



**PANCONTINENTAL**  
ENERGY NL

# Presentation to General Meeting

25 July 2023

ASX: PCL

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Prospective Resources are 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.

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Statements made in this presentation on information compiled by Mr Barry Rushworth, Director of Pancontinental Energy NL. Mr Rushworth has a relevant degree in geology and has been practising petroleum geology for more than 35 years. Mr Rushworth has consented in writing to the inclusion of the information stated in the form and context in which it appears.

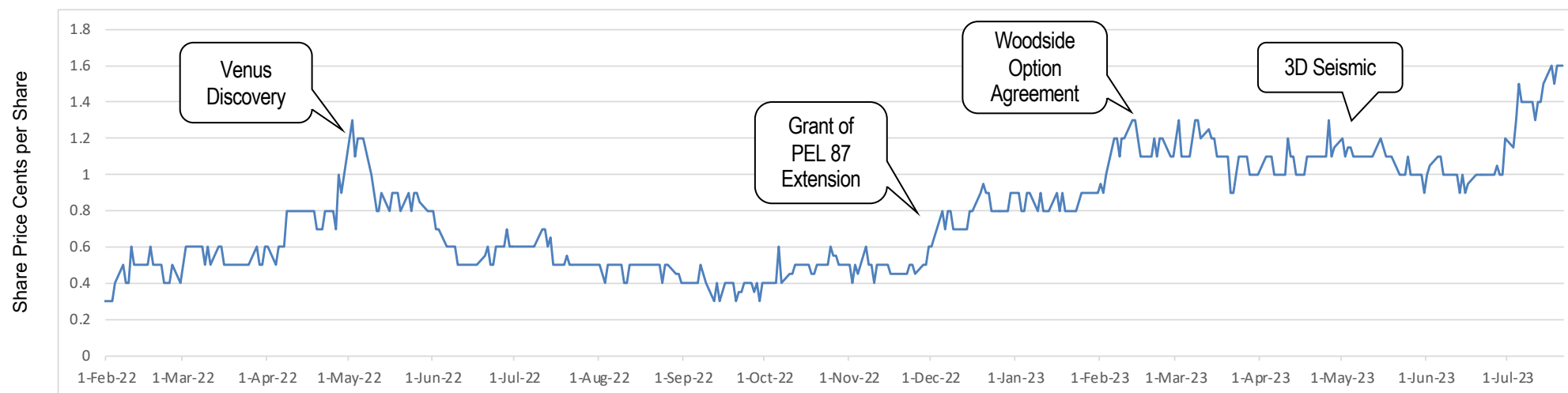
# Corporate Snapshot

## Capital Structure

<b>ASX Code</b>	<b>PCL</b>
<b>Shares on Issue</b>	<b>8.05 billion</b>
<b>Options on Issue</b>	<b>780 million<sup>1</sup></b>
<b>Share price</b>	<b>A\$0.015</b>
<b>Market Capitalisation</b>	<b>A\$121 million</b>
<b>Cash (30 June 2023)</b>	<b>A\$5.2 million</b>

## Board & Management

<b>Ernie Myers</b>	<b>Chairman</b>
<b>Barry Rushworth</b>	<b>Executive Director</b>
<b>Vesna Petrovic</b>	<b>Executive Director &amp; Company Secretary</b>
<b>Iain Smith</b>	<b>Advisor to the Board</b>



<sup>1</sup> Subject to shareholder approval of Resolution #2

# Why Offshore Namibia?

- Global exploration hotspot
- Giant oil discoveries by Shell and TotalEnergies through 2022/23
- West African basins exhibit analogous geology to the prolific petroleum basins of offshore Brazil
- Early Cretaceous opening of the Atlantic Margin created restricted oceanic circulation and the deposition of a world-class Kudu Shale oil source rock
- Orange Basin hosts turbiditic systems overlaying the regionally extensive and high quality Kudu oil shale source rock
- Politically stable with favourable fiscal terms
- PCL has maintained excellent relations with Ministry of Mines & Energy, since 2006

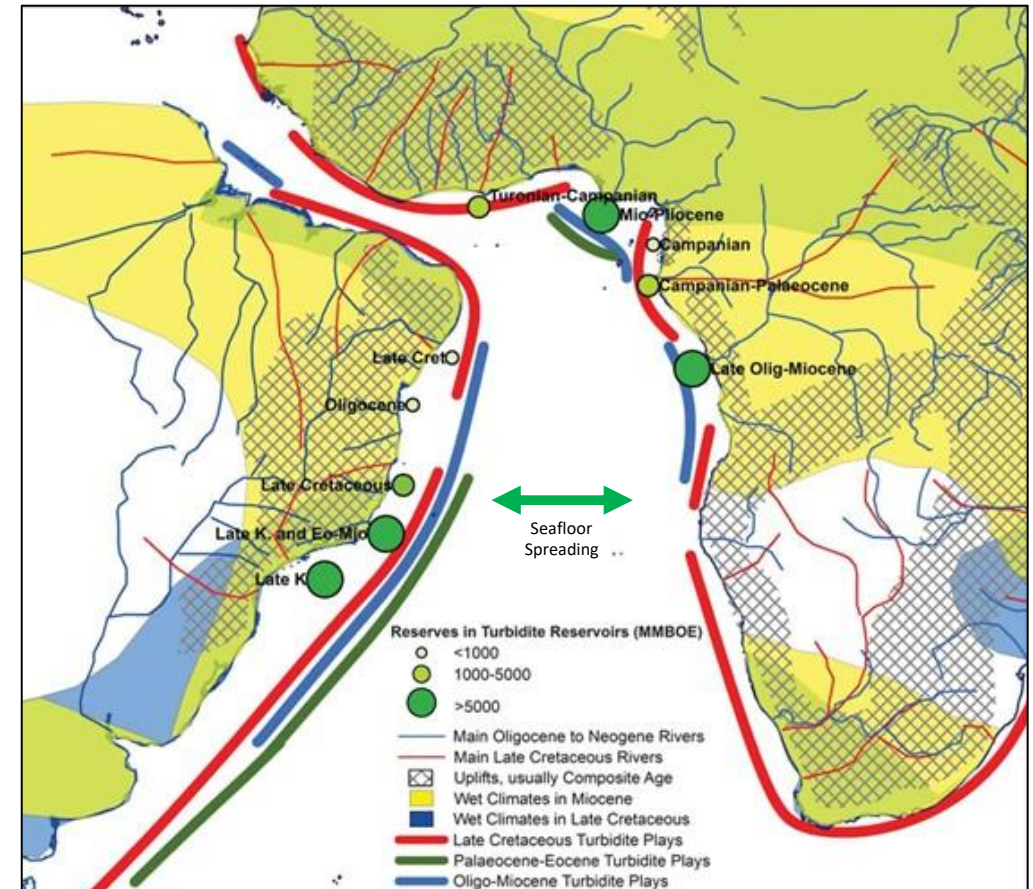
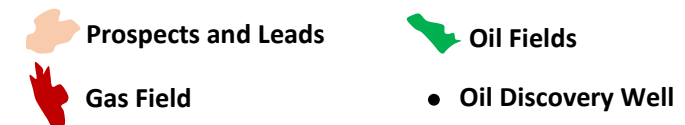
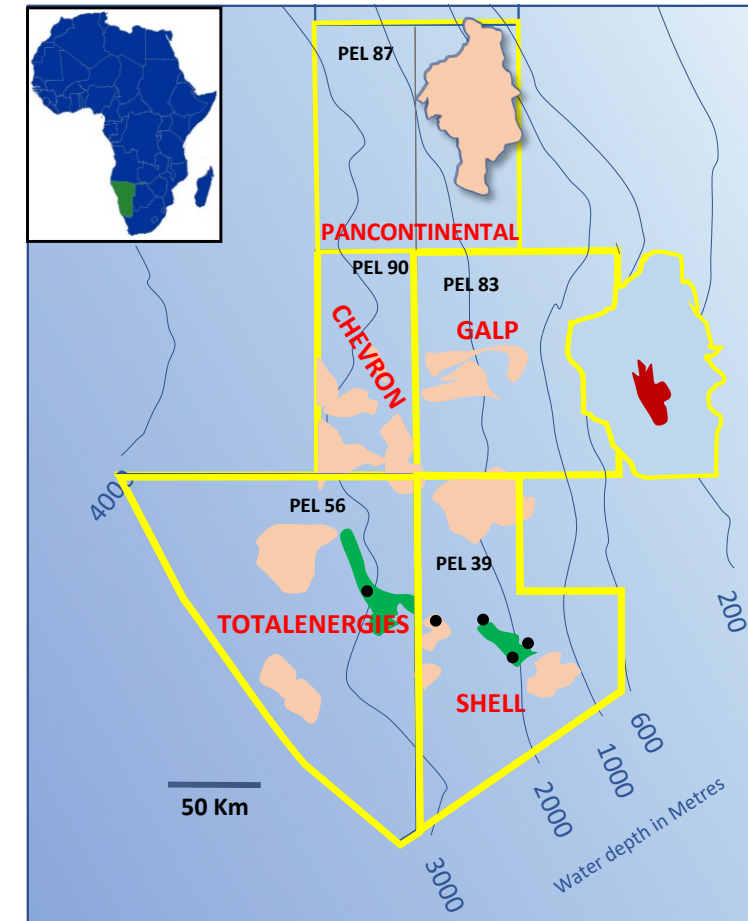


Figure: South Atlantic Margin: Oil Reserves Within Turbidite Systems (From Geological Society 2013)

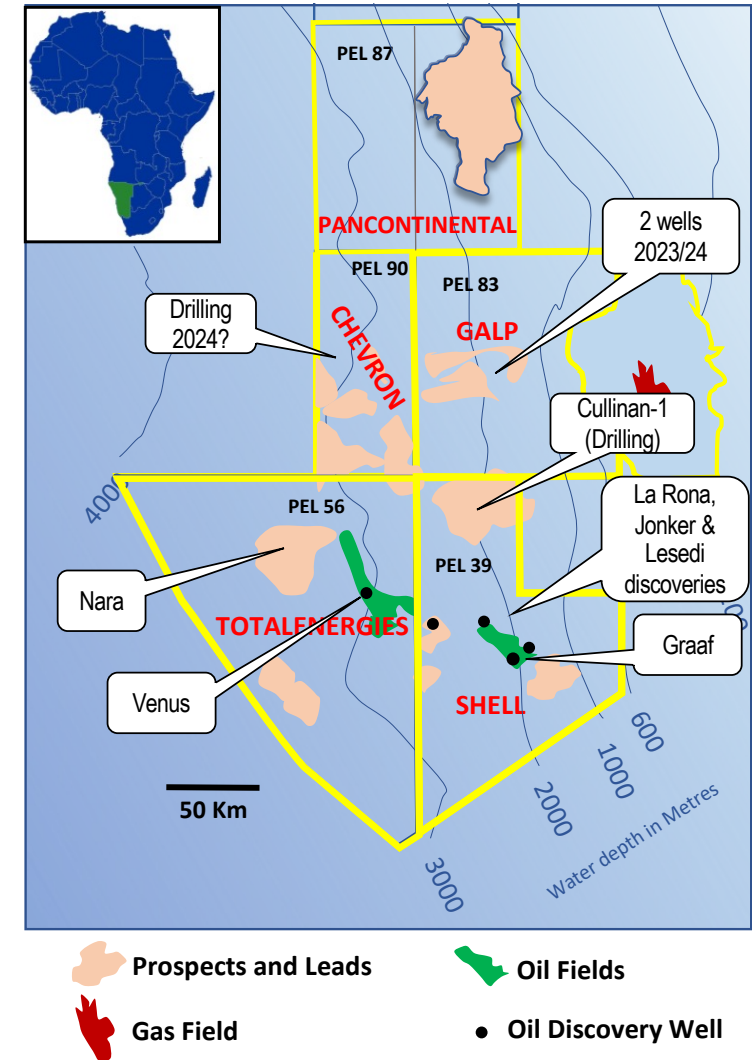
# Namibian Orange Basin

- Historically underexplored
- Prime acreage tightly held
- Water depths 200 metres to >3,000 metres
- Basin developed through Jurassic-Cretaceous
- Thick, high quality and regionally extensive Kudu oil shale source rock
- Vast sediment input from continental shelf to northeast, leading to extensive reservoir development
- Southern Namibian Orange Basin receiving huge interest
- TotalEnergies' Venus oil discovery of 2022 has prompted a huge resurgence of interest
- Venus has been followed up by Shell with 4 discoveries from 4 wells
- Significant drilling activity ongoing and forecast



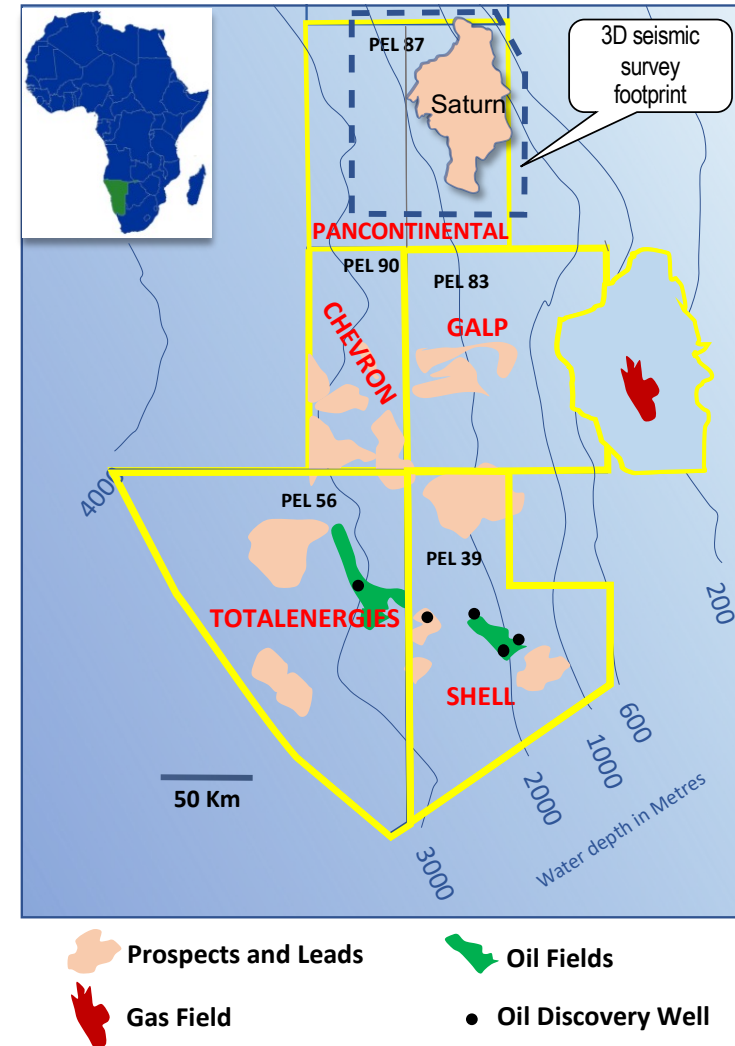
# TotalEnergies & Shell Discoveries

- Venus oil discovery made early 2022
- 84 metres net oil pay in Late Cretaceous sandstone reservoir
- Reportedly has potential for >3 billion barrels oil recoverable
- TotalEnergies investing almost half of its global exploration budget in Namibia; 2 rigs, 3 wells and 4 production tests
- Shell's Graaf discovery swiftly followed Venus, with reported potential for >2 billion barrels oil recoverable
- Upon testing of Graaf-1X, oil reportedly flowed "like a train", indicating excellent reservoir deliverability
- Shell have followed up with 3 additional discoveries, at La Rona, Jonker and most recently Lesedi; planning up to 8 further wells
- TotalEnergies' currently testing Venus-1X and drilling possible vast extension at Nara-1X
- Shell have spudded fifth exploration well, and are planning for a further 8 exploration and appraisal wells
- GALP recently announced rig contract for two wells in PEL 83



# Pancontinental's PEL 87

- PEL 87 awarded 2018
- Large permit – 10,970 km<sup>2</sup>
- Hosts the vast Saturn Turbidite Complex (STC), mapped on 2D seismic data
- STC offers very significant resource potential within reservoirs of comparable age and type to the giant discoveries to the south
- Woodside Energy entered into Option Deed with PCL in March 2023
- Completed Woodside-funded 3D seismic survey late May 2023



# Significance of Turbidite Systems

- Vast oil reserves discovered within turbidite systems either side of South Atlantic Margin
- Turbidites are regarded as the most significant petroleum reservoir system offshore West Africa
- Turbidites deposited within submarine density flows, typically initiated from edge of continental shelf (shelf break)
- Generally result in multiple, stacked high quality sandstone reservoirs across large areas
- Turbidite systems' internal geometry are complex, with distinct channels, mounds, and turbidite lobes leading to basin floor fans

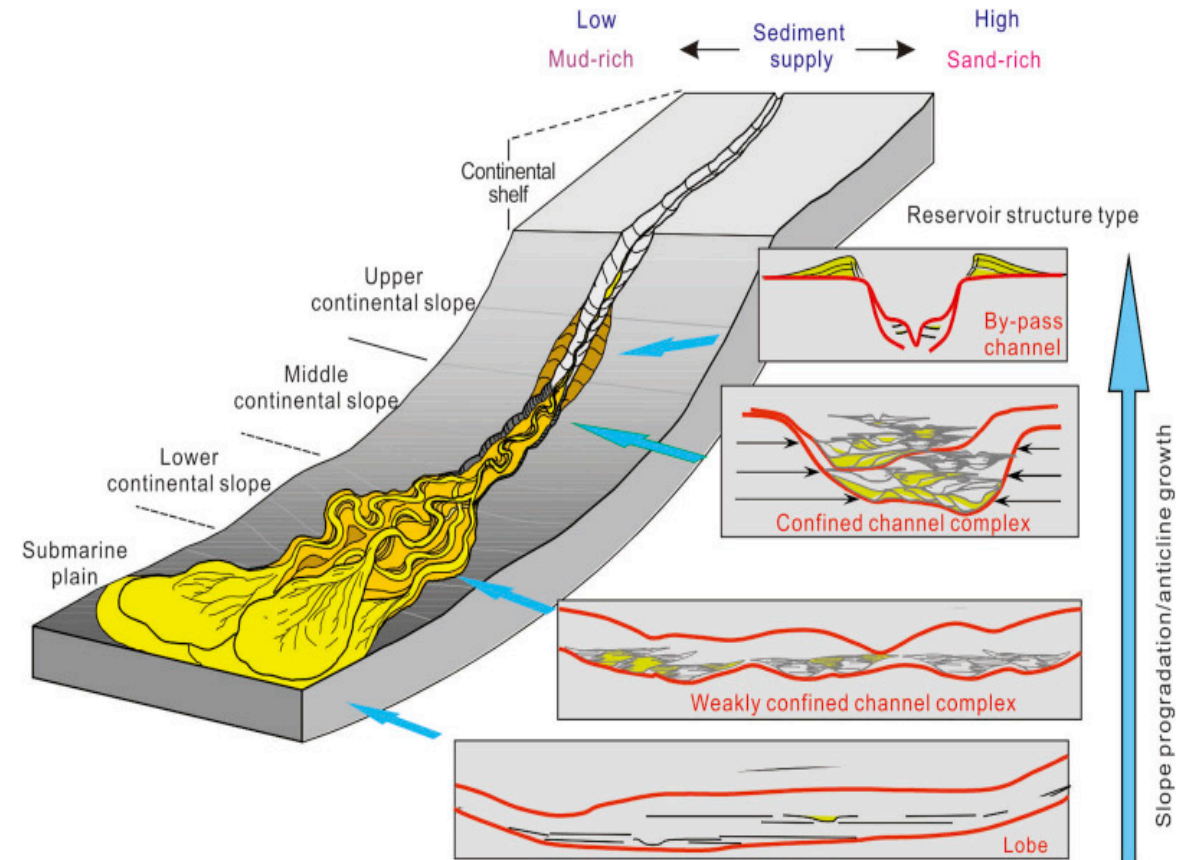
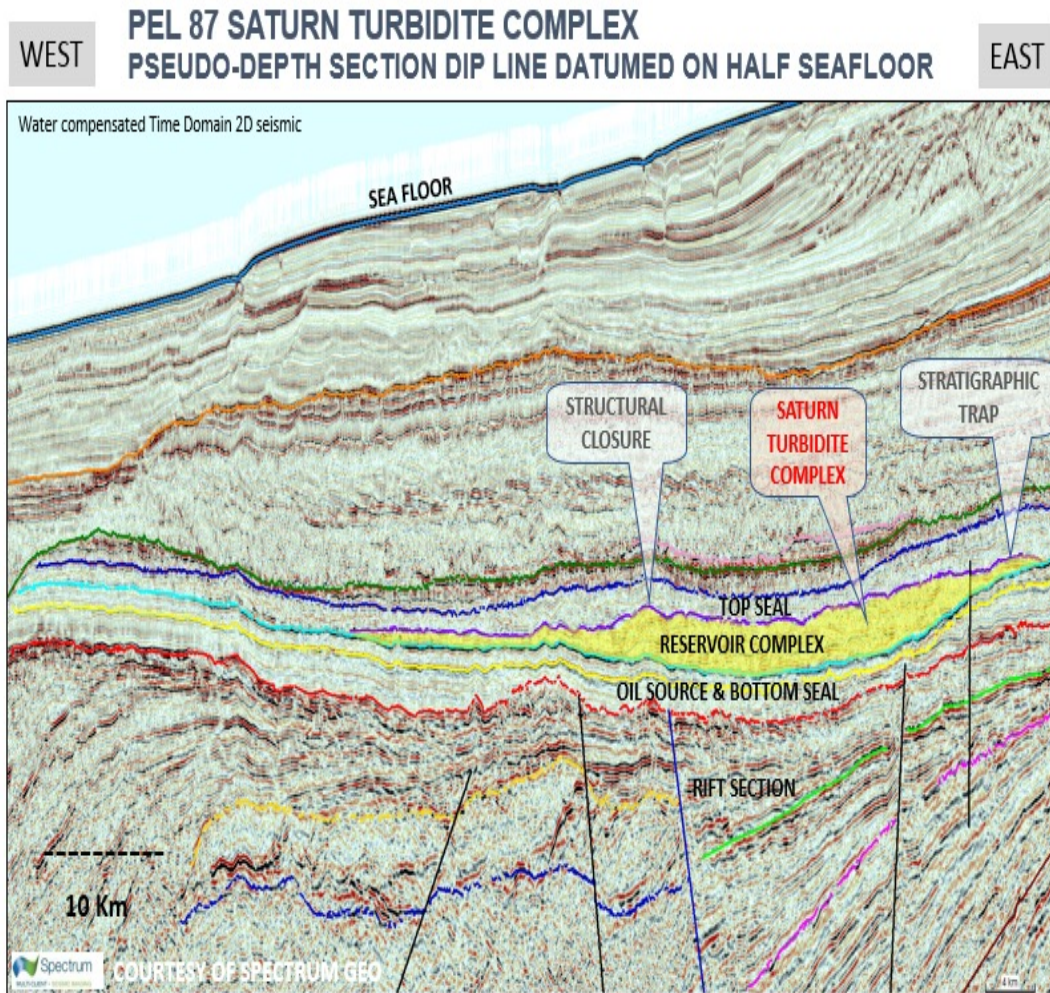


Figure: Sedimentary model of turbidite fan



# Saturn Turbidite Complex (STC)



- STC covers a vast area of some 4,000 km<sup>2</sup>, with a core area of 2,400 km<sup>2</sup>
- Presently mapped on legacy 2D seismic data
- Same stratigraphic level as the Venus discovery and shares the same source and sealing formations
- The entire STC complex is interpreted to be enveloped in sealing shale with potential to be a single, vast oil trap
- 3D seismic essential for optimal definition of internal geometries to high-grade locations for future drilling
- PCL utilising services of specialist geophysicist with significant experience of seismic sequence stratigraphy

# Major Investment by Woodside Energy

## Stage 1

- Woodside earning an option to acquire a 56% Participating Interest in PEL 87
- Woodside fully funded a **US\$35million+** 3D seismic survey
- If Woodside exercises the option then Woodside and PCL will enter into a farmout agreement. Woodside will then:
- Fully carry the joint venture through the drilling of an exploration well (PCL @ 20% carried interest)
- Drill a second well if the joint venture elects to do so (Stage 2)

## Stage 2

At this stage PCL may:

- (i) retain its 20% interest by funding its net share of drilling costs for second well
- (ii) reduce its interest to a 10% Participating Interest and have Woodside fully carry PCL through the cost of the second well; and
- (iii) at any time up to 60 days after the approval of a Field Development Plan, convert its interest to a 1.5% gross overriding revenue royalty

# 3D Seismic Processing Underway

- Woodside funded 3D seismic survey over the Saturn Turbidite Complex and surrounding area
- The survey was originally intended to cover an area of ~5,000 km<sup>2</sup>, at an estimated cost of US\$35 million
- Survey was subsequently increased by Woodside to 6,593 km<sup>2</sup> (with no modification to the commercial terms of the Option Deed)
- Survey completed late May 2023 with early “fast-track” results anticipated by late August 2023; PCL will provide an update once data has been interpreted and interpretation corroborated with joint venture partners
- PCL anticipates that the results will inform Woodside Energy’s decision regarding its option to farm in to PEL 87 and fund the drilling of an exploration well



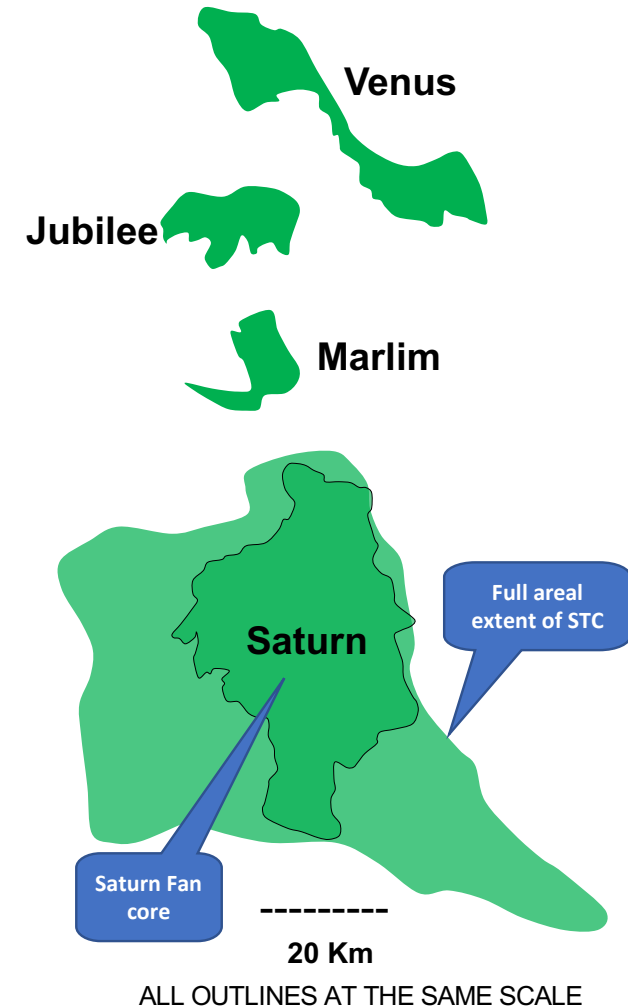
Image: Seismic Survey Vessel Ramform Titan  
(Courtesy of {PGS})

# Africa's Largest Prospective Oil Target?

The recent major discoveries in Namibian Orange Basin highlight PEL 87's potential for hosting a world-class oil discovery. The scale and resource potential is considered by PCL to be comparable to giant turbidite-associated discoveries with analogous geology offshore Brazil, Guyana, etc.

- **Venus** Fan discovery, offshore Namibia (**600 km<sup>2</sup>**) reportedly has estimated recoverable reserves exceeding **3 billion** barrels recoverable oil <sup>1</sup>
- **Jubilee** Fan Oil Field (**180 km<sup>2</sup>**) offshore Ghana, estimated recoverable reserves of approx. **1 billion** barrels recoverable oil <sup>2</sup>
- **Marlim** Oil Field (**152 km<sup>2</sup>**) offshore Brazil, estimated to hold approx. **1.7 billion** barrels recoverable oil <sup>3</sup>
- **Saturn** exhibits a core area of ~ **2,400 km<sup>2</sup>**, entirely undrilled

Sources: <sup>1</sup> WoodMackenzie; <sup>2</sup> Tullow Oil; <sup>3</sup> Petrobras





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**Thank you**

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