

## Summary

### Namibia - Offshore

#### PEL 87 Orange Basin

- PEL 87 Orange Basin – The farmout process was actively underway during the quarter and continues into 2023.
- The current PEL 87 Initial Exploration Period was extended by the Ministry of Mines and Energy in Namibia for a second one-year period. The obligatory 50% relinquishment of the licence area was waived by the Minister.
- Pancontinental has continued working on the licence commitments during the quarter while monitoring regional activities heating up offshore Namibia.
- In October 2022, it was confirmed that U.S. oil major Chevron had completed a transaction to acquire an interest in PEL 90 located in the Orange Basin, directly north of TotalEnergies' Venus-1X oil discovery and directly south of Pancontinental's PEL 87.
- In December 2022, it was reported that TotalEnergies, following the huge Venus oil discovery has secured two rigs for an exploration and drilling campaign in the Orange Basin, offshore Namibia and in the same region as Venus.
- Shell commenced drilling the Jonker-1 well during the quarter and it has been reported that hydrocarbons were encountered in a shallow reservoir, which is an encouraging sign as the primary target is in a deeper zone.
- A new field wildcat well has been planned for PEL 83 by GALP in 2023. This licence is located directly south of PEL 87.
- Pancontinental holds a 75% interest in PEL 87.

### Corporate

- Cash balance of \$1,556k as at the end of the quarter.
- After 23 years as a Director of Pancontinental, David Kennedy resigned during the quarter. Mr Kennedy has always been a major supporter of the Company and participated in many capital raisings during his tenure. The Board is pleased that Mr Kennedy will remain a vital source of knowledge for the Company by agreeing to act as advisor to Pancontinental going forward.
- Ernie Myers, the current CEO has stepped up to fulfil the role of Chairman after 13 years on the Board of Pancontinental.
- Pancontinental's Annual General Meeting of shareholders was held on 30 November 2022. All resolutions put to the meeting; the remuneration report, re-election of director, approval of placement facility, ratification of securities, approval of issue of securities, renewal of proportional takeover provisions in the constitution and confirmation of auditor appointment were passed on a poll.

ASX Code – PCL

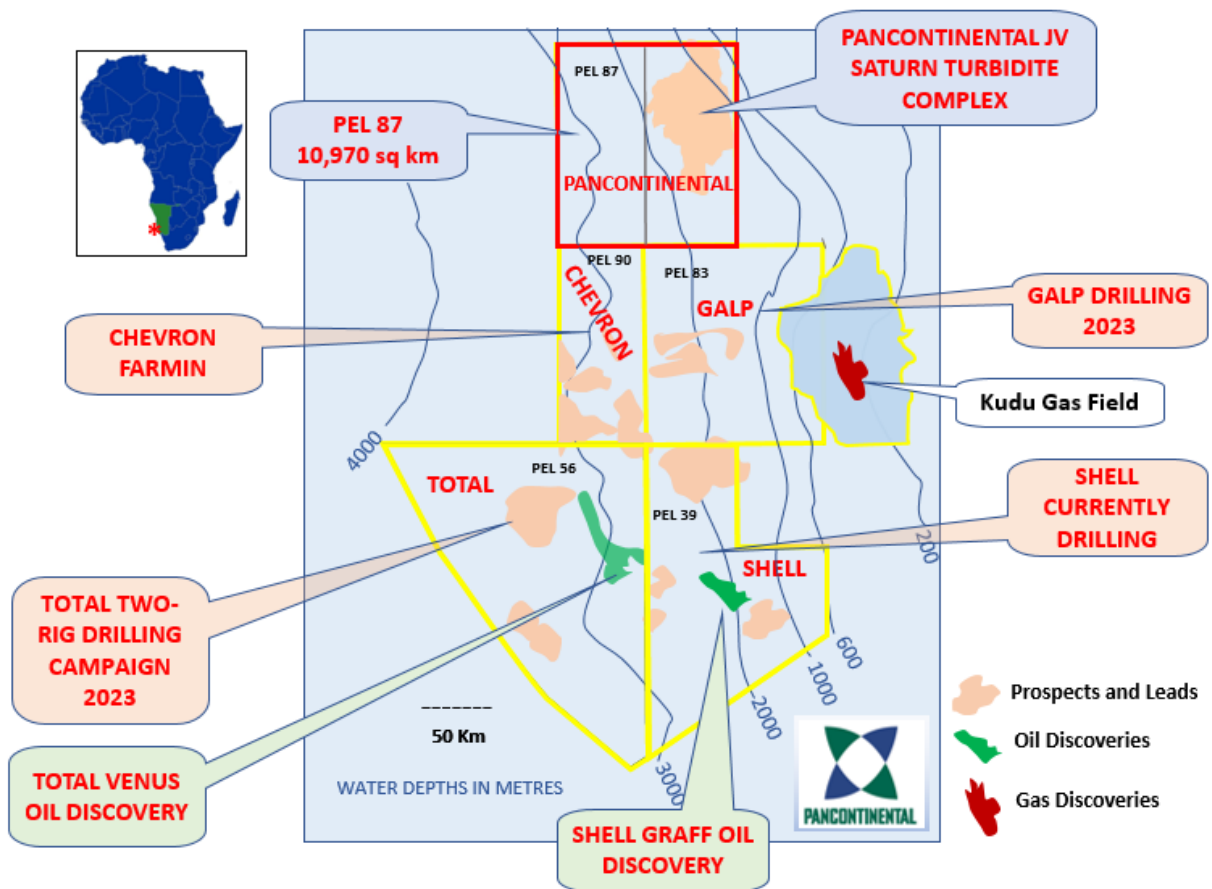
Issued shares – 7,554 million

Market Capitalisation - @ \$0.009 - \$68.0 m

Cash at End of Quarter - \$1,556k

# 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

Due to Namibia's vast natural resources, it is thought to be one of Africa's final frontiers for oil and gas exploration. Pancontinental has been present in Namibia for over 10 years and the team is pleased that offshore Namibia's rich basins are now attracting activity from international oil companies, cementing Pancontinental's long held prospectivity theories of the region. Recent discoveries offshore Namibia have received global attention and will lead the way for a new era of exploration for the West African country.

An influx of new investment is expected for offshore Namibia due to the recent discoveries as well as the country's encouraging regulatory environment. Namibia is economically and politically stable, two factors which have assisted Pancontinental to successfully conduct business activities there over the past decade.

The PEL 87 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%.

During the term of the licence, 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.

On 5 December 2022, Pancontinental announced that the Honourable Tom K. Alweendo, the Minister of Mines and Energy in Namibia, had granted to Pancontinental and its joint venture partners Custos and Namcor, a second one-year extension to the current, first, four-year period of the offshore Petroleum Exploration Licence 87. The current Initial Exploration Period will now end on 23 January 2024.

After the current period, two additional periods totalling four years are available, with possible additional extensions if granted. The current Petroleum Exploration Licence (PEL) can be converted to a Production Licence under pre-agreed terms.

It is intended that the extension period of the Initial Exploration Period will be used to conduct an extensive 3D seismic survey, which is currently in the final planning stage.

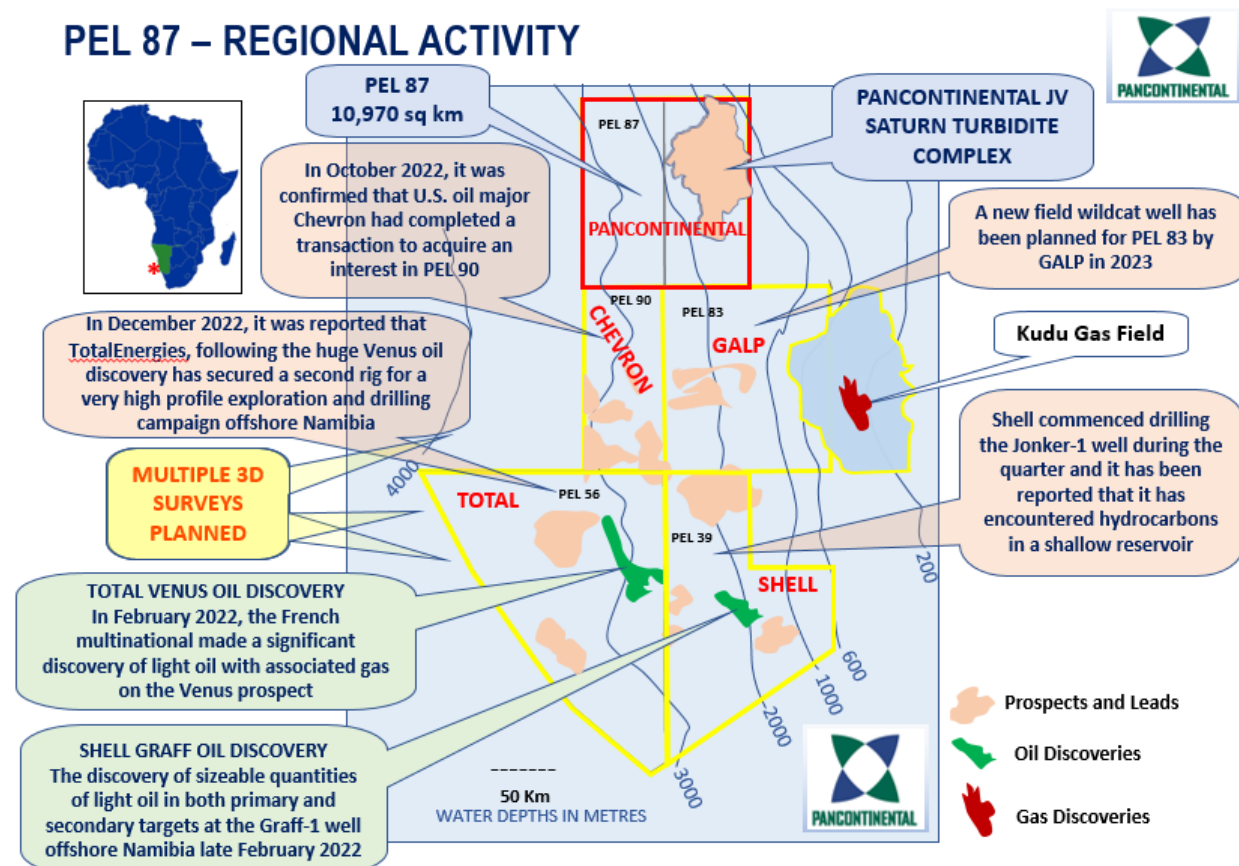
In addition to the requested extension, the Minister has exempted an otherwise obligatory 50% relinquishment of the licence area of PEL 87, leaving the area at 10,970 sq km, until the expiry of the extended term.

Pancontinental is continuing to discuss a potential farmout of PEL 87 as well as ongoing work on exploration objectives to fulfil the licence commitments.

PEL 87 lies in the Orange Basin offshore Namibia. Pancontinental has mapped the very large Saturn turbidite complex in PEL 87. Saturn shares many geological characteristics and is on-trend to the Venus oil discovery made by TotalEnergies in February 2022. The core features of Saturn lie almost completely within the PEL 87 area. PEL 87 also holds other Leads that are at the same stratigraphic level as Shell’s Graff-1 oil discovery, also made in February 2022. The PEL 87 licence covers 10,970 sq Km, with water depths from 400m to 3,100m.

With PEL 87, Pancontinental has a strategic position in a major new oil play of global significance amongst industry giants that include Shell, Total, QatarEnergy and now Chevron.

## Other News on the Orange Basin



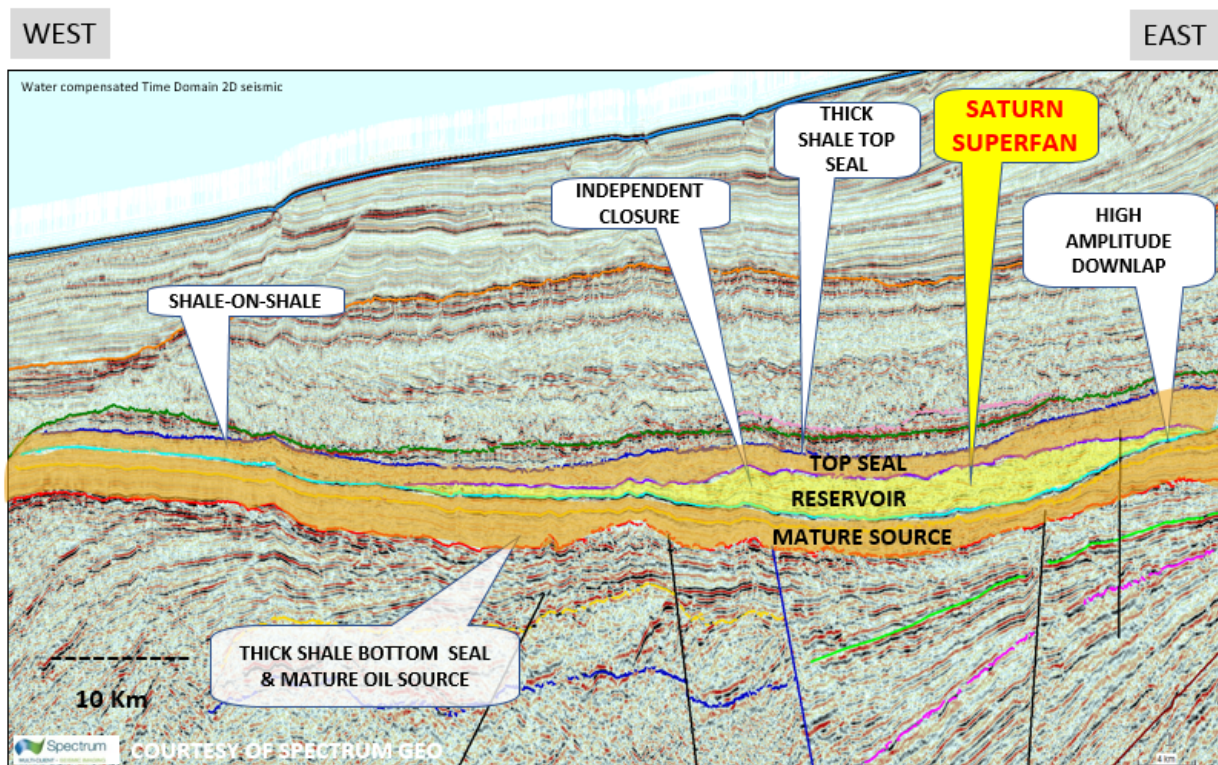


As can be seen from the above image, there have been history making discoveries as well as exciting ongoing exploration programmes in close proximity to Pancontinental's PEL 87 licence. The anticipation has been building for some time and it looks as though the Company is in the right place at the right time. The historical exploration programmes undertaken and the patience shown by Pancontinental in slowly chipping away throughout the years looks to pay great dividends going forward. Pancontinental is rubbing shoulders with the world's industry giants holding a significant 75% interest in a now sought after region for energy exploration.

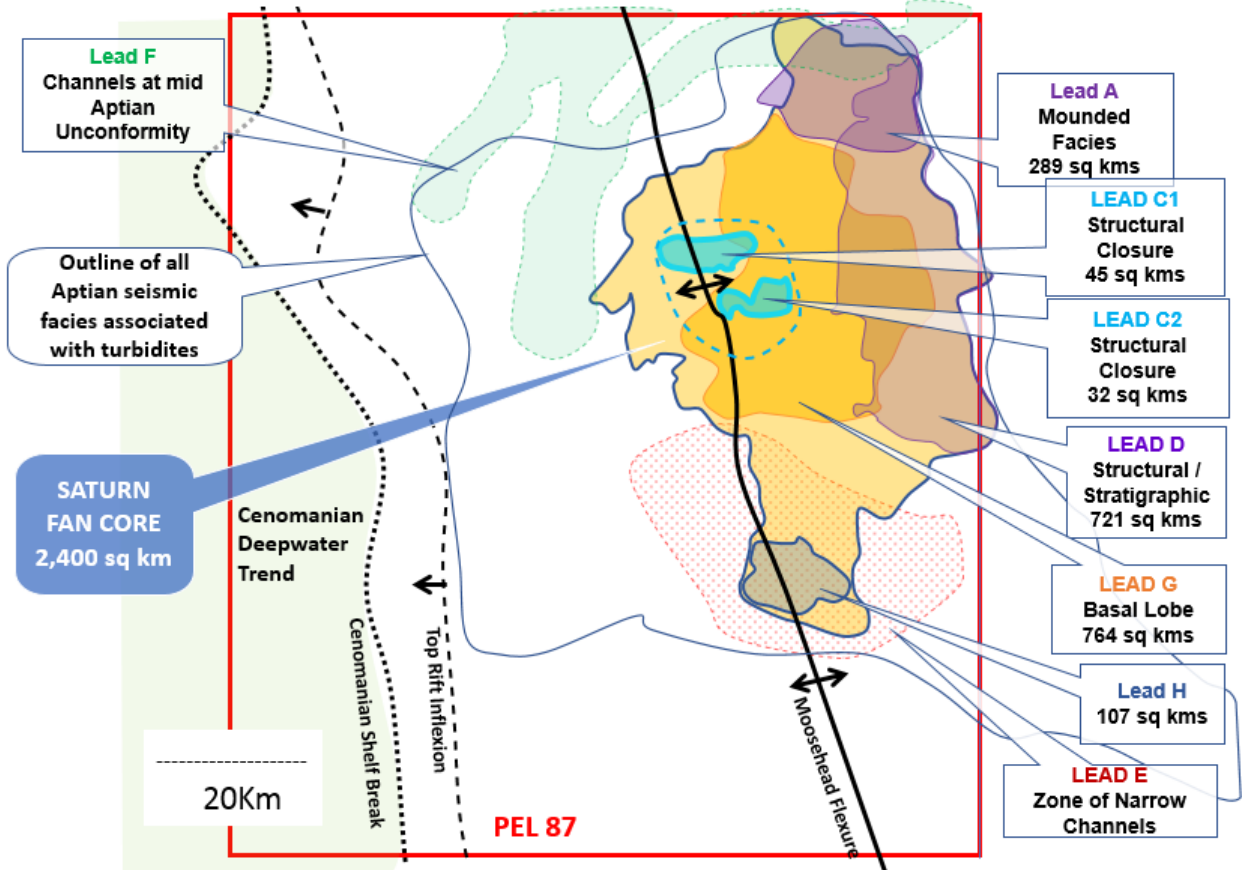
TotalEnergies's Venus and Shell's Graff oil discoveries have stunned the international oil exploration scene. These major discoveries are on-trend and share the same geological sequence with PEL 87. The discoveries have proven the significant potential of Namibia's offshore basins. Further international interest and investment is expected to follow with Namibia emerging as an important hydrocarbon province.

## THE SATURN COMPLEX

--DIP LINE DATUMED ON HALF SEAFLOOR  
(PSEUDO-DEPTH PRESENTATION)



# SATURN FAN- COMPONENT PARTS



## 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</b> Million Bbls	A
Structural (4 way rollover)	<b>73</b> Million Bbls	C1
Structural / Stratigraphic	<b>345</b> Million Bbls	D
First Turbidite lobe/Sheet sand	<b>349</b> Million Bbls	G
Structural/Mound (4 way rollover)	<b>40</b> Million Bbls	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.

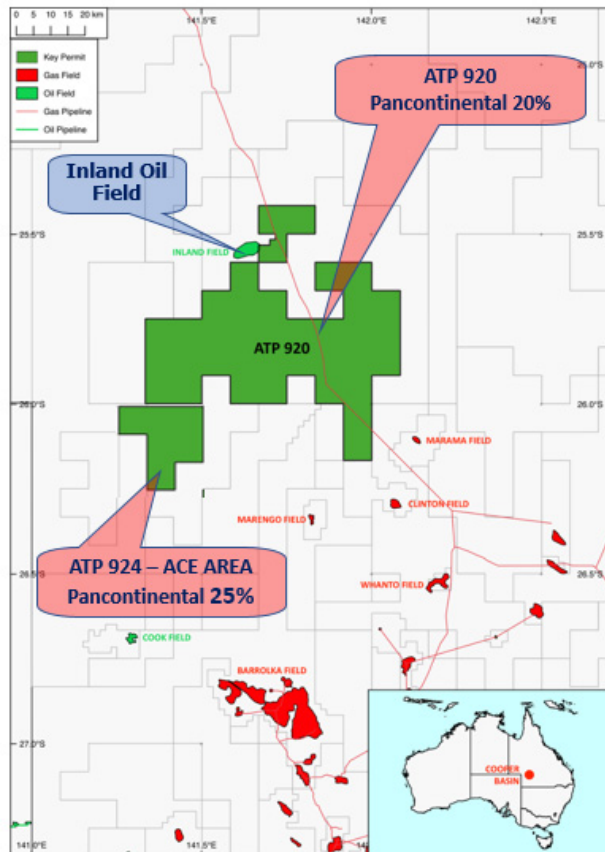
These were announced on 11 September, 2018.

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		



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

While the Company's focus has mostly been in Africa, in recent years it was decided that the exploration portfolio should be broadened to include shorter term projects with near term activity which would complement the Company's longer term assets in Namibia. As such, the Company signed agreements to acquire two large exploration permits, ATP 920 and ATP 924 (Ace area) in the Cooper Basin, Queensland. The agreement was executed with the Operator of the permits Key Petroleum Cooper Basin Pty Ltd, a wholly owned subsidiary of ASX listed Key Petroleum Limited.

The Eastern States of Australia were then affected by the natural disasters including record temperatures, severe flooding and bushfires. This occurred prior to the COVID-19 pandemic. This has made proceeding with planned activities difficult.

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



## 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	920	Hutton	1.52	4.01	11.02			
Malto Sth	920	Hutton	0.52	1.47	3.95			
Marie	920	Hutton	0.57	1.44	4.40			
Marie Nth	920	Hutton	0.35	1.10	2.92			
Meeba Sth	920	Hutton	0.14	0.39	1.37			
Ace Nth	920	Hutton	0.29	0.82	2.06			
Ace	924_1	Hutton	2.9	10.7	21.0			
		Arrabury						
<b>ATP-920 Sum Totals</b>	<b>920</b>		<b>8.4</b>	<b>23.0</b>	<b>62.8</b>	<b>14.6</b>	<b>39.6</b>	<b>72.7</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**

### **Annual General Meeting**

Pancontinental's Annual General Meeting of shareholders was held on 30 November 2022. All resolutions put to the meeting; the remuneration report, re-election of director, approval of placement facility, ratification of securities, approval of issue of securities, renewal of proportional takeover provisions in the constitution and confirmation of auditor appointment were passed on a poll.

Results can be found following the below link:

[https://clients2.weblink.com.au/news/pdf\\_2%5C02606356.pdf](https://clients2.weblink.com.au/news/pdf_2%5C02606356.pdf)

### **Annual Report**

The Company's annual report was lodged during the quarter. A copy of the report can be found following the below link:

[https://clients2.weblink.com.au/news/pdf\\_2%5C02589568.pdf](https://clients2.weblink.com.au/news/pdf_2%5C02589568.pdf)

### **Chairman**

#### **HD Kennedy**

After 23 years as a Director of Pancontinental, David Kennedy resigned during the quarter. Mr Kennedy has always been a major supporter of the Company and participated in many capital raisings during his tenure. He leaves the Company in a good position with the Namibian PEL 87 Project being part of the renewed interest in the Orange Basin due to the nearby major discoveries by Shell and Total.

The Board is pleased that Mr Kennedy will remain a vital source of knowledge for the Company by agreeing to act as advisor to Pancontinental going forward. The Board would also like to take this opportunity to thank Dave for his efforts over such a long period and wish him well in his well-earned retirement.

#### **EA Myers**

Ernie Myers, the current CEO has stepped up to fulfil the role of Chairman after 13 years on the Board of Pancontinental.

### **Issue of Securities**

During the quarter, the Company issued 160,000,000 options under the Company's Incentive Awards Plan. The issues were approved by shareholders at the Annual General Meeting.

## **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 \$102k relates to Chairman, CEO, and Executive Director salary and fees.

Exploration expenditure on the Company's asset base during the quarter was \$41k for consulting, legal fees and Namibian in country expenses.

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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