



SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

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

Highlights

- Receipt of "fast tracked" 3D PSTM and PSDM seismic data
- Early PSDM data supports case for mature Kudu Shale oil source beneath Saturn Turbidite Complex
- Application submitted to MME to enter into PEL 87 first additional exploration period
- Successful production testing on-trend at TotalEnergies' Venus-1X discovery

Orange Basin Update

Recent activity within the Namibian Orange Basin includes the successful production test of TotalEnergies' Venus-1X discovery well, leading TotalEnergies to indicate that development of the estimated 3 Billion barrels (recoverable) oil field is highly likely. The Deepsea Mira semi-submersible drilling rig is now preparing to production test the successful Venus-1A appraisal well, while the Tungsten Explorer drillship is drilling a further exploration well at Mangetti-1X.

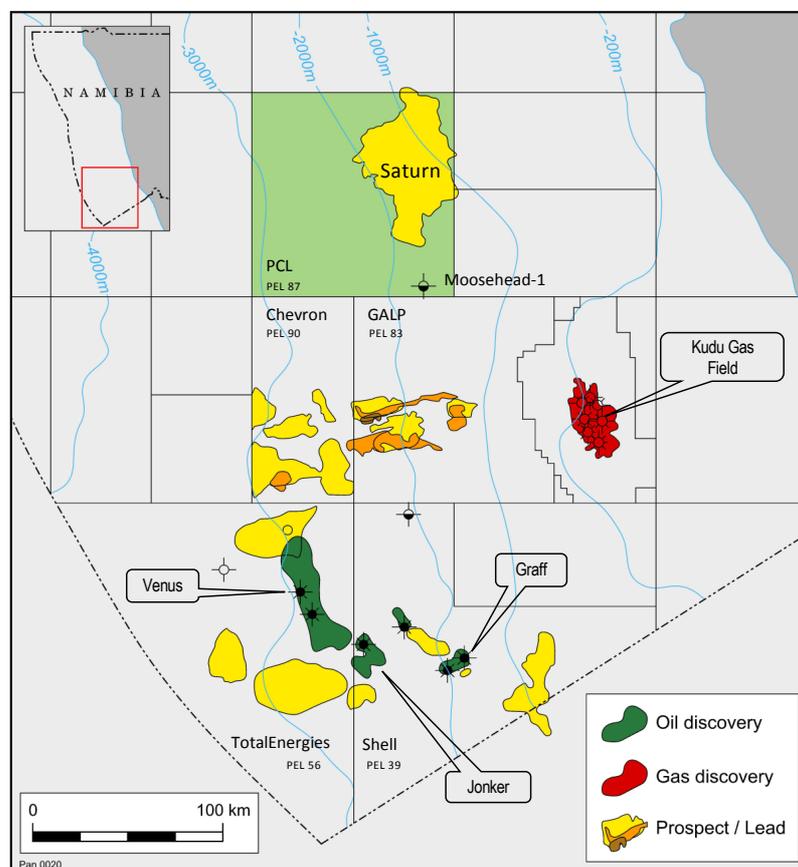


Figure 1: PEL 87 and Neighbouring Permits

TotalEnergies has reportedly allocated almost half of its global exploration and appraisal budget for FY 2024 to its PEL 56 permit and is conducting a bid process to secure a long-term development drilling contract with an estimated contract value of the order of US\$800 million.

Meanwhile Shell has thus far drilled four out of five successful oil discovery wells and is presently drilling an appraisal well with the Deepsea Bollsta rig at Jonker-1A. Shell has retained the Deepsea Bollsta on long-term contract and is reported to have an extensive ongoing exploration and appraisal program planned.

To date TotalEnergies and Shell are reported to have jointly discovered an estimated 11 Billion barrels of light oil (in-place) across their Namibian Orange Basin permits, with an additional 8.7 Tcf of associated gas (in-place). TotalEnergies' Venus discovery alone reportedly hosts an estimated 5 Billion barrels (in-place).

To the immediate south of PEL 87, Portuguese company Galp has secured a drilling rig to test two prospects consecutively within its PEL 83 permit. The Hercules semi-submersible drilling rig is reportedly mobilising to location and scheduled to spud the first well in mid-November 2023. Drilling will be focused on Galp's Mopane complex, located within the southern half of PEL 83. Reports suggest that Galp may be targeting mean in-place resources of up to 10 Billion barrels of oil.

PEL 87 Seismic Update

Further to completion of the 6,593 km² PEL 87 3D seismic survey in May 2023, Pancontinental has received an early fast-tracked Prestack Time Migration (PSTM) volume from seismic acquisition contractor PGS, and more recently a fast-tracked Prestack Depth Migration (PSDM) volume from primary seismic processing contractor CGG. While preliminary interpretation of these data has been completed, full interpretation leading to prospect generation may only be completed once the final PSDM and associated processing products (including Angle Stack Gathers) are received. The full interpretation will include Quantitative Interpretation (QI) techniques, including seismic amplitude extraction and Amplitude vs Offset analysis. An example of the "fast tracked" PSDM data is shown in Figure 2.

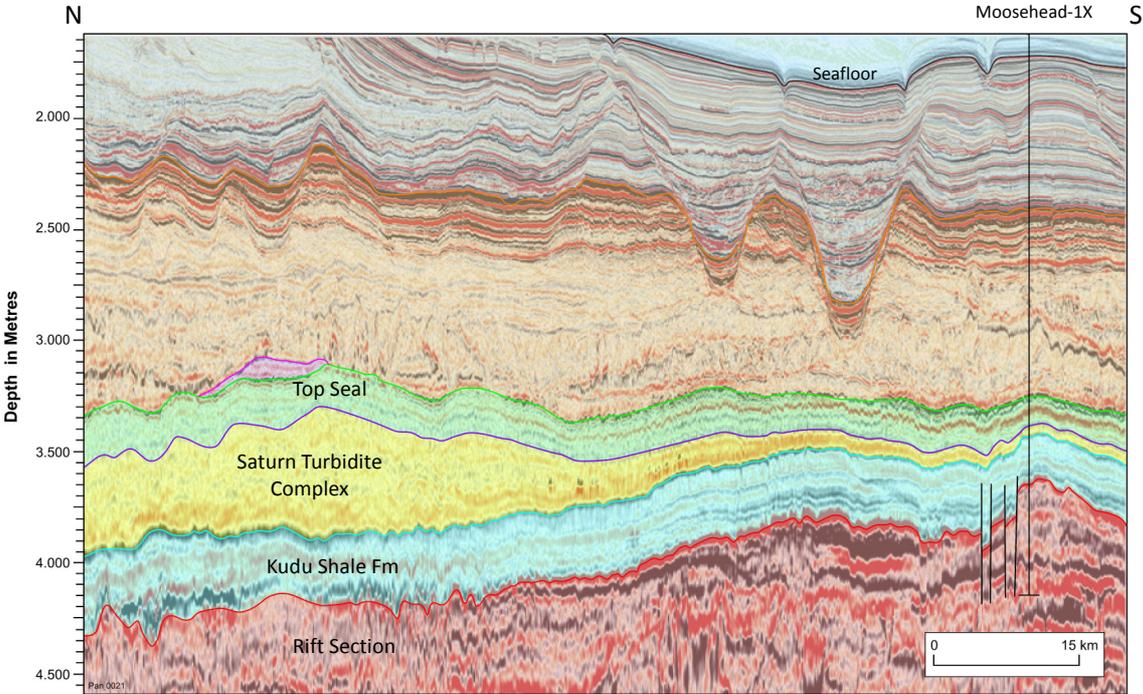


Figure 2: N/S Fast Tracked PSDM Line Tie to Moosehead-1X Well

Importantly, and based on Pancontinental's interpretation of the preliminary data, there are positive indications for the presence of a mature Kudu Shale oil source formation directly beneath the Saturn Turbidite Complex. The Kudu formation was encountered within the only exploration well drilled to date within PEL 87; the Moosehead-1X well drilled in 2013. Moosehead-1X targeted a Barremian-aged carbonate prospect which failed to yield carbonate reservoirs with sufficiently well-developed porosity. However, Moosehead-1X did intersect the Kudu Shale which presents as a thick, high quality oil source rock believed to be the primary source for the giant oil discoveries made by TotalEnergies and Shell on-trend to the south.

At the Moosehead-1X location, analysis of Kudu Shale samples indicated that the source formation was at an early-mature stage for generation of oil. Based on Pancontinental's preliminary interpretation of the fast-tracked PSDM 3D seismic data, the Kudu formation appears to be at significantly greater depth than at Moosehead-1X, and is therefore likely to be at a greater level of maturity for oil (refer Figure 2).

Application to enter into PEL 87 First Additional Exploration Period

As announced on 26 October 2023, Pancontinental Energy NL has, as Operator and on behalf the PEL 87 Joint Venture, and in accordance with the Namibian Petroleum (Exploration & Production) Act (1991), submitted its application to the Namibian Ministry of Mines and Energy (MME) to formally approve the PEL 87 permit entering into the first additional exploration period.

The PEL 87 current (first) licence period required the Joint Venture to invest a minimum of US\$5 million in exploration-related activities. The exploration investment in PEL 87 during the first licence period currently exceeds this amount by a significant margin. The majority of this expenditure is associated with the acquisition and processing of the extensive 3D seismic survey, fully-funded by Woodside.

The first additional exploration period will run from 23 January 2024 to 22 January 2026, with an associated work commitment to drill one exploration well (or, if a drillable prospect is not identified, acquire either 500 km² of 3D seismic data or 1,000 line kms of 2D seismic data). Pancontinental will bear no financial liability for any future non-performance by the PEL 87 Joint Venture associated with the minimum exploration expenditure commitments of the first additional exploration period.

About PEL 87

Petroleum Exploration Licence 87 (PEL 87) is located in the offshore Orange Basin, southern Namibia (refer Figure 3). The permit covers an area of 10,970 km² and is situated on-trend with a number of very significant hydrocarbon discoveries that have been made in recent times by TotalEnergies and Shell.

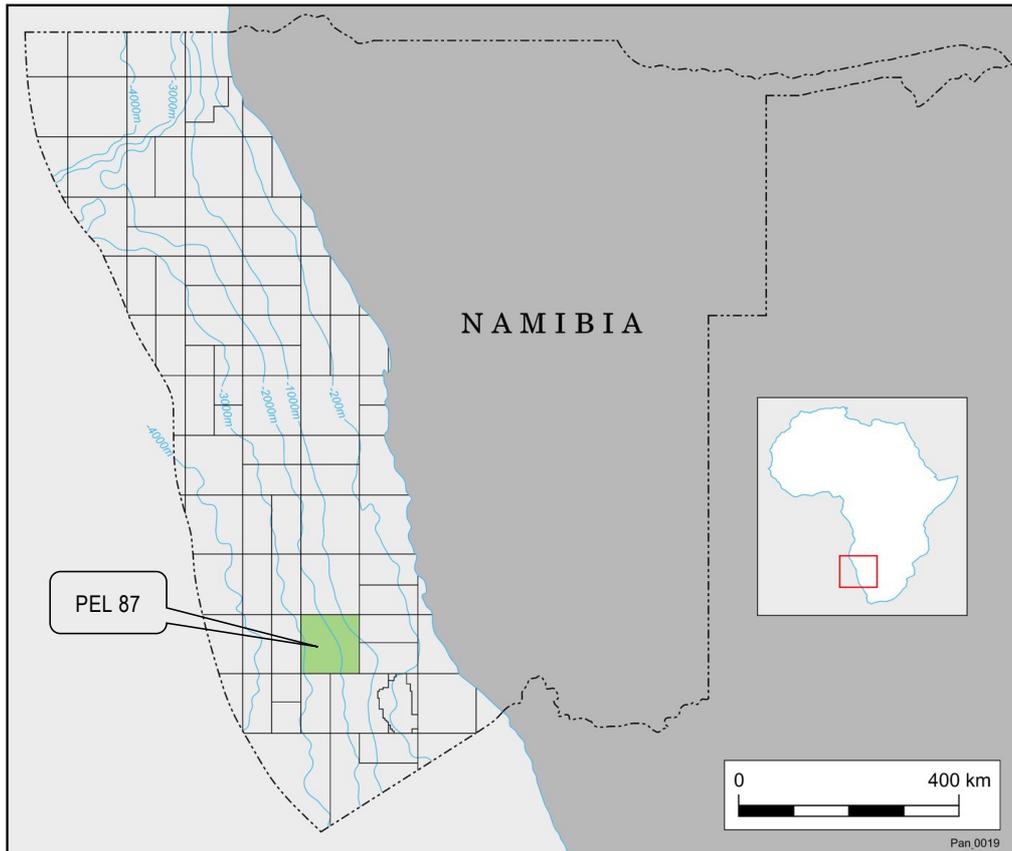


Figure 3: PEL 87 Location Map

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, known as the Saturn Turbidite Complex (“**Saturn**”), was mapped by Pancontinental. Saturn has a core area estimated at 2,400 km² within a total area of approximately 4,000 km² and is regarded by Pancontinental as offering very significant oil potential. The complex is anticipated to host clastic reservoirs of comparable age and depositional environment to the ongoing major discoveries by TotalEnergies and Shell.

The participants in the PEL 87 Joint Venture are as follows:

Pancontinental Orange Pty Ltd (Operator)	75%
Custos Investments (Pty) Ltd	15%
National Petroleum Corporation of Namibia (NAMCOR)	10%

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

2: Pancontinental has an option over a 1% Participating Interest to be derived from Custos' Participating Interest.

CORPORATE

Financial

The Company had cash and cash equivalents at 30 September 2023 of \$4,937,833.

Africa Oil Week

Representatives of Pancontinental participated in the Africa Oil Week conference, held in Cape Town 9 to 13 October 2023. While in Cape Town the PEL 87 Joint Venture participants conducted in-person Operating Committee and Technical Advisory Committee meetings with Joint Venture Partners and the MME.

General Meeting

A General Meeting of Shareholders was held on 25 July 2023. The resolutions covered ratification of shares and options, Director participation in the March 2023 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 \$107,500 relates to payments to Executive Directors. Exploration expenditure on the Company's asset base during the reporting period was \$96,599 for consulting, legal, travel 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%	0%	75%
Australia	ATP 920	**20%	0%	*20%
Australia	ATP 924 - Ace	**25%	0%	*25%

* 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.

END

This announcement is authorised for release by the Board of Pancontinental Energy NL.

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