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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES
EXCHANGE ACT OF 1934**

For the month of May, 2012

Commission File Number 000-17863

CONTINENTAL ENERGY CORPORATION

(Translation of registrant's name into English)

Unit 201, 2311 Tradition Way, Naples, Florida, U.S.A., 34105
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [] Form 40-F []

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): []

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): []

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes [] No []

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

Exhibit

99.1 [Press Release dated May 15, 2012](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Continental Energy Corporation

(Registrant)

Date May 16, 2012

By /s/ Richard L. McAdoo

Richard L. McAdoo

Chairman and Chief Executive Officer

SEC 1815 (04-07)

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NEWS RELEASE

OTC-BB: CPPXF

CONTINENTAL ENTERS INTO PARTNERSHIP FOR INDONESIAN CBM

JAKARTA, Indonesia – **May 15, 2012** - Continental Energy Corporation (OTCBB: CPPXF) (the “**Company**”) an emerging international energy company, today announced that it has entered into a Joint Study and Bid Group agreement with CBM Asia Development Corp. (“**CBM Asia**”).

CBM Asia (TSX.V:TCF) (www.cbmasia.com), a Canadian-listed coalbed methane (“**CBM**”) company focused solely on the Indonesian CBM industry and with interests in four CBM production sharing contracts (“**PSC**”) is pursuing new CBM opportunities in Indonesia. Under the agreement, Continental and CBM Asia will jointly and exclusively study selected areas in Indonesia with the objective of identifying geologically justified candidate areas to be jointly pursued as targets of opportunity for direct acquisition of CBM PSCs offered by the Indonesian government through public tenders or through direct proposal tenders conducted under joint study arrangements.

Successful CBM PSC acquisitions shall be shared by Continental and CBM Asia under a pre-agreed joint operating agreement (“**JOA**”) format in the participating interest proportions 75% CBM Asia and 25% Continental. CBM Asia shall act as operator under the JOA and any CBM PSC and shall pay 100% of the JOA's CBM PSC general and administrative costs. All CBM PSC acquisition costs and other JOA exploration and drilling costs shall be borne by the parties in proportion to their respective JOA participating interests.

According to MIGAS, the oil and gas division of Indonesia's Ministry of Energy, gas production from CBM is expected to contribute to the country's efforts in boosting its declining gas output. Indonesia has the world's second largest CBM reserves after China, with total potential reserves of 453 trillion cubic feet, twice that of its estimated conventional natural gas resources. In order to promote CBM development, the Indonesian Government has prepared some new incentives and streamlined CBM working area applications. Foremost among these incentives is a favorable production sharing split for the contractor of 45% for CBM gas as opposed to the 30% conventional PSC operators receive for gas. A tax holiday incentive is also being considered for CBM gas.

Continental's CEO, Richard McAdoo stated, “This agreement with CBM Asia is the first step along a planned path of expansion into the unconventional oil and gas sector in Indonesia which is pushing increased gas production by any means, largely to fuel a chronic under capacity of electrical power generation. We intend to leverage our long history of oil and gas operating experience in Indonesia with a far reaching understanding and knowledge of the geology of Indonesia into the CBM sector. We are pleased to have CBM Asia, a leading CBM developer and operator, as our operating partner in this expansion. I am confident we will make a good team, as we each bring a strong competitive advantage to the table.”

CBM Asia's President and CEO, Al Charuk, added, “We are very excited to enter into a CBM agreement with Continental Energy Corporation which like ourselves is Indonesian focused. Continental's management and technical teams have extensive geological knowledge underpinning potential CBM opportunities as well as operating experience required for surface operations. We have identified several areas of interest which we and our new partner will be actively pursuing in the near future.”

On behalf of the Company,
Robert V. Rudman, C.A.
Chief Financial Officer

Source: Continental Energy Corporation

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Further Info: www.continentalenergy.com and <http://agoracom.com/ir/continentalenergy>

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

Statements in this news release that are not historical are forward looking statements. 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 risk detailed from time to time in Continental's periodic filings with the US Securities Exchange Commission. Readers should also refer to the risk disclosures outlined in disclosure documents filed by other early stage energy and environmental companies with the Securities and Exchange Commission available at www.sec.gov.

The Company assumes no obligation to update the information in this release.
