

## **JUNE 2023 QUARTERLY ACTIVITIES REPORT**

Pancontinental Energy NL (**ASX: PCL**) ("**Pancontinental**" or "**Company**") is pleased to provide its Quarterly Activities Report for the period 1 April 2023 to 30 June 2023.

### **HIGHLIGHTS**

- **Completion of ~US\$35 million 6,593 km<sup>2</sup> 3D seismic survey over the Saturn Turbidite Complex**
- **Major ramp-up in operational activity within geological proximity of Pancontinental's PEL 87, and continued high-profile on-trend drilling successes by Shell and TotalEnergies**
- **Completion of \$5 million capital raising, with shareholder approved director participation**
- **Engagement of Mr Iain Smith as advisor to the Board**

### **PEL 87 Operational Update**

Shortly after Pancontinental executed an Option Deed with a subsidiary of Woodside Energy Group Ltd ("Woodside") (announced 1 March 2023), seismic contractor PGS commenced 3D seismic acquisition and completed the survey on 23 May 2023, utilising its specialist vessel the Ramform Titan.

The final survey area of 6,593 km<sup>2</sup> covers the core, and peripheral areas of the highly prospective Saturn Turbidite Complex (STC). The survey was increased from the originally-planned 5,000 km<sup>2</sup> at Woodside's election and with no modification to the terms of the Option Deed.



Image: Ramform Titan (Courtesy of PGS)

The survey took 83 days to complete, utilising the Ramform Titan, two supporting vessels and a total crew of 90 specialists, plus shore support staff.

The final field data set has been delivered to processing contractor CGG, and early "fast-track" processed results are expected to be available for interpretation by late August 2023.

Pancontinental will conduct its own interpretation of the data utilising a specialist independent consultant with a strong background in seismic sequence stratigraphy; an essential discipline for understanding the complex internal geometries and depositional environments expected within the Saturn Turbidite Complex.

Pancontinental will provide a high-level overview of the seismic results as soon as the Company's substantive initial interpretation has been completed. Other more detailed interpretations will follow.

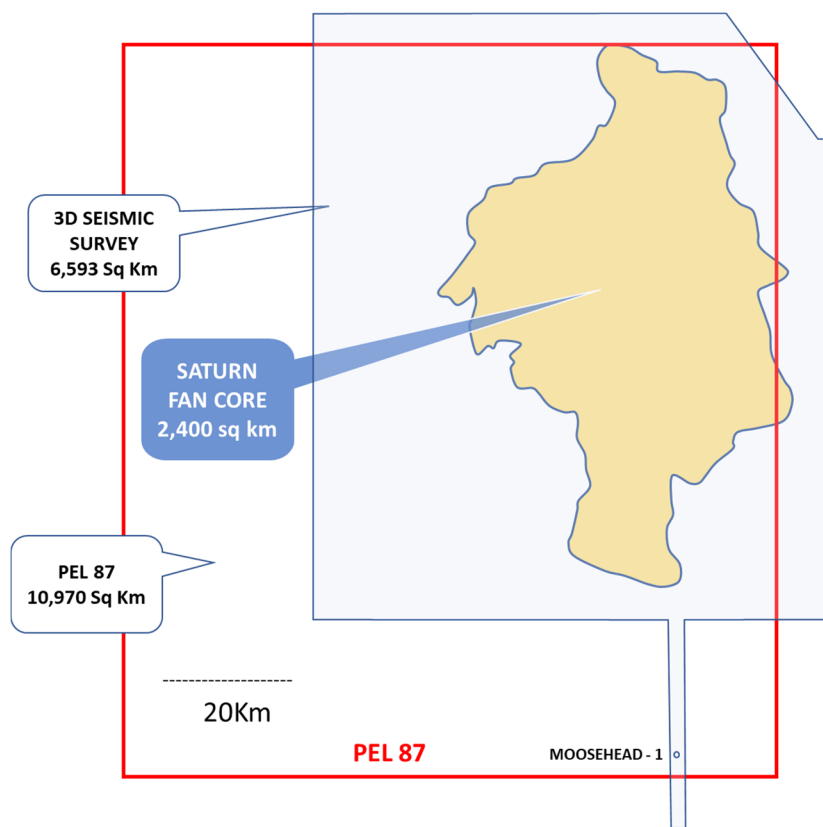


Figure: PEL 87 3D Seismic Survey Area

Receipt of a final processed dataset will require a further few months, from which time Woodside will have up to 180 days to exercise its option to enter into a Farmout Agreement with Pancontinental to fully carry the Company through drilling of an exploration well. In the meantime, Pancontinental will remain Operator of PEL 87 and will receive all interim and final 3D seismic products and interpretations from the seismic contractors and Woodside as they become available.

## Neighbouring Exploration & Appraisal Activity

After the discovery of Venus in PEL 56 by TotalEnergies in early 2022, exploration and appraisal activity has ramped up to the point that there are presently 3 rigs operating in the southern Namibian Orange Basin. TotalEnergies has drilled a successful appraisal well at Venus-1A and is currently testing the Venus-1X discovery well, while simultaneously drilling the Nara-1X exploration well. Significantly, TotalEnergies has allocated almost half of its global exploration and appraisal budget to this area for the current financial year, and continued success at Venus and Nara could reportedly result in recoverable reserves of up to 10 billion barrels of oil.

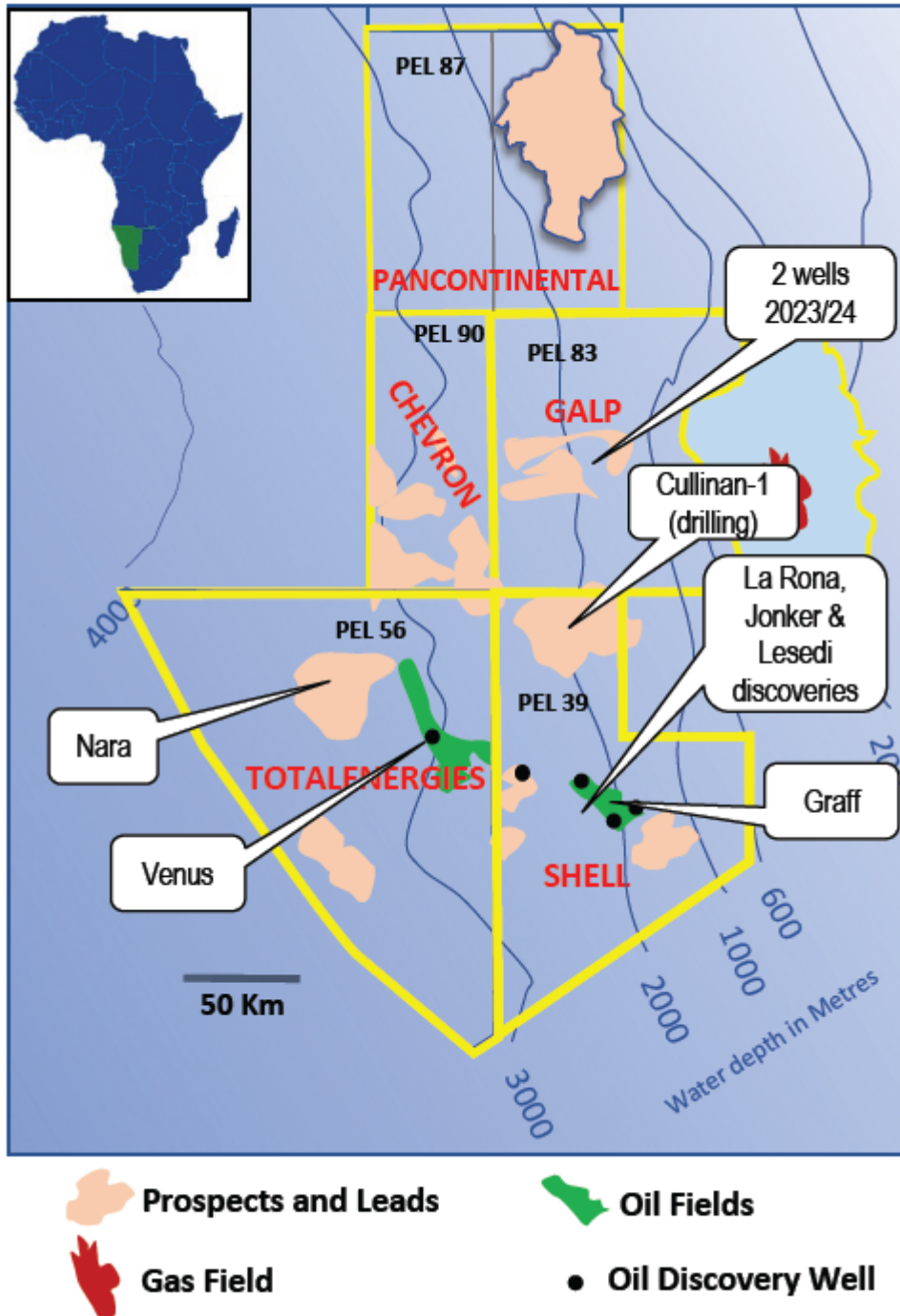


Figure: PEL 87 and adjacent activity

Meanwhile Shell's Graff discovery has been followed by a further three oil discoveries at La Rona, Jonker, and most recently in Lesedi-1. A further prospect is presently being drilled by Cullinan-1, with Shell retaining the drilling rig on long-term contract. Production testing of the Graff-1X discovery well has reportedly confirmed excellent well deliverability, and Shell is believed to be planning the drilling of up to an additional seven exploration and appraisal wells after Cullinan-1.

Immediately south of Pancontinental's PEL 87 permit, Operator GALP has announced the signing of a rig contract to drill two PEL 83 exploration wells commencing late 2023, and Chevron is reported to be planning to drill at least one exploration well in PEL 90 in 2024.

### **About PEL 87**

PEL 87 was awarded to a Joint Venture led by Pancontinental in early 2018 for up to 3 terms over 8 years (plus possible extensions) and may be converted to a Production Licence under pre-agreed terms. The permit is currently in a second one-year extension to the first, four-year period. This extension was granted in December 2022 with the joint venture securing the entire licence area for the term of the extension due to an exemption granted by the Minister for the otherwise obligatory 50% relinquishment of the licence area.

After award of PEL 87 an extremely prominent geological feature was mapped by Pancontinental, known as the Saturn Turbidite Complex ("STC"). Saturn has a core area estimated at 2,400 km<sup>2</sup> and an overall area of about 4,000 km<sup>2</sup>. Pancontinental regards the STC as offering very significant oil potential, with the complex expected to host clastic reservoirs of comparable age and depositional environment to the ongoing discoveries by TotalEnergies and Shell.

The participants in the PEL 87 joint venture are:

Pancontinental Orange Pty Ltd (Operator)	75% <sup>1</sup>
Custos Investments (Pty) Ltd	15% <sup>2</sup>
National Petroleum Corporation of Namibia (NAMCOR)	10%

<sup>1</sup> Woodside has an exclusive option over a 56% Participating Interest to be derived from Pancontinental's 75%.

<sup>2</sup> Pancontinental has an option over a 1% Participating Interest to be derived from Custos' Participating Interest

## **CORPORATE**

### **Financial**

The Company had cash at 30 June 2023 of \$5,300,908.

### **Placement**

During the quarter, Pancontinental raised \$5 million through a placement to sophisticated and professional investors of 500 million shares at an issue price of \$0.01 per share, together with one free listed option for every two shares issued. The Placement received strong support from existing and new sophisticated and professional investors, including directors and advisers of the Company.

The funds raised will be used in conjunction with existing cash for ongoing exploration and costs associated with PEL 87 offshore Namibia; further business development and growth opportunities; and ongoing working capital requirements.

### **Appointment of Iain Smith**

As announced on 15 May 2023, Iain Smith was engaged as an adviser to the Board of Pancontinental in a part-time role. Iain was until recently the Managing Director of successful Perth Basin explorer Norwest Energy NL, a company acquired by Mineral Resources Limited. The Board is very pleased to welcome Iain to participating in the Company's activities, and believe he will bring valuable experience and expertise to the small Pancontinental team.

### **Grant of Options**

During the quarter, there was a grant of options to certain eligible participants under the Company's Incentives Awards Plan. The key terms of the grant include:

Type of Security	Unquoted options
Type of Award	Each option is exercisable, before its expiry date, into one fully paid, ordinary share in the Company
Number of Awards Granted	Board Advisor – 40,000,000 Employee – 20,000,000 Contractor – 10,000,000
Exercise Price	\$0.016 per option
Vesting Condition	Remain an advisor, employee or contractor for 3 months from date of grant
Expiry of Options	29 May 2027

### **Notice of Meeting**

A Notice of Meeting was lodged with ASX during the quarter for a General Meeting which was held on 25 July 2023. The resolutions covered ratification of shares and options, Director participation in the placement and issue of incentive options to Directors. All resolutions put to the meeting were passed on a poll.

### **Notes Pertaining to Quarterly Cashflow Report (Appendix 5B)**

Item 6.1: The aggregate amount of payments to related parties and their associates of \$152,500 relates to payments to Executive Directors. Exploration expenditure on the Company's asset base during the reporting period was \$293,942 for consulting, licence fees and Namibian in-country expenses.

### ASX Listing Rule 5.4.3: Tenement Details

In accordance with ASX Listing Rule 5.4.3 the following table details Pancontinental's interests in its oil and gas permits:

Licence Location	Licence Reference	PCL (consolidated) interest at the beginning of the quarter	Movements for the current quarter	PCL (consolidated) interest at the end of the quarter
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%

\* Pancontinental has granted to Woodside an exclusive option to acquire a 56% participating interest in PEL 87 (refer to ASX announcement 2 March 2023)

\*\*earning

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

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

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