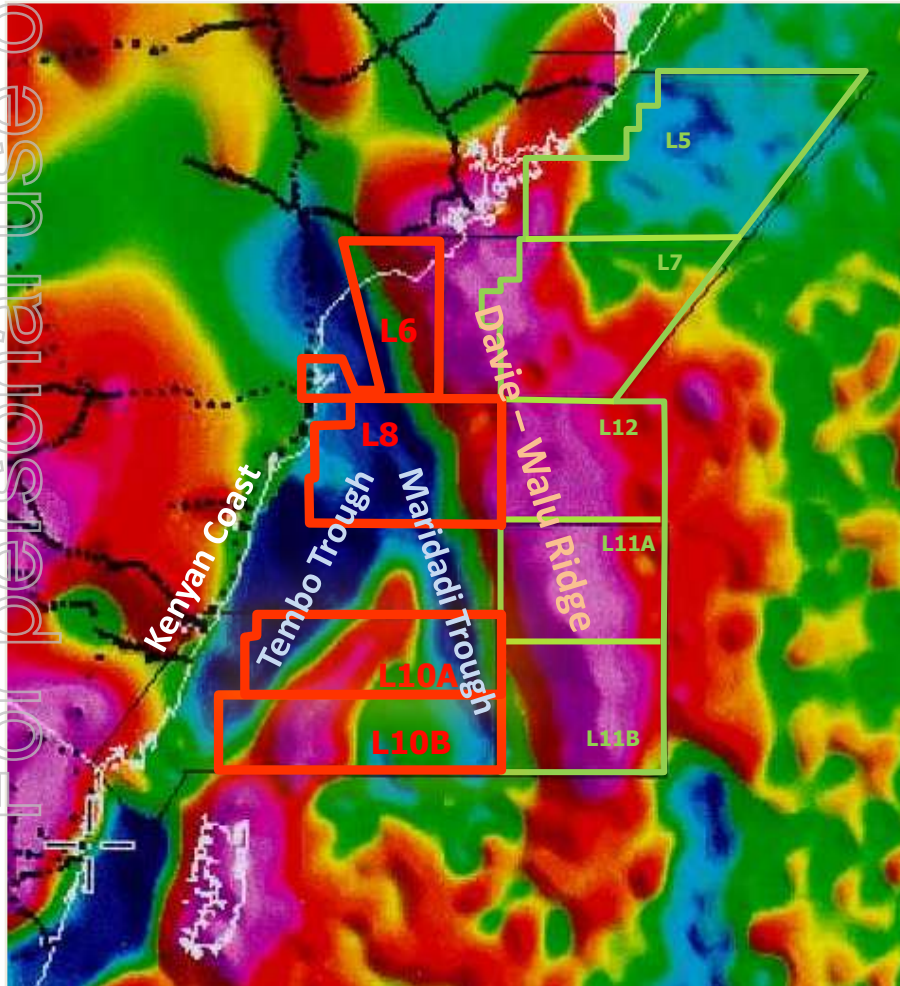
**L8 - 5,115 sq km**  
 Apache 50%  
 Origin 20%  
**Pancontinental 15%\***  
 Tullow 15%

**L10A - 4,962 sq km**  
 BG 50%  
 PTTEP 20%  
 Premier 20%  
**Pancontinental 15%**

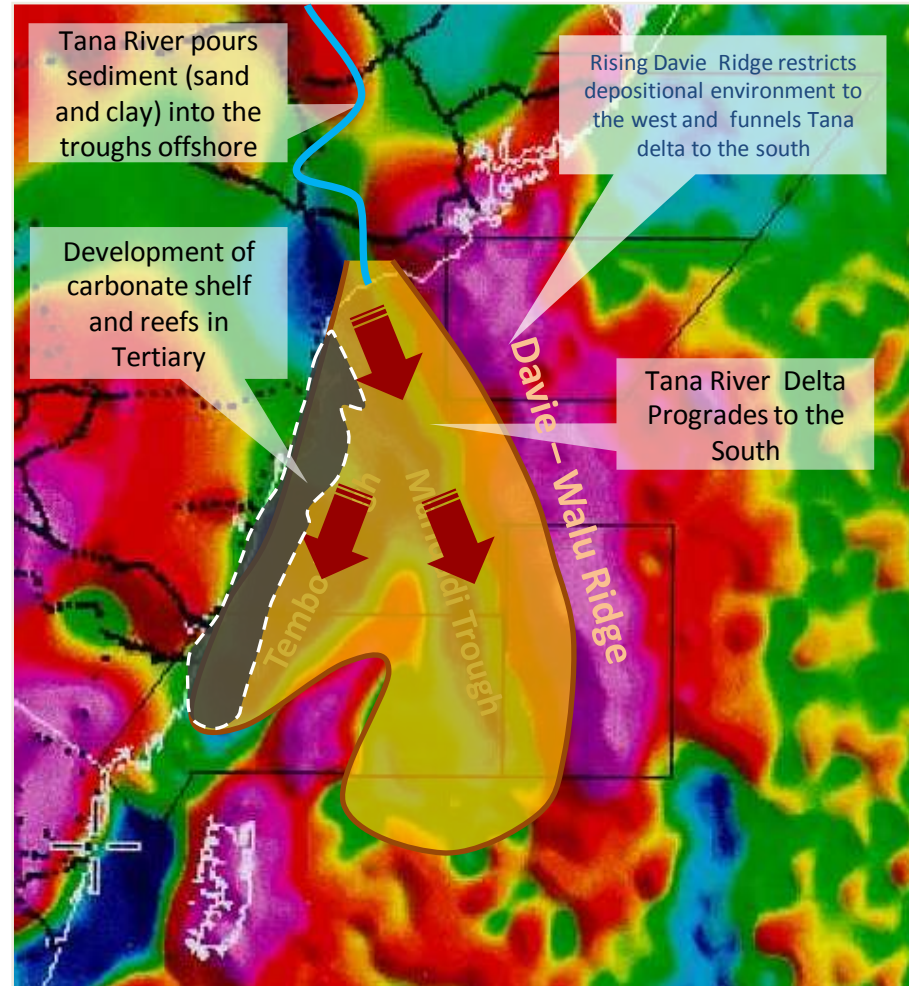
**L10B - 5,585 sq km**  
 BG 50%  
 Premier 25%  
**Pancontinental 15%**  
 PTTEP 15%

- *The development of the Tana River delta in the Tembo and Maridadi Troughs from the Jurassic to the Tertiary represents a restricted depositional environment*

Residual Gravity Map Offshore Kenya



Schematic of Cretaceous and Tertiary deposition



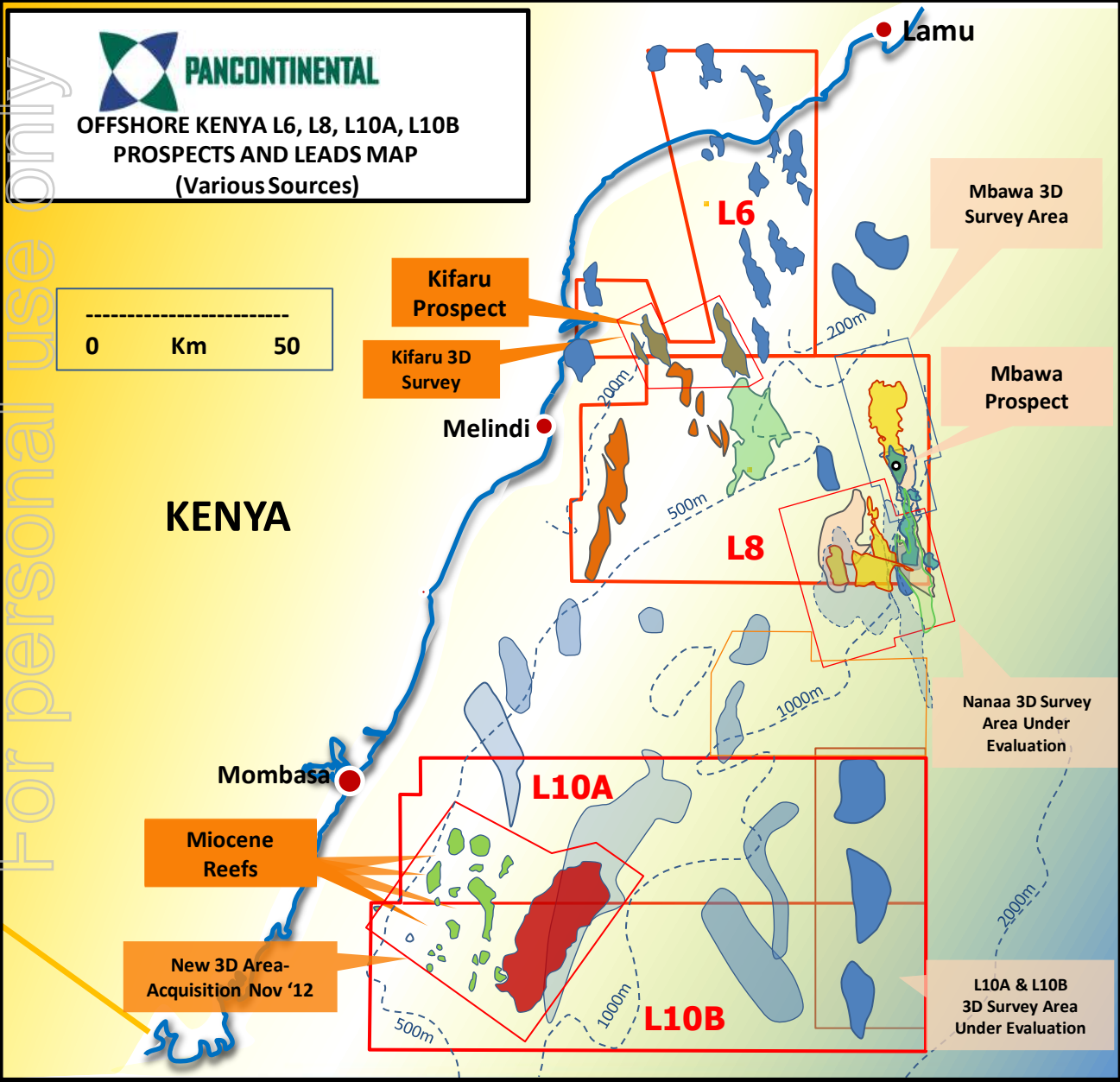
For personal use only

# Offshore Kenya – Prospects/Leads Maps



Pancontinental has-

- ✘ Interests in 4 licences offshore Kenya totaling ~ 19,000 sq km
- ✘ More than 40 Prospects and Leads
- ✘ Multiple play types- variety of trap types over different geological ages
- ✘ Proven a working hydrocarbon system with Mbawa 1
- ✘ Potentially 4 wells in next 12 to 18 months
- ✘ Anadarko planning 2 wells in deeper water early 2013
- ✘ Oil remains the main prize



For personal use only

# Kenya L8 – Mbawa 1 Drilling



***MBAWA 1 DISCOVERY -- SEPTEMBER 2012 -- PANCONTINENTAL 15%***



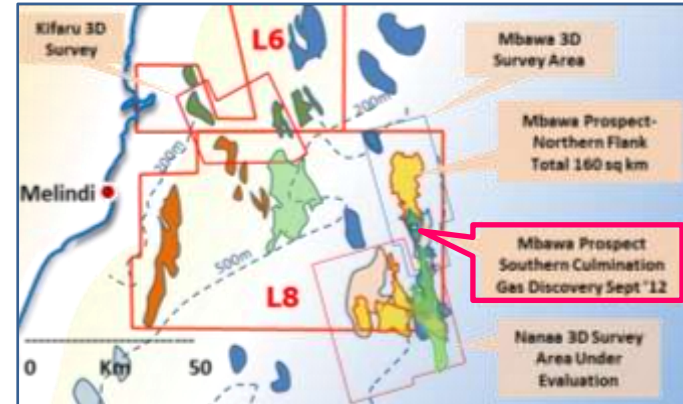
For personal use only

# Kenya L8 - Mbawa Discovery



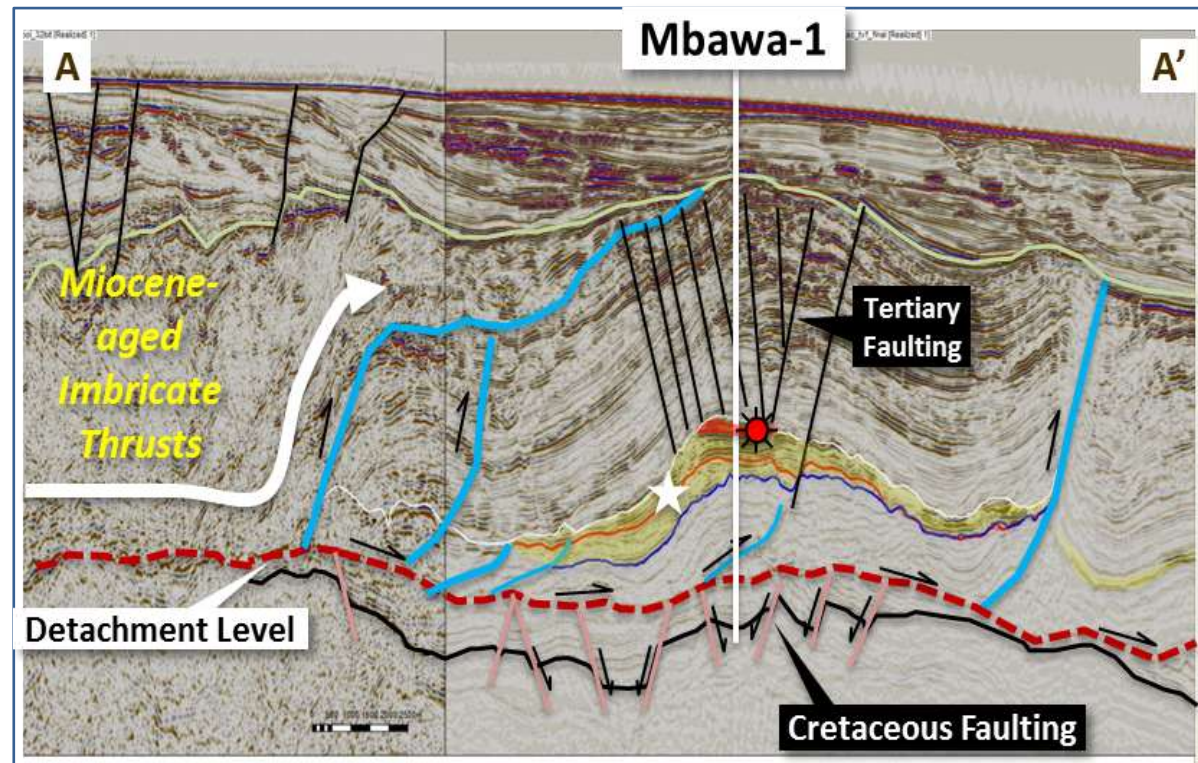
## Mbawa 1 Discovery

- Mbawa 1 drilled to 3,150m MD September 2012
- On time and under budget
- First ever hydrocarbon discovery offshore Kenya
- Reversed earlier perception from Woodside's 2007 Pombo 1 well of no source rock and no oil or gas



## Preliminary Evaluation

- Mbawa 1 discovered gas in the Upper Cretaceous – opens new play type
- High Quality Turbidite and Channel sandstones - Net Pay 51.8m over 3 sands, averaging 24% porosity
- Gas interpreted from Type II Source rock- Mixed Gas and Oil prone
- Mbawa-1 successfully confirms a working Hydrocarbon System
- Thermogenic gas source - potential for much greater hydrocarbon volumes at depth
- Volumetrics, Commerciality and Forward Programme under active review into 2013

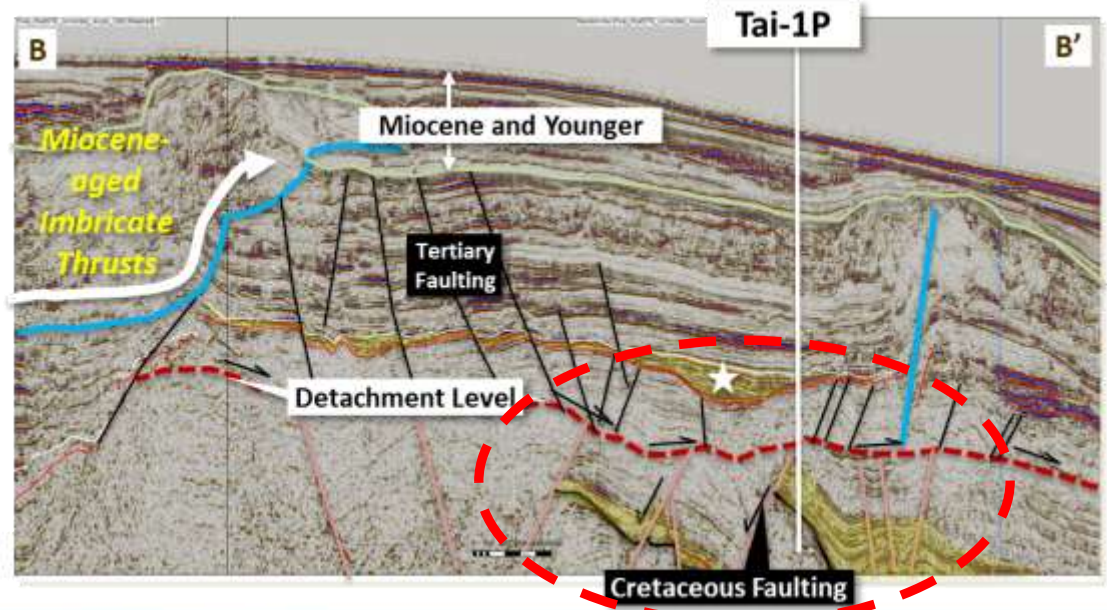
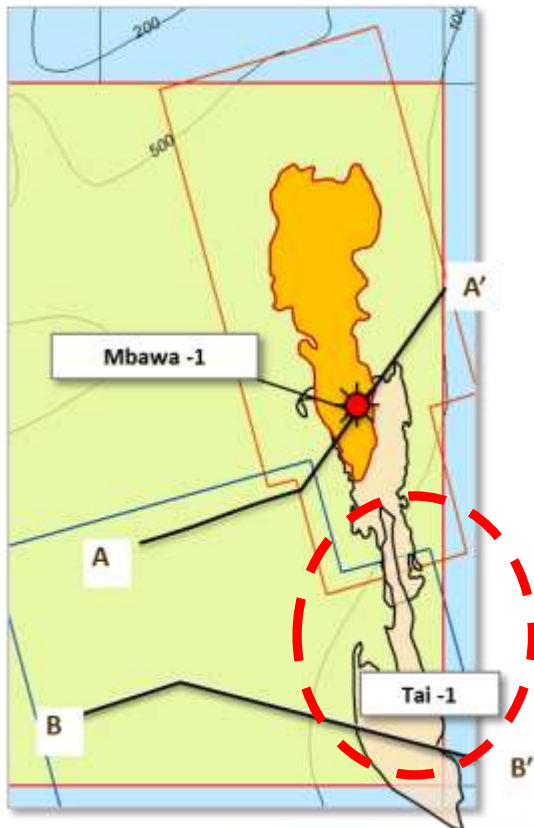
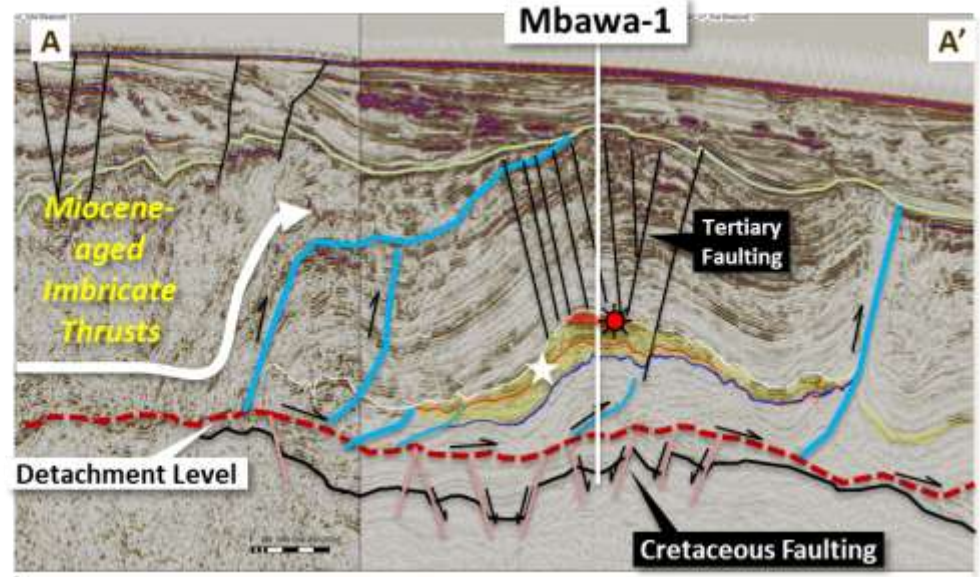


# Kenya L8 Mbawa Follow-Up

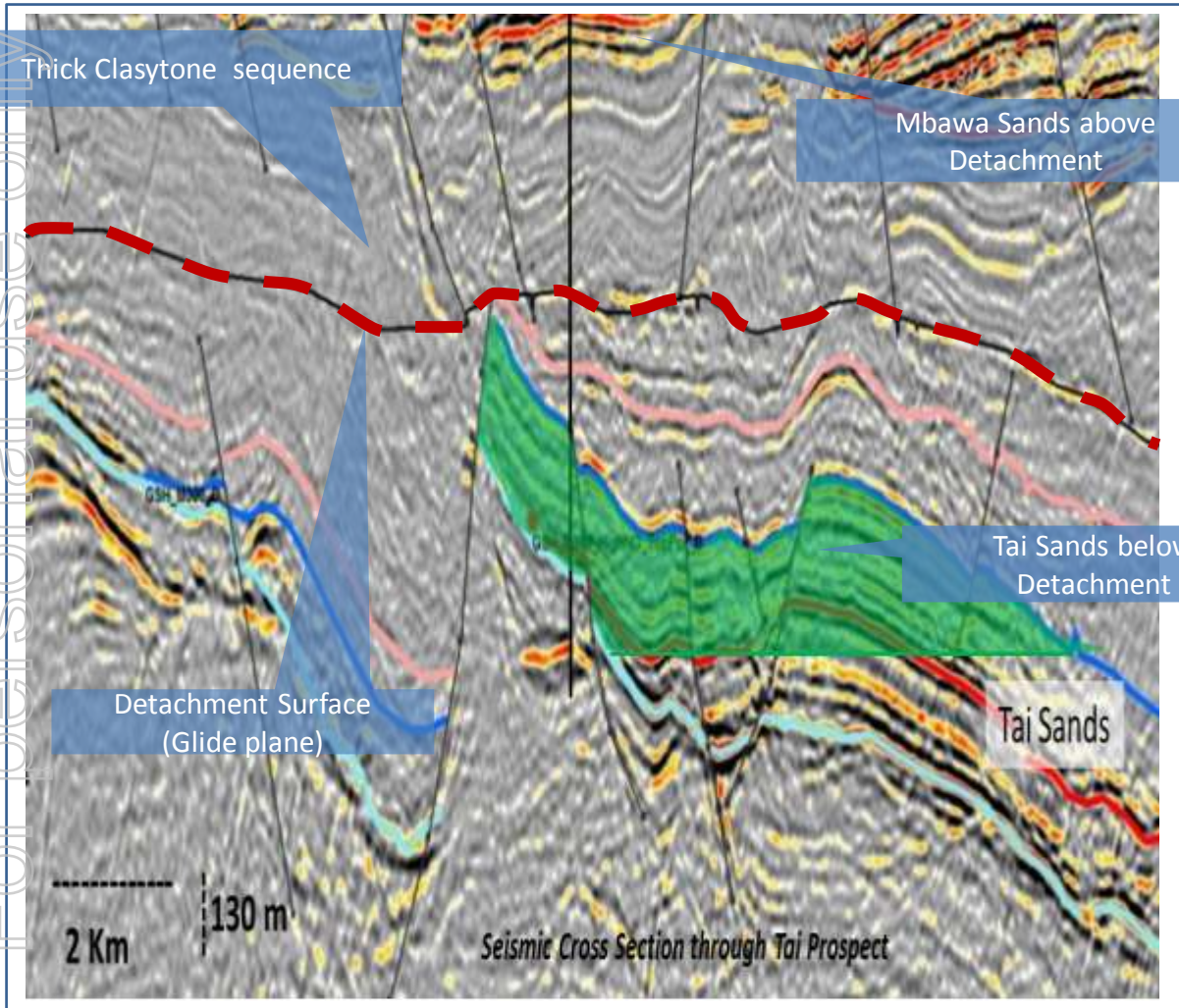


## Tai

- One of several possible Mbawa follow-ups
- Detachment separates different structural regimes, plays?
- Sub-detachment offers better timing with respect to oil-generating Jurassic source rocks



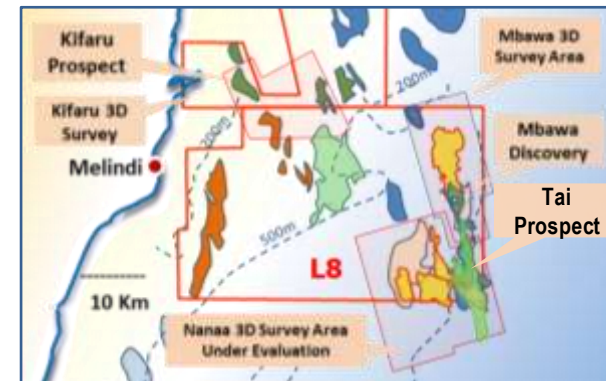
# Kenya L8 – Tai Close-up



## Tai

Multiple Prospects and Leads available from the Mbawa and Nanaa 3D surveys

- ❏ Tai and Nanaa are two drilling possibilities
- ❏ Tai is one opportunity for an Mbawa follow-up -
  - \* Below Detachment
  - \* Different pressure regime
  - \* Better timing interpreted with respect to oil-generating Jurassic source rocks
  - \* Lower Cretaceous sands mapped on 3D



**Tai - Possible Follow Up to Mbawa**  
 220 Million Bbls Recoverable Oil Potential (P Mean)

# Kenya L8 – Forward Programme

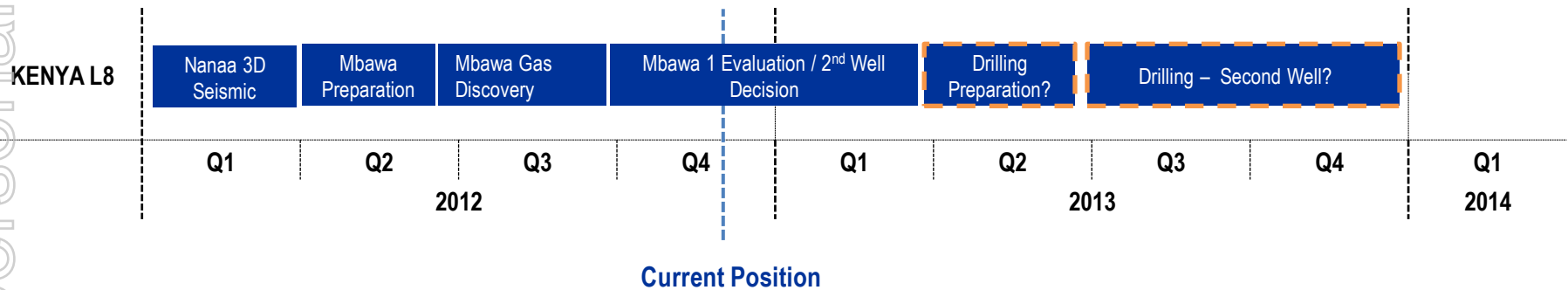


Mbawa analysis is ongoing into 2013

Nanaa 3D interpretation will be completed late 2012 – aiming to define new Prospects

Second well - Joint Venture decision awaited

Tai is one of the main candidates for a second well



Final drilling decisions and timing have yet to be determined

*The timetable above is indicative only. More accurate timing of activities will be determined when government approvals, availability of rigs and seismic vessels are confirmed (where necessary)  
Regional activity has been estimated using company announcements and is not intended to provide a comprehensive review of all regional activity*



# Kenya L10A & L10B



For personal use only

Blocks awarded 2011

Total ~10,000 km<sup>2</sup>

Water depth 200m to 1,800m

Two Interpreted oil “kitchen” troughs

“Fast Track” exploration programme

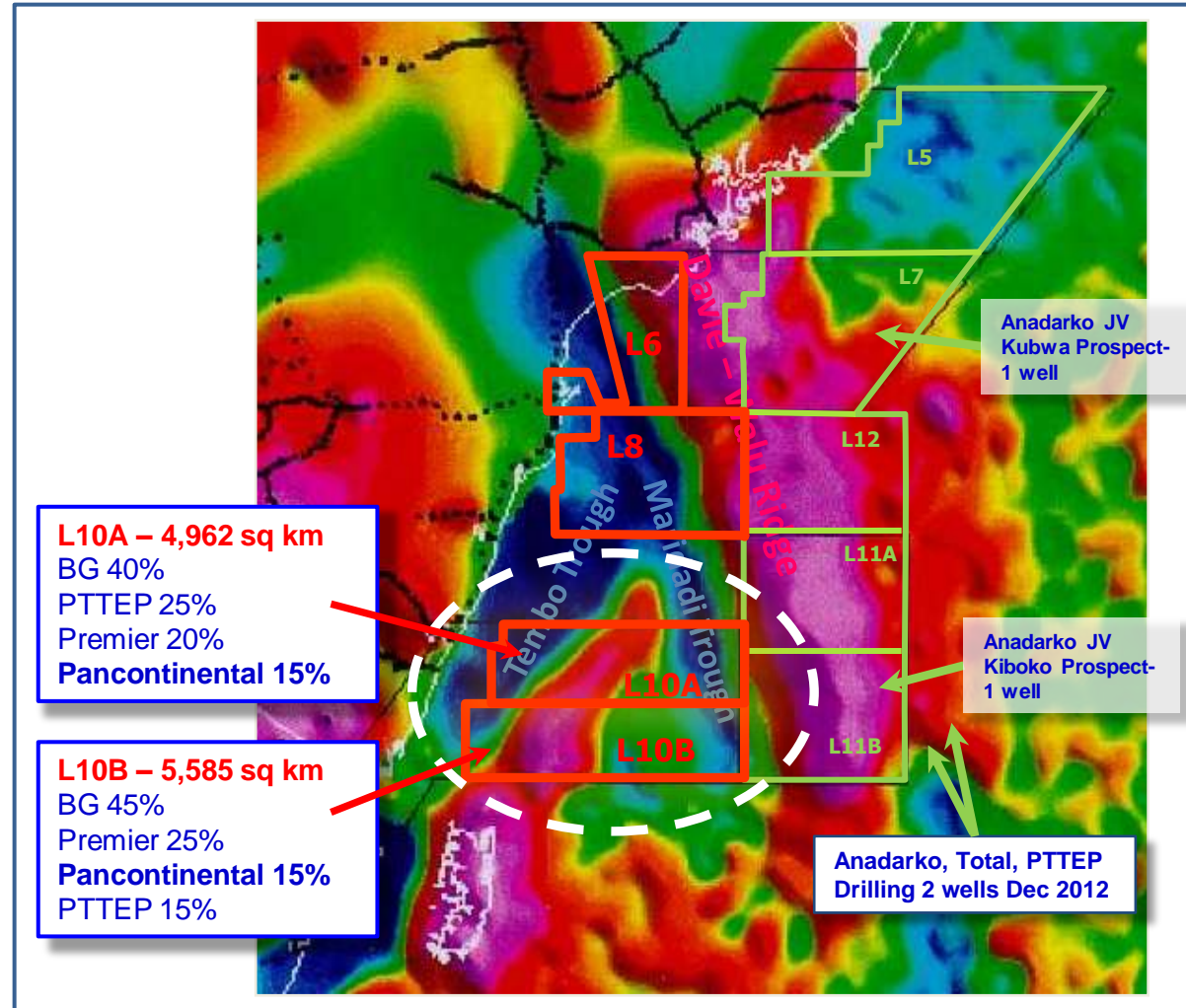
Large number and geological variety of “Leads”

Diverse “Play” types

3D & 2D completed January 2012

New 3D seismic late 2012

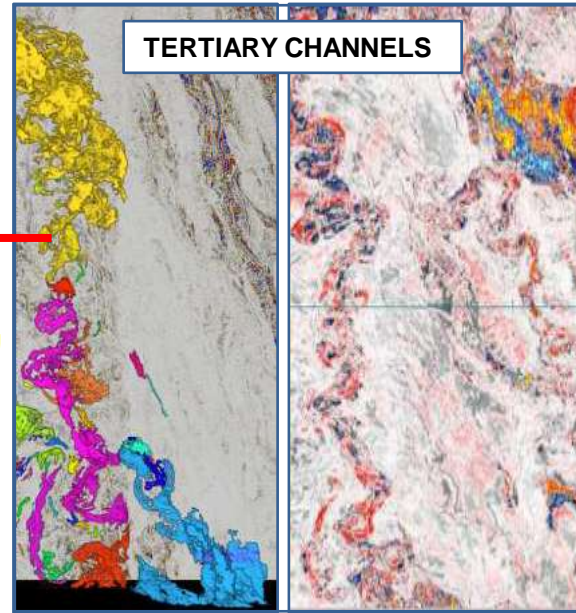
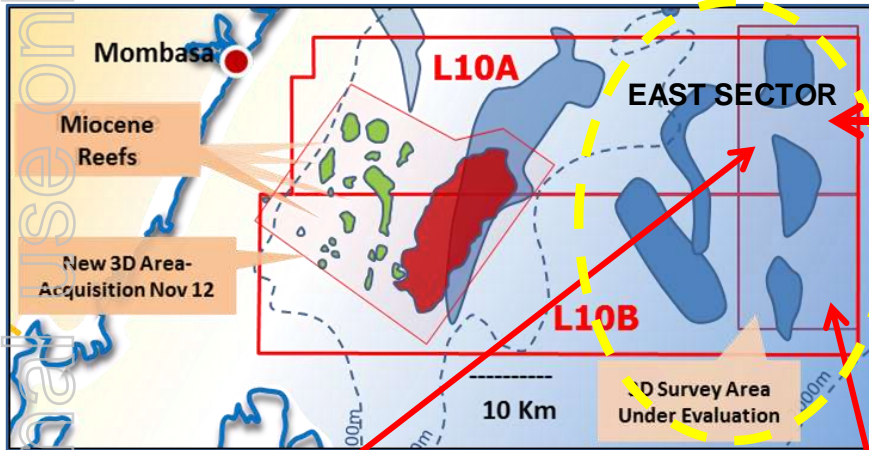
Potentially a 2 well drilling programme commencing 2013



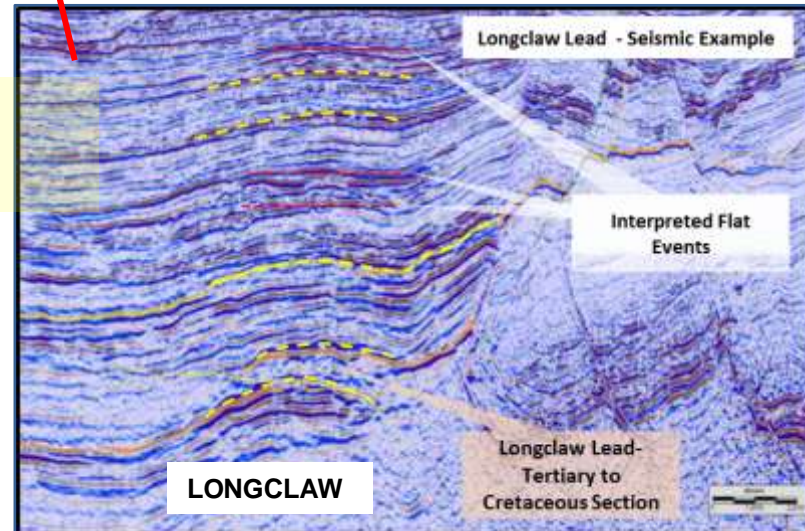
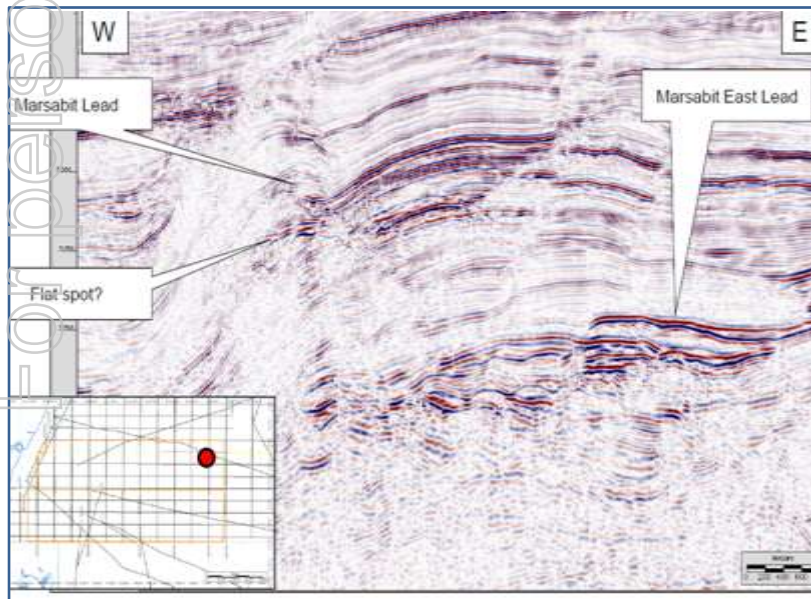
# Kenya L10A/L10B – Multiple Opportunities



## East Sector 3D Seismic



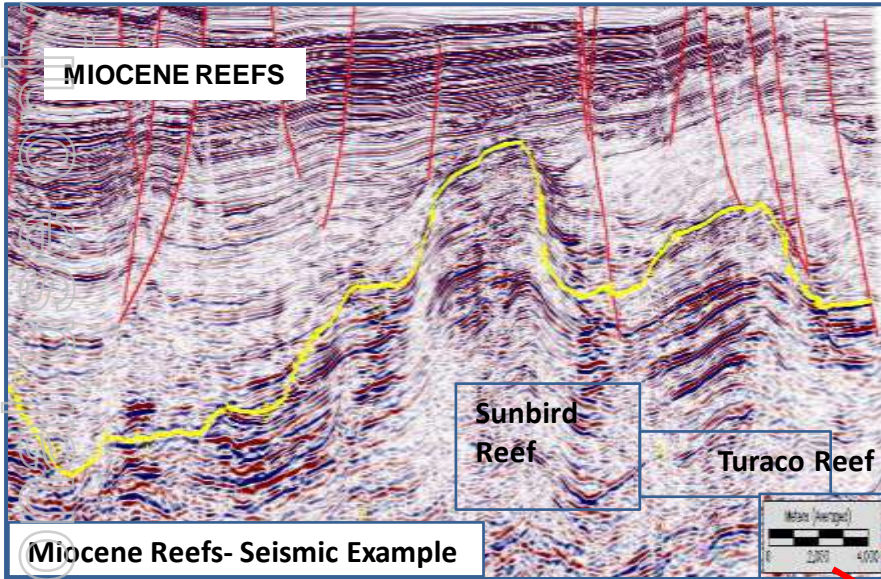
- ✘ Diverse “play” types
- ✘ Variety of “Leads”-
  - 4 way dip closed anticlines
  - Miocene Reefs
  - Jurassic Reefs
  - Tertiary Channels
  - Rollovers into Faults
  - Cretaceous Channels / Turbidites



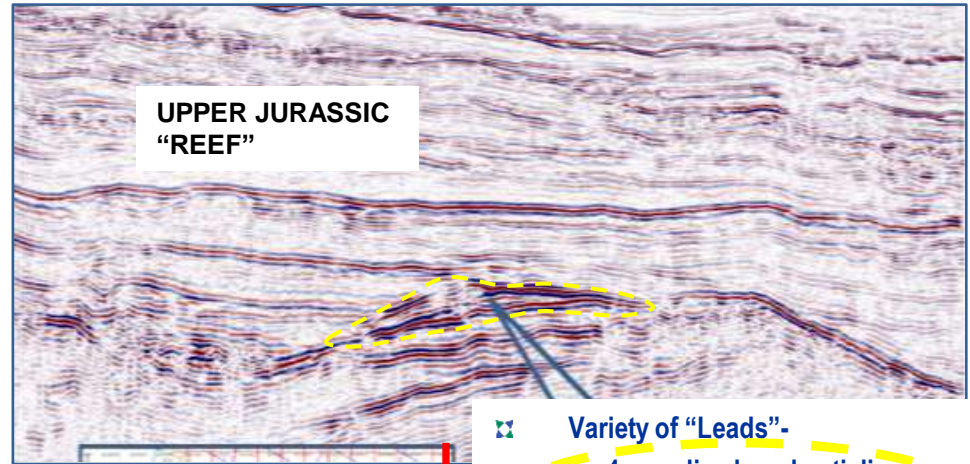
# Kenya L10A/L10B – Multiple Opportunities



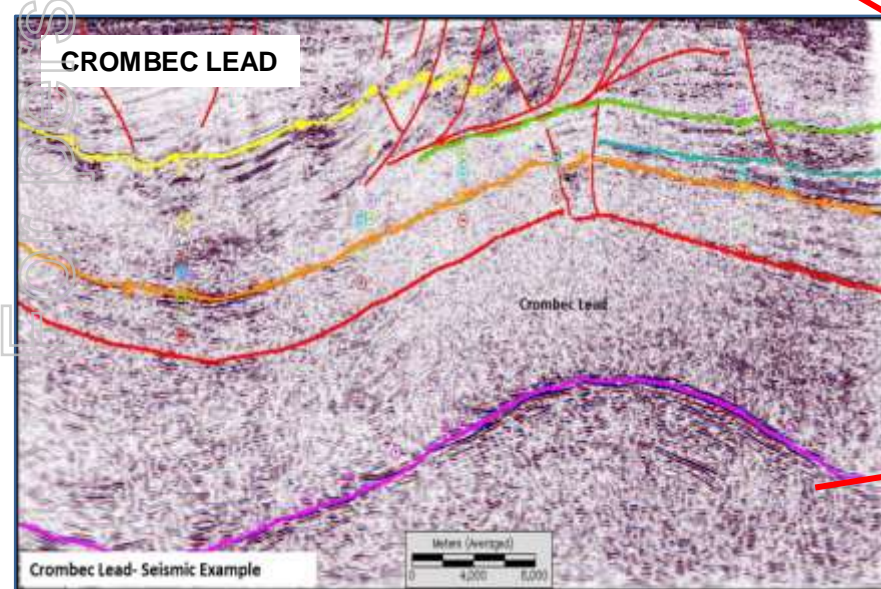
West Sector 2D + New 3D planned



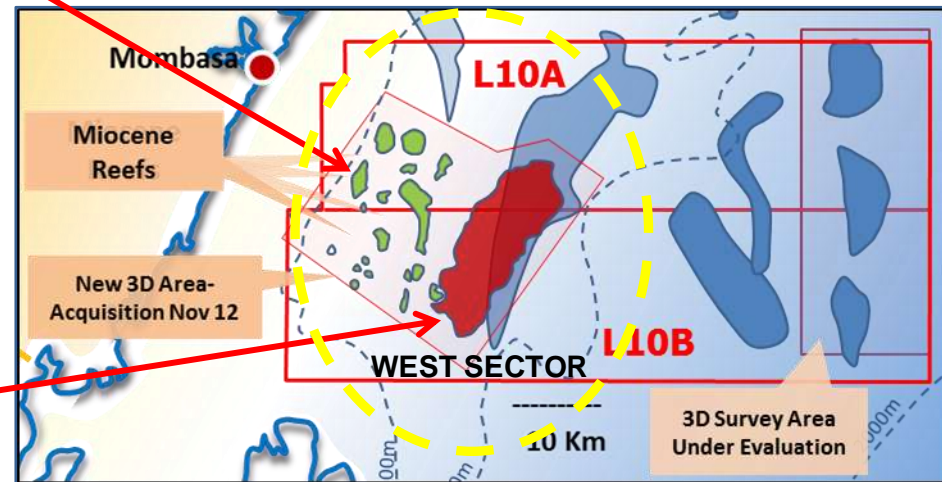
Miocene Reefs- Seismic Example



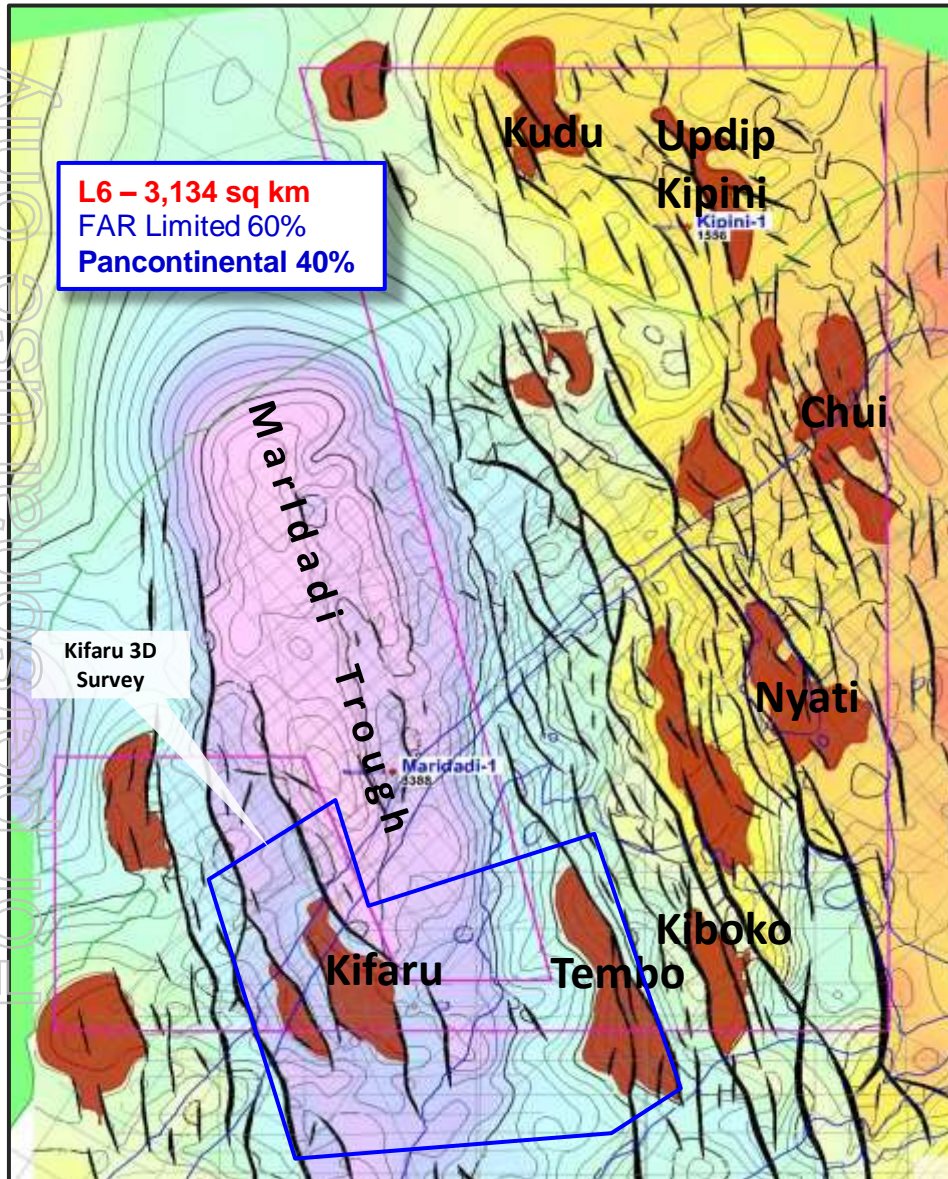
- Variety of "Leads"-
- 4 way dip closed anticlines
  - Miocene Reefs
  - Jurassic "Reefs"
  - Tertiary Channels
  - Rollovers into Faults
  - Cretaceous Channels / Turbidites



Crombec Lead- Seismic Example



# Kenya L6 – Multiple Prospects



- ❑ L6 - adjacent and geologically continuous to L8 (Mbawa)
- ❑ Total 3,134 km<sup>2</sup>, Water depth 0 to 300m
- ❑ Kifaru 3D survey completed July 2012
- ❑ Farming out for drilling planned 2013
- ❑ Kifaru Prospect adjacent to interpreted hydrocarbon kitchen (Maridadi Trough)
- ❑ Three prospects defined on **3D**
  - Miocene Reef play (Kifaru etc)
  - Eocene sand play
- ❑ 5 other main prospects defined on **2D**, most with multiple target levels
  - Eocene sand play
  - Upper Cretaceous sand play

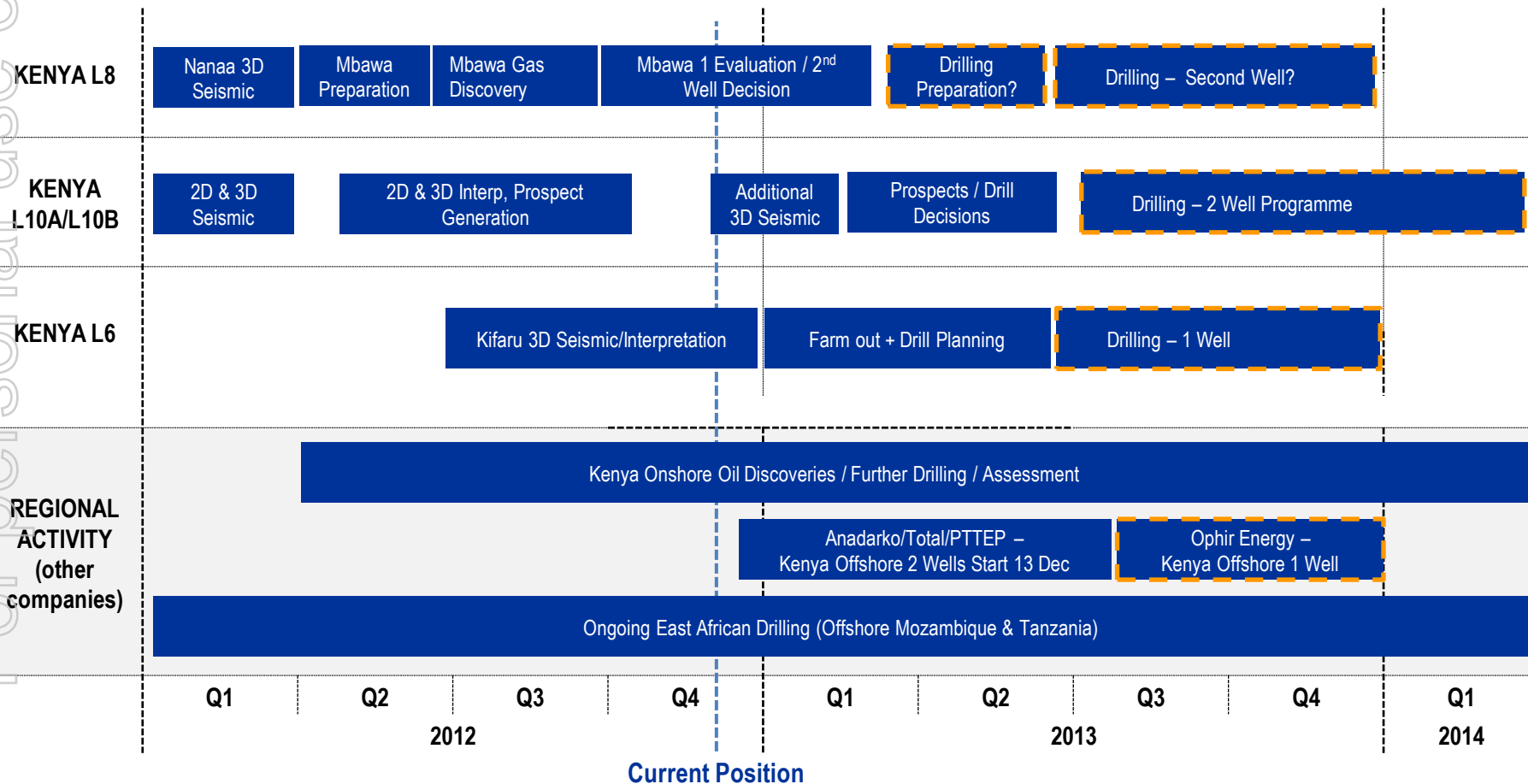
Defined on 3D	Play
Kifaru	Miocene Reef
Kifaru West	Miocene Reef
Tembo	Eocene (Kipini) Sand
Defined on 2D	Play
Kudu	Eocene (Kipini) Sand
Updip Kipini	Eocene (Kipini) Sand
Kiboko	Eocene (Kipini) Sand
Chui cluster	Eocene (Kipini) Sand
Nyati	Eocene (Kipini) Sand
<b>Totals</b>	

# Expected Activity Timeline – Kenya



Pancontinental is well positioned offshore Kenya with direct participation in **potentially 4 wells over the next 12-18 months**

In addition, Pancontinental will have **indirect exposure to up to 3 wells** offshore Kenya in 2012/2013



Final drilling decisions and timing have yet to be determined

The timetable above is indicative only. More accurate timing of activities will be determined when government approvals, availability of rigs and seismic vessels are confirmed (where necessary)  
Regional activity has been estimated using company announcements and is not intended to provide a comprehensive review of all regional activity

# Offshore Namibia EL 0037 – 3 Blocks



Namibia EL 0037 covers blocks 2012B, 2112A and 2113B

Pancontinental 95% & Operator

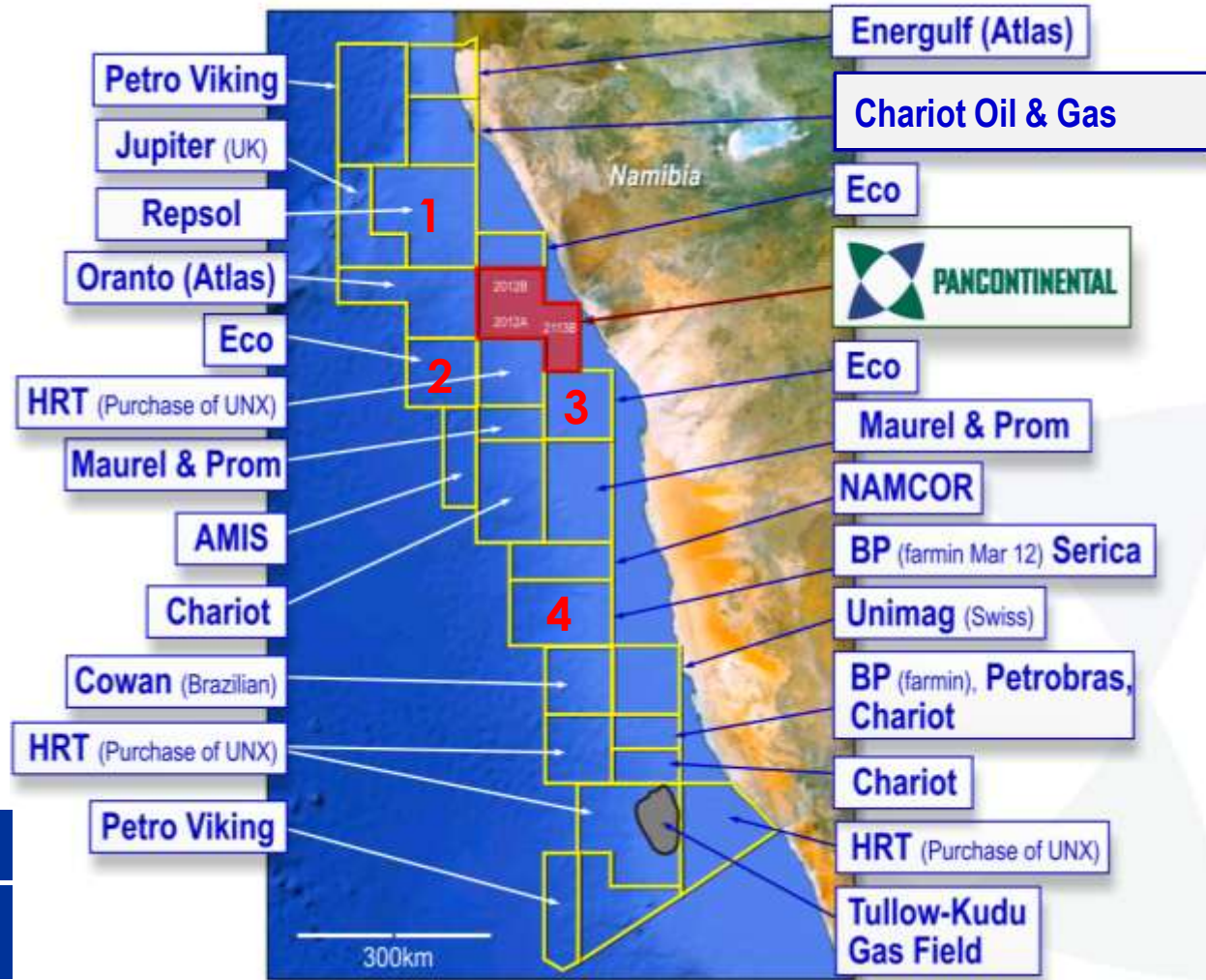
17,295 km<sup>2</sup> offshore

Water Depth 0 – 1,500m

EL 0037 signed 28 June 2011

Pancontinental pursuing early farmout and accelerated exploration programme

High activity levels - HRT planning 4 wells commencing Feb 2013, Chariot potentially 2 wells planned for 2013



1 June 2012: Repsol farmin to Arcadia acreage for drilling

2 May 2012: Eco Atlantic reports blocks "2111B" and "2211A": (P50) Best Estimate of 9.2bn bbls of prospective oil

3 March 2012: Eco Atlantic reports blocks "2213A" and "2213B": (P50) Best Estimate of 7.79bn bbls of prospective oil

4 March 2012: BP farms into Serica Energy's Namibian licenses 2512A, 2513A, 2513B and part of 2612A

6 + wells planned offshore Namibia over next 12 to 18 months



# Namibia EL 0037 – Oily Sweet Spot

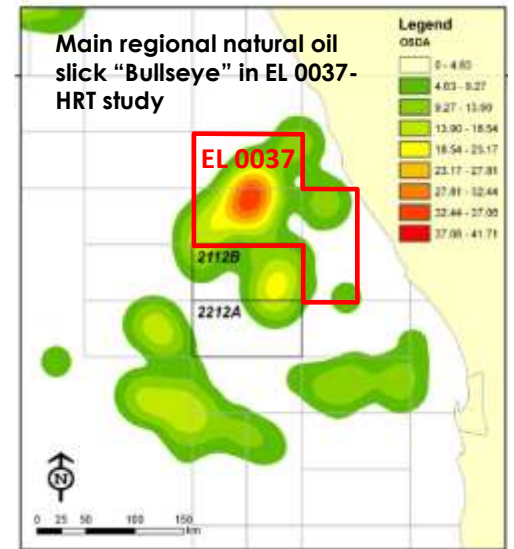
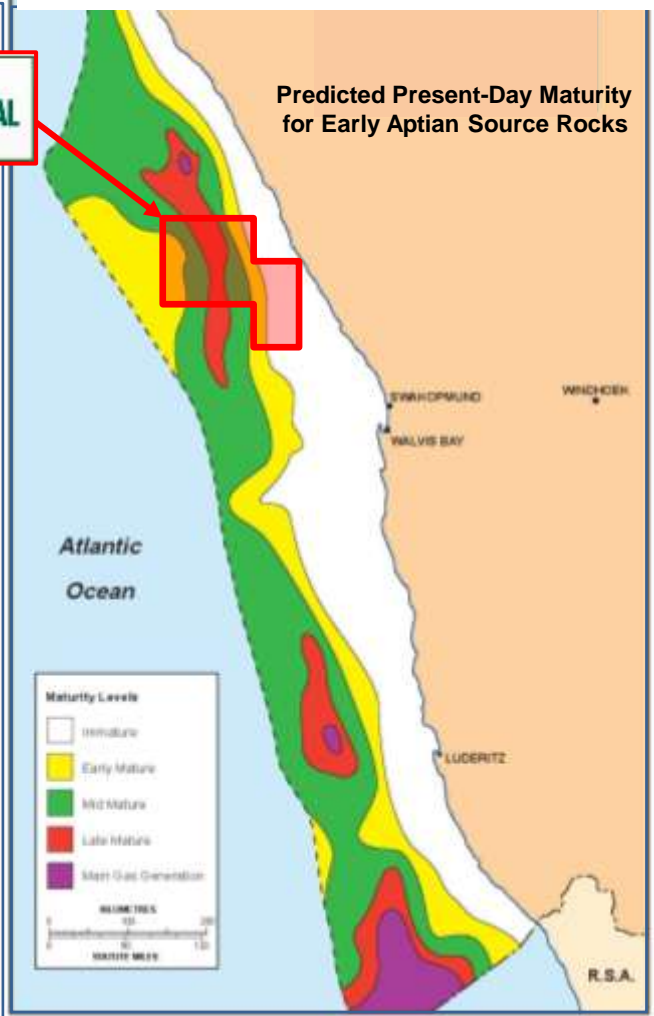
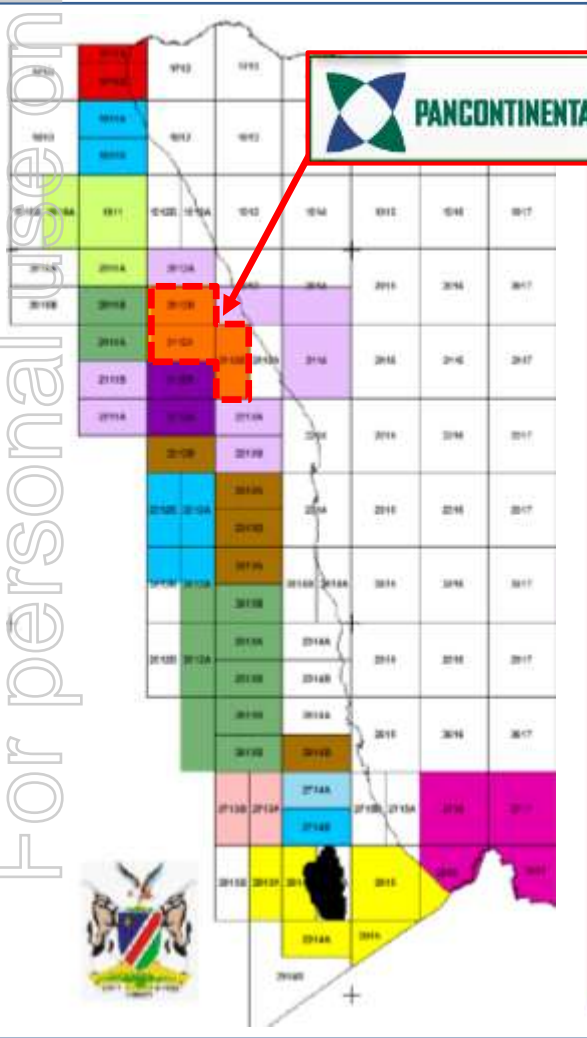


**Pancontinental Acreage**  
EL 0037 Offshore Namibia

**Pancontinental Acreage**  
Fully Oil- Mature Source Rocks in “Inner Graben”

- ✦ Namibia EL 0037 covers 17,295 km<sup>2</sup> offshore
- ✦ Oil “sweet spot” interpreted in “Inner Graben” in EL 0037
- ✦ Water depth 0 - 1,500m
- ✦ Turbidites, ponded fans, slope channels etc
- ✦ Excellent source rocks, oil maturity, reservoir/seal

For personal use only



# Namibia EL 0037 – Numerous Leads



Highly varied Play types

Good historic 2D

Centrally positioned in predicted oil-mature fairway “Inner Graben”

High level of regional activity

Numerous very large Leads identified

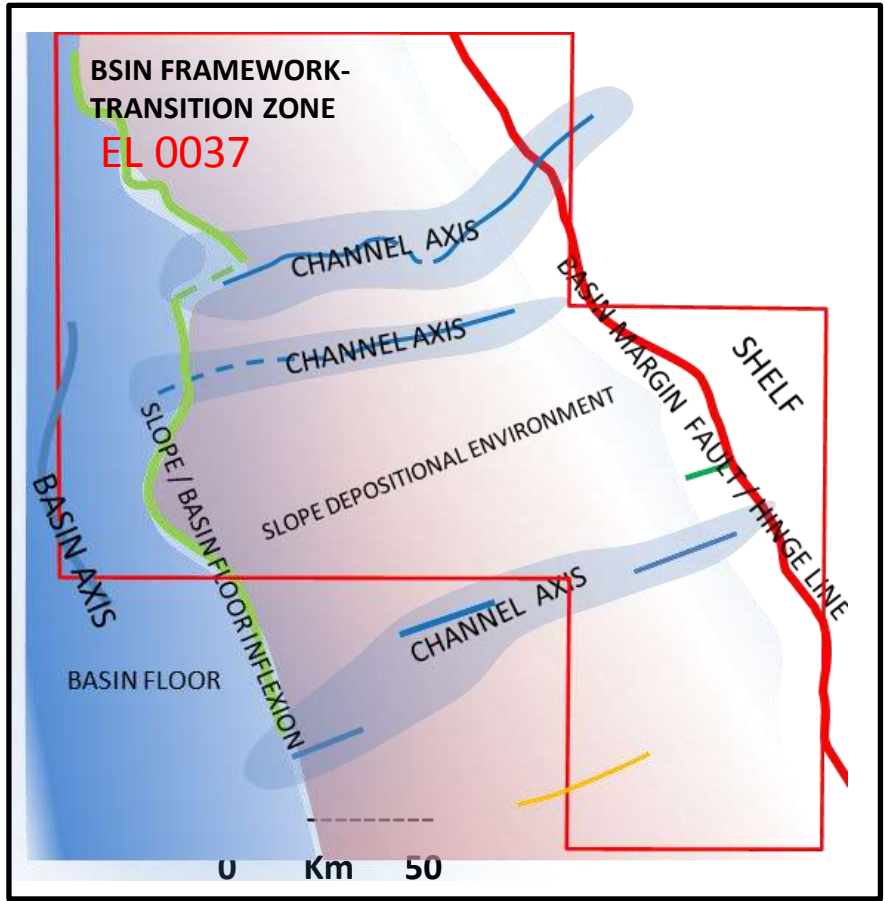
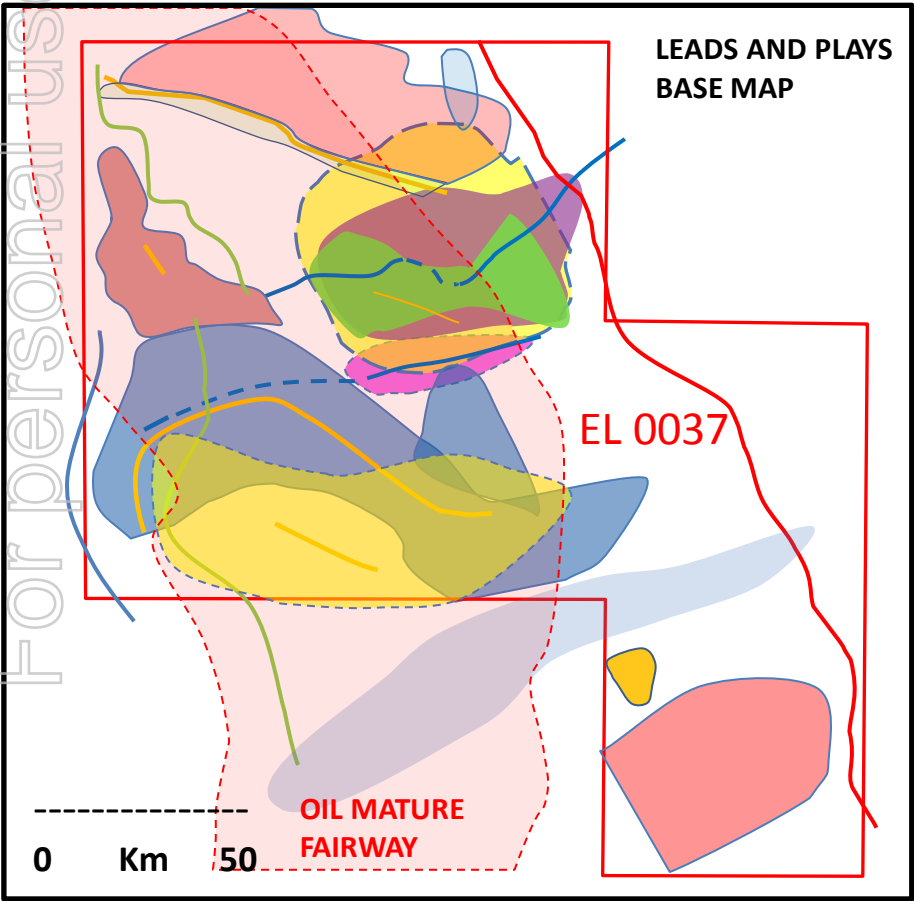
Oil Mature “Fairway” interpreted

Basin Floor Turbidite Fans

Incised slope Channels

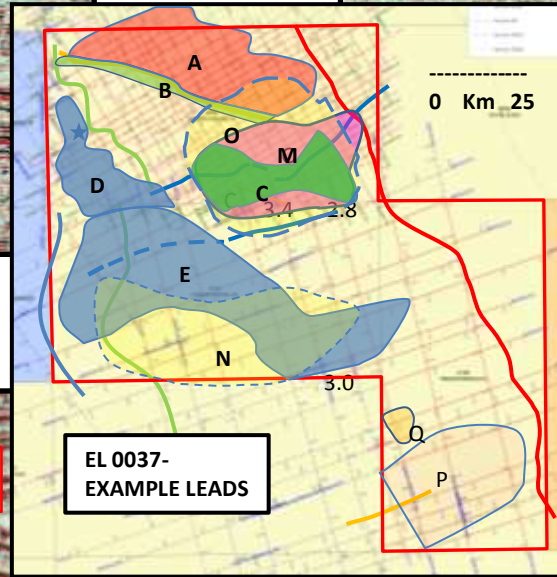
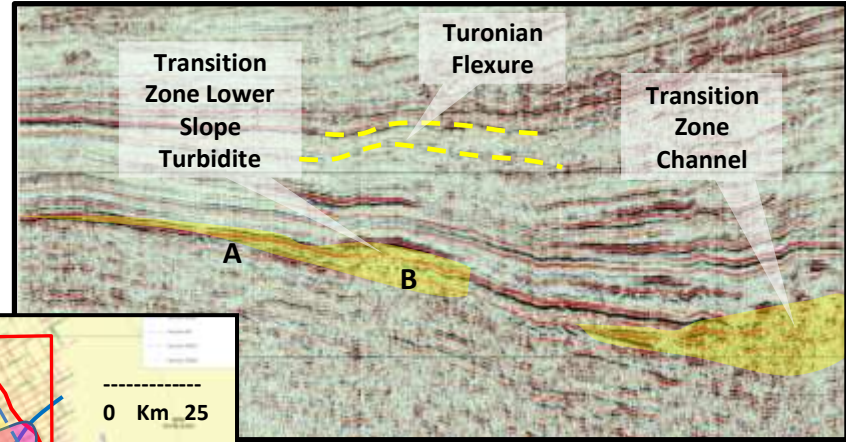
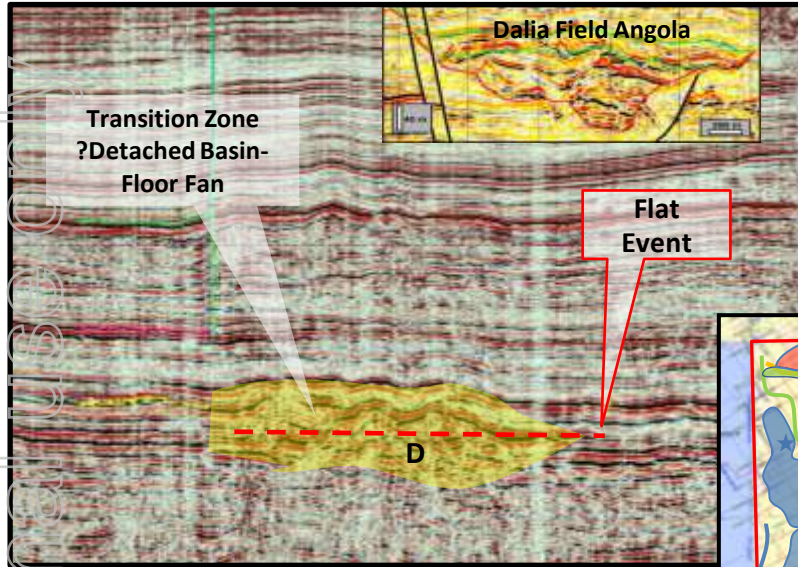
“Transition Zone” – main prospective sequence

For personal use only

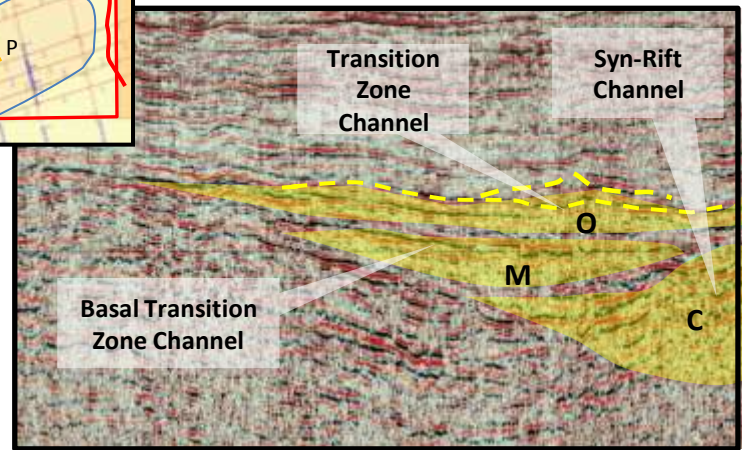
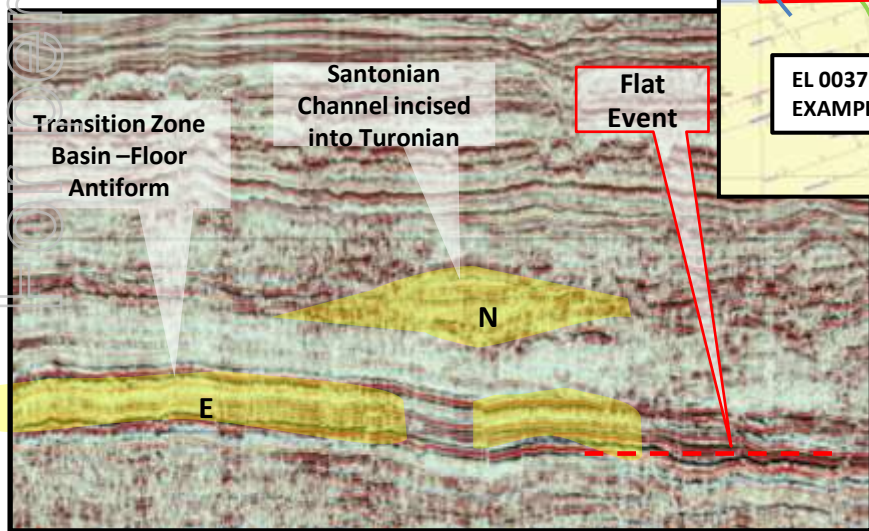




# Namibia EL 0037 – Numerous Leads



**NAMIBIA EL 0037- NUMEROUS LARGE STRATIGRAPHIC PLAYS IN SLOPE AND BASIN SETTING**

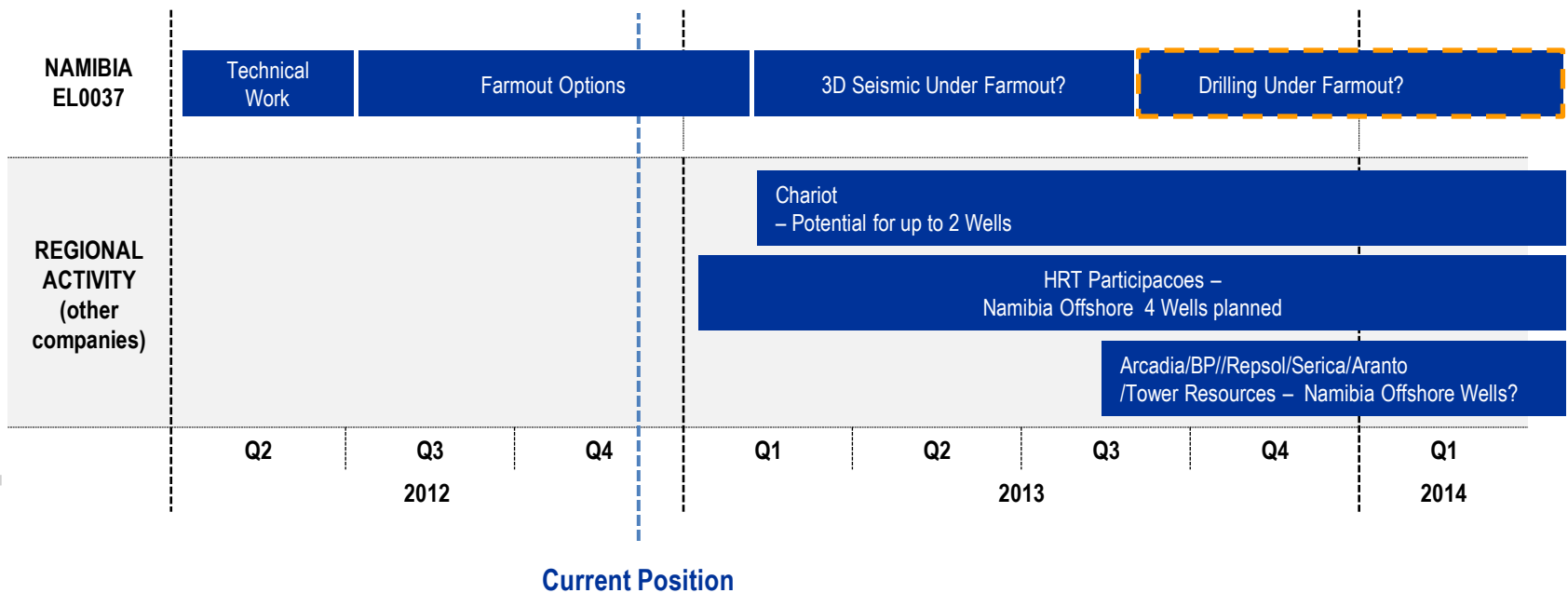


# Expected Activity Timeline – Namibia



PCL is well positioned offshore Namibia to secure a farm-in partner for drilling

PCL has indirect exposure to potentially 6+ offshore Namibia wells over the next 12 – 18 months



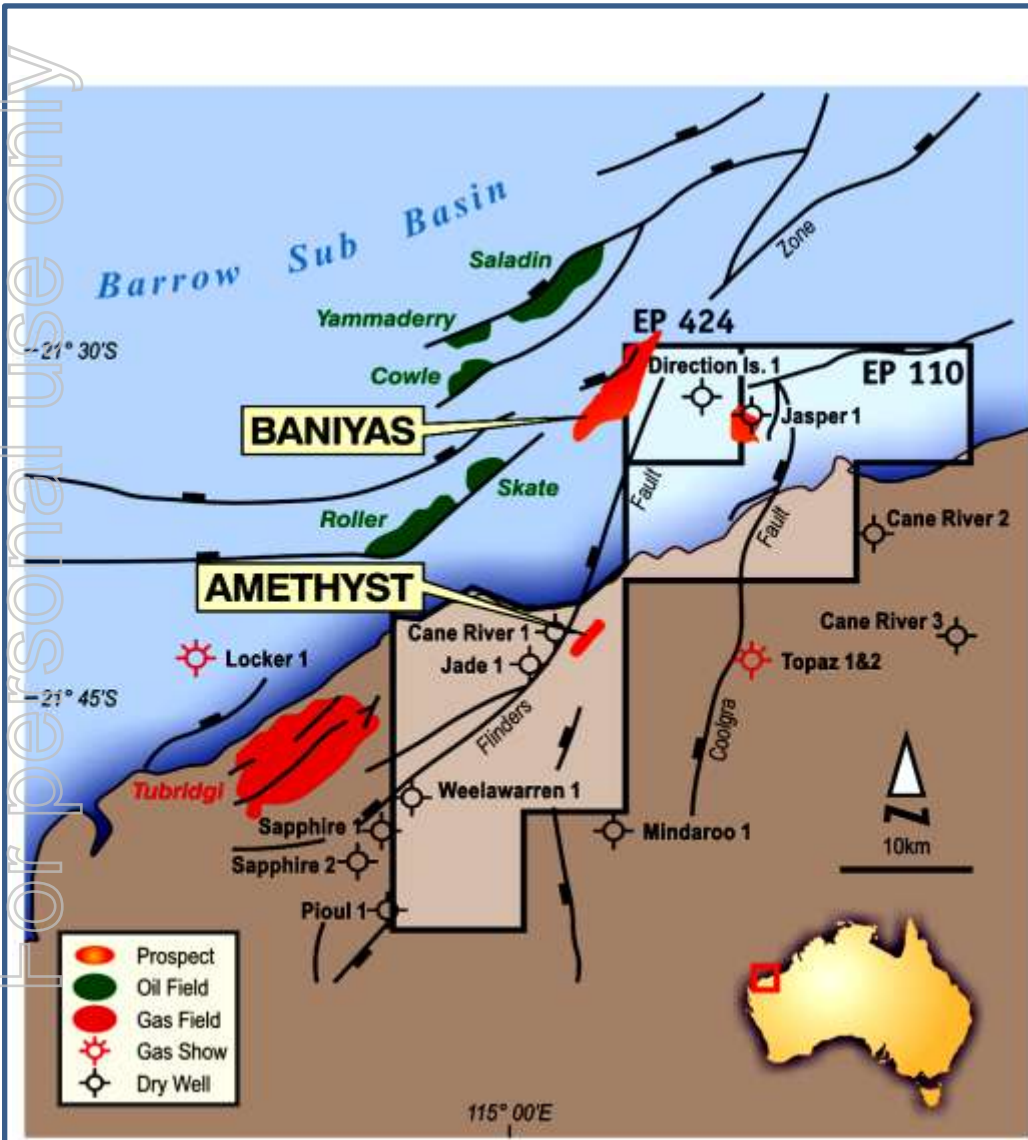
Final drilling decisions and timing have yet to be determined

*The timetable above is indicative only. More accurate timing of activities will be determined when government approvals, availability of rigs and seismic vessels are confirmed (where necessary)  
Regional activity has been estimated using company announcements and is not intended to provide a comprehensive review of all regional activity*

# Australia – EP 424 & EP 110

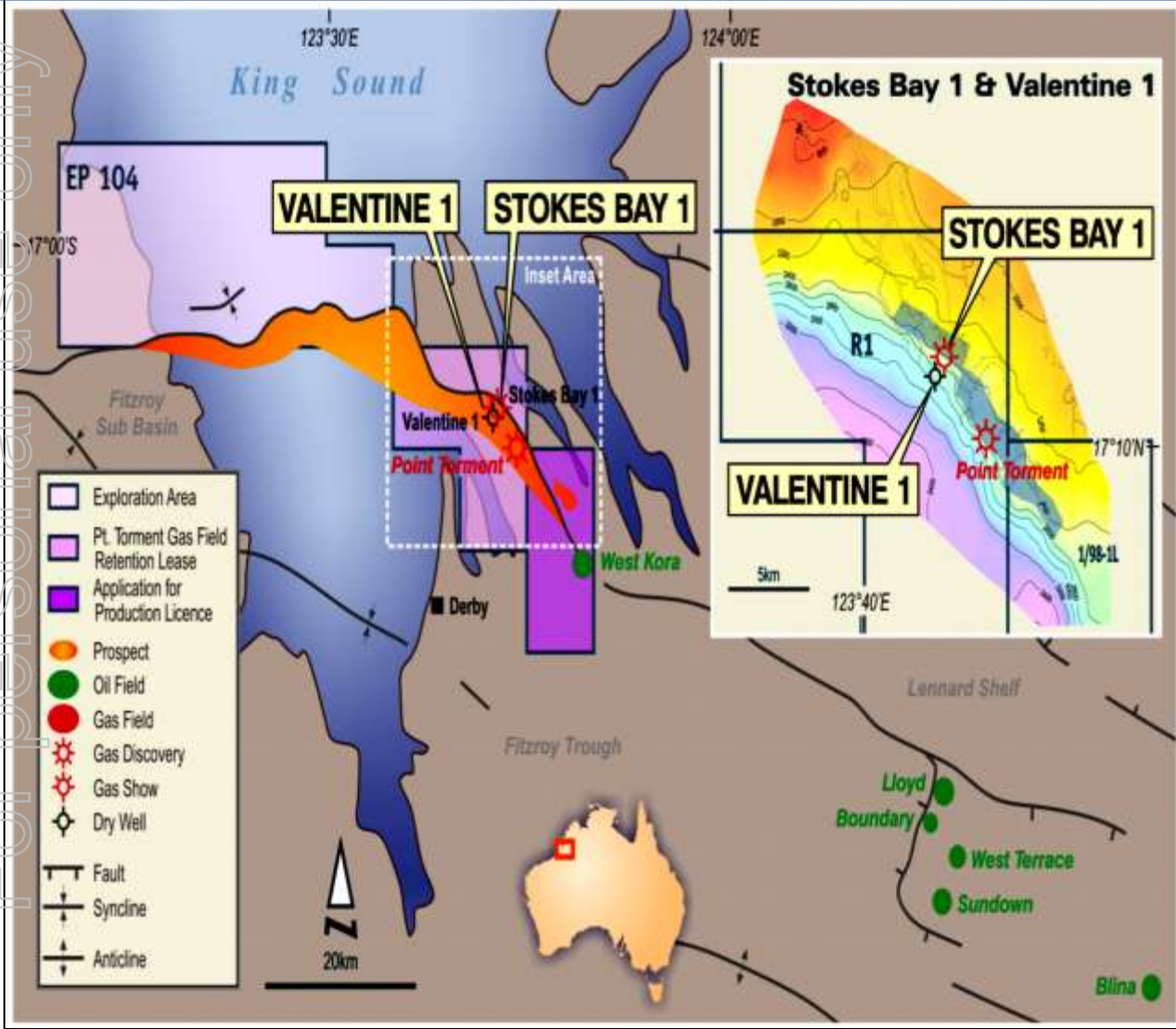


For personal use only



- ❖ PCL – 38% interest
- ❖ Known oil province
- ❖ Baniyas Prospect on trend to producing oil fields
- ❖ Water depth of 10m

# Australia – EP 104 / R1 & L15



- ❑ EP 104 - PCL 10%
- ❑ L15 - PCL 12%
- ❑ Looking for oil on-trend to Blina etc
- ❑ West Kora L15 oil redevelopment



- ❖ **Pancontinental** is well funded for foreseeable drilling activity with approximately \$39 million in cash
- ❖ **The only junior** exploring two of the most exciting oil plays of the decade - East Africa and Namibia where consolidation by the Majors is ongoing
- ❖ Made the **first successful gas discovery offshore Kenya** along with the L8 JV partners
- ❖ Believes the Majors are positioning in East and South West Africa for many years and many wells
- ❖ Other major drilling schedules in East Africa and Namibia also have the potential to significantly re-rate PCL's asset values in the next 12-18 months

# Asset Summary



Block	Area (km <sup>2</sup> )	PCL Interest (%)	Operator (%)	Partners (%)
Kenya L6	3,134	40.0%	FAR Limited(60%)	FAR Limited (60%)
Kenya L8	5,115	15.0%*	Apache (50%)	Apache (50%) Origin Energy (20%), Tullow (15%)
Kenya L10A	4,962	15.0%	BG (40%)	BG (40%) PTTEP (25%), Premier (20%)
Kenya L10B	5,585	15.0%	BG (45%)	BG (45%) PTTEP (15%), Premier (25%)
Namibia EL 0037	17,295	95.0%	PCL (95%)	Paragon (Local Partner) (5%)
EP 424 (Australia)	79	38.5%	Strike Energy (61.5%)	Strike Energy (61.5%)
EP 110 (Australia)	750	38.5%	Strike Energy (61.5%)	Strike Energy (61.5%)
EP 104 / R1 (Australia)	736	10.0%	Buru Energy (38.95%)	Buru Energy (38.95%) Emerald Gas (12.75%), Gulliver (14.8%), Phoenix Resources (10%), FAR (8%), Indigo Oil (5.5%)
L15 (Australia)	150	12.0%	Buru Energy (15.5%)	Buru Energy (15.5%) Gulliver (49%), FAR (12%), Indigo Oil (11.5%)

\* Tullow has an option to earn a further 5% interest from Pancontinental



# PANCONTINENTAL

For personal use only



## Pancontinental Oil & Gas NL

Ground Floor

288 Stirling Street

Perth, WA 6000

Australia

Tel: +61 (8) 9227 3220

Fax: +61 (8) 9227 3211

[www.pancon.com.au](http://www.pancon.com.au)

[www.pancon.com.au](http://www.pancon.com.au)