



Annual General Meeting Presentation

30 November 2016





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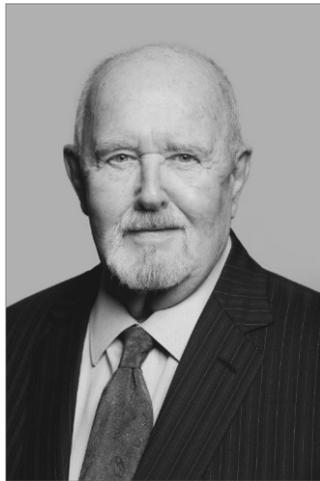
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The summary report on the oil and gas projects is based on information compiled by Mr R B Rushworth, BSc, MAAPG, MPESGB, MPESA, Chief Executive Officer of Pancontinental Oil & Gas NL. Mr Rushworth has the relevant degree in geology and has been practising petroleum geology for more than 30 years. Mr Rushworth is a Director of Pancontinental Oil & Gas NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.

Pancontinental Management Team



**David
Kennedy**

MA (Geology)
SEG

**Non-Executive
Chairman**



**Barry
Rushworth**

BSc (Geology &
Marine Sc)

**Executive
Director, CEO**



**Ernie
Myers**

CPA

**Executive
Finance
Director**



**John
Leach**

BArts (Econ)
CA MBA

**Non-Executive
Director [Ind]**



**Vesna
Petrovic**

BComm
CPA

**Company
Secretary**

- Pancontinental is managed by a small and experienced team from diverse backgrounds. The board and management work together to lead the company to attain its strategic goals
- The company is known for gaining early entry to frontier areas, working up exploration concepts and then farming out to leverage the early activities. This model has been successful, with numerous farmouts to major companies and technical successes in Kenya with the Mbawa-1 gas and the Sunbird-1 oil discoveries
- The board is committed to seeing the company achieve commercial success and has reduced corporate expenditure and adapted exploration activities to the current market climate



Corporate

Oil & gas explorer

- ASX Code: PCL
- Issued Shares: 1,717m
- Share Price: A \$0.004
- Market Cap: A \$6.9m

Kenya Offshore

Proven oil and gas systems

- Block L6
- 40% Pancontinental
- 60% FAR Limited Operator & Partner

Namibia Offshore

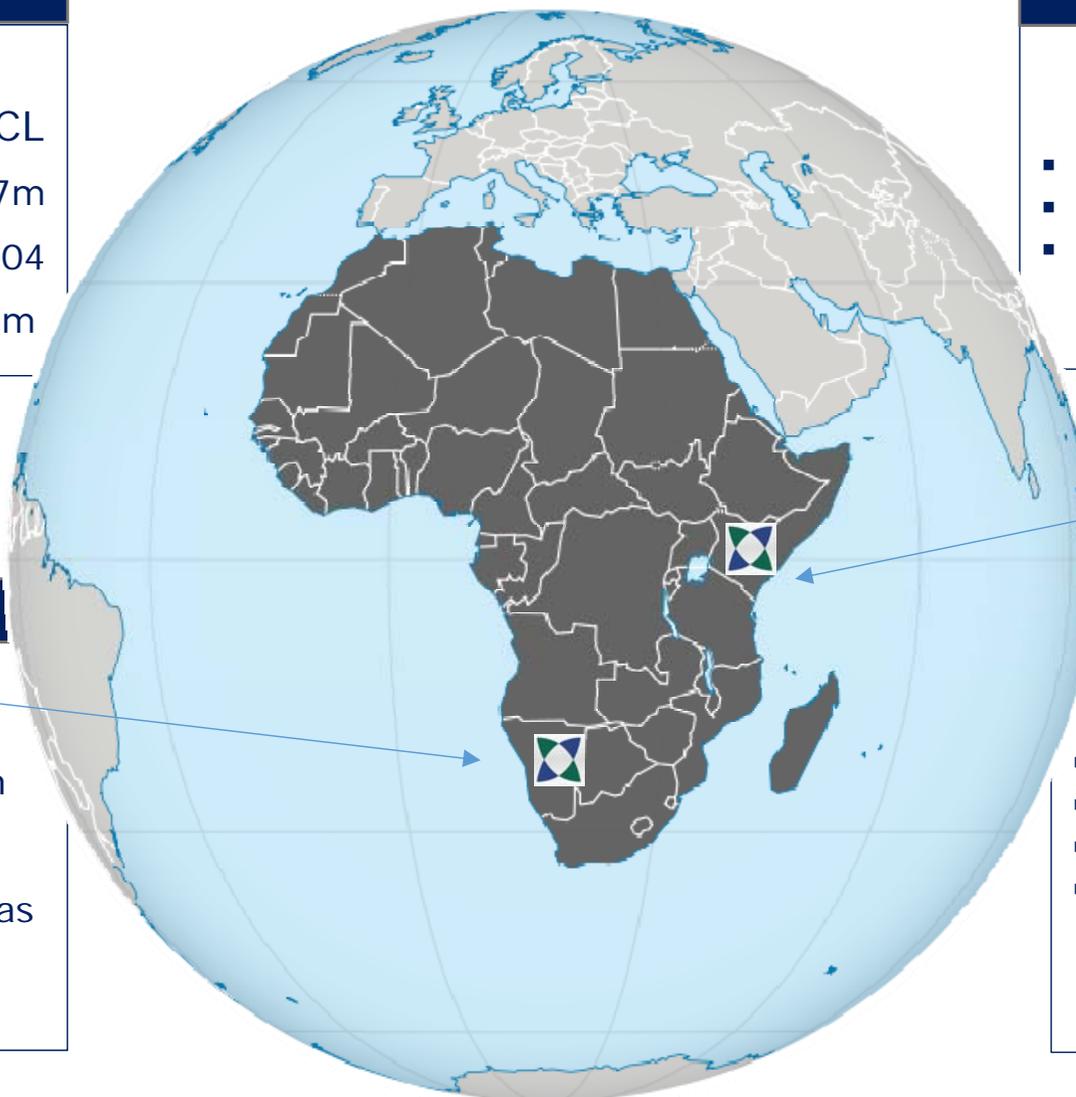
Unexplored potential

- Petroleum Exploration Licence 0037
- 30% Pancontinental
- 5% Paragon Oil & Gas
- 65% Tullow [Operator]

Kenya Onshore

Emerging oil and gas province

- Block L6
- 16% Pancontinental
- 24% FAR Limited
- 60% Milio International [Operator]





Changed Business Environment

- New oil price regime
- Oil price uncertainty (up / down / stable?)
- Changed global Geopolitical & Economic landscape
- Risk- averse business environment
- Reduction in Investor appetite for Energy

Pancontinental's Strategy

- ✓ Reduce Overheads
- ✓ Reduce expenditures (farmouts etc)
- ✓ Retain highest reward projects
- ✓ Partner with major international oil & gas companies to leverage Pancontinental through exploration and drilling
- ✓ Sourcing new frontier exploration projects with-
 - Low country risk
 - Cost-effective "upfront" entry
 - High reward profile





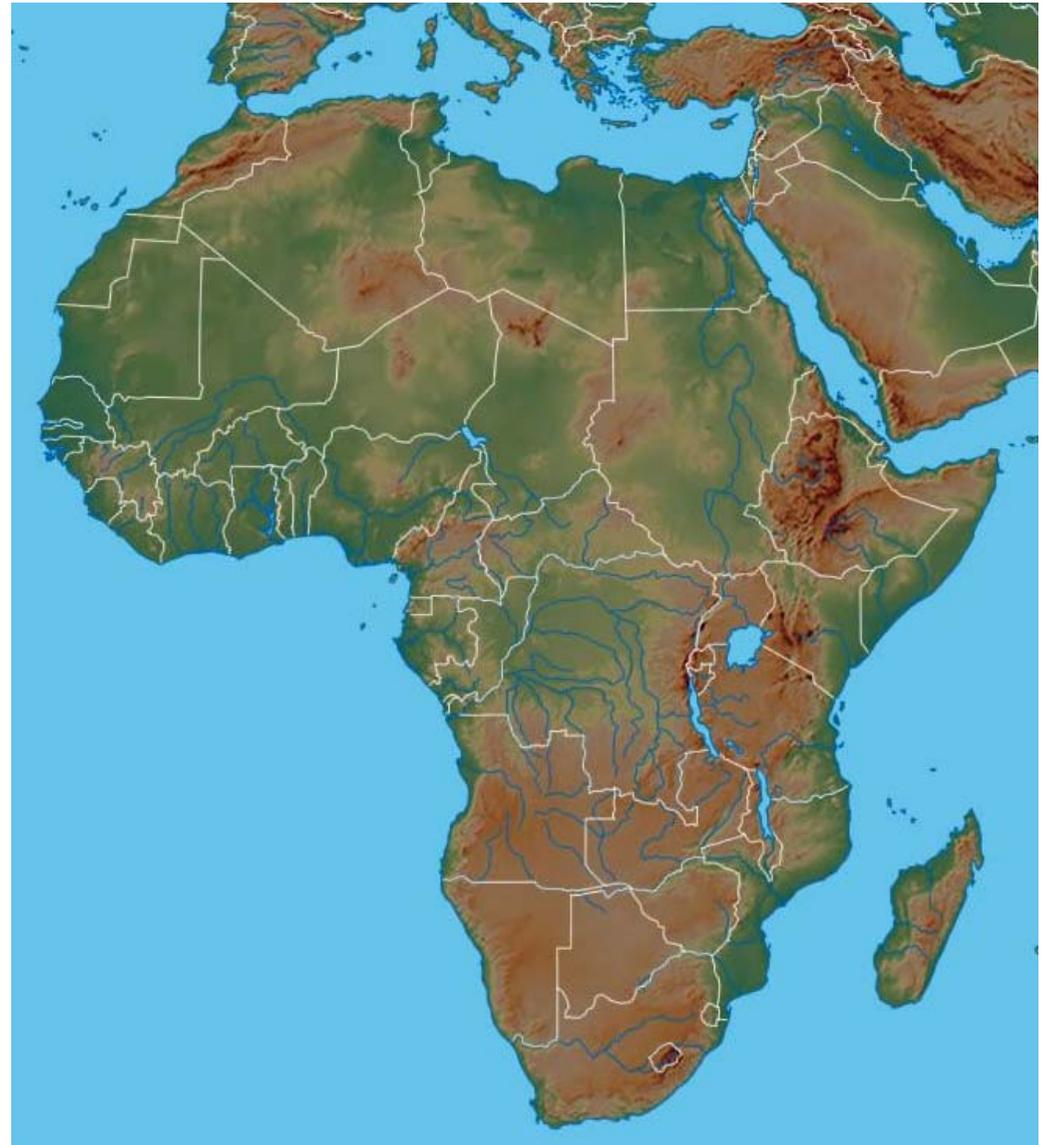
- Junior exploration company with interests in Namibia and Kenya
- African focus for the past 10 years
- Participated in two historic Kenyan discoveries:

- 2012 Mbawa-1, Kenya L8

The first ever gas discovery offshore Kenya; and the first ever hydrocarbon discovery offshore Kenya

- 2014 Sunbird-1, Kenya L10A

The first ever oil discovery offshore Kenya; and the second ever hydrocarbon discovery offshore Kenya



Offshore Namibia



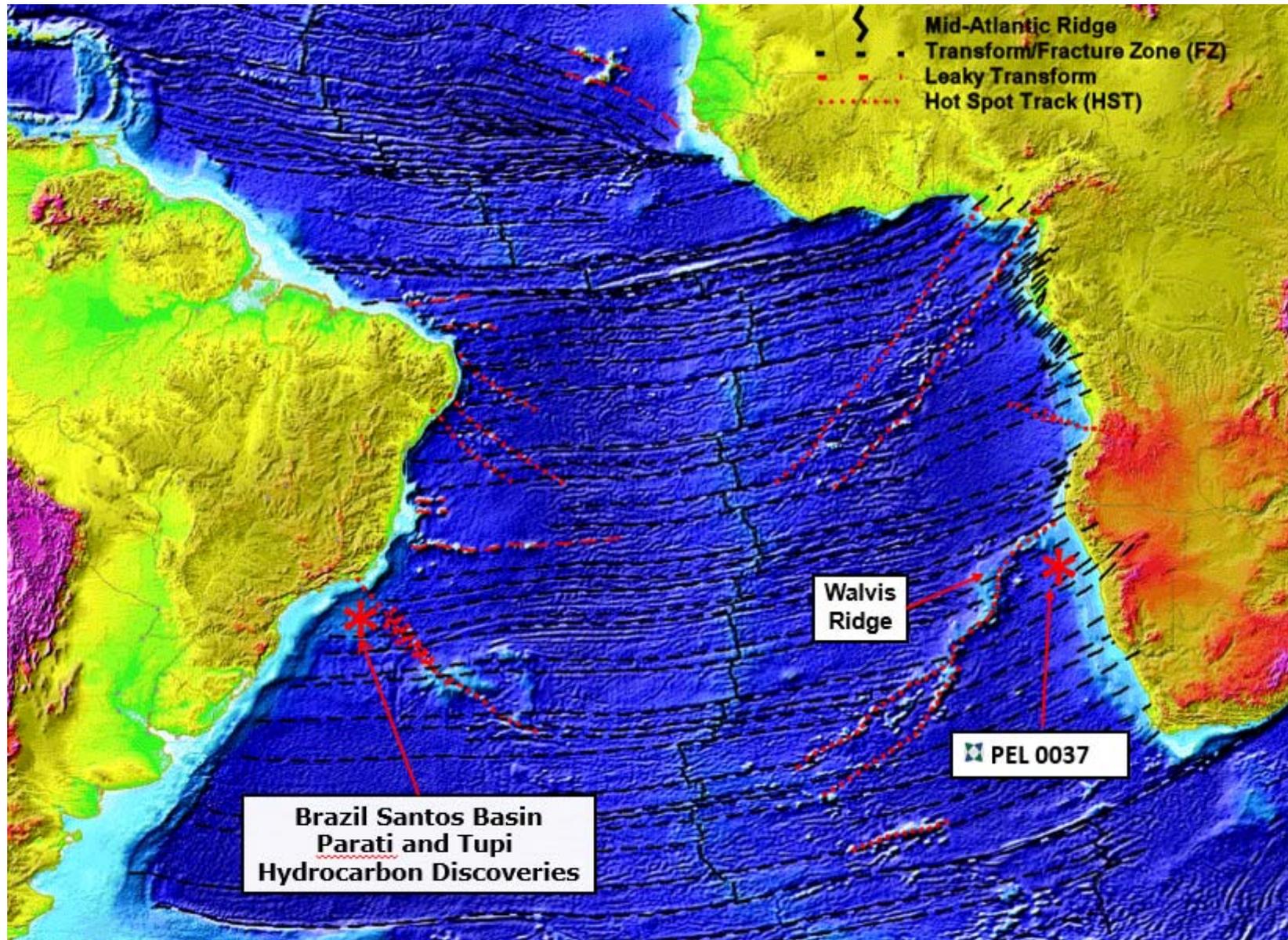


Pancontinental in Namibia

- Present in-country for over a decade, and in current permit since 2011
- Developed theories regarding oil generation in the area
- Participant in exploration programmes over offshore licences
- Currently partnering under farmout to major international oil and gas company Tullow Oil
- **Awaiting potential offshore drilling programme (PCL free carried) which will test Pancontinental's technical theories**



Offshore Namibia – Theory on Oil Generation

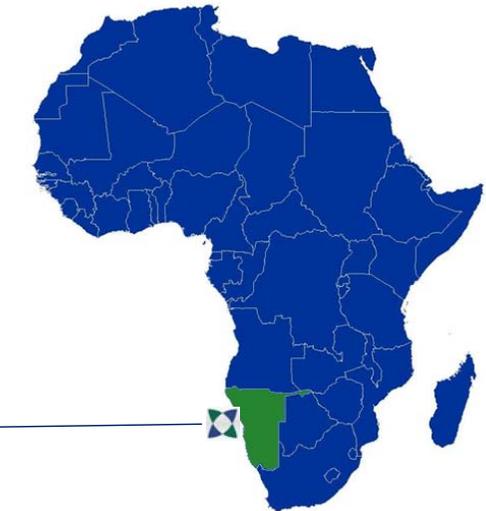
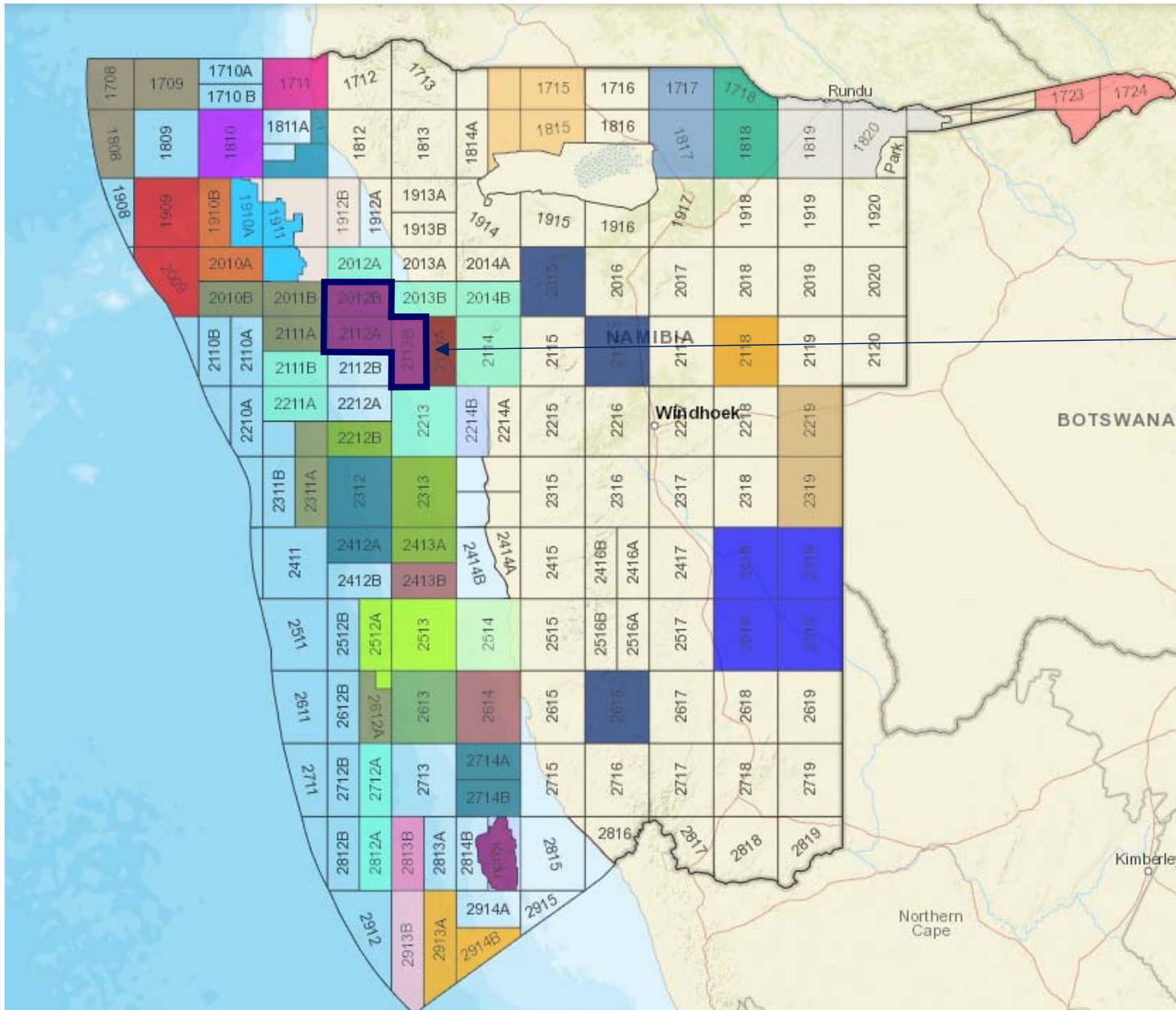


The Walvis Basin, where Pancontinental's PEL 0037 is located, exhibits similar characteristics to Brazil's Santos Basin where multiple hydrocarbon discoveries have been made.



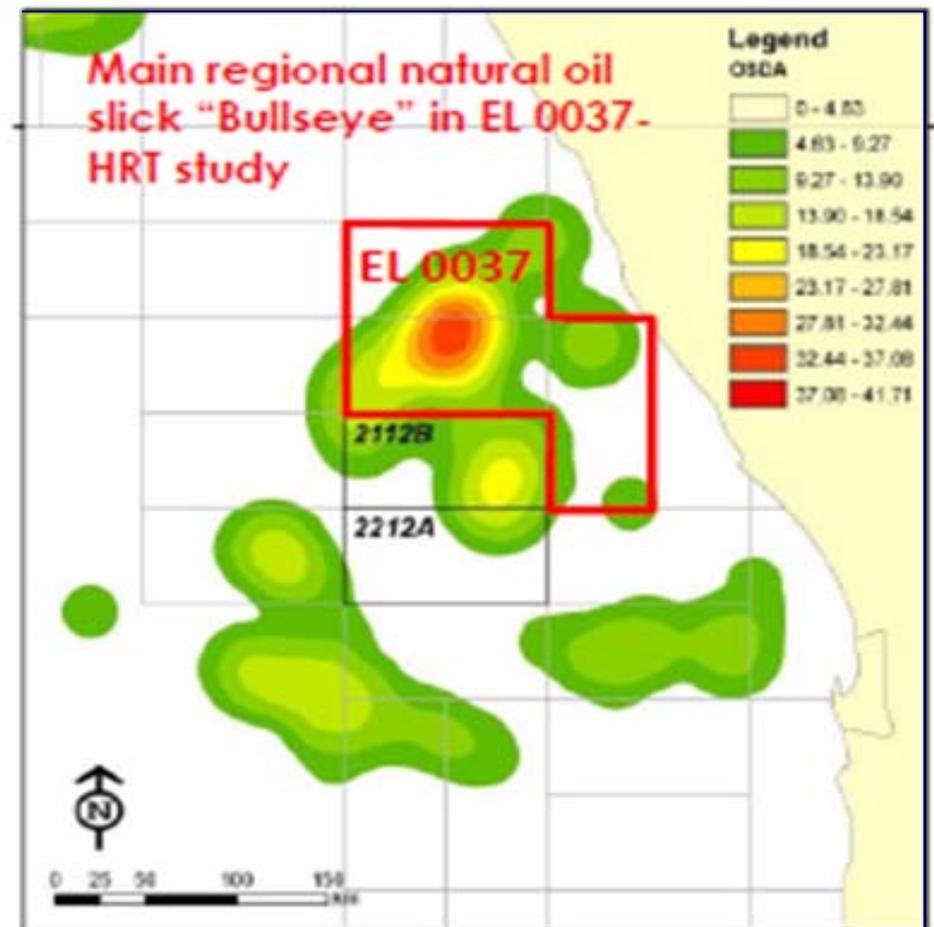
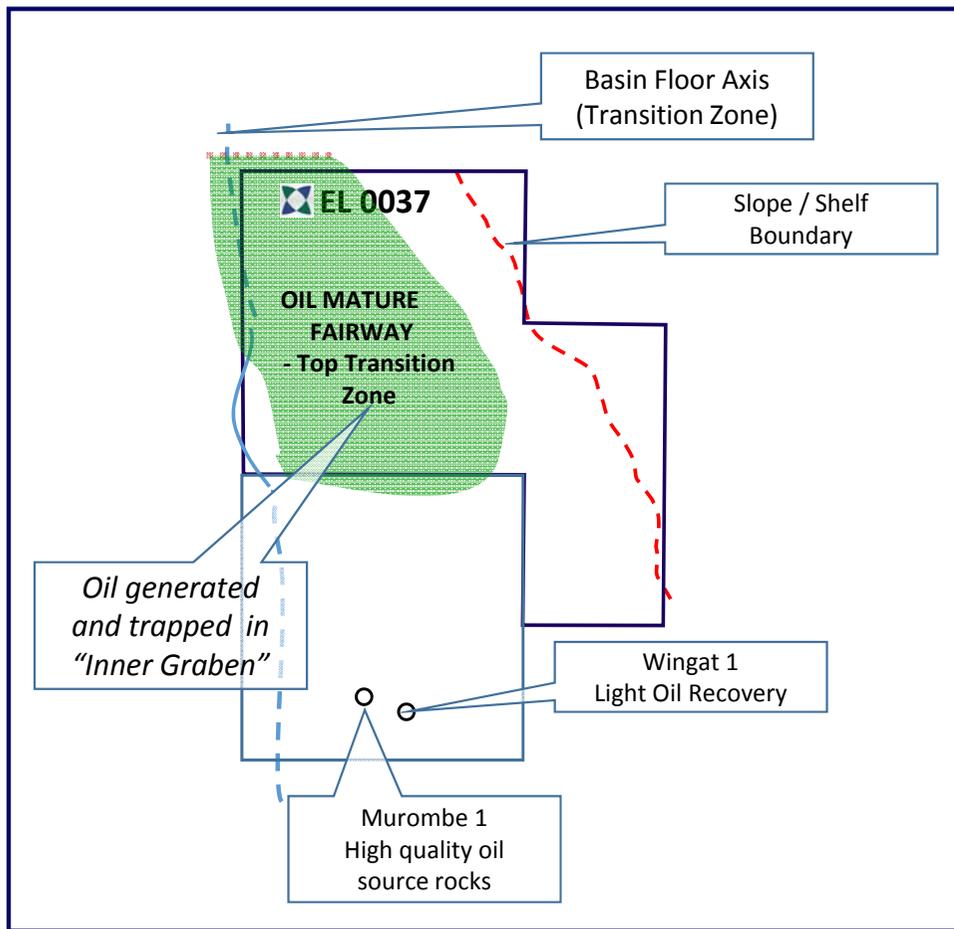
- A critical factor for oil exploration offshore Namibia is oil maturity, where source rocks are sufficiently buried and heated to generate oil
- Pancontinental has interpreted an “Oil Mature Fairway” that extends through PEL 37
- The Company believes that PEL 37 is one of the few areas covering an oil generating “sweet spot” where oil prone rocks are adequately buried to generate oil, similar to its projects offshore Kenya
- In 2013, HRT (now PetroRio) proved well developed mature marine source rocks with the Wingat-1 well. These are on-trend to PEL 37

Offshore Namibia



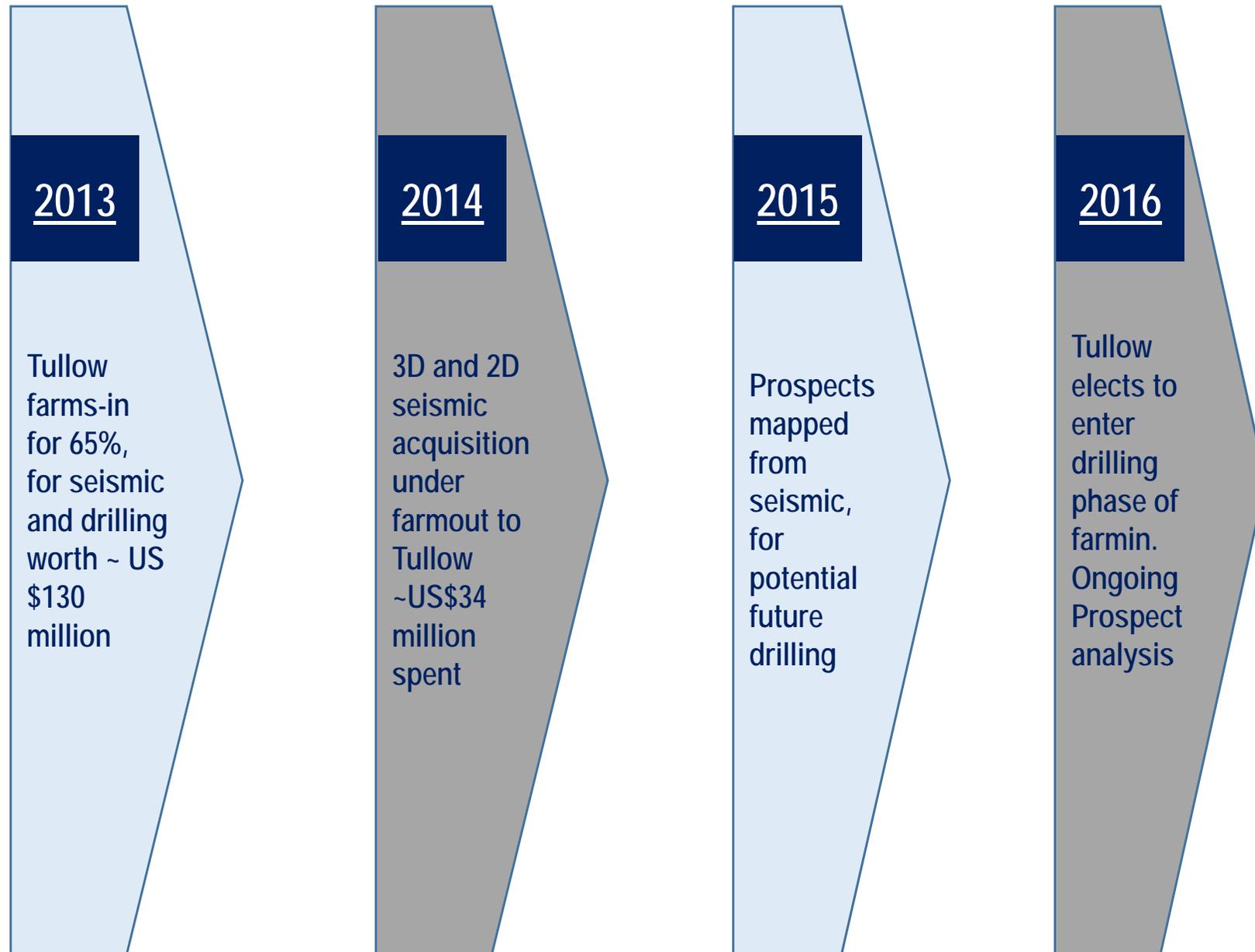
- Pancontinental originated Petroleum Exploration Licence 37 offshore Namibia in 2011.
- Petroleum Exploration Licence 37 was granted over three blocks; 2012B, 2112A and 2113B, covering approximately 17,295 km².
- Pancontinental is now partnered with Tullow Kudu Limited [Operator] and local firm Paragon Oil & Gas (Pty) Ltd.

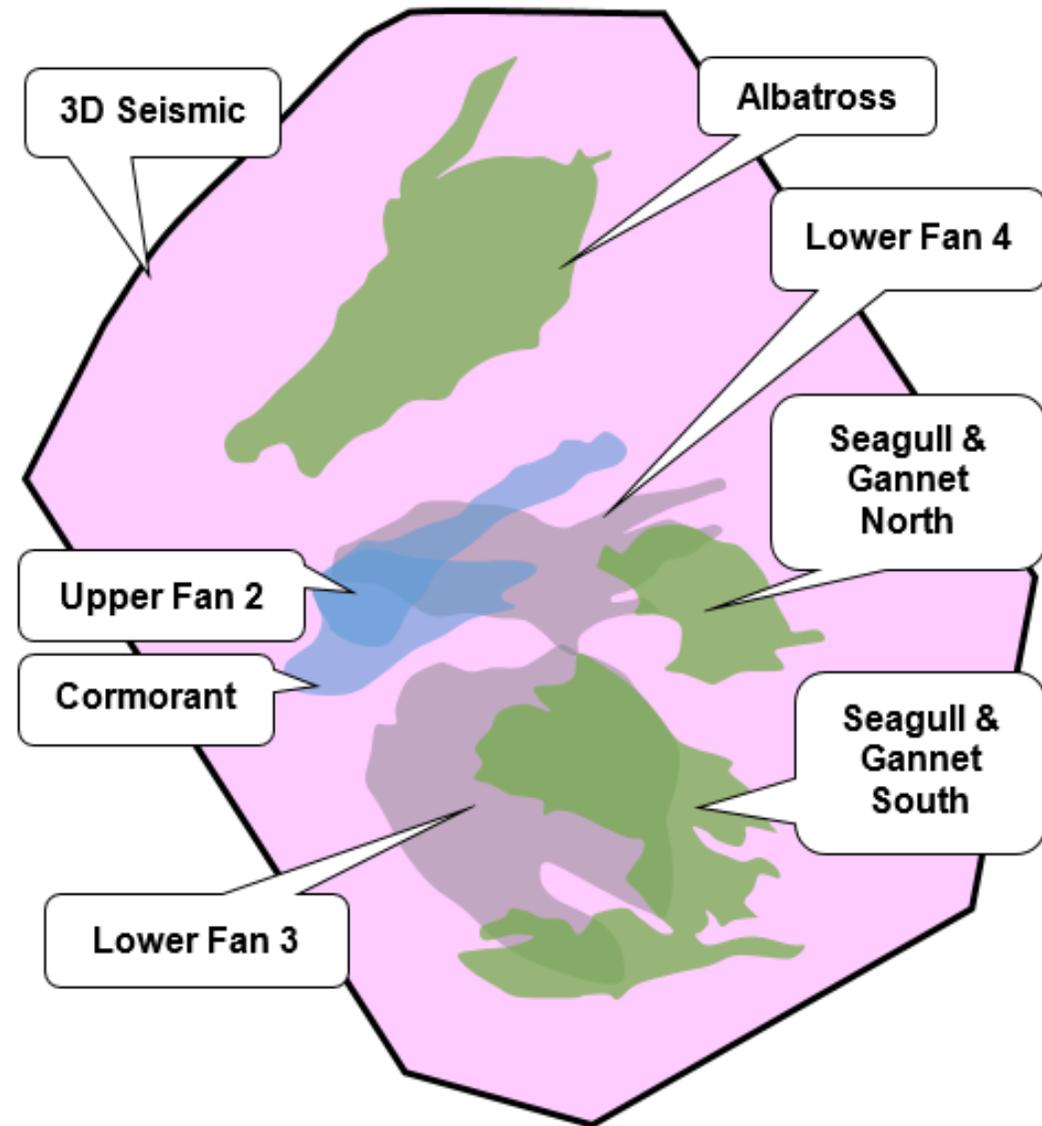
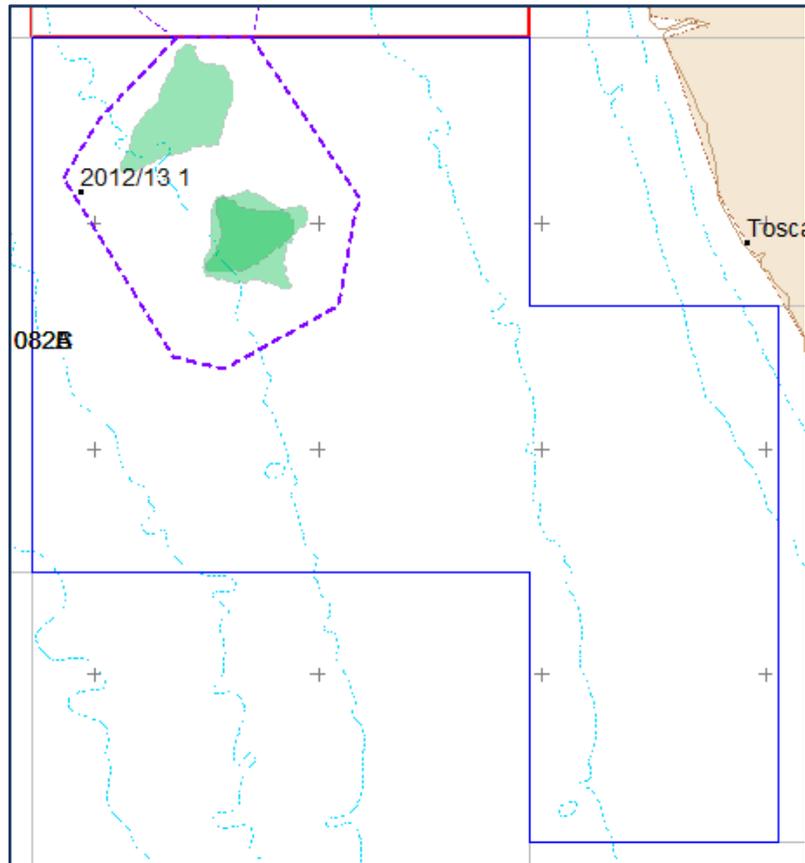
Offshore Namibia – Theory on Oil Generation



- Pancontinental's exploration team predicted an oil-generating "fairway" and high-quality turbidite fan deposits in PEL 37 (above left). An oil generating bullseye was recorded in an HRT (now PetroRio) study (above right) supporting Pancontinental's concepts
- An oil system is established by Wingat-1 drilled to the south where oil was recovered and high quality mature source rocks reported
- Tullow Oil recognised the potential identified by Pancontinental and farmed-in in 2014

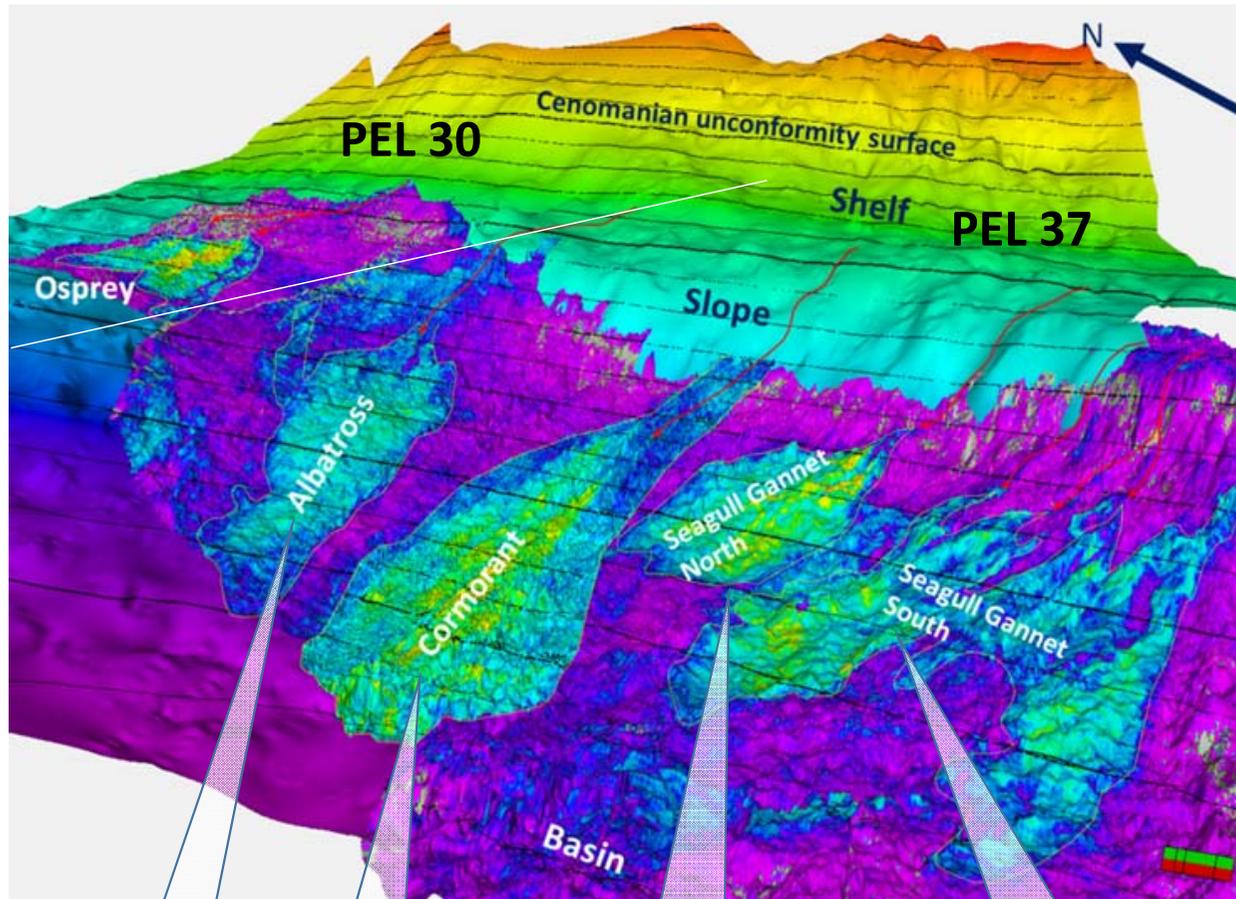
Offshore Namibia – PEL 37 Timeline





- 3D seismic area above (dotted outline), shown in detail to the right

Namibia PEL 37 Prospects & Work Programme



Tullow Oil farmed into PEL 37 in 2013, with activities commencing in 2014.

The US\$100 + million farm-in programme is 100% free carried for Pancontinental (retaining 30%).

The exploration work so far includes:

- 3,400 km² of 3D seismic covering approximately 17% of the licence;
- 1,000 km of 2D seismic; and
- Processing, interpretation and mapping the seismic data.

Tullow will earn its full 65% interest by funding an exploration well with no financial "cap".

In March 2016, Tullow confirmed its intention of entering the drilling phase of the farmout agreement.

Albatross Prospect

293 km²

Albian base-of-slope turbidite fan

Cormorant Prospect

120 km²

Albian base-of-slope turbidite fan

Seagull Gannet North Prospect

90 km²

Stacked series of Albian base-of-slope turbidite fans

Seagull Gannet South Prospect

273 km²

Stacked series of Albian base-of-slope turbidite fans

Exploration Licence 0037 holds:

- **4 main prospects**, detailed to the left;
- **3 strong leads**, which have additional oil potential; plus
- extensive follow up opportunities.

Namibia PEL 37 Prospects & Work Programme

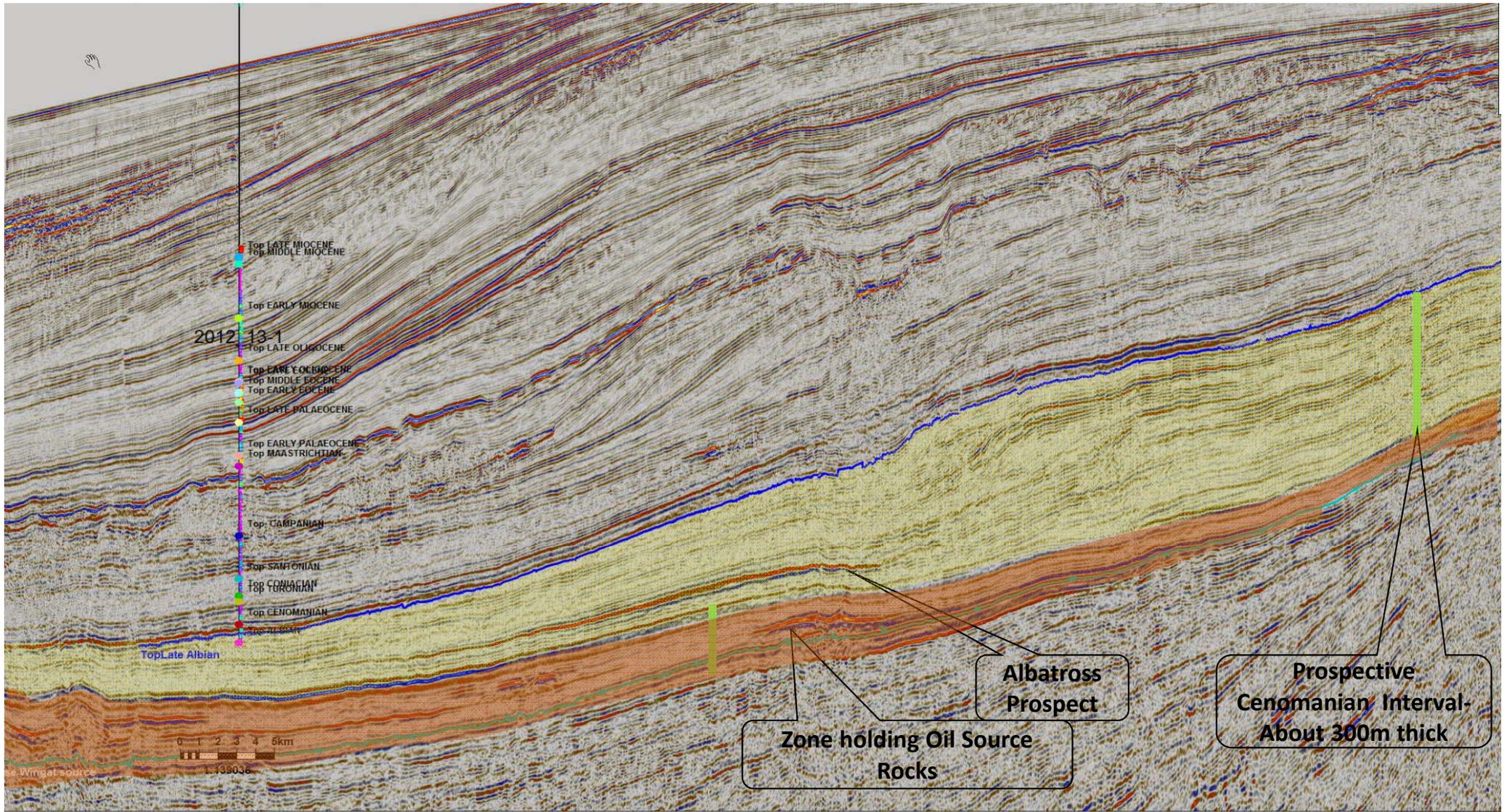
CLOSE PROXIMITY OF APTIAN SOURCE ROCKS TO PROSPECTS & LEADS

- A range of Prospects have been mapped at different levels in a Cretaceous prospective package
- The Prospective Interval containing the Albatross, Cormorant and other Prospect turbidite sands at different levels is about 300m thick
- The Aptian source rock is only 150m (approx.) below the Prospect level

<u>System/ Period</u>	<u>Series/ Epoch</u>	<u>Stage/ Age</u>	<u>Age (Ma)</u>
Paleogene	Paleocene	Danian	younger
Cretaceous	Upper/ Late	Maastrichtian	66.0–72.1
		Campanian	72.1–83.6
		Santonian	83.6–86.3
		Coniacian	86.3–89.8
		Turonian	89.8–93.9
		Cenomanian	93.9–100.5
	Lower/ Early	Albian	100.5–~113.0
		Aptian	~113.0–~125.0
		Barremian	~125.0–~129.4
		Hauterivian	~129.4–~132.9
		Valanginian	~132.9–~139.8
Berriasian	~139.8–~145.0		
Jurassic	Upper/ Late	Tithonian	older

Subdivision of the Cretaceous system according to the IUGS, as of July 2012.

Albatross Prospect





915 million barrels of oil potential

PROSPECT / LEAD	STATUS	AREA (Sq Km)	PROSPECTIVE RESOURCE 100% (MmBbls)*	NET TO JOINT VENTURE (MmBbls)	NET PANCONTINENTAL SHARE (MmBbls)
Albatross	Prospect	293	349	331.6	99.5
Seagull & Gannet S	Prospect	273	338	321.1	96.3
Seagull & Gannet N	Prospect	90	104	98.8	29.6
Cormorant	Prospect	120	124	117.8	35.3
Upper Fan 2	Lead	85			
Lower Fan 3	Lead	352			
Lower Fan 4	Lead	170			
TOTAL (Prospects Only)			915*	869.3	260.7

Table of EL 0037 Prospects and Leads areas and Prospective Resource Volumes evaluated as at 28 September 2015

Cautionary Statement - 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. See Disclaimers and Notes for further details.

The resources referred to above were announced 28 September 2015.

The company confirms that it is not aware of any new information or data that 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.



DISCLAIMERS & NOTES- NAMIBIA

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

All Prospective Resource estimates in this report with regard to Namibian operations are prepared as of 28 September 2015. 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. Unless otherwise stated the estimates provided in this report are Best Estimates. The estimates are unrisked 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 the Government Royalty of 5% under Production Sharing Contracts and Pancontinental's percentage entitlement under Joint Venture contracts.

Prospective Resources estimates in this report have been made by Pancontinental Oil & Gas 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 prepared by Mr Roy Barry Rushworth the Chief Executive Officer and Executive Director of Pancontinental Oil & Gas NL. Mr Rushworth has more than 30 years' experience in practising petroleum geology and exploration management.

Mr Rushworth 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'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.



29th November 2016-

- **Pancontinental agrees to assign a 10% interest in Namibian project PEL 37 to Africa Energy Corporation (“AEC”)**
- **Pancontinental retains a 20% free-carried interest in Namibia PEL 37**
- **In exchange for the 10% AEC will make staged payments, subject to certain conditions, expected to total US\$6.5 million (approximately Australian Dollars \$8.5 million)**
- **New partner AEC is building an African oil portfolio, assembled by its highly regarded team drawn from Tullow Oil, Africa Oil and Lundin Group**



About Africa Energy Corporation

Africa Energy Corporation (AEC) is a member of the Lundin Group of companies. The Lundin Group is one of the most successful shareholder groups in the resources sector worldwide.

The Lundin Group has a combined market capitalisation of approximately US\$12 billion and it has invested over US\$3 billion in African projects to date including oil, gold and diamonds.

AEC, both professionally and operationally draws from experience gained at other successful Lundin Group companies, Africa Oil Corp (successful oil finder onshore Kenya) and Energy Africa Ltd (purchased by Tullow in 2004). Senior executive members from both companies now head-up AEC's activities.

AEC is listed on the TSX Venture Exchange, with website www.africaenergycorp.com



- ❑ Pancontinental's previous interest of 30% has already been fully free-carried through approximately US\$34 million of 3D and 2D seismic under farmout to Tullow (**Tullow Farmout**).
- ❑ In April 2016 Tullow elected not to withdraw from the project and in doing so committed to its obligations under the Tullow Farmout, as reported in Pancontinental's ASX announcement of 8 April 2016.
- ❑ The agreement with AEC is subject to the satisfaction of certain conditions including the consent of Pancontinental's joint venture partners and the Government of Namibia and including AEC being satisfied with its due diligence enquiries, all of which must be satisfied within 90 days or such longer period as the parties agree.
- ❑ PCL will retain a 20% equity interest in the PEL 37 Project, which is fully carried by Tullow Kudu Ltd (**Tullow**) through ongoing activities and drilling of the first well as reported in previous ASX announcements made by Pancontinental.
- ❑ By the agreement AEC will compensate Pancontinental for the assignment of that 10% interest as follows:
 - An upfront payment of US\$1.7 million (approximately A\$2.2 million) upon the satisfaction of the conditions; and thereafter
 - an additional US\$4.8 million (approximately A\$6.3 million) upon the commencement of drilling the first well in PEL 37, provided Tullow is obliged to carry AEC's 10% interest through the drilling of that well.



Namibia PEL 0037

LOCATION:

Walvis Basin, Offshore Namibia

PROJECT SIZE:

17,295 square kilometres

JOINT VENTURE PARTNERS:

Tullow Kudu Limited (Operator)
65.00%

Pancontinental Oil & Gas Group
30.00%

Paragon Oil & Gas (Pty) Ltd
5.00%

GEOLOGY:

An "Oil Mature Fairway" has been interpreted which extends through PEL 0037. Pancontinental believes that PEL 0037 is one of the few areas covering an oil generating "sweet spot" where oil prone source rocks are sufficiently buried to generate oil.

A number of ponded turbidite, slope turbidite, basin floor turbidite fans and channels forming major very large "leads" closely associated with, and within the Inner Graben of PEL 0037 have been identified and mapped.



- **Very large oil "sweet spot" within exploration area**
- **Farmed out for extensive 3D, 2D & drilling to Tullow Oil**
- **Major Prospects identified on 3D & 2D seismic**

Offshore Kenya





Pancontinental in Kenya



- Present in-country for 15+ years
- Participant in numerous exploration programmes across mostly offshore licences
- Partnered with major international oil and gas companies (Apache Corporation, BG Group, Premier Oil, PTTEP and Tullow Oil) in joint venture work programmes
- Experienced success with two exploration wells:
 - 2012, Mbawa-1, Kenya L8
 - 2014, Sunbird-1 Kenya L10A
- The discoveries were Kenya's first and second offshore hydrocarbon discoveries
- Now continuing with L6 licence onshore/offshore

Kenya L6 Summary



Kenya L6

LOCATION:

Lamu Basin, Onshore /Offshore Kenya

PROJECT SIZE:

5,010 square kilometres

JOINT VENTURE PARTNERS:

Offshore

FAR Limited (Operator) 60.00%

Pancontinental Oil & Gas Group 40.00%

Onshore

Milio International Group (Operator)* 60.00%

Pancontinental Oil & Gas Group 16.00%

FAR Limited 24.00%

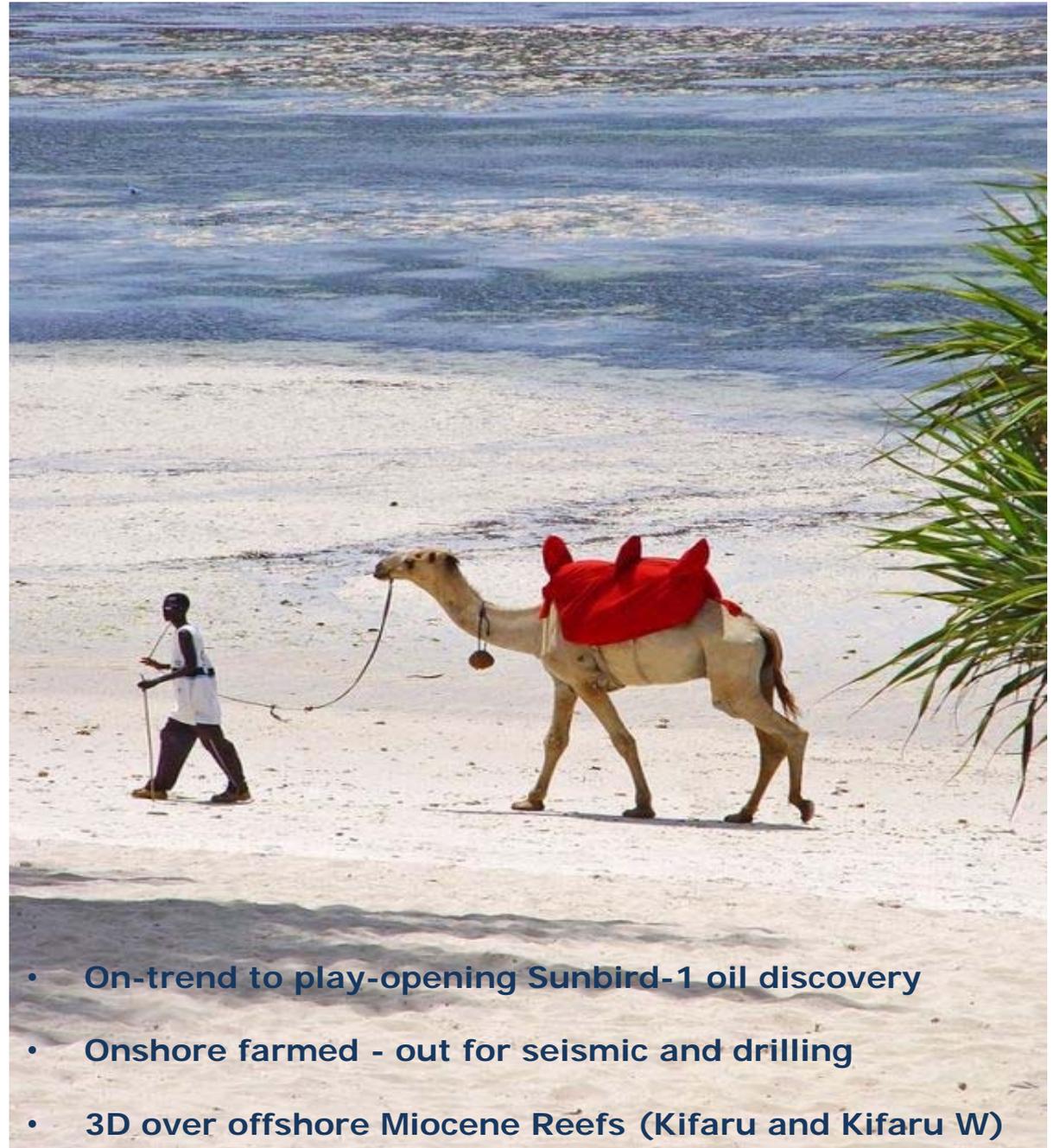
*after earn-in

GEOLOGY:

A deep central graben in this area is considered to be an oil and gas "source kitchen" and potential hydrocarbon trapping prospects have been identified adjacent to the area.

The Kifaru Prospect and Kifaru West Prospect are interpreted to be large stacked Miocene reefs, with interpreted good lateral and top seals and close proximity to mature Eocene source rocks.

The Tembo Prospect is a large tilted fault block trap, with interpreted sandstone reservoirs at a number of levels.



- **On-trend to play-opening Sunbird-1 oil discovery**
- **Onshore farmed - out for seismic and drilling**
- **3D over offshore Miocene Reefs (Kifaru and Kifaru W)**

Pancontinental Summary

- Over the last fourteen years **Pancontinental has generated new exploration concepts** and has been awarded a number of exploration licence areas around Africa and the Mediterranean, with **subsequent successful “farmouts”**.
- Pancontinental’s partners have included Anadarko Petroleum, Origin Energy, Woodside Petroleum, Apache Oil, Tullow Oil (two projects), BG Group (now a wholly owned subsidiary of Shell), Premier Oil (UK), PTTEP (Thailand) and FAR Limited (“FAR”).
- Pancontinental’s efforts have directly led to **the first two historic discoveries of oil and gas offshore Kenya**, in 2012 and 2014. Both of these projects were originated by Pancontinental.
- **Pancontinental’s current premier project is the PEL 37 licence offshore Namibia**. The project, over a very large marine area of 17,000 sq km, was originated by Pancontinental in 2012. Pancontinental has a 30% interest in PEL 37, fully free-carried by farmout to Tullow Oil.
 - > The farmout programme consists of \$34 million of 3D seismic and other work (completed) and an exploration well (planned) estimated to cost \$50 million, with no expenditure required by Pancontinental.
 - > PEL 37 has potential of approximately 1 Billion Barrels of oil (recoverable, Pmean), identified so far in four prospects mapped by state-of-the-art 3D seismic surveying.
- The Company is currently generating new projects. In line with the Company’s “track record,” the new projects must be technically very promising, with very high commercial potential and the capacity to attract additional major investment.
- Successful farmouts contribute very significantly to funding Pancontinental’s activities and limiting the dilution of the share capital of existing shareholders. The Company funds its activities by both farmouts and through public subscription and has **raised A\$ 63 million in the last 5 years**.
- Long standing relationships the spectrum of globally recognised oil and gas companies, means that Pancontinental is well placed to introduce major companies as partners to new and high potential under-explored project areas.

The Immediate Future

- ❑ Pancontinental is awaiting high-impact drilling in Namibia PEL 37
- ❑ Pancontinental has been examining in-depth a number of potential new projects in Africa and the Mediterranean
- ❑ The current industry climate means that new projects must exceed Pancontinental's historic high standards of technical and geopolitical risk.



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