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2nd Rig Tendered for Bengara-II 2007 Drilling Program

DALLAS, April 20 /PRNewswire-FirstCall/ -- Continental Energy Corporation (OTC Bulletin Board: CPPXF) today announced that its 18% owned Indonesian subsidiary Continental-GeoPetro (Bengara-II) Ltd. ("CGB2") has called for tenders to provide a second drilling rig to drill the third and fourth wells of the four planned wildcat exploration wells for this year on the Bengara-II PSC, onshore East Kalimantan. Bid submission closes on the 18th of May and CGB2 expects to award the drilling contract shortly thereafter.

The Company's Exploration Manager in Jakarta, Drew Eriksson, said of the tender: "We have an ambitious exploration drilling campaign planned for 2007 and we need the second rig to ensure we meet our objective of completing 4 new exploration wells this year. We have experienced more delays than originally expected due to difficulties with construction of access roads, and in particular bridges, in the swampy jungle of the Bengara-II Block."

"The second rig is a smaller, lighter and more compact unit than the first rig we deployed and that fact should facilitate rig movement and mobilization. It cannot drill as deep as the first rig but it is sufficient to drill 2 of our 4 planned 2007 wildcats and it will of course give us the capability to speed up the program and drill two wells at the same time."

"The first rig is set to drill our first well, the Seberaba-1, to a programmed total depth of 4,000 meters (13,120 feet). That rig is now on location and rigging up and we still anticipate a spud before the end of April. The Seberaba-1 will take 75 to 90 days to drill and test. After that, the rig will be moved to drill our Punga-1 prospect to 3,800 meters (12,467 feet)."

"We would expect the second rig to be on location in July to spud the first of two other wildcats, planned for our Apung-1 and Bekawas-1 prospects, each programmed to a total depth of about 2,100 meters (6,900 feet)."

About Continental Energy Corporation:

Continental Energy Corporation is a small oil and gas exploration company, focused entirely on making a major oil or gas discovery in Indonesia. For further information, please visit our web site at <http://www.continentalenergy.com>.

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 US Securities Exchange Commission.

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