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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 29, 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 29, 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 GEOTHERMAL ENERGY PROJECT RECEIVES US\$ 11.5 MILLION GRANT

KOTA KINABALU, Malaysia – **May 29, 2012** - Continental Energy Corporation (OTCBB: CPPXF) (the “**Company**”) an emerging unconventional energy company concentrating its efforts in Southeast Asia, today announced that the Government Of Malaysia, acting through its Public Private Partnership Unit of the Prime Minister’s Department, has awarded a grant of 35 Million Malaysian Ringgit (approximately US\$ 11.5 Million) to Tawau Green Energy Sdn. Bhd. (“**TGE**”). The Company owns a 10% stake in TGE.

TGE is developing a geothermal energy resource at a site named Apas Kiri, located in the southern portion of the Malaysian State of Sabah near the city of Tawau. Apas Kiri will be Malaysia’s first geothermal energy development. It is expected to come online by early 2015 with a rated net capacity of 30 Megawatts.

The grant was formalized in a Facilitation Funds Agreement (“**FFA**”) signed at a ceremony in Kota Kinabalu, Malaysia, on Friday, May 25th. The FFA was signed on behalf of the Malaysian Government by Dato’ Seri Dr. Ali Hamsa, Director General of the Public Private Partnership Unit of the Prime Minister’s Department; on behalf of TGE by its Managing Director, Mr. Ramzi Raad; and on behalf of Bank Pembangunan Malaysia Berhad (“**BPMB**”) by Mr. Zakaria Saad, its Head of Business Banking.

Under the FFA, the grant funding will be disbursed by BPMB, a development bank owned by the Malaysian Government and mandated to provide medium to long term financing to capital intensive development and infrastructure projects. The proceeds of the grant are to be exclusively utilized by TGE to pay for costs associated with constructing access roads and making related infrastructure improvements involving the Apas Kiri geothermal power development.

The Company’s CEO, Richard L. McAdoo, who is also the Geotechnical Director of TGE, was present and witnessed the signing. He said afterwards, “This grant reaffirms the strong commitment and firm resolve that both the Government of Malaysia and the Government of Sabah have in solving electrical power generation capacity shortfalls in Sabah utilizing renewable energy sources. This kind of fiscal incentive is essential to any green field renewable energy project’s success. Our recognition of this vital Government support was one of the principle factors in our recent decision to invest in TGE. The management of TGE has done an excellent job in highlighting the benefits of the Apas Kiri geothermal energy development to the people of Sabah and this grant is a remarkable demonstration of the Government's strong commitment of support for the timely implementation of the project.”

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.

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

Statements in this news release that are not historical are forward looking statements. Forward-looking statements in this news release include: that TGE will build, own and operate a geothermal power plant in Sabah; that the plant will come online in 2015; and that the grant funds will help build road and infrastructure. Forward-looking statements are subject to risks, uncertainties and factors that include, but are not limited to the nature of major construction projects, which are subject to construction delays, cost overruns and uncertainties; energy alternatives and pricing; dependence on existing management; that technology may not work as expected; the government could cancel its grant and general economic conditions. In regards to our company, the following are also risk factors: we may not be able to complete our non-financial contractual obligations to acquire our interest; we may not be able to finance our contractual obligations to acquire our interest in the project; we may not be able to finance operations and growth; we may not be able to attract and retain employees and consultants; we face competition from cheaper or more accepted competitors or energy sources; it is not yet assured that TGE and our technology can perform under commercial conditions or that TGE or we can keep control on costs. In addition our company faces political risks in the regions where we operate. 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.