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## 3rd Rig Tendered for Bengara-II Drilling Program

JAKARTA, Indonesia, July 24 /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 for a third drilling rig to provide turn-key, integrated drilling services to drill wells on the Bengara-II PSC, onshore East Kalimantan, Indonesia.

CGB2 expects to award the drilling contract around the end of August.

The third rig will allow for intensification of the 2007 drilling program and will facilitate rapid evaluation of the large, fault bounded structure currently being tested by the Seberaba-1 well.

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 [www.continentalenergy.com](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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