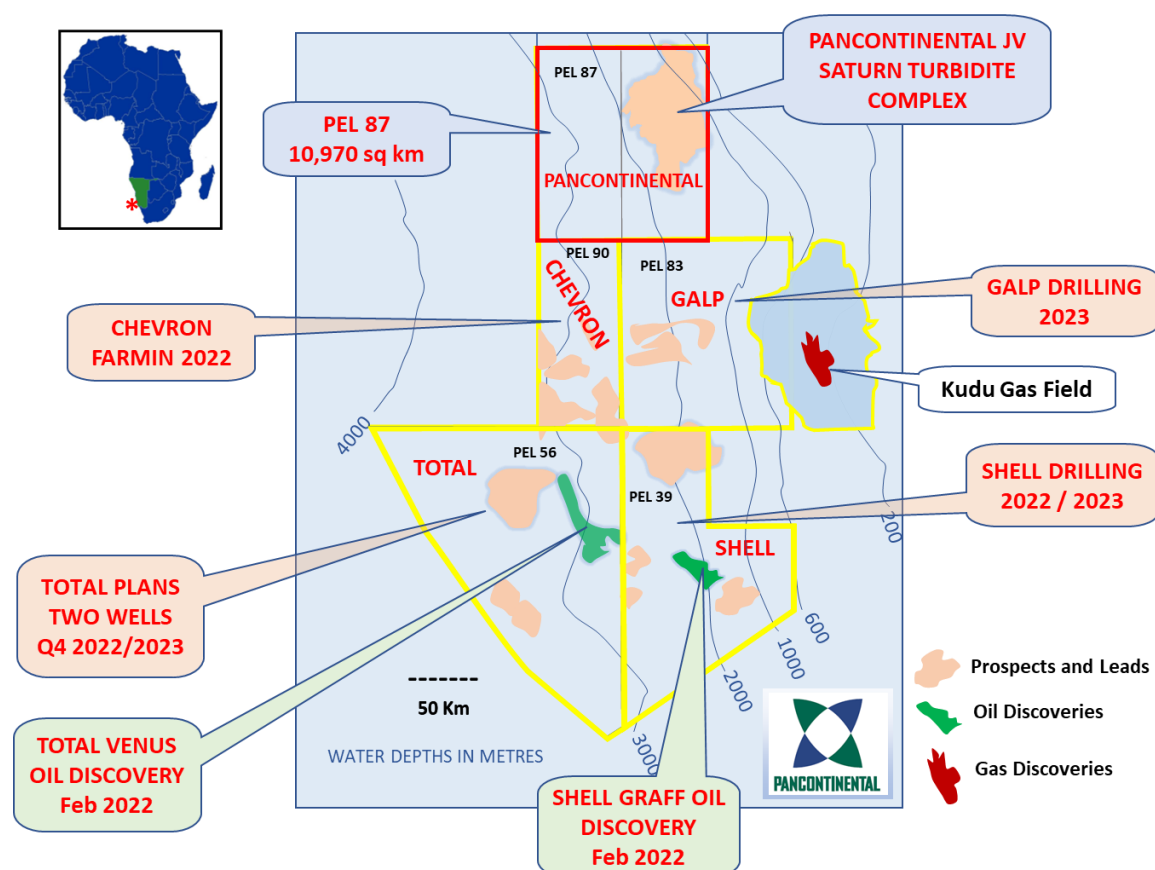


5 December 2022

EXTENSION TO CURRENT TERM GRANTED AND RELINQUISHMENT OBLIGATION WAIVED FOR THE EXTENDED TERM FOR PEL 87 OFFSHORE NAMIBIA

- The current Initial Exploration Period of the Pancontinental-operated Namibia offshore Licence PEL 87 has been extended by the Namibian Minister of Energy for a second one-year period
- An obligatory 50% relinquishment of the licence area has been waived by the Minister, leaving the licence area at 10,970 sq km until the expiry of the extended term
- Pancontinental is continuing with farmout negotiations

PEL 87 – REGIONAL ACTIVITY



Extension

Pancontinental Energy NL ("Pancontinental") is pleased to announce that the Honourable Tom K. Alweendo, the Minister of Mines and Energy of Namibia, ("Minister") has granted to Pancontinental and its joint venture partners Custos and Namcor a second one-year extension to the current, first, four-year period of the offshore Petroleum Exploration Licence 87 (PEL 87). The current Initial Exploration Period will now end on 23rd January 2024.

After the current period, two additional periods totalling four years are available, with possible additional extensions if granted. The current Petroleum Exploration Licence (PEL) can be converted to a Production Licence under pre-agreed terms.

It is intended that the extension period of the Initial Exploration Period will be used to conduct an extensive 3D seismic survey, which is currently in the final planning stage.

Relinquishment Waiver

In addition to the requested extension, the Minister has exempted an otherwise obligatory 50% relinquishment of the licence area of PEL 87, leaving the area at 10,970 sq km until the expiry of the extended term.

Farmout

Pancontinental is continuing to discuss a potential farmout of PEL 87.

PEL 87

PEL 87 lies in the Orange Basin offshore Namibia. Pancontinental has mapped the very large Saturn turbidite complex in PEL 87.

Saturn shares many geological characteristics and is on-trend to the Venus oil discovery made by Total in February 2022. The core features of Saturn, covering some 2,400 sq km, lie almost completely within the PEL 87 area.

PEL 87 also holds other Leads that are at the same stratigraphic level as Shell's Graff-1 oil discovery, also made in February 2022.

The PEL 87 licence covers 10,970 sq Km, with water depths from 400m to 3,100m.

Pancontinental Technical Director Mr Barry Rushworth commented:

"Total's Venus and Shell's Graff oil discoveries have stunned the international oil exploration scene. We expect follow-up drilling later this year or early 2023".

"These major discoveries are on-trend and share the same geological sequence with PEL 87".

"Pancontinental has mapped the very large Saturn Turbidite Complex in PEL 87. This is geologically similar in many ways to the Venus discovery, and Pancontinental has a 75% interest and is Operator of the PEL 87 project. Our Saturn feature has yet to be drilled".

"We are pleased that the Minister for Mines and Energy in Namibia has seen fit to allow the PEL 87 Joint Venture additional time to complete its exploration program in the Initial Exploration Period of the licence and to waive the relinquishment requirement until the expiry of the extended term. We sincerely thank the Minister, and the Ministry, for favourable consideration".

"With PEL 87, Pancontinental has a strategic position in a major new oil play of global significance amongst industry giants that include Shell, Total, QatarEnergy and Chevron".

PEL 87 Joint Venture

The participants in the PEL 87 joint venture are:

| | |
|--|-----|
| Pancontinental Orange Pty Ltd (Operator) | 75% |
| Custos Investments (Pty) Ltd | 15% |
| National Petroleum Corporation of Namibia (NAMCOR) | 10% |

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

Pancontinental Energy NL

Vesna Petrovic

Company Secretary and Executive Director

PANCONTINENTAL ENERGY

ASX CODE: PCL

www.pancon.com.au

Head Office – Level 2, 30 Richardson 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