

Pancontinental Farmin to Large Cooper Basin Oil and Gas Trend

- Farmin to earn initial 20% to 25% in ATPs 920 and 924 respectively and with an option to increase to 35% in ATP 920.
- Both blocks are located in the Queensland Cooper Basin.
- Blocks cover over 4,557km² with both conventional oil prone and gas prone trends as proved by offset drilling. There is also unconventional oil and gas potential in the areas that remains to be documented.
- First well potentially to be drilled by October 2019.
- Optionality in deal structure allows Pancontinental to further increase its equity in ATP 920 to 35% as confidence is gained from the initial work programs.
- Basin entry strategy being established with Key Petroleum.

Pancontinental Oil and Gas NL ("Pancon" or "Company"), is pleased to announce that it has executed a binding terms sheet to farmin to two large exploration permits, ATPs 920 and 924 in the Cooper Basin, covering 4,557km². The project areas include the multi prospect, Meeba Project which includes the Ace oil prospect area within ATP 924. The farmin is with Key Petroleum Cooper Basin Pty Ltd ("Key"), a wholly owned subsidiary of Key Petroleum Limited ("KPL")

Pancon has agreed to farmin to ATP 920 and the Ace Area component of ATP 924. Pancon will acquire from Key:

- an undivided 20% participating interest in ATP 920 (together with an option to acquire an additional undivided 15% participating interest in ATP 920); and
- an undivided 25% participating interest in the Ace Area (collectively the "Farmin Interest").

In consideration of the assignment of the Farmin Interest, Pancon will undertake the following obligations (collectively Farmin Obligations):

- pay to Key within 3 working days of execution of the terms sheet, \$150,000 of which \$100,000 is refundable in the event ATP 920 and 924 are not renewed. These are to cover costs in relation to seismic reprocessing in respect of the Ace Area and the area of ATP 920 as well as other permitting costs; and
- fund 26.67% of the total costs and expenses of drilling an exploration well to target depth including plugging and abandoning the well (Dry Hole Costs) but excluding success case costs associated with testing and completing the well, with such well costs to be capped at gross \$3,000,000 ("on a 100% basis").

By satisfying the Farmin Obligations Pancon shall be deemed to have also acquired from Key an option to acquire a further undivided 15% participating interest in ATP 920:

- The option may be exercised by Pancon giving notice to Key at least 90 days prior to the expiry of Year 1 of the renewed term of ATP 920.
- If Pancon exercises the option then Pancon will fund, at its sole risk and expense, during Year 2 of the renewed term of ATP 920, 280km of 2D seismic data acquisition in respect of ATP 920.

Key will remain Operator and as soon as practicable following Pancon satisfying the Farmin Obligations, Key will have the option ("Excise Option") to divide ATP 924 into 2 authorities to prospect, one comprising the Ace Area where Key will retain 75% and the other comprising the balance area within ATP 924 where Key will have 100%.

The Excise Option may be exercised by Key giving notice to Pancon within 12 calendar months following Pancon satisfying the Farmin Obligations.

Commenting on the execution of the binding farmout terms sheet, CEO Ernie Myers stated:

"This is a basin entry strategy we have been working on for some time that will deliver access to at least 3, extensive multi prospect oil and gas trends with initial drilling activity later this year. The optionality in the deal will allow us to increase our position as our confidence in the potential of the plays that will be tested grows. We have also agreed to an AMI arrangement with Key who we consider to be an aligned and excellent Operator that will support further expansion into the Basin."

The farmin acreage being acquired by Pancontinental contains conventional trends prospective for both oil and gas with initial, drilling focus to be on the oil prone acreage. Additional, potentially large volume prospectivity for unconventional gas is present within the acreage but has yet to be fully evaluated and documented.

Meeba Project Prospective Resources Information

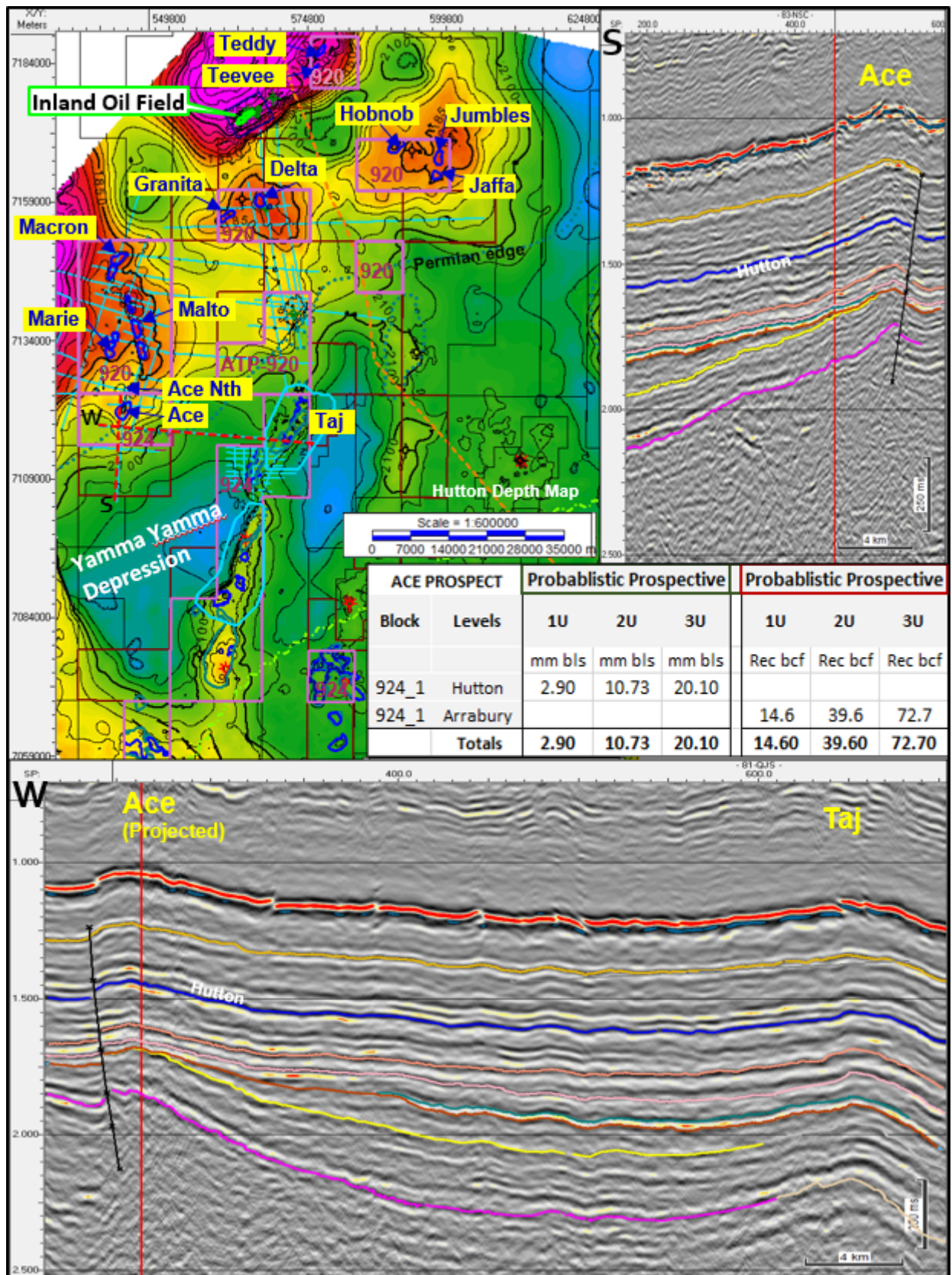
- There are a total seventeen (17) conventional oil prospects within ATP 920 and the northern component of ATP 924 ("Ace Area"). A minimum of nine (9) prospects make up the Meeba Project which includes the Ace Area defining the primary project focus area. In addition to the main Meeba Project there have been prospects identified both on trend from the Inland Oil Field and in other areas of ATP 920. These prospective resources are currently being assessed with newly reprocessed seismic;
- 2D seismic data (over 20 years old) has recently been reprocessed to determine the prospective resources for the Meeba Project;
- The prospective resource range for the Meeba Project is identified in millions of barrels of recoverable oil with the range given as 1U (Low) 6.3 mmbbls, 2U (Best) 23.7 mmbbls, and 3U (High) 46.1 mmbbls¹ as at 14 July 2019 and all cases include the prospects listed on the table overleaf and do not include any barrels of oil equivalent;

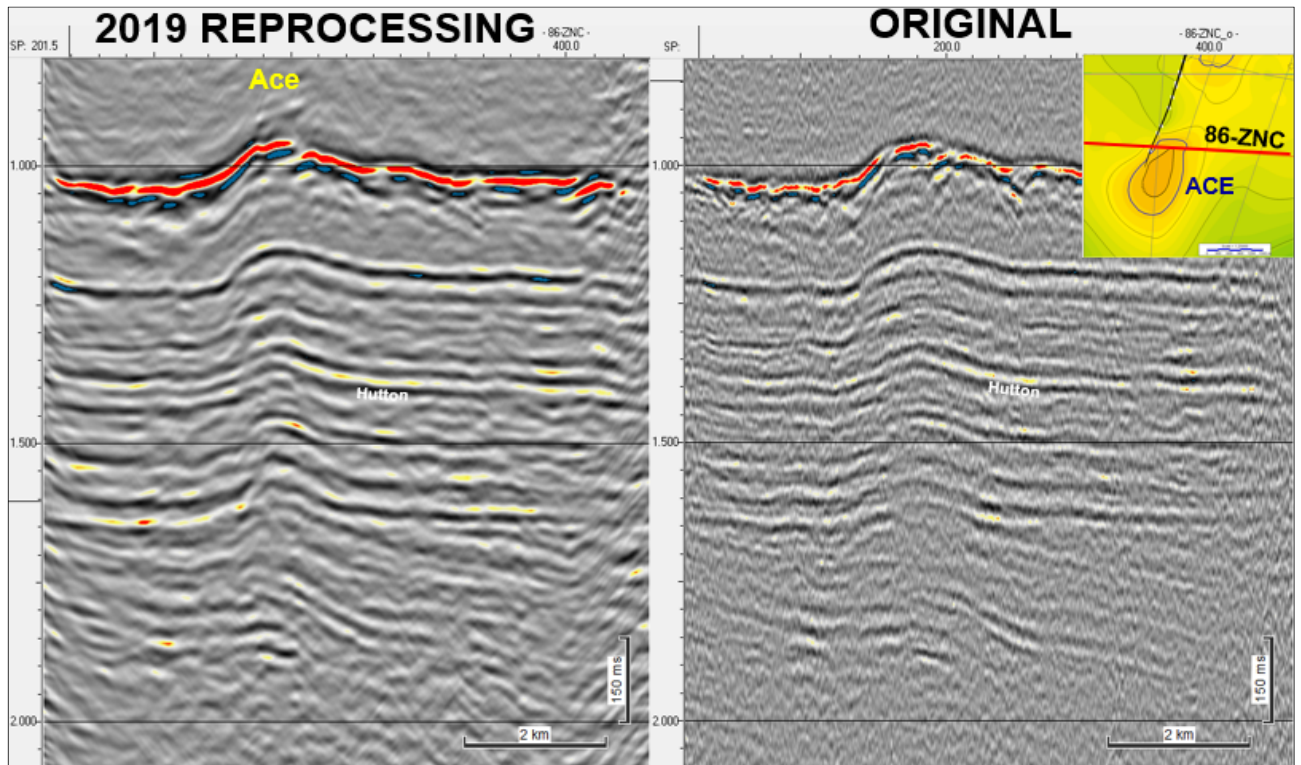
¹ The prospective resource parameters for the prospects were combined probabilistically and for the Meeba Project the volumes for each prospect were then summed arithmetically to give each category of prospective resource.

- The project prospective resource for the Meeba Project range includes the material Ace prospect, a large compressional rollover structure analogous to producing oil fields elsewhere in the Cooper Eromanga Basin which has a prospective resource range of 1U (Low) 2.9 mmbbls, 2U (Best) 10.7 mmbbls and 3U (High) 20.1 mmbbls for the oil case which do not include any barrels of oil equivalent for gas. The gas component of the prospect has a prospective resource range of 1U (Low) 14.6 Bcf, 2U (Best) 39.6 and 3U (High) of 72.7 Bcf² and all volumes are as 14 July 2019. The prospect has structural closure at the Jurassic and Triassic levels with a geological chance of success estimated at 19% for each of these intervals;
- The average geological chance of success for prospects for the remainder of the Meeba Project excluding the Ace prospect is 15%;
- Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations;
- Recently reprocessed data is of sufficient enough quality, with high signal to noise ratio to give confidence in the structural closures and therefore the resulting prospective resources (see overleaf); and
- Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (refer Prospective Resource Notes on last page of this announcement for Resource Estimate Determination for the Meeba Project).

² The prospective resource parameters for the Ace prospect make up the gas prospective resource estimates for the Meeba Project and accounts for prospectivity within the Triassic Arrabury Formation prospective resource.

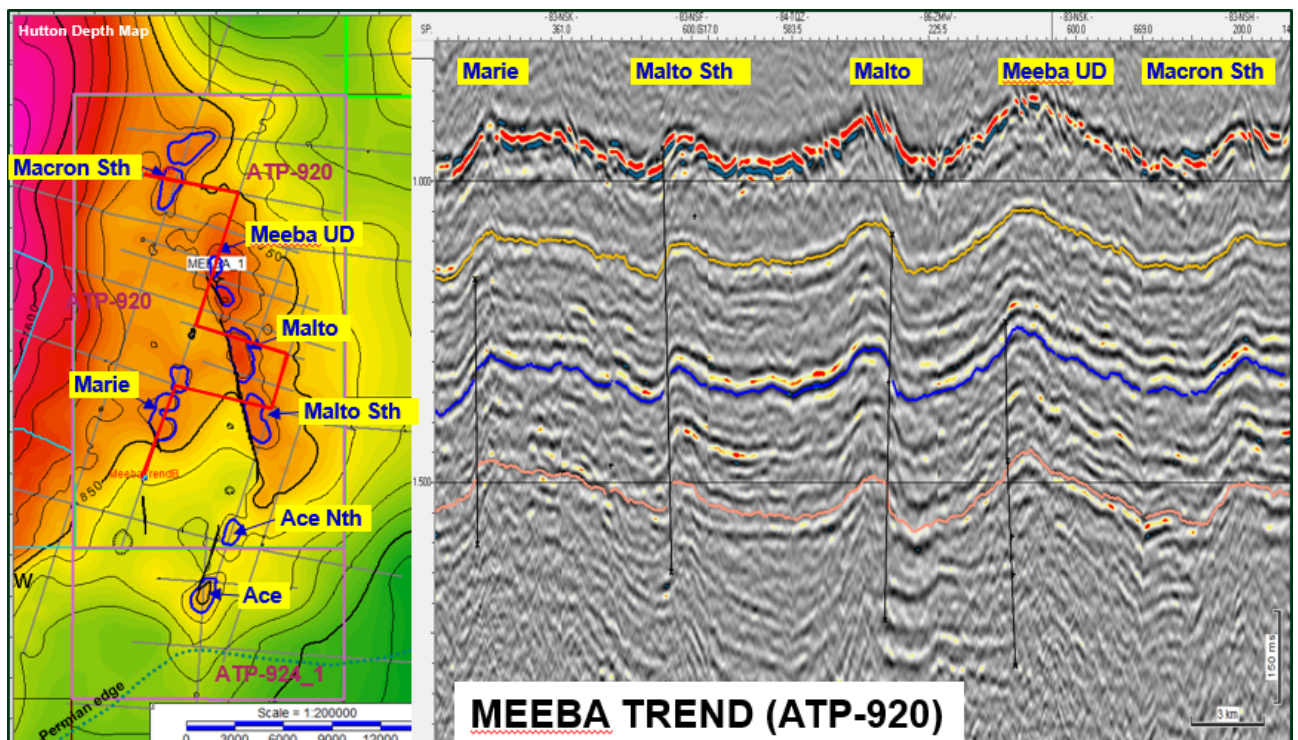
Ace Prospect Information





2019 Reprocessing Results

Meeba and Inland Structural Trend Information



Meeba Trend Prospectivity (ATP 920) extending from Ace in north of ATP 924

| Meeba Project | | | Probablistic Prospective Resource OIL | | | Probablistic Prospective Resource GAS | | |
|---------------|----------------|----------|---------------------------------------|-------------|-------------|---------------------------------------|-------------|-------------|
| Prospect Name | Block | Levels | 1U | 2U | 3U | 1U | 2U | 3U |
| | | | mm bls | mm bls | mm bls | bcf | bcf | bcf |
| Macaron | 920 | Hutton | 0.5 | 1.8 | 3.6 | | | |
| Macaron South | 920 | Hutton | 0.4 | 1.9 | 4.1 | | | |
| Malto | 920 | Hutton | 1.2 | 3.8 | 7.3 | | | |
| Malto South | 920 | Hutton | 0.4 | 2.1 | 3.7 | | | |
| Marie | 920 | Hutton | 0.5 | 2.0 | 3.6 | | | |
| Marie North | 920 | Hutton | 0.1 | 0.4 | 1.0 | | | |
| Meeba South | 920 | Hutton | 0.1 | 0.6 | 1.2 | | | |
| Ace | 924 | Hutton | 2.9 | 10.7 | 21.0 | | | |
| | 924 | Arrabury | | | | 14.6 | 39.6 | 72.7 |
| Ace North | 920 | Hutton | 0.1 | 0.4 | 0.7 | | | |
| Totals | 920/924 | | 9.6 | 35.8 | 71.0 | 14.6 | 39.6 | 72.7 |

Meeba Project Prospective Resources Table (including Ace)

For and on behalf of
Pancontinental Oil & Gas NL

Ernie Myers
CEO & Executive Director

Competent Person's Statement

Except where otherwise noted, information in this release related to exploration and production results and petroleum resources is based on information completed by Mr JL Kane Marshall who is an employee of Key Petroleum Limited and is a qualified petroleum reserves and resources evaluator. Resources reported in this announcement are based on representative information and supporting documentation. Mr Marshall is a Practising Petroleum Engineer and Petroleum Geologist and holds a BSc (Geology), a BCom (Investment and Corporate Finance) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), The Geophysical Society of Houston (GSH), Petroleum Exploration Society of Great Britain (PESGB), Formation Evaluation Society of Australia (FESAus), Petroleum Exploration society of Australia (PESA) and Society of Petrophysicists and Well Log Analysts (SPWLA) and has over 20 years of relevant experience. Mr Marshall consents to the inclusion of the information in this document.

Prospective Resources

Notes:

- Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- The estimate of Prospective Resources included in the announcement have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System ("PRMS") as revised in June 2018 by the Society of Petroleum Engineers. The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
- All prospective resources were estimated within the defined prospects in the Meeba Project Table comprising prospects in ATP 920 and the northern component of ATP 924. These prospects were by mapped using reprocessed 2018 and 2019 2D seismic data which is over 20 years in age.
- Key has applied a range of volumetric parameters based on regional data including all the wells in ATP 920 and ATP 924 and from other wells to the north and south including the Inland, Cook and Cuisinier Oil Fields.
- Recovery efficiencies were estimated using generalised recovery factors which Key assessed as reasonable and benchmarked from production data from the Inland, Cook and Cuisinier Oil fields. These oil fields are to the north and south of the Meeba Project.
- The prospective resource parameters for the prospects were combined probabilistically and for the Meeba Project the volumes for each prospect were then summed arithmetically to give each category of prospective resource.
- Gross Prospective Resources are 100% of the on-block volumes that are estimated to be recoverable from the Prospects in the event that a discovery is made and subsequently developed.
- The volumes reported are "Unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes but currently are considered in the low to moderate range and have been averaged and disclosed on Page 3 above.

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