

## Summary

### Namibia - Offshore

#### PEL 87 Orange Basin

- PEL 87 Orange Basin – PCL continues with the farmout process to advance the Project and drive value for shareholders and stakeholders.
- U.S. oil major Chevron has entered PEL 90 located in the Orange Basin offshore Namibia, which is close to a recent oil discovery made by TotalEnergies and adjoins PEL 87.
- The major oil discoveries offshore Namibia; firstly Shell with Graff-1 and secondly TotalEnergies with Venus-1X have focused industry attention on the Orange Basin. Both discoveries are on trend to Pancontinental's PEL 87 Orange Basin area.
- Pancontinental holds a significant 75% interest in PEL 87.

#### PEL 37 Walvis Basin

- PEL 37 Walvis Basin – Pancontinental Energy's 66.67% subsidiary, Pancontinental Namibia has decided to withdraw from the process of seeking an extension to the original PEL 37 Licence offshore Namibia.

### Queensland – Onshore

#### ATP 920 & 924 – Cooper Basin

- A review of the projects is being conducted to ascertain the focus of future exploration work programmes.

### Corporate

- Cash balance of \$1,791k as at the end of the quarter.
- During the quarter PCL undertook a Placement to raise \$2 million before costs.

**ASX Code** – PCL

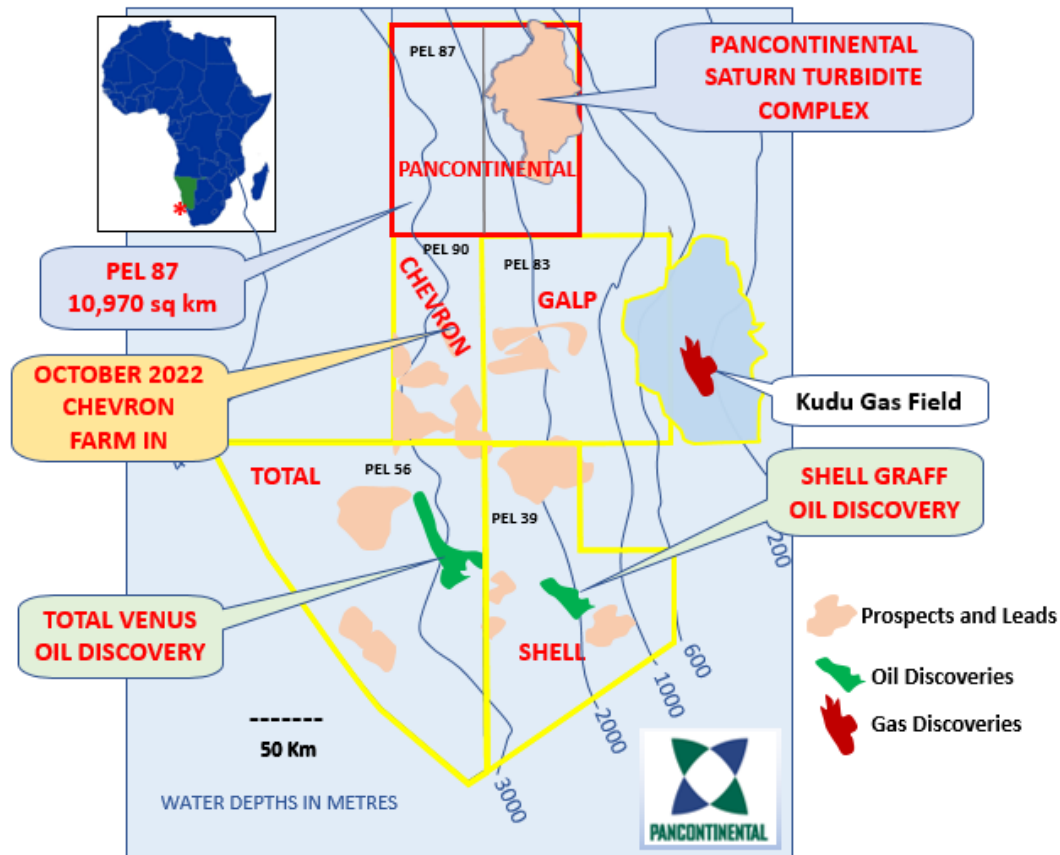
**Issued shares** – 7,554 million

**Market Capitalisation** - @ \$0.005 - \$37.8 m

**Cash at End of Quarter** - \$1,791k

# Projects

## Namibia



### Namibia Offshore PEL 87

Location:	Orange Basin	
Project Size:	10,947 square kilometres	
JV Partners:	Pancontinental (Operator)	75.00%
	Custos Investments (Pty) Ltd	15.00%
	NAMCOR*	10.00%
	*National Petroleum Corporation of Namibia	

The joint venture consists of Pancontinental with a 75% interest, local company Custos Investments (Pty) Ltd; 15% and the National Petroleum Corporation of Namibia holding 10%.

The joint venture has acquired over 2,800 line kms of good quality 2D seismic as well as numerous other reports and studies. This technical data has assisted the joint venture in identifying a number of leads within a vast, 2,400km<sup>2</sup> Turbidite Fan complex ("Saturn") of Aptian Age that, based on Pancontinental's interpretation is encased in sealing shales. The Saturn Turbidite Fan complex covers a core area of more than 2,400 square kilometres with an overall area of about 4,000 square kilometres and holds significant oil potential.

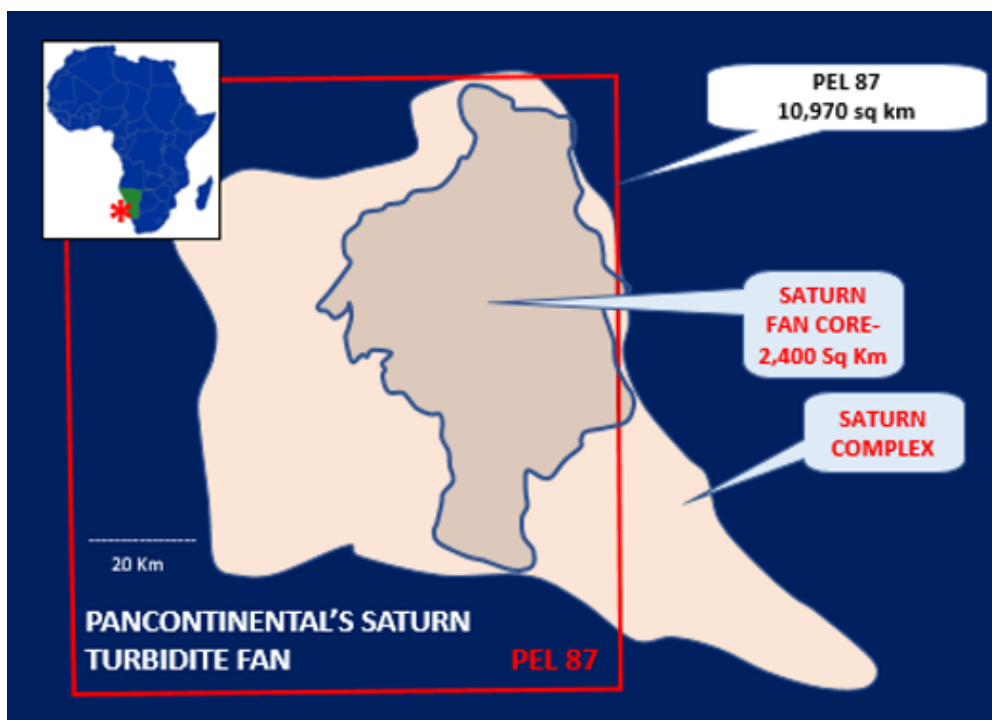
Pancontinental is continuing with a farmout process on the PEL 87 Project.

Pancontinental has been exploring in Namibia for over a decade and in that time has built up a database of information which indicates the prospectivity of offshore Namibia. Pancontinental's theories have been validated by the two high profile discoveries made by Shell and TotalEnergies with their Graff-1 and Venus-1X wells respectively. Both of these discoveries are on trend to Pancontinental's PEL 87 Orange Basin area.

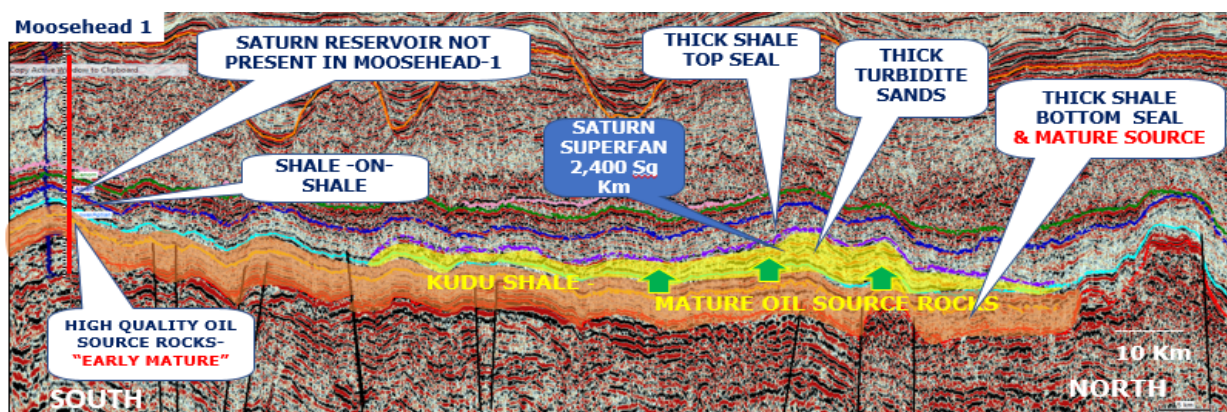
### **Other News on the Orange Basin**

U.S. oil major Chevron has entered PEL 90 located in the Orange Basin offshore Namibia, which is close to a recent oil discovery made by French TotalEnergies.

Toronto-based Sintana Energy revealed that Trago Energy, a Namibian affiliate of the company, had completed a transaction with Chevron in respect of its interest in Petroleum Exploration License 90 located in the Orange Basin. The license covers 5,433 km<sup>2</sup>, in water depths between 2,300m and 3,300m. Media reports have confirmed that Chevron Namibia Exploration Ltd acquired an 80% working interest in the license.



Saturn Turbidite Complex Map



Saturn Turbidite Complex – 2D Seismic Section

## Prospective Resources

Independently assessed potential for giant scale (over 500MMBbls\* recoverable) oil resources is indicated with a range of large sub leads of this play. The “Saturn” Superfan is made up of a number of discrete internal geological Play types but could itself be a vast single oil trap on a global scale.

### TABLE OF UNRISKED BEST ESTIMATE RECOVERABLE OIL VOLUMES

PLAY TYPE	GROSS BEST ESTIMATE PROSPECTIVE RESOURCES POTENTIAL*	LEAD
Aptian Depositional Wedge	<b>1.3 Billion Bbls</b>	Saturn Superfan**
Mounded Facies	<b>152 Million Bbls</b>	A
Structural (4 way rollover)	<b>73 Million Bbls</b>	C1
Structural / Stratigraphic	<b>345 Million Bbls</b>	D
First Turbidite lobe/Sheet sand	<b>349 Million Bbls</b>	G
Structural/Mound (4 way rollover)	<b>40 Million Bbls</b>	H

The oil volumes shown are gross volumes.

\*A Giant field has at least 500 MMBOE recoverable potential

\*\* The overall Saturn Superfan incorporates all of the other Leads, but with different risk inputs

### \*Cautionary Statement

The potential recoverable oil resources, classified as Prospective Resources, have been estimated probabilistically on an unrisked, Best Estimate basis.

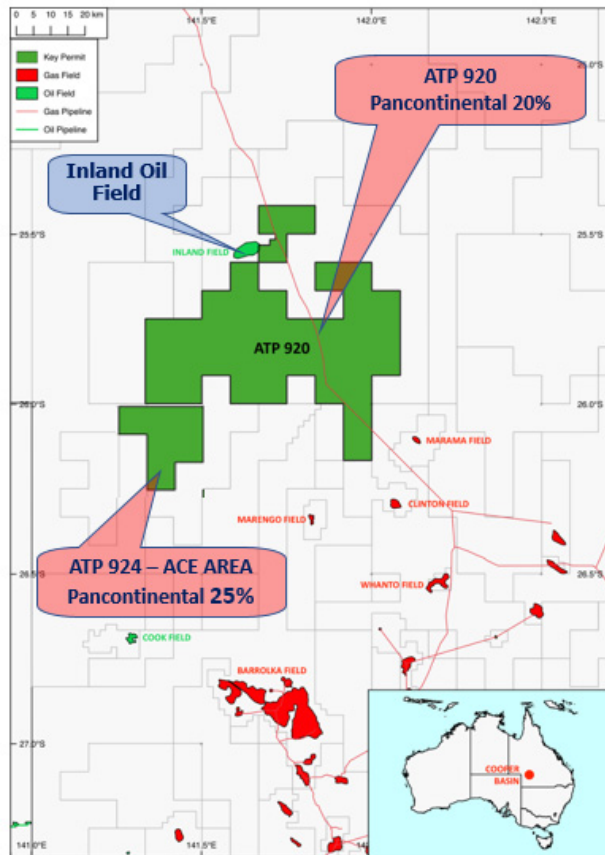
These were announced on 11 September, 2018.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## Queensland, Australia Onshore ATP 920 & ATP 924 [Ace Area]

Location:	Cooper Eromanga Basin		
Project Size:	ATP 920 - 2,337 km <sup>2</sup> ATP 924 - 2,220 km <sup>2</sup>		
JV Partners:	ATP 920 Key Petroleum Limited (Operator)	80.00%	
	ATP 920 Pancontinental Energy NL	20.00%**	
	ATP 924* Key Petroleum Limited (Operator)	75.00%	
	ATP 924* Pancontinental Oil & Gas NL	25.00%**	
	* Ace Area		
	**earning		



The Company farmed in to the Meeba Project, Onshore Queensland in 2019. Entry into the two Authorities to Prospect – 920 and the Ace Area of 924 provides Pancontinental diversity in its portfolio of exploration assets.

Key Petroleum is operator of the licences.

The exploration licences have been renewed until 2023, giving the joint venture time to assess the prospectivity of the area.

COVID-19, as well as a number of natural disasters have had an effect on the exploration in the area.

A detailed review of the projects is ongoing to determine the focus areas for future exploration.

\*ATPs 920 & Ace Area of 924, Cooper Basin, QLD

## Prospective Resources

INLAND TREND			Probabilistic Prospective Resource OIL			Probabilistic Prospective Resource OIL			
Prospect Name	Block	Levels	1U	2U	3U	1U	2U	3U	
			mm bls	mm bls	mm bls	bcf	bcf	bcf	
Teddy	920_2	Hutton	0.29	0.81	2.29	Inland Trend			
Teevee		Hutton	0.05	0.19	0.71				
Delta	920	Hutton	0.47	1.35	3.58				
Cuddapan UD	920	Hutton	0.30	0.79	2.18				
Granita	920	Hutton	0.31	0.93	2.53				
Granita NE	920	Hutton	0.28	0.76	2.25				
Hobnob	920	Hutton	0.92	2.33	5.78				
Jaffa	920	Hutton	0.73	1.95	4.73				
Jumbles	920	Hutton	0.83	2.39	6.41				
Macaron	920	Hutton	0.45	1.19	3.67	Meeba Trend			
Macaron Sth		Hutton	0.36	1.09	2.93				
Malto		Hutton	1.52	4.01	11.02				
Malto Sth		Hutton	0.52	1.47	3.95				
Marie		Hutton	0.57	1.44	4.40				
Marie Nth		Hutton	0.35	1.10	2.92				
Meeba Sth		Hutton	0.14	0.39	1.37				
Ace Nth		Hutton	0.29	0.82	2.06				
Ace		924_1	Hutton	2.9	10.7		21.0		
		924_1	Arrabury					14.6	39.6
<b>ATP-920 Sum Totals</b>	<b>920</b>		<b>8.4</b>	<b>23.0</b>	<b>62.8</b>				
<b>ATP 920 Total + Ace</b>			<b>11.3</b>	<b>33.7</b>	<b>83.7</b>				

**Cautionary Statement:** The estimates quoted here were announced to the ASX on 14 July 2019 (ATP 920 & ATP 924 conventional gas prospective resources) and 30 October 2019 (ATP 920 & ATP 924 oil prospective resources) by Operator Key Petroleum Limited.

The prospective resource parameters for the prospects were combined probabilistically.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

See Disclaimers for further information.

## **Corporate**

### **Placement**

In July the Company undertook a Placement to raise \$2 million before costs through a placement of up to 400,000,000 shares at an issue price of \$0.005 per share to sophisticated and professional investors. Investors in the placement were issued one free attaching option for every two placement shares issued (with the options exercisable at \$0.012 each and an expiry date three years from issue). In addition, the Lead Manager received 100 million broker options. The funds raised will be used in conjunction with existing cash for exploration activities (focused offshore Namibia), also applied towards securing farmout agreements and business development, and for general working capital purposes.

### **Change of Auditor**

In accordance with section 329(5) of the Corporations Act 2001, the Company received the resignation of the audit firm that traded as Rothsay Auditing and ASIC's consent to that resignation. Rothsay Audit & Assurance Pty Ltd has been appointed auditor of the Company and this appointment will continue until the next annual general meeting. At the Company's next annual general meeting, it will be proposed that Rothsay Audit & Assurance Pty Ltd be appointed as auditors of the Company thereafter.

### **Licence Schedule**

<b>Licence Location</b>	<b>Licence Reference</b>	<b>PCL (consolidated) interest at the beginning of the quarter</b>	<b>Movements for the current quarter</b>	<b>PCL (consolidated) interest at the end of the quarter</b>
Namibia	PEL 87	75.00%	0.00%	75.00%
Australia	ATP 920	*20.00%	0.00%	*20.00%
Australia	ATP 924 - Ace	*25.00%	0.00%	*25.00%

\*earning

### **Appendix 5B Commentary**

As required by the 1 December 2019 amendments to the Appendix 5B, the Company advises that the amounts shown in Item 6 - Payments to related parties of the entity and their associates of \$87k relates to Chairman, CEO, Executive and Non-Executive Director salary and fees.

Exploration expenditure on the Company's asset base during the quarter was \$113k for consulting and legal fees.

There were no hydrocarbon production and development activities during the quarter.

**Authorised for release by the Board of Pancontinental Energy NL**

**For further information please contact:  
info@pancon.com.au**

## **DISCLAIMERS & NOTES**

### **Prospective Resource Estimates Cautionary Statement**

The estimated quantities of petroleum in this report that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### **Prospective Resources**

Prospective Resource estimates in this report have been prepared as at the date disclosed under the prospective resource numbers. The estimates have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers and have been prepared using deterministic methods and probabilistic methods depending on the project and this is disclosed under the prospective resource numbers. Unless otherwise stated the estimates provided in this report are Best Estimates. The estimates are unrisks and have not been adjusted for an associated risk of discovery and risk of development. The 100% basis refers to the total resource while the Net to Pancontinental basis is adjusted for Pancontinental's percentage entitlement under Joint Venture contracts and adjusted for applicable royalties.

Prospective Resources estimates in this report have been made by Pancontinental Energy NL and may be subject to revision if amendments to mapping or other factors necessitate such revision.

### **Prospects and Leads**

The meanings of "Prospects" and "Leads" in this report are in accordance with the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers. A Prospect is a project that is sufficiently well defined to represent a viable drilling target. A Lead is a project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and / or evaluation to be classified as a Prospect.

### **Competent Person Statement Information**

The hydrocarbon resource estimates in this report have been compiled by Mr Brian Diamond and reviewed to the satisfaction of Mr Roy Barry Rushworth the Technical Director of Pancontinental Energy NL. Mr Rushworth has more than 30 years' experience in practising petroleum geology and exploration management. Mr Diamond holds a BSc Geology and an MSc in Geophysics and has over 20 years of experience in petroleum exploration, development and production. Mr Diamond consents to the inclusion in this report of information relating to the hydrocarbon Prospective Resources in the form and context in which it appears.

### **Forward Looking Statements**

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Pancontinental Oil & Gas NL's planned operation programme and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Pancontinental believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements.



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