

PEL 87 PROJECT UPDATE

Highlights

- **Application to MME to enter into PEL 87 first additional exploration period, commencing 23 January 2024**
- **Receipt of early "fast tracked" 3D PSDM seismic data**
- **Early PSDM data supports case for mature Kudu Shale oil source beneath Saturn Turbidite Complex**

Pancontinental Energy NL (**ASX: PCL**) ("**Pancontinental**" or "**Company**") is pleased to advise that the Company 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.

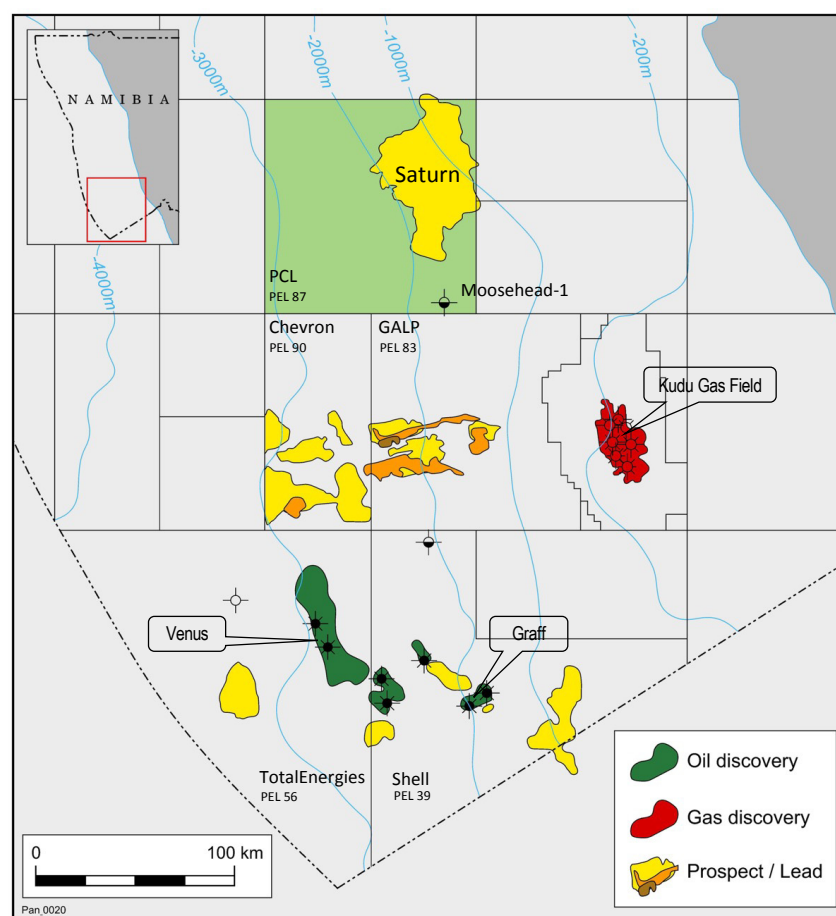


Figure 1: PEL 87 and Neighbouring Permits

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 an extensive 3D seismic survey (6,593 km²), 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 not bear 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.

Meetings, 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.

3D Seismic Update

Pancontinental has recently received an early, "fast tracked" Prestack Depth Migration (PSDM) volume from seismic processing contractor CGG. Full interpretation including Quantitative Interpretation techniques (e.g. Amplitude vs Offset analysis) must wait until the final PSDM and angle-stack gathers are received.

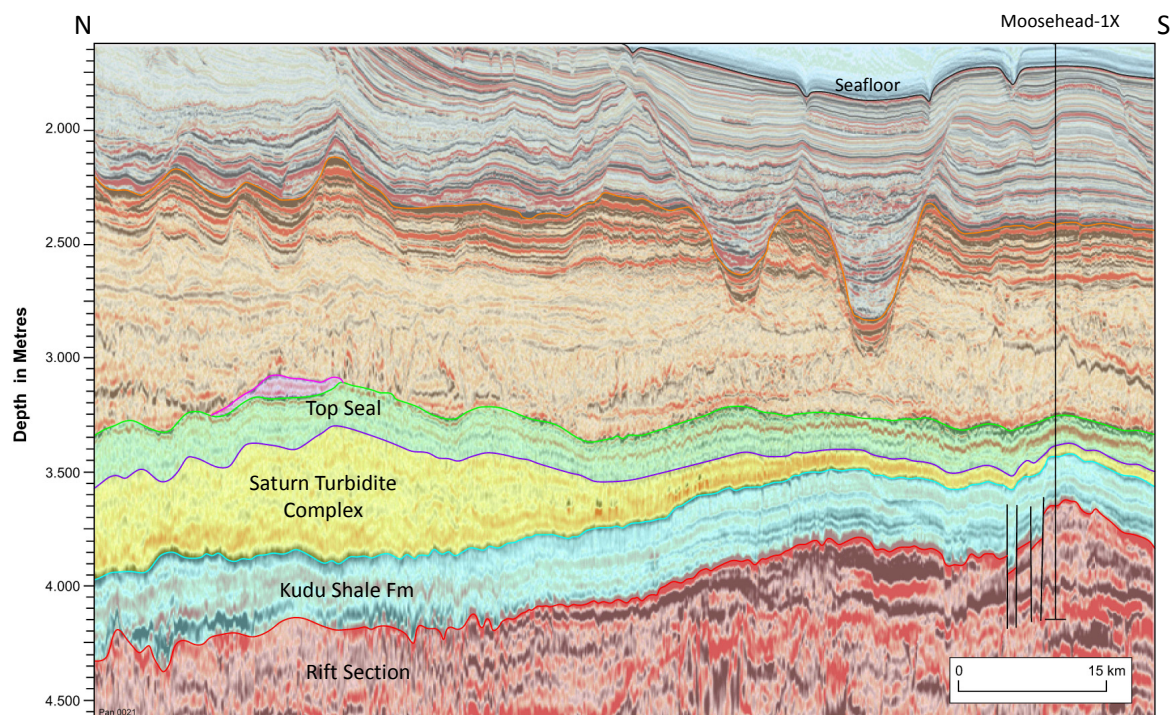


Figure 2: N/S Fast Tracked PSDM Line Tie to Moosehead-1X Well

The "fast tracked" PSDM data provides positive indications for the presence of a mature Kudu Shale oil source formation directly beneath the Saturn Turbidite Complex. The Moosehead-1X well is the only exploration well within PEL 87, having been drilled in 2013 by Brazilian company HRT Participações em Petróleo. The well targeted Barremian-aged carbonate reservoirs, within a 4-way dip closure, and as can be seen in Figure 2 the well was drilled away from the main Saturn Turbidite Complex, encountering only mudstones at the Late Aptian level. Therefore the well did not encounter any turbidite-related sandstone reservoirs. Moosehead-1X was a dry hole due to the absence of porosity development within

the carbonates, although wet gas shows were encountered (increasing in wetness with depth). Importantly for PEL 87 prospectivity, Moosehead-1X did intersect the Kudu Shale; a high quality, thick and regionally extensive oil source rock that is 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 analysis of the "fast tracked" 3D PSDM seismic data, Pancontinental's interpretation indicates that the Kudu Oil Shale is likely to be at significantly greater depth within the vicinity of the Saturn Turbidite Complex. The Kudu source formation is therefore likely to be at a more mature level than at Moosehead-1X (refer Figure 2).

Neighbouring Activity

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. TotalEnergies is now preparing to production test the successful Venus-1A appraisal well while a second rig is drilling a further exploration well at Mangetti-1X.

Meanwhile Shell has thus far drilled four out of five successful oil discovery wells, and is presently drilling a sixth well, at Jonker-1A.

To the immediate south of PEL 87, Galp has secured a drilling rig to test two prospects consecutively, commencing late CY 2023.

PEL 87 Joint Venture

The participants in the PEL 87 joint venture are currently:

Pancontinental Orange Pty Ltd (Operator) 75%*

Custos Investments (Pty) Ltd 15%**

National Petroleum Corporation of Namibia (NAMCOR) 10%

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

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

END

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

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