

CONTINENTAL ENERGY CORPORATION
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[KK-V] 8,934,312 SHARES, 13,000,000 FULLY DILUTED

CONTINUED FROM PAGE ONE - The intent of Continental and its partners is to twin an existing well bore that has bypassed pay in both the Wilcox and Edwards formations. This first well will be drilled only to the Wilcox formation and cash flow generated from this initial test will be used to fund the deeper more expensive Edwards test in 1998. Continental will be acquiring acreage over several other Edwards "look alikes" before the deep test is spudded. Undiscounted and unrisksed, this project has a value of US \$94,000,000. In order to obtain a 15% rate of return separately for each of the formations, a 4% probability of success would be required for the Wilcox sands and 5% would be required for the Edwards limestone.

The Stoneham Ridge Prospect, also in Grimes County, is held through a combination of leasehold and farmouts totalling about 10,000 acres. Continental has a 30% interest. The well started drilling Nov.15, 1997. On Nov.28, 1997 this well was nearing total depth. This is a dual zone prospect with objectives in the Yegua and Wilcox sandstones. Reserve potential for the Yegua formation is 19 bcf gas and for the Wilcox formation, 90 bcf gas and 2,900,000 bbl condensate. The larger reserve Wilcox growth fault play is defined by a tight seismic grid indicating substantial structure can be gained from a downdip show well. The probability of encountering gas is increased by the positive results obtained from doing seismic attribute work such as AVO and inversions. A second prospect with equal reserve potential has been identified in the immediate area and will be pursued should the initial prospect be successful. Undiscounted and unrisksed, this project has a value of US \$56,000,000. In order to obtain a 15% rate of return separately for each of the formations, a 3% probability of success would be required for the Wilcox sands and 5% would be required for the Yegua sands.

The Worthing Prospect in Lavaca County is held under 1,058 acres of leasehold. Continental has a 67.5% working interest. This prospect has multiple zone possibilities within the Frio, Upper Wilcox and Middle Wilcox sands as determined by the seismic AVO and amplitude work that was done. All three zones produce in the immediate area and can be evaluated by one well bore. Reserves estimates are: 5.7 bcf gas for the Frio sands; 15.5 bcf gas and 500,000 bbl condensate for the Upper Wilcox sands; and, 8.9 bcf gas and 288,000 bbl condensate for the Middle Wilcox sands. Undiscounted and unrisksed, this project has a value of US \$36,000,000. In order to obtain a 15% rate of return separately for each of the formations, a 15% probability of success would be required for the Frio sands, 4% would be required for the Upper Wilcox sands, and 5% would be required for the Middle Wilcox sands.

Drilling is anticipated to start in November and December for Stoneham Ridge and Whitehall respectively. A Worthing spud date is anticipated for January. Additionally, the company is participating in the assembly of leasehold positions for several other prospects outside of those mentioned above. These could be ready for drilling within the first quarter of 1998, depending upon rig availability.

centrally located in favourable geology within trend of B.C. open pit producing mines. Initial results from the Jean planned 1997, program of 25 drill holes laid out to test three target areas. (SEE TABLE OF DRILLING ASSAYS OVERLEAF P.1) Two of these targets are known to contain copper. The Jean is located at 1,000 metres to 1,600 metres elevation, 35 km east of the BC Rail extension, 80 km northwest of Fort St.James, 200 km northwest of Prince George, BC. Previous work has included stream silt sampling, soil sampling, geological mapping, aerial magnetometer survey, 130 line-km of induced polarization and resistivity survey, 48 km of road construction, trenching, stripping, 19 diamond drill holes, for 1,950 metres and 40 percussion holes for 3,200 metres. The work indicated several zones of copper, molybdenum along the fault bounded southwestern granite stock contact. A probable resource of 30,000,000 tons grading 0.3% copper, 0.015% molybdenum is in the A and B zone with a further 30,000,000 tons of 0.11% copper, 0.017% molybdenum in C zone. The 1997 drilling was been planned to test for better grades at depths below 100 metres.

The potential for the Jean property is several hundred million tons of copper-molybdenum in three or more zones. The objective is to exceed 100,000,000 tons of 0.35% copper, 3.0 grams silver/tonne, 0.1 grams gold/tonne plus 0.015% molybdenum.

Four km of road were built on the property in 1997. This road crossed over the "N" induced polarization anomaly on its way to the "A" and "B" zones, three reconnaissance holes were drilled more than 2,100 feet apart for initial evaluation of the "N" anomaly. The drilling encountered disseminated sulphides with anomalous copper and gold values throughout. Further drilling is necessary to evaluate this "N" anomaly which measures 5,250 feet by 1,650 feet. The last 6.4 feet of hole No.4 averaged 0.56% copper.

REORGANIZATION - NAME CHANGE - Continental Energy shares RECENT CURRENT FINANCINGS resumed trading on the VSE on 28Feb97, following a

five-old shares for one-new share consolidation and a name change from **INTERNATIONAL FOCUS RESOURCES INC.** As part of the reorganization, the company sold 30% interest in a shut-in gas well in Fort St. John area, B.C., for a cash payment of \$480,000 from Conwest Exploration Co. Ltd. and also sold 31.5% interest in a well in Glen Park area, Alberta, for a cash payment of \$275,000 from Pinnacle Resources Ltd. As a further part of the reorganization, the company completed three private placements of 3,242,350 units to raise proceeds of \$1,700,225 into the treasury for oil exploration and development drilling of the Jean property.

DIRECTORS AND MANAGEMENT - Gary R. Schell, president is a professional engineer with 30 years experience in fund raising and management of mineral and oil and gas exploration projects. M. Elden Schorn was appointed a director in April 1997. He has 30 years experience in international finance, senior management of research projects and many types of industrial production companies as well as mineral exploration. Gary Wine, P.Geol. petroleum, vice president exploration, was appointed a director in June 1997. Mr. Wine has 20 years international petroleum experience including on-shore Texas Gulf coast. Dr.David L. Cooke, P.Eng., 31 years experience in mineral exploration mainly in western Canada and in Latin America with a major international mining company. He has been a consultant in mineral exploration for the past 14 years. The fifth director is Guy C. Hesse, geological engineer, P.Eng., FCA, 30 years experience in the investment industry as a mining analyst and in corporate finance. He is now retired and living in Costa Rica.

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CONTINENTAL ENERGY CORP.
JEAN COPPER PROJECT
80KM NORTHWEST OF FORT ST. JAMES
NORTHERN BC

1997 diamond drill program

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From FT	To FT	Interval FT	CU %	MO %	AU PPB	AG PPM	Copper Equivalent
DDH-97-4 First Hole in the B zone							
8.0	91.9	83.9	0.26	Tr			
91.9	223.1	131.2	0.11	Tr			
223.1	472.5	249.4	0.44	0.014			
includes							
393.8	472.5	78.7	0.80	0.04	35	6.25	1.04
472.5	663.7	191.2	0.12	Tr			
The last 6.4 feet of hole in No. 4 averaged 0.56% copper							
DDH-97-5 Second hole in the B zone							
<i>Located 260 ft. east, 400 ft. south of No. 4 hole at -55°</i>							
118.1	203.4	85.3	0.19	Tr	52	1.2	0.22
328.1	360.9	32.8	0.73	Tr	Tr	2.4	0.75
420.0	584.0	164.0	0.30	0.025	Tr	1.1	0.44
includes							
498.7	584.0	85.3	0.34	0.04	20	1.2	0.52
DDH-97-8 Fifth hole in the B zone							
<i>Located 655 ft. southeast of No. 4 hole & 460 ft. east of No. 5 hole</i>							
26.2	308.4	282.2	0.28	0.02	Tr	2.6	0.38
98.4	170.6	72.2	0.43	0.004	51	3.4	0.5
236.2	275.6	39.4	0.39	0.06	Tr	2.7	0.67
236.2	354.3	118.1	0.05				
DDH-97-9 Sixth hole in the B zone							
<i>Located 410 ft. west of No. 6. This hole appears to be on the southern extremity of the B zone</i>							
59.1	105.0	45.9	0.16	Tr	Tr	1.8	
328.1	518.4	190.3	0.15	Tr	Tr	Tr	
472.5	518.4	45.9	0.34	Tr	Tr	Tr	
DDH-97-10 Seventh hole in the B zone							
<i>Located 1,230 ft. West of No. 8</i>							
98.4	525.0	426.6	0.30	0.006	19	0.91	
including							
210.0	374.0	164.0	0.51	0.01	31	1.56	0.58
525.0	557.8	32.8	0.223	0.09	17	0.96	0.54
557.8	689.0	131.2	0.04	0.05	Tr	Tr	0.265
DDH-97-11 Eighth hole in the B zone							
<i>Located 1,700 ft. west of the No. 8</i>							
72.2	682.5	610.3	.38	0.009	Tr	Tr	
including							
593.9	682.5	88.6	1.55	0.04	25	5.4	1.77