



PANCONTINENTAL Oil & Gas NL
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27 December 2002

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

Jingemia 1 Production Testing Status Report; tests at 2050 barrels per day.

EP 413, Perth Basin.

Pancontinental: 1.278%

The Company has been advised by Origin Energy Resources Limited, as operator of Exploration Permit 413, that the first phase of production testing of the Jingemia-1 oil discovery which commenced on 11 December 2002 was completed at 0630 hours WST on 24th December 2002. The well is now shut in until mid January 2003 for long-term pressure build up.

During the 10 day well flow period a total of 18,500 barrels of oil was produced at an average rate of 1,850 barrels of oil per day and trucked to the BP Oil Refinery at Kwinana for sale. No water and a small amount of associated gas were produced during the test. The oil production rate was constrained at times to maximise the amount of information obtained from the test, however flow rates of up to 2050 barrels of oil per day were recorded through a 1 inch choke. Production constraints did not allow for the determination of a maximum oil flow rate (above the 2050b/d rate). That rate can be determined from the test data.

The down hole gauges will be retrieved in mid January and the flow test and build up data analysed. Following this, approval will be sought for an initial 3 month extended production test. Once approved it is estimated that this extended production test will commence on or about 1 February 2003.

The reservoir engineering data generated during these tests will be used to determine the potential daily production rates of the well and other parameters relating to the recoverable oil reserves of the Jingemia discovery.

Wireline electric log data and pressure measurements have already confirmed that a single oil column of at least 29 metres and more likely up to 33 metres, is present in the Dongara Sandstone.

Electric logs have also confirmed that the well intersected 34 metres of Dongara Sandstone of which 32 metres is interpreted as being of good to excellent reservoir quality. This overlies an additional 43 metres of poorer quality Wagina Formation.

Jingemia is located in the onshore Perth Basin 24 kms south of the Dongara township and Dongara gas and oil field. The Jingemia prospect is a fault dependent closure very similar to the Hovea oil discovery 5 kms to the north-east.

Commenting on the test results, Pancontinental's Chief Executive Officer Andrew Svalbe said "Although Pancontinental's equity in the Jingemia project is modest, this is a welcome Christmas outcome. Based on current oil prices, estimated costs and exchange rates, the expected gross annual Jingemia oil production income will be approximately Aus\$500,000. These earnings will be a milestone in the Company's growth history, allowing additional funds to be released for exploration drilling. Optimisation of Jingemia production rates and future exploration success in the EP413 permit on a number of attractive "look-alike" leads will add to these results."

<i>(ASX* listed) Participants in the EP 413 Joint Venture are:</i>	<i>Equity %</i>
* Pancontinental Oil & Gas NL (through subsidiary Euro Pacific Energy Pty Ltd)	1.2780%
* Origin Energy Resources Limited (Operator) (Subsidiary of Origin Energy Limited)	49.1890%
* Hardman Oil & Gas Pty Ltd	22.3760%
*AWE (Perth Basin) Ltd. (Subsidiary of Australian Worldwide Exploration Ltd.)	15.2450%
* Victoria Petroleum NL. (through subsidiary Victoria Petroleum Offshore Pty Ltd)	5.7685%
* Voyager Energy Ltd. (through subsidiary Chimelle Petroleum Ltd)	5.7685%

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It is advised in accordance with Australian Stock Exchange Limited Listing Rule 5.11 that the report on the above project has been prepared by Mr Andrew Svalbe, AAPG, PESA, ASEG, FESWA who has had more than the required five years experience and is a competent person as defined in the Listing Rules of Australian Stock Exchange Limited and has consented in writing to the inclusion of this report as it appears here.