

March 9, 2007



Continental Energy Corp.: Drilling Rig Arrives in Bengara-II Block

DALLAS, March 9, 2007 (PRIME NEWSWIRE) -- Continental Energy Corporation (OTCBB:CPPXF) today announced that the drilling rig contracted to drill in its Bengara-II Block has arrived at the NE Kalimantan staging area. Over 8,000 tons of drilling rig and related equipment and materials were transported by two barges from Jakarta harbor some 1,800 nautical miles to a remote jungle staging area within Bengara-II Block on the banks of the Seberaba River in Indonesia's NE Kalimantan province.

Construction on the riverside staging area was completed last month by Continental's drilling contractor. The staging area was upgraded utilizing a riverside site formerly employed by a local timber company to load logs felled in its nearby forestry concessions onto barges for marine delivery to plywood mills and sawmills. The Seberaba River permits barge and landing craft direct access to the staging area from the Celebes Sea ensuring efficient and cost-effective marine delivery of heavy equipment, pipe and other materials into the interior of the Bengara-II Block itself without need for intermediate transshipment points.

The same riverside staging area will be utilized as the principle logistics and supply base for delivery of materials and equipment used in support of all planned 2007 Bengara-II Block drilling activities.

The Seberaba-No.1 drillsite, the first of at least 4 exploration drilling locations within the Bengara-II Block planned for 2007, is located less than one mile from the riverside staging area. An 8-meter wide dirt and gravel access road has been completed linking the staging area with the Seberaba-No.1 drillsite enabling handy truck transportation of personnel, the rig, related equipment, and drilling materials.

Earth works at the Seberaba-No.1 drillsite is nearing completion. The swampy site has been leveled and filled. A fresh water well has been drilled, and a wellhead cellar and drilling mud reserve pits constructed.

Additionally, construction of a base camp alongside the Seberaba-No.1 drillsite is also nearing completion. The base camp will house and accommodate drilling crews and related personnel during the duration of the entire 2007 exploration drilling campaign.

Continental anticipates an early April spud of the Seberaba-No.1 exploration well. Drilling of the 4,200 meters deep Seberaba-No.1 is expected to take up to 70 days at a cost of over \$6,000,000. The well will test large closures in four separate potential oil bearing stratigraphic zones.

On behalf of Continental Energy Corporation

"James D. Eger"

Secretary and CFO

About Continental Energy Corporation: Continental Energy Corporation is an independent oil and gas exploration company, focused entirely on making a major oil or gas discovery in Indonesia.

No securities regulatory authority has either approved or disapproved the contents of this news release.

Certain matters discussed within this press release may be forward-looking statements within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Although Continental believes the expectations reflected in such forward-looking statements including reserves estimates, production forecasts, feasibility reports and economic evaluations are based on reasonable expectations and assumptions, it can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from expectations include financial performance, oil and gas prices, drilling program results, regulatory changes, political risk, terrorism, changes in local or national economic conditions and other risks detailed from time to time in Continental's periodic filings with the U.S. Securities Exchange Commission.

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