



DECEMBER 2023 QUARTERLY ACTIVITIES REPORT

Pancontinental Energy NL (**ASX: PCL**) ("**Pancontinental**" or "**Company**") is pleased to provide its Quarterly Activities Report for the period 1 October 2023 to 31 December 2023.

Highlights

- **Mopane-1X well encountered significant light oil columns in two levels, confirming extension of Upper Cretaceous oil play northwards towards PEL 87**
- **Approval by the Namibian Ministry of Mines and Energy to PEL 87 permit extension, with exemption from 50% areal relinquishment obligation**
- **Receipt of final prestack depth migrated 3D seismic volume, and associated angle stack data**
- **Continued successful appraisal operations by TotalEnergies and Shell**

Orange Basin Update

As recently reported by Galp Energia, a significant oil discovery has been made at the Mopane-1X exploration well, located in PEL 83 immediately to the south of PEL 87 (refer Figure 1 for location). Mopane-1X is the first of a two well campaign by Galp and is reported to have encountered two significant columns of light oil in reservoir-bearing sands of high quality. The upper sands are reported by Namibian state oil company Namcor to be Cenomanian-Turonian in age (Upper Cretaceous). The precise age of the sandstone reservoir containing the deeper column (discovery referred to by Galp as AVO-2) is not publicly available at this time.

Mopane-1X represents the fifth major oil discovery in under two years within the Namibian Orange Basin and confirms the extension of the petroleum play from TotalEnergies and Shell's acreage, to the north. Galp is relocating the rig to drill the Mopane-2X well, subsequent to which a drill stem test will be performed at Mopane-1X. The Mopane-1X discovery is regarded by Pancontinental as extremely positive for PEL 87 prospectivity as it likely resides in a very similar (intra-slope) setting to the Company's PEL 87 Saturn feature, with reservoir formations of comparable age and sharing the same oil source formation (Kudu Oil Shale).

Other activity within the Namibian Orange Basin during the reporting period includes the reportedly successful production test of TotalEnergies' Venus-1A appraisal well. Venus-1A was drilled by the Tungsten Explorer rig some 13kms north of the Venus-1X discovery well, to a Total Depth of 6,146 metres, and a drill stem test was subsequently performed with the Deepsea Mira rig. The Deepsea Mira rig is presently on location drilling the Venus-2A appraisal well, while the Tungsten Explorer believed to be at, or near to, Total Depth at the Mangetti-1X exploration well.

Neighbouring operator Shell also completed an appraisal well during the quarter, with the Deepsea Bolsta rig at Jonker-1A. While details are not known, the well is reported to be a success. Shell is currently drilling the Jonker-2A appraisal well with the Deepsea Bolsta rig, after which it is believed that the rig will drill an exploration prospect before going off-contract in June 2024. It is believed that Shell will then focus on updating its subsurface interpretation of the four discoveries it has made to date within PEL 39, before recommencing operations.

For personal use only

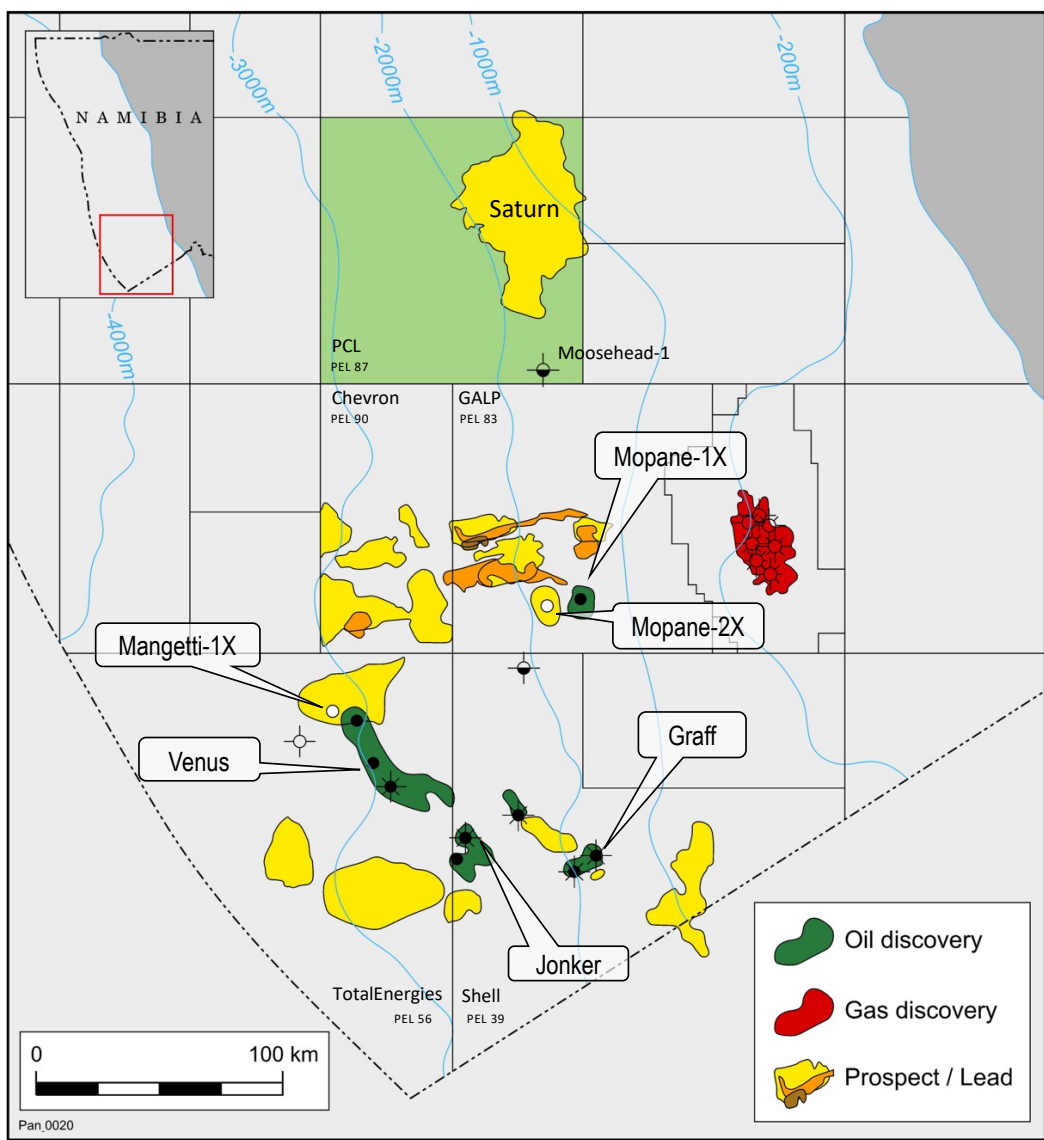


Figure 1: PEL 87 and Neighbouring Permits

PEL 87 Project Update

As announced on 19 January 2024, the Company's application to the Namibian Ministry of Mines and Energy (**MME**) to extend the PEL 87 permit into the first renewal exploration period, to run from 23 January 2024 to 22 January 2026, has been approved. The approval was granted with an exemption from the 50% relinquishment obligation at the end of the initial period. This exemption ensures that the full areal extent of PEL 87 (10,970 km²) is preserved, with Pancontinental and partners retaining a very significant footprint of prime exploration acreage within the Namibian Orange Basin exploration hotspot.

Also as announced on 19 January 2024, the Company has received the final PEL 87 3D prestack depth migrated (**PSDM**) seismic volume from primary processing contractor CGG. A comprehensive and detailed interpretation of the PEL 87 3D seismic can now commence and will include a significant quantitative interpretation (**QI**) program, designed to identify seismic anomalies that may represent direct hydrocarbon indicators. This QI program can commence only now that the migrated angle stack gathers are available and will include amplitude vs offset (**AVO**) analysis. Given the significant amount of interpretation and analysis that is required, Pancontinental anticipates that results will be some months away, however the Company will provide interim updates as the various hydrocarbon play types identified thus far are sufficiently matured.

Whilst Pancontinental envisaged that receipt of the final PSDM data would establish the long stop date for Woodside to exercise its option to farm in to PEL 87 by committing to drill an exploration well, a remaining processing deliverable will be received in approximately two months' time. The long stop

date will be 180 days from fulfilment of both (a) CGG providing to Pancontinental this final remaining deliverable, and (b) Pancontinental providing to Woodside a license to the PEL 87 3D seismic data (authorised by joint venture partners and the MME, as required). Woodside does have the ability to exercise its option at any time prior to the long stop date.

About PEL 87

Petroleum Exploration Licence 87 (**PEL 87**) is located in the offshore Orange Basin, southern Namibia (refer Figure 1). The permit covers an area of 10,970 km² and is situated on-trend to a number of very significant hydrocarbon discoveries that have been made in recent times by TotalEnergies, Shell and Galp Energia.

PEL 87 was awarded to a joint venture led by Pancontinental in early 2018 for up to 3 terms over 8 years (plus possible extensions) and may be converted to a Production Licence under pre-agreed terms. The permit is currently in the first renewal exploration period.

After award of PEL 87 an extremely prominent geological feature, known as the Saturn Turbidite Complex (**Saturn**), was mapped by Pancontinental. Saturn has a core area estimated at 2,400 km² within a total area of approximately 4,000 km² and is regarded by Pancontinental as offering very significant oil potential. The complex is anticipated to host clastic reservoirs of comparable age and depositional environment to the ongoing major discoveries by TotalEnergies and Shell.

The participants in the PEL 87 Joint Venture are as follows:

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

- 1: Woodside has an exclusive option over a 56% Participating Interest to be derived from Pancontinental's 75%.
- 2: Pancontinental has an option over a 1% Participating Interest to be derived from Custos' Participating Interest.

CORPORATE

Financial

The Company had cash and cash equivalents at 31 December 2023 of \$4,555,000.

Annual General Meeting

Pancontinental's Annual General Meeting of shareholders was held on 27 November 2023. All resolutions put to the meeting; the remuneration report, re-election of director and approval of listing rule 7.1A mandate were passed on a poll.

Results can be found following the below link:

<https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02745908-6A1183059>

Annual Report

The Company's annual report was lodged during the reporting period. A copy of the report can be found following the below link:

<https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02730983-6A1176676>

Notes Pertaining to Quarterly Cashflow Report (Appendix 5B)

Item 6.1: The aggregate amount of payments to related parties and their associates of \$117,000 relates to payments to Executive Directors. Exploration expenditure on the Company's asset base during the reporting period was \$89,000 for consulting and Namibian in-country expenses.

For personal use only

ASX Listing Rule 5.4.3: Tenement Details

In accordance with ASX Listing Rule 5.4.3 the following table details Pancontinental's interests in its oil and gas permits:

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%	0%	75%
Australia	ATP 920	**20%	0%	*20%
Australia	ATP 924 - Ace	**25%	0%	*25%

* Pancontinental has granted to Woodside an exclusive option to acquire a 56% participating interest in PEL 87 (refer to ASX announcement 2 March 2023); Pancontinental has an option to acquire an additional 1% participating interest from Custos Investments.

**earning

There were no hydrocarbon production and development activities during the quarter.

END

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

PANCONTINENTAL ENERGY NL
Vesna Petrovic
Company Secretary and Executive Director

ASX | PCL

Level 2
30 Richardson St
WEST PERTH WA 6005
T: + 61 8 6363 7090

pancon.com.au

For personal use only