

8 April 2015

Kenya Block L10B

Pancontinental (**ASX: PCL**) advises that it has served a notice of withdrawal on BG Kenya L10B Limited (BG), the only remaining participant and operator of Kenya Licence L10B (L10B), from the Joint Operating Agreement with BG and from the PSC governing L10B.

Pancontinental holds a 25% interest in L10B, while BG holds 75%.

Licence area L10B lies immediately to the south of area L10A, in which a joint venture also operated by BG Group (50%) drilled the Sunbird-1 oil discovery well in 2014. Pancontinental holds 18.75% in this licence and PTTEP of Thailand holds 31.25%.

Pancontinental believes that it has sufficient exposure to the prospectivity of the area through its 18.75% interest in the adjoining Block L10A. The Blocks have similar geological features that in some cases straddle the permit boundary, while exploration in L10A is more advanced. The Company considers that the withdrawal is in the interest of prudent financial management, whilst maintaining a manageable and prospective exploration portfolio.

For and on behalf of

Pancontinental Oil & Gas NL



Barry Rushworth
CEO and Executive Director