

Summary

Namibia - Offshore

PEL 87

- Pancontinental and its local joint venture partner have held the PEL 87 licence for just over a year. During that time, the joint venture has purchased available seismic and drilling data to assist with initial studies. Work has progressed steadily and results received to date have been encouraging.
- Technical work has uncovered that PEL 87 contains a range of Early Cretaceous age, turbidite play trends. The largest and best defined of these Play Trends is the "Saturn Superfan". This fan system is interpreted to contain a number of individual potential traps or Leads whilst also having the potential to be one, vast, single oil trap due to the structure being overlaid by sealing shale and immediately underlain by interpreted thick and mature oil source and seal rocks.

PEL 37

- The Cormorant-1 well was drilled late last year by Pancontinental and its joint venture partners in Namibia.
- The joint venture is currently in the post-well assessment stage which will provide important information for exploration within the licence going forward. There is a large range of remaining Leads and Prospects in the block that are being re-assessed with the benefit of the Cormorant-1 well information.

Western Australia – Onshore

Walyering

- The Company has continued to work towards earning a 70% operated interest in the project.
- 3D seismic survey approval is being sought from DMIRS with environmental and safety approval received. An overall approval for the project is still outstanding.
- The Company is currently negotiating the contract and timing with the seismic acquisition contractor.

Corporate

- Convertible Notes totalling AUD \$1.6 million matured during the Quarter and the Company repaid the Convertible Notes together with accrued interest, releasing the Company from all obligations and liabilities under the Convertible Notes.
- Cash balance of AUD \$2.5 million as at 31 March 2019.

ASX Code – PCL**Issued shares** – 5,406 million**Market Capitalisation** - @ 0.02cps - \$10.8 m**Cash at End of Quarter** - \$2.5 million

Projects

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

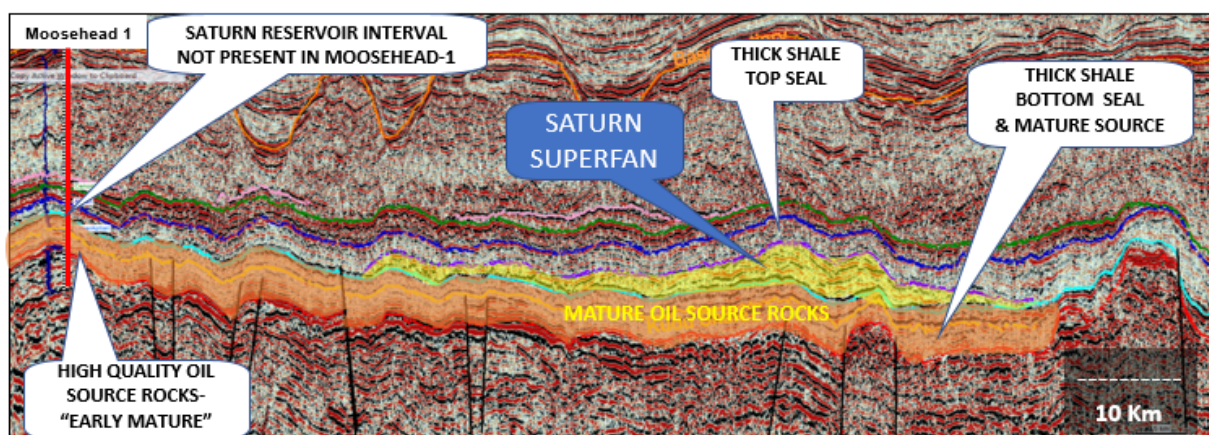
Pancontinental's newest venture in Namibia, Petroleum Exploration Licence 87 is in an area which had been pursued by the Company for a number of years and just over a year ago, Pancontinental and its joint venturers were issued the Licence for an initial period of 4 years. The licence is located in the Orange Basin amongst an impressive neighbourhood of international oil and gas companies also in pursuit of commercial hydrocarbons.

In particular, Total will be drilling the Venus-1 well in the third quarter of 2019. Venus-1 is located directly, two blocks south of PEL 87. This deep well will be targeting a very large basin floor fan trap with giant-scale oil potential as reported by Total. The Venus feature is geologically similar to Pancontinental's plays in PEL 87.

During the first year of the initial exploration period, the Pancontinental led PEL 87 joint venture has purchased significant seismic, well and related data to confirm its geological theories of the region.

Exploration activities have included mapping and outline of the Play Fairways, initial assessment of source rock maturity and prospectivity, analysis of well data, seismic stratigraphy, interpretation and mapping as well as an independent volumetric assessment of Prospective Resources or recoverable oil potential.

Based on these exploration activities, technical work has found that PEL 87 contains a number of strong turbidite Leads deposited on the Mid-Aptian Unconformity surface and directly on top of mature oil source rocks. The largest of the Leads mapped to date is the "Saturn Superfan" which covers more than 2,000 sq kms, with a maximum thickness of 280m.



Seismic Section through the Saturn Superfan showing a large closed anticlinal-drape Lead

The accumulation of hydrocarbons and formation of an oil and gas deposit involve certain prerequisites. These are listed below with reference to PEL 87 findings so far:

Source – Thick, high quality Kudu Shale oil source rocks were intersected by the Moosehead-1 well in the south of the block and are mapped on seismic directly underlying the main area of PEL 87 prospectivity. The source rocks are interpreted to be fully oil mature.

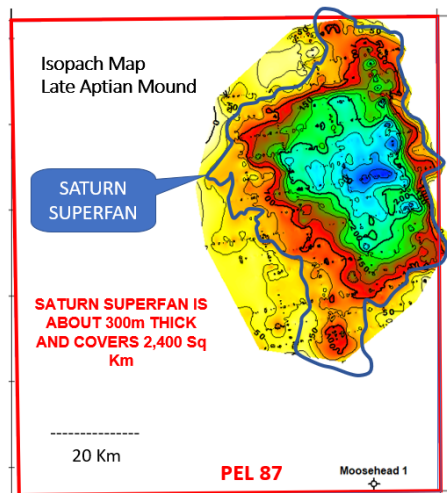
Seal – Based again on well control and seismic data, Saturn is likely to be sealed by an overlying, slightly over pressured and impermeable shale. Bottom seal should be provided by the Kudu Shale, immediately below the Turbidite complex.

Trap – No “Thief” channels can be seen on 2D seismic updip from Saturn.

Reservoir – Good reservoir quality in Saturn is inferred from depositional characteristics, although there is no direct well control.

Pancontinental and its joint venture partners are well on their way through licence commitments and work is ongoing towards achieving the project’s exploration objectives.

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.

This is an exploration project that holds true world class potential.

TABLE OF UNRISKED BEST ESTIMATE RECOVERABLE OIL VOLUMES

| PLAY TYPE | GROSS BEST ESTIMATE PROSPECTIVE RESOURCES POTENTIAL* | LEAD |
|-----------------------------------|--|-------------------|
| Aptian Depositional Wedge | 1.3 Billion Bbls | Saturn Superfan** |
| Mounded Facies | 152 Million Bbls | A |
| Structural (4 way rollover) | 73 Million Bbls | C1 |
| Structural / Stratigraphic | 345 Million Bbls | D |
| First Turbidite lobe/Sheet sand | 349 Million Bbls | G |
| Structural/Mound (4 way rollover) | 40 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.

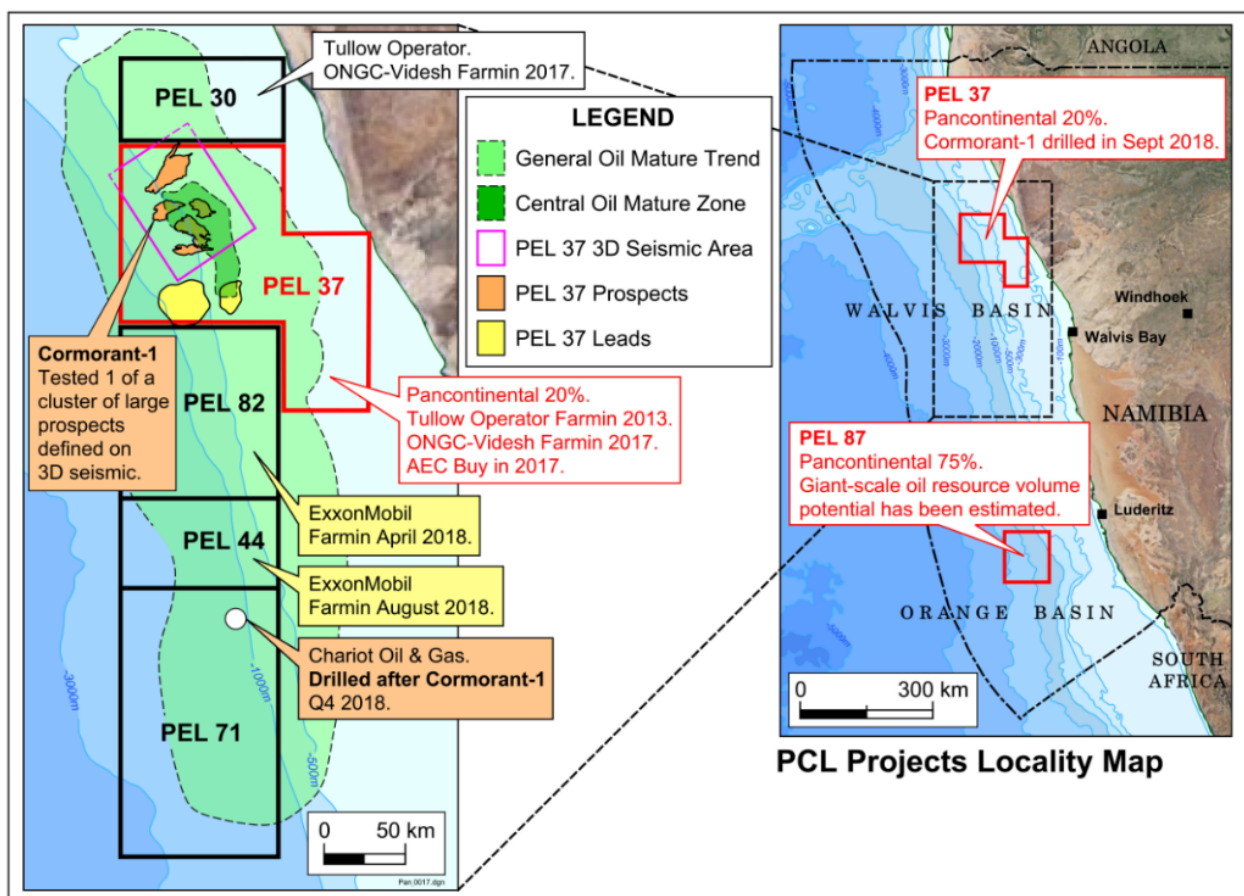
Namibia Offshore PEL 37

| | | | |
|---------------|-----------------------------------|--------|--|
| Location: | Walvis Basin | | |
| Project Size: | 17,295 square kilometres | | |
| JV Partners: | Tullow Namibia Limited (Operator) | 35.00% | |
| | Pancontinental Namibia Pty Ltd | 30.00% | * Ownership of Pancontinental Namibia Pty Ltd: |
| | ONGC Videsh Limited | 30.00% | Pancontinental Oil & Gas NL 66.67% |
| | Paragon Oil & Gas (Pty) Ltd | 5.00% | Africa Energy Corp. 33.33% |

Elsewhere in Namibia, Pancontinental is a joint venture partner in PEL 37 which is located in the Walvis Basin and led by Tullow Namibia Limited, a subsidiary of Tullow Oil ("Tullow").

In 2011, Pancontinental initiated the project with local Namibian partner Paragon Oil & Gas (Pty) Ltd and worked towards completing initial exploration conditions written into the licence agreement.

Two years later in 2013, Pancontinental farmed out to Tullow and since then more than US \$70 million has been injected into the project for seismic and more recently drilling which was carried out less than 6 months ago.



Cormorant-1 was spudded on 4 September 2018 and drilled to Total Depth at 3,855m on 21 September 2018. The primary target, a Cenomanian-aged base-of-slope turbidite fan was intersected and evaluated for hydrocarbon potential. Unfortunately, the well was a dry hole and was plugged and abandoned.

The joint venture is now focussing on analysis of the well data, which unlike seismic data is a true indication of geological conditions underground.

Going forward, the joint venture will continue its post-well assessment including:

Biostratigraphic – to accurately constrain the main seismic marker horizons and to date the rock section in the lower part of the well.

Petrographic – to determine the detailed mineralogic composition of the rocks.

Petrophysics – to calculate the total metres of reservoir sands in the Cormorant Fan and average porosity.

Geochemical – samples have been selected for source rock screening analyses.

Geophysical - with the benefit of direct well control to calibrate the seismic data, review the 3D seismic coverage and mapping of the Cormorant-1 Fan.

Prospects – Apply the findings of all of the above to reviewing and re-assessing the potential of the numerous other, undrilled prospects and leads in the block.

Western Australia – Perth Basin Walyering

| | | |
|---------------|---------------------------------------|----------|
| Location: | Perth Basin | |
| Project Size: | 120 square kilometres | |
| JV Partners: | UIL Energy Ltd (Operator) | 30.00% |
| | Pancontinental Oil & Gas NL (ASX:PCL) | 70.00%* |
| | | *earning |

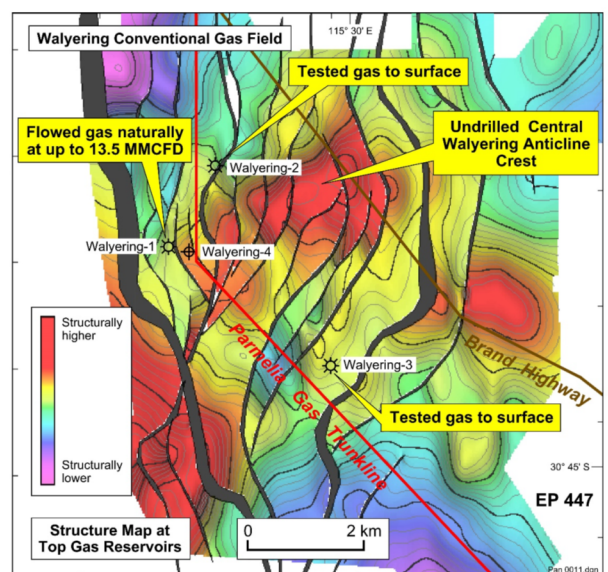
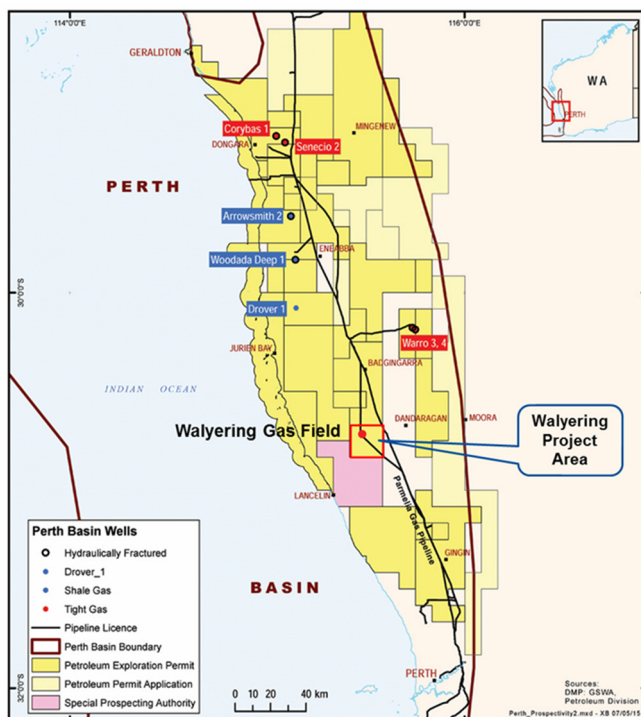
Pancontinental is working towards earning a 70% operated interest in the Walyering Conventional Gas Project, north of Perth, Western Australia. The aim of ongoing work in this project is to appraise and redevelop the conventional gas field, first put on stream in the early 1970's.

Pancontinental believes that there is an opportunity to find additional commercial gas in the undrilled Walyering Anticline Crest, updip from the earlier wells (see map).

The Company has sought all required approvals via the DMIRS for a 3D seismic survey. The Company has all environmental and safety approvals and is awaiting final overall approval.

The Walyering project's direct analogues are the Gingin and Red Gully gas and condensate fields – the closest ever commercial gas discoveries to Perth. Walyering recorded the largest gas flow rates (up to 13.5 MMCFD) from an onshore well in the Perth Basin from Jurassic-aged reservoirs.

This project is well placed relative to infrastructure. It is crossed by both the Parmelia Gas Pipeline, that is connected to gas users in the south of WA (Perth) and the Brand Highway.



New Ventures

The Company has focussed resources to evaluate a number of interesting opportunities which could complement Pancontinental's current portfolio of exploration assets. The Company is mindful that any new venture must be the right fit and add value for its shareholders. As such, Pancontinental is carefully assessing projects to select the most suitable for the Company.

Repayment of Convertible Notes

Pancontinental issued Convertible Notes to sophisticated investors on 27 March 2018, with a total value of \$1.6 million.

The Convertible Notes matured during the Quarter and the Company has repaid the Convertible Notes together with accrued interest in full by cash and is accordingly discharged and released from all obligations and liabilities under the Convertible Notes.

Licence Schedule

| 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% |
| Namibia | PEL 37 | 20.00% | 0.00% | 20.00% |
| | | | | |
| Kenya | L6 offshore | 40.00% | 0.00% | 40.00% |
| Kenya | L6 onshore | 16.00% | 0.00% | 16.00% |
| | | | | |
| Australia | Walpyring | *70.00% | 0.00% | *70.00% |

*earning

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 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 Pancontinental's percentage entitlement under Joint Venture contracts and adjusted for applicable royalties.

Prospective Resources estimates in this report have been made by Pancontinental Oil & Gas 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. 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.

www.pancon.com.au

Head Office – Level 1, 10 Ord Street, West Perth, Western Australia 6005

Postal Address - PO Box 1154, West Perth, Western Australia 6872

Telephone +61 8 6363 7090

Facsimile +61 8 6363 7099

ACN 003 029 543