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# Summary

## Namibia - Offshore

**PEL 87 & PEL 37**

- Pancontinental continued with work programme objectives on its licences in Namibia.
- Farmout efforts continued on the Company's PEL 87 licence as did the reduction of all non-essential expenditure. The beginning of a new financial year brings with it new exploration budgets and objectives for companies that may be interested in Namibia.
- Pancontinental Namibia increased its joint venture interest in PEL 37 from 30% to 43.85% during the reporting period. As the Company holds a 66.67% ownership interest in Pancontinental Namibia this means the holding has increased to a 29% interest in the joint venture. This move has come at an opportune time due to the exploration activity planned for offshore Namibia.

## Queensland – Onshore

**ATP 920 & 924 – Cooper Basin**

- Operator Key Petroleum has provided an update on the investigation of source rock distribution near to high graded prospects.

## Corporate

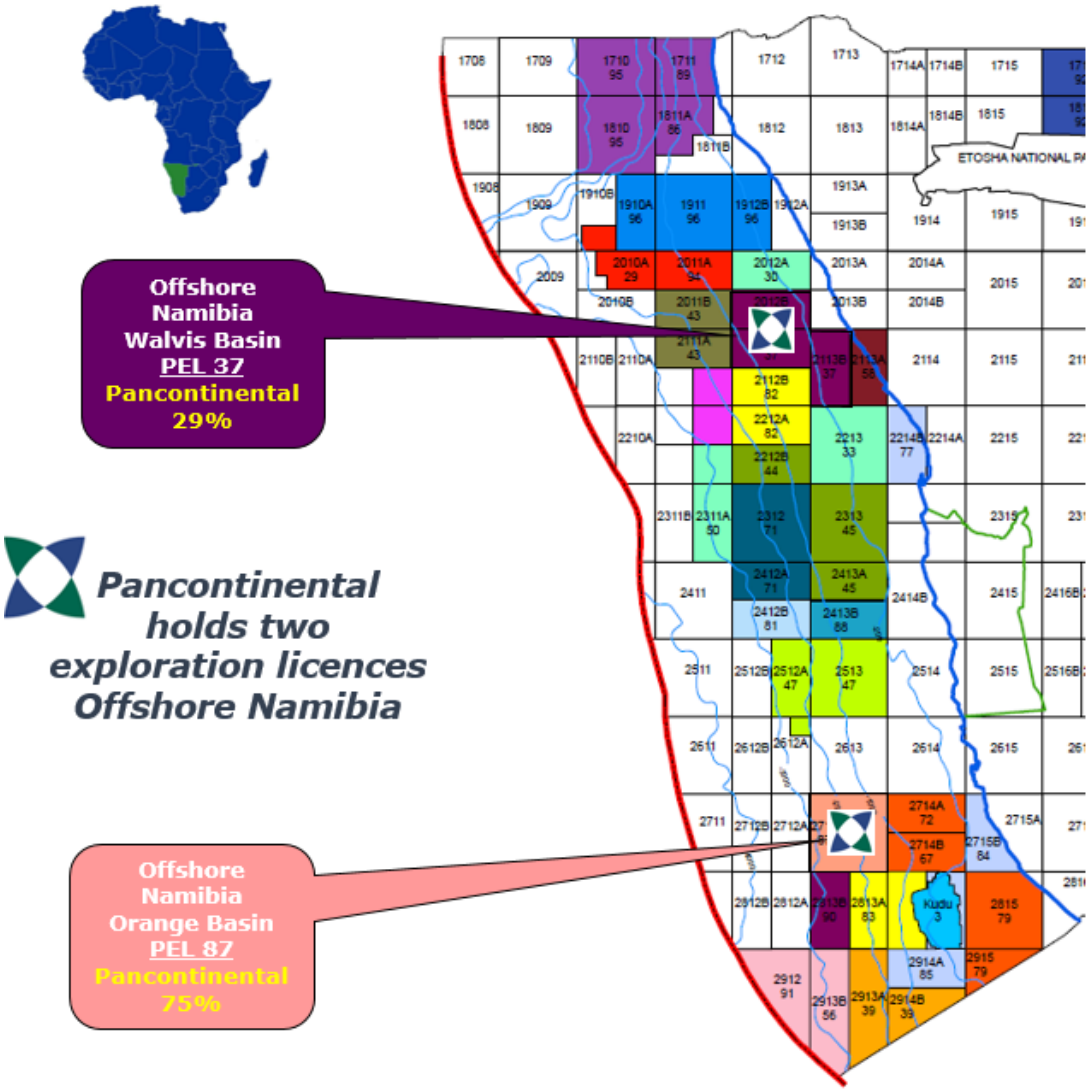
- Cash balance of AU $436k as at the end of the quarter.
- The Company has continued with all cost cutting and safety measures brought in at the start of the pandemic.
- CEO and Non-Executive Directors continued with a 50% reduction in salary and fees. The Executive Director and Staff also continued with a 25% reduction. Consultancy engagements remain suspended.

# Projects

## Namibia

Offshore Namibia is a vast region which remains virtually unexplored, it covers an area of approximately 240,000 sq km which is equal to the combined offshore areas of Gabon, Congo, Zaire and Angola. It is one of the few remaining countries in the world where truly giant fields could be discovered.

Pancontinental holds key assets offshore Namibia with large acreage positions. To the south Pancontinental is the largest acreage holder in the Orange Basin, and in the north the Company holds the 11th largest acreage licence in the Walvis Basin.




Exploration programmes carried out to date by Pancontinental and other joint ventures in the region prove that all the components needed for a working petroleum system are present offshore Namibia. Pancontinental is interested to see the results of numerous drilling campaigns scheduled for the next 12-18 months in both the Walvis and Orange basins. This will provide valuable data for our Namibian projects.

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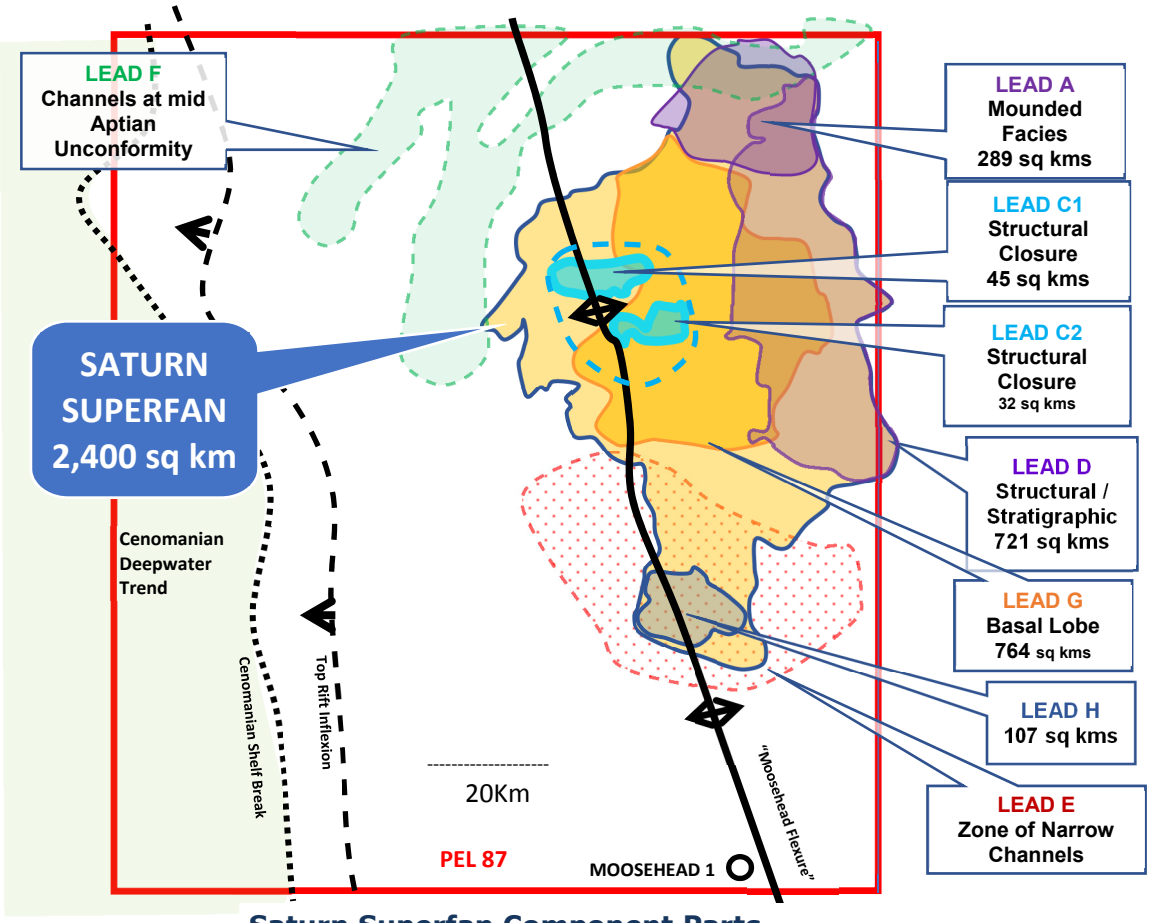
## Namibia Offshore PEL 87

| | | |
|---|---|---|
| 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

During 2017, the Company was successful in the award of a Petroleum Agreement over PEL 87 (Block 2713) located in the Orange Basin. The licence is located south of Pancontinental's PEL 37 licence and the joint venture partners are local firms NAMCOR and Custos Investments (Pty) Ltd who together hold 25% leaving Pancontinental the majority and operated interest of 75%.

The Ministry of Mines and Energy in Namibia granted the PEL 87 licence for an initial period of 4 years. Since the time of the grant until now, the joint venture has acquired over 2,800 line kms of good quality 2D seismic as well as numerous other reports and studies. This technical data has assisted the joint venture in identifying a number of leads within a vast, 2,400km² Turbidite Fan complex ("Saturn Superfan") of Aptian Age that, based on Pancontinental's interpretation is encased in sealing shales.




**Saturn Superfan Component Parts**

Work carried out to date has included an assessment of source rock maturity, seismic stratigraphy interpretation and mapping, and volumetric assessment of Prospective resources. These important items have allowed the joint venture to tick off a number of the licence conditions for the initial exploration period.

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Using the information gained thus far, the technical team has been able to provide a farmout package to prospective farminees which has been the primary focus of management. The COVID-19 pandemic continues to affect businesses and industry worldwide and as such many companies are working on a minimum budget and a reduced number of new country entries. While this has affected farmout efforts, the Company has still received indications that the level of interest in Namibia is high, particularly as we move closer to the planned drilling campaigns in the region. In addition, the new financial year marks the beginning of new budget periods and objectives for companies that may be interested in Namibia.

## 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.

**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.

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## Namibia Offshore PEL 37

| | | |
|---|---|---|
| Location: | Walvis Basin | |
| Project Size: | 17,295 square kilometres | |
| JV Partners: | Tullow Namibia Limited (Operator) | 51.15% |
| | Pancontinental Namibia Pty Ltd | 43.85% * |
| | Paragon Oil & Gas (Pty) Ltd | 5.00% |

* Ownership of Pancontinental Namibia Pty Ltd:
Pancontinental Oil & Gas NL 66.67%
Africa Energy Corp. 33.33%

The Company originated the project in blocks 2012B, 2112A and 2113B under Petroleum Exploration Licence 37 in 2011 and recently secured an extension from the Namibian Ministry of Mines and Energy for an additional year. This added time will allow the joint venture time to consider regional activity combined with in-house technical data and to map the way forward.

The above map under "Namibia" shows the location of Pancontinental's PEL 87 and PEL 37 offshore Namibia. As drilling is planned for both the Walvis and the Orange Basins where Pancontinental holds assets, any success case regionally would reduce the play risk and have significance for deepwater exploration in the area.

Since the formation of the joint venture 9 years ago, many exploration campaigns have been carried out over the area including drilling of the first well for the PEL 37 joint venture in 2018. Drilling the well satisfied the final condition of the exploration licence commitments for the joint venture and as such, an extension was sought to fully consider what the best path for the joint venture would be.

During the quarterly reporting period the Company was pleased to announce that due to the departure of ONGC Videsh Limited, Pancontinental Namibia would increase its joint venture percentage from 30% to 43.85%. Ownership of Pancontinental Namibia is 66.67% Pancontinental and 33.33% Africa Energy Corp. meaning that Pancontinental now holds an effective 29% interest in the joint venture.

The timing of the increased percentage holding is positive for the Company due to the offshore exploration programmes planned for the Walvis and Orange Basins in the coming 12-18 months.

## Queensland, Australia Onshore ATP 920 & ATP 924 [Ace Area]

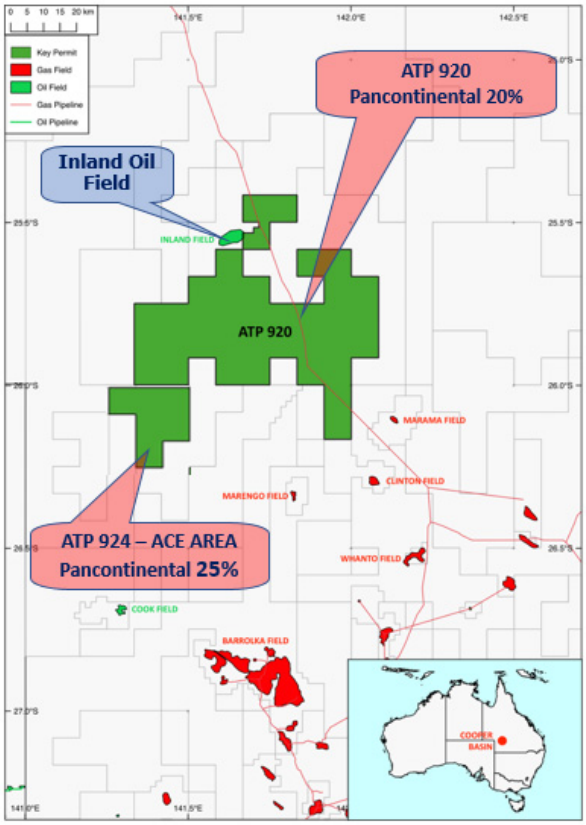
| | | |
|---|---|---|
| Location: | Cooper Eromanga Basin | |
| Project Size: | ATP 920 - 2,337 km2 ATP 924 - 2,220 km2 | |
| JV Partners: | ATP 920 Key Petroleum Limited (Operator) | 80.00% |
| | ATP 920 Pancontinental Oil & Gas NL | 20.00%** |
| | ATP 924* Key Petroleum Limited (Operator) | 75.00% |
| | ATP 924* Pancontinental Oil & Gas NL | 25.00%** |

* Ace Area
**earning

**ATP 920 and ATP 924 onshore Queensland**

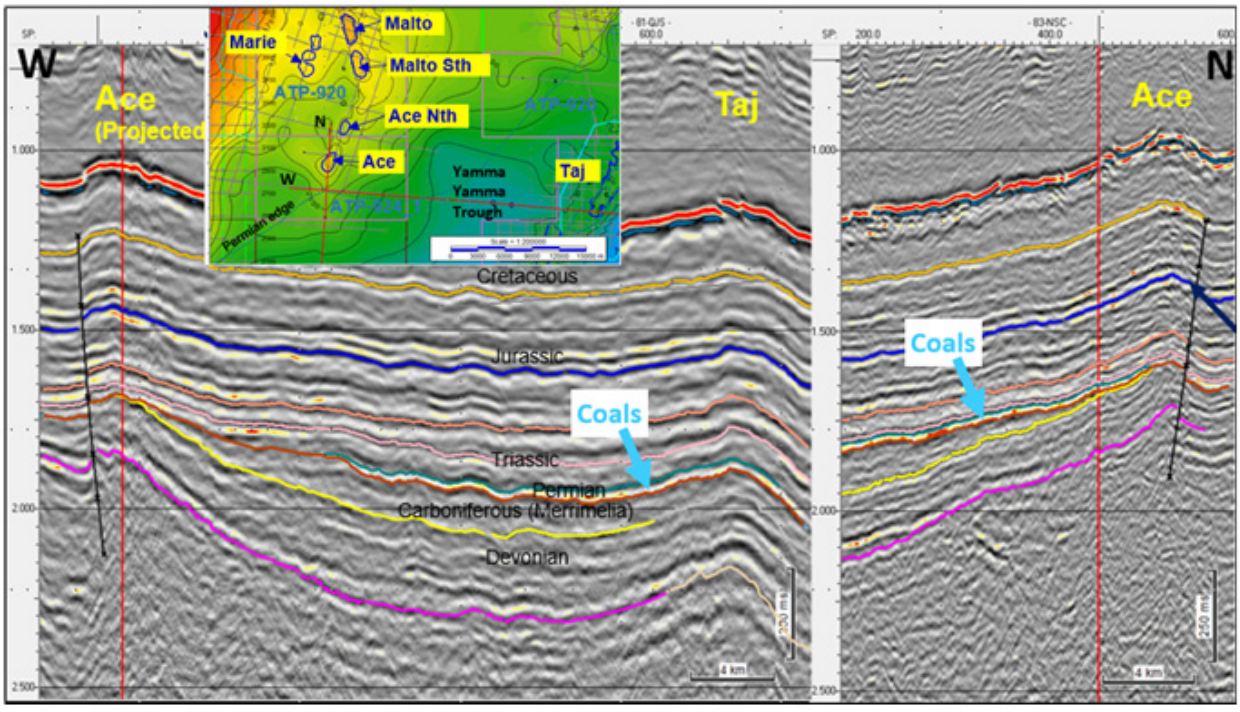
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The Company farmed in to the Meeba Project, Onshore Queensland in 2019. Entry into the two Authorities to Prospect – 920 and the Ace Area of 924 provides Pancontinental diversity in its portfolio of exploration assets. The exploration licences were recently renewed until 2023, giving the joint venture time to assess the prospectivity of the area.




COVID-19, as well as a number of natural disasters have had an effect on the exploration in the area.

Key Petroleum, the operator of the ATP's has provided an update on the investigation of source rock distribution near to high graded prospects in the ATPs. The study demonstrates a significant northern transgression of the basin margin during the late Permian where peat swamps would have accumulated the principal source rocks of the Cooper Basin adjacent to prospect trends.




Seismic evidence for Permian coaly source rocks

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## Prospective Resources

| INLAND TREND | | | Probablistic Prospective Resource OIL | | | Probablistic Prospective Resource OIL | | |
|---|---|---|---|---|---|---|---|---|
| Prospect Name | Block | Levels | 1U | 2U | 3U | 1U | 2U | 3U |
| | | | mm bls | mm bls | mm bls | bcf | bcf | bcf |
| Teddy | 920_2 | Hutton | 0.29 | 0.81 | 2.29 | | | |
| Teevee | 920_2 | Hutton | 0.05 | 0.19 | 0.71 | | | |
| Delta | 920 | Hutton | 0.47 | 1.35 | 3.58 | | | |
| Cuddapan UD | 920 | Hutton | 0.30 | 0.79 | 2.18 | | | |
| Granita | 920 | Hutton | 0.31 | 0.93 | 2.53 | | | |
| Granita NE | 920 | Hutton | 0.28 | 0.76 | 2.25 | | | |
| Hobnob | 920 | Hutton | 0.92 | 2.33 | 5.78 | | | |
| Jaffa | 920 | Hutton | 0.73 | 1.95 | 4.73 | | | |
| Jumbles | 920 | Hutton | 0.83 | 2.39 | 6.41 | | | |
| Macaron | 920 | Hutton | 0.45 | 1.19 | 3.67 | | | |
| Macaron Sth | 920 | Hutton | 0.36 | 1.09 | 2.93 | | | |
| Malto | 920 | Hutton | 1.52 | 4.01 | 11.02 | | | |
| Malto Sth | 920 | Hutton | 0.52 | 1.47 | 3.95 | | | |
| Marie | 920 | Hutton | 0.57 | 1.44 | 4.40 | | | |
| Marie Nth | 920 | Hutton | 0.35 | 1.10 | 2.92 | | | |
| Meeba Sth | 920 | Hutton | 0.14 | 0.39 | 1.37 | | | |
| Ace Nth | 920 | Hutton | 0.29 | 0.82 | 2.06 | | | |
| Ace | 924_1 | Hutton | 2.9 | 10.7 | 21.0 | | | |
| | 924_1 | Arrabury | | | | 14.6 | 39.6 | 72.7 |
| **ATP-920 Sum Totals** | **920** | | **8.4** | **23.0** | **62.8** | | | |
| **ATP 920 Total + Ace** | | | **11.3** | **33.7** | **83.7** | | | |

Inland Trend

Meeba Trend

**Cautionary Statement:** The estimates quoted here were announced to the ASX on 14 July 2019 (ATP 920 & ATP 924 conventional gas prospective resources) and 30 October 2019 (ATP 920 & ATP 924 oil prospective resources) by Operator Key Petroleum Limited.

The prospective resource parameters for the prospects were combined probabilistically.

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.

See Disclaimers for further information.

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## Corporate

### Cost Cutting

During the quarter, the Company continued with reduced costs on all non-essential expenditure and remained in line with advised procedures to guard against COVID-19 as announced at the start of the pandemic.

This includes the CEO and Non-Executive Directors continuing with a 50% reduction in salary and fees as well as the Executive Director and Staff also continuing with a 25% reduction. Consultancy engagements also remain suspended.

### Notice of Meeting and Annual Report

Post quarter end, the Company's 2020 Annual Report and Notice of Meeting were released. This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the Corporations Act 2001 under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020.

These modifications allow notices of meeting, and other information regarding a meeting, to be provided online where they can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting in the form of a virtual audio meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in the announcements dated 23 October 2020.

## New Ventures

The Company has focussed resources on evaluating 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. Pancontinental is carefully assessing projects to select the most suitable for the Company.

## 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% |
| | | | | |
| Australia | ATP 920 | *20.00% | 0.00% | *20.00% |
| Australia | ATP 924 - Ace | *25.00% | 0.00% | *25.00% |

*earning

## Appendix 5B Commentary

As required by the 1 December 2019 amendments to the Appendix 5B, the Company advises that the amounts shown in Item 6 - Payments to related parties of the entity and their associates of $77k relates to Chairman, CEO, Executive and Non-Executive Director salary and fees.

As announced to the ASX on 9 April 2020 and referred to above, the CEO and Non-Executive Directors reduced their salary and fees by 50% while the Executive Director and remaining Staff Member reduced their salaries by 25%. All Directors' remuneration for consulting as well as outside consulting has now ceased. These measures have remained in place since April 2020.

**Authorised for release by the Board of Pancontinental Oil & Gas NL**

**For further information please contact:**

**Ernie Myers**
**CEO & Executive Director**
**info@pancon.com.au**

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## 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 and reviewed to the satisfaction of Mr Roy Barry Rushworth the Technical Director of Pancontinental Oil & Gas NL. Mr Rushworth has more than 30 years' experience in practising petroleum geology and exploration management. 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.



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