

## Summary

### Namibia - Offshore

#### **PEL 87 & PEL 37**

- Welligence Energy Analytics has reported that Total's Venus well in Namibia is their number one well to watch in 2021.
- Exploration & evaluation work continued on the Company's two Namibian properties, mostly utilising in house expertise to save on external costs.
- The Company continued with farmout efforts for PEL 87 in light of planned regional activities in the Orange Basin as well as the Walvis Basin, offshore Namibia.

### Queensland – Onshore

#### **ATP 920 & 924 – Cooper Basin**

- Operator Key Petroleum is navigating through COVID-19 restrictions and associated risks with remote communities to organise Heritage Surveys in the potential well location.

### Corporate

- Cash balance of AU \$343k as at the end of the quarter.
- At the commencement of the COVID-19 pandemic, the Company brought in immediate cost cutting measures which still remain in place.
- Board members and staff also continued with their reductions since early 2020. 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.

**ASX Code** – PCL

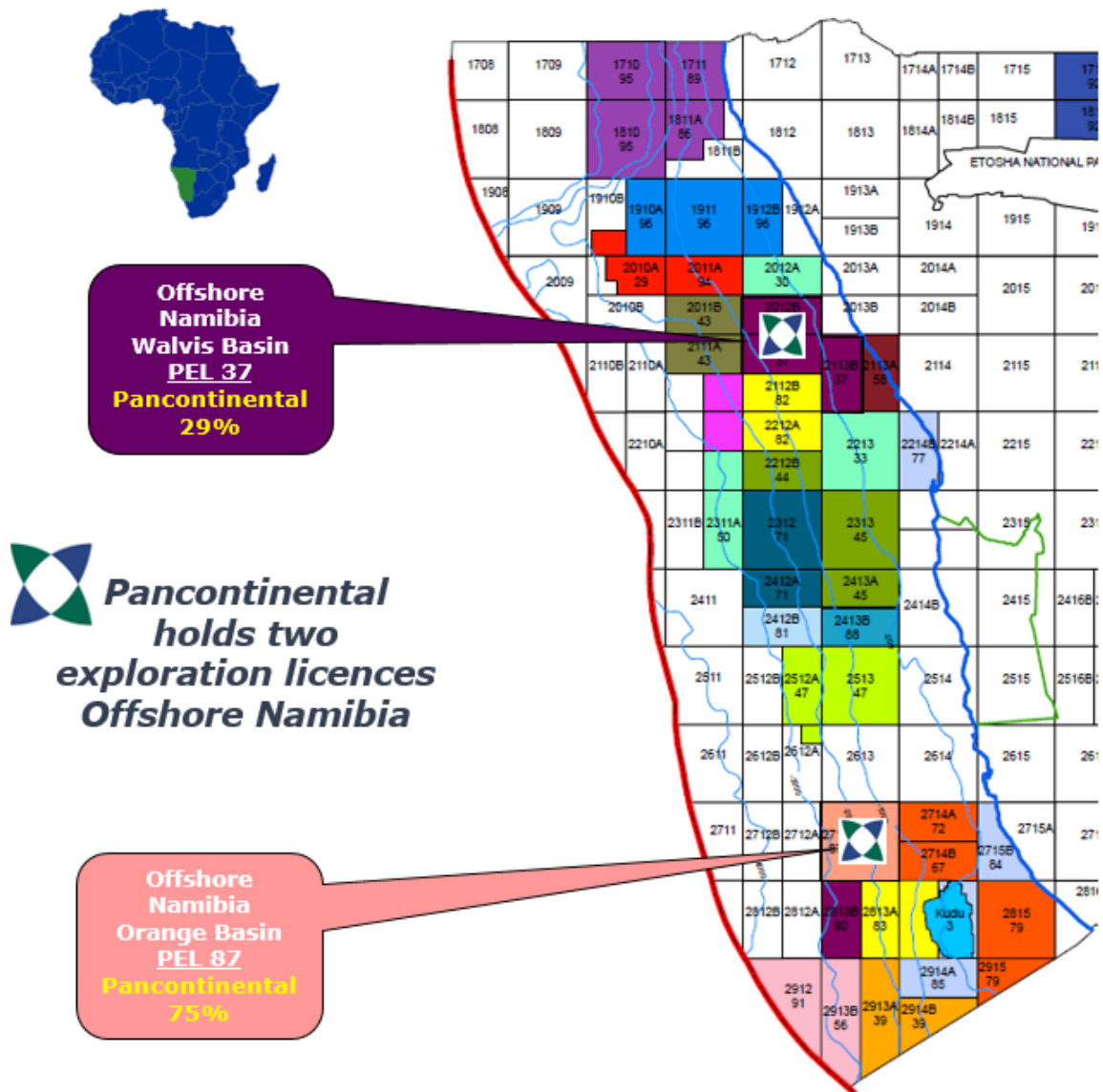
**Issued shares** – 5,406 million

**Market Capitalisation** - @ 0.02cps - \$8.1 m

**Cash at End of Quarter** - \$343k

# Projects

## Namibia

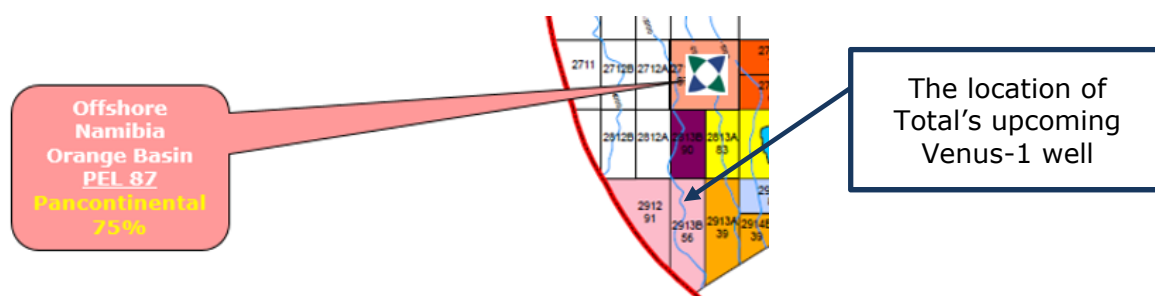


Namibia is located on the western side of Africa and is neighbours with one of the largest oil producing countries in sub-Saharan Africa, Angola. The geological architecture present in both countries is similar and as such there are high hopes the successes in Angola can be replicated further south in Namibia.

Offshore Namibia is a frontier landscape where exploration for oil and gas may have been out of reach years ago, however now, with advances in exploration technologies, exploration in Namibia is not only possible, but very appealing due to the belief that it is one of the few remaining places in the world where giant oil and gas fields remain to be found.

Namibia's Petroleum Commissioner Maggy Shino, provided an update during the quarter at IN-VR's Africa Upstream, LNG & Gas Summit. The Commissioner stated that a number of wells are still on track to being drilled in the near future - "Total is planning to drill the first ultra-deepwater well in Namibia. It's one of the most amazing prospects in terms of risk elements. We have high hopes."

The Venus-1 well planned by the French supermajor Total is located in the Orange Basin in close proximity to the company's PEL 87 licence. The results of the well will be of great interest to oil and gas companies present in the area, including Pancontinental. If the well is a success it will trigger renewed interest in the area and pave the way for future exploration programmes.



There are also plans by Maurel et Prom to drill in the Walvis Basin and Shell to drill in the Orange Basin. Pancontinental has both bases covered with one of its exploration licences in the Walvis Basin; PEL 37 and the other one in the Orange Basin; PEL 87. The next few years of exploration activity in Namibia will be interesting.

Interest in the exploration of Namibia's oil and gas resources has been made even more appealing to companies due to the steady economy and strong framework of business practices.

Pancontinental has been present in Namibia for over 10 years and during this time has been awarded exploration licences and completed numerous exploration programmes including the drilling of the Cormorant-1 well in 2018 in PEL 37.

### **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%

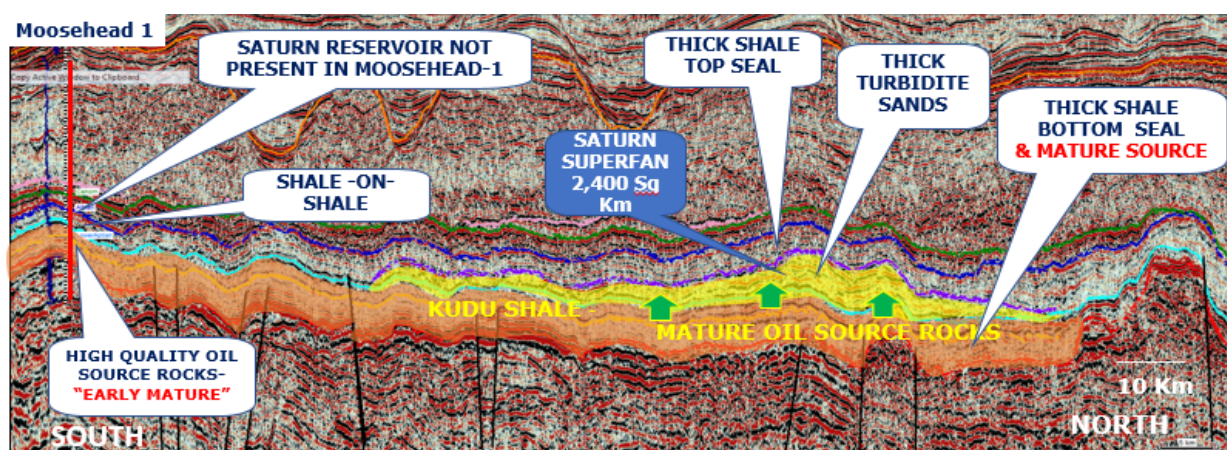
\*National Petroleum Corporation of Namibia

Pancontinental's newer exploration licence PEL 87 was awarded to the company and its joint venture partners in 2017. The partners include local company Custos Investments (Pty) Ltd with 25% and the National Petroleum Corporation of Namibia with 10%.

The licence is located in the Orange Basin and in close proximity to the upcoming Venus-1 well planned by French company Total. Commercial quantities of hydrocarbons are yet to be found offshore Namibia and a number of international companies are building acreage positions and planning drilling programmes in the pursuit of achieving that goal. Although commercial quantities of hydrocarbons have not been found, the drilling completed to date has proven the existence of a working petroleum system and decent reservoirs. These encouraging finds have been built into the joint venture's modelling which the Company hopes will map out the way to unlocking the country's hydrocarbon potential.

During the term of the licence the joint venture has acquired seismic and technical data to assist in gaining a greater understanding of the geological conditions within the licence. The technical data uncovered a number of leads within a Turbidite Fan complex which has been named the Saturn Superfan. The fan is of Aptian age and the joint venture has interpreted it to be covered with sealing shales. Key features of the fan include:

- \* 2,400 Km<sup>2</sup>, c 300m thick
- \* Located directly on Mature Oil Source
- \* High Quality Seals
- \* Independent Closures



### Saturn Superfan - 2D Seismic Section

Pancontinental's investment in PEL 87 initially started with 75% and currently remains at that level. Such a sizeable proportion of the licence belonging to Pancontinental provides the Company with flexibility, in that it can farm out a decent proportion while also retaining a strong percentage to take advantage of upside.

Farm out efforts on the licence continued during the quarter. While COVID-19 has had a great impact on the industry in general with less investment in exploration, activity is now slowly picking up. Regional activities offshore Namibia are also heating up which will assist in interest in the Company's project. Pancontinental's track record of farmouts has been notable with a number of well-known international companies joining Pancontinental over the years and bringing capital investment into its projects.

Examples include when Pancontinental was free carried in the Mbawa-1 well in Kenya. The well was a geological and historical success as it uncovered Kenya's first offshore hydrocarbon discovery with gas encountered. The Sunbird-1 well was another geological success not only for Pancontinental and the joint venture but for Kenya, as it was the second offshore hydrocarbon discovery and the first oil find. The management of the Company then is the management of the Company now and these historical finds show that Pancontinental has been and is capable of achieving great success for its shareholders. High impact projects do take time and effort to reap rewards however Pancontinental is confident of the quality of its Namibian projects just as it was in Kenya.

## 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**

<b>PLAY TYPE</b>	<b>GROSS BEST ESTIMATE PROSPECTIVE RESOURCES POTENTIAL*</b>	<b>LEAD</b>
Aptian Depositional Wedge	<b>1.3 Billion Bbls</b>	Saturn Superfan**
Mounded Facies	<b>152</b> Million Bbls	A
Structural (4 way rollover)	<b>73</b> Million Bbls	C1
Structural / Stratigraphic	<b>345</b> Million Bbls	D
First Turbidite lobe/Sheet sand	<b>349</b> Million Bbls	G
Structural/Mound (4 way rollover)	<b>40</b> 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.



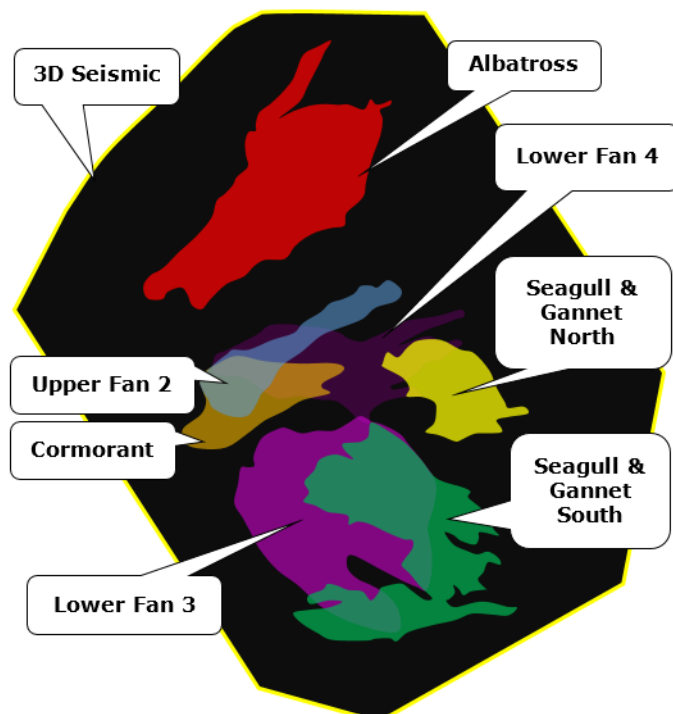
## **Namibia Offshore PEL 37**

Location:	Walvis Basin		
Project Size:	17,295 square kilometres		
JV Partners:	Tullow Namibia Limited (Operator)	51.15%	
	Pancontinental Namibia Pty Ltd	43.85% *	* Ownership of Pancontinental Namibia Pty Ltd:
	Paragon Oil & Gas (Pty) Ltd	5.00%	Pancontinental Oil & Gas NL 66.67% Africa Energy Corp. 33.33%

Pancontinental was an initial partner and now 10 years later still holds an interest in PEL 37. Having completed the last of the licence requirements in 2020, the joint venture applied for a one year extension which was granted by the Namibian Ministry of Mines and Energy. The licence is located in the Walvis Basin where there is drilling planned in the near term.

The Company's joint venture partners in the licence include Tullow Namibia Limited, a subsidiary of Tullow Oil, a British multinational oil and gas exploration company founded in Tullow, Ireland with its headquarters in London, United Kingdom as well as well-known local Namibian partner Paragon Oil & Gas (Pty) Ltd. Pancontinental and its investment partner Africa Energy Corp hold their interests in the joint venture through subsidiary Pancontinental Namibia Pty Ltd.

Since 2013, the partners have been led through an extensive exploration and drilling programme by Operator Tullow. The joint venture continues to work through technical data in conjunction with regional data on hand in mapping out the best way forward for this licence.



Last quarter, the Company increased its holding in the licence to 29% through its 66.67% investment in Pancontinental Namibia Pty Ltd. The increased percentage is due to the departure of ONGC Videsh Limited. The increase in equity in the project has come at an opportune time, just as activity is mounting in the region.

## **Prospects and Leads within seismic in PEL 37.**

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

Location:	Cooper Eromanga Basin		
Project Size:	ATP 920 - 2,337 km <sup>2</sup> ATP 924 - 2,220 km <sup>2</sup>		
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		

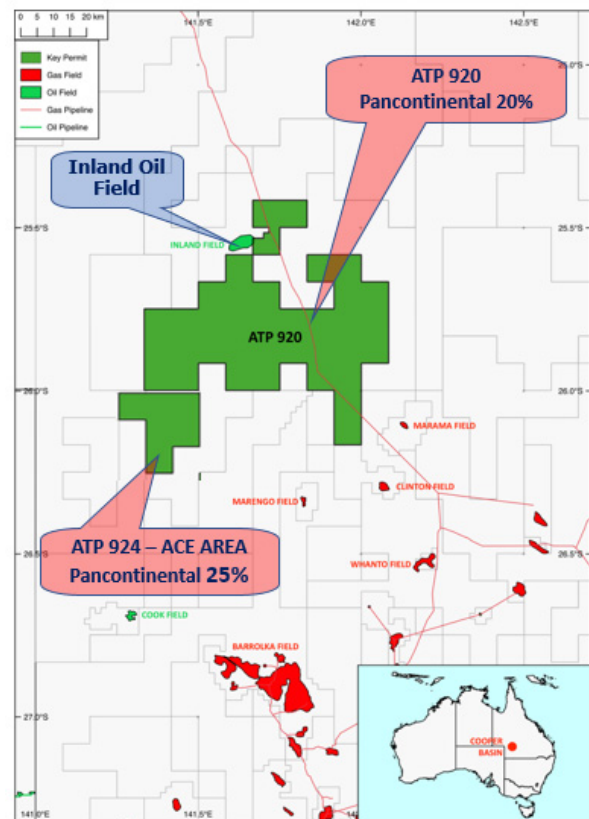
### **ATP 920 and ATP 924 onshore Queensland**

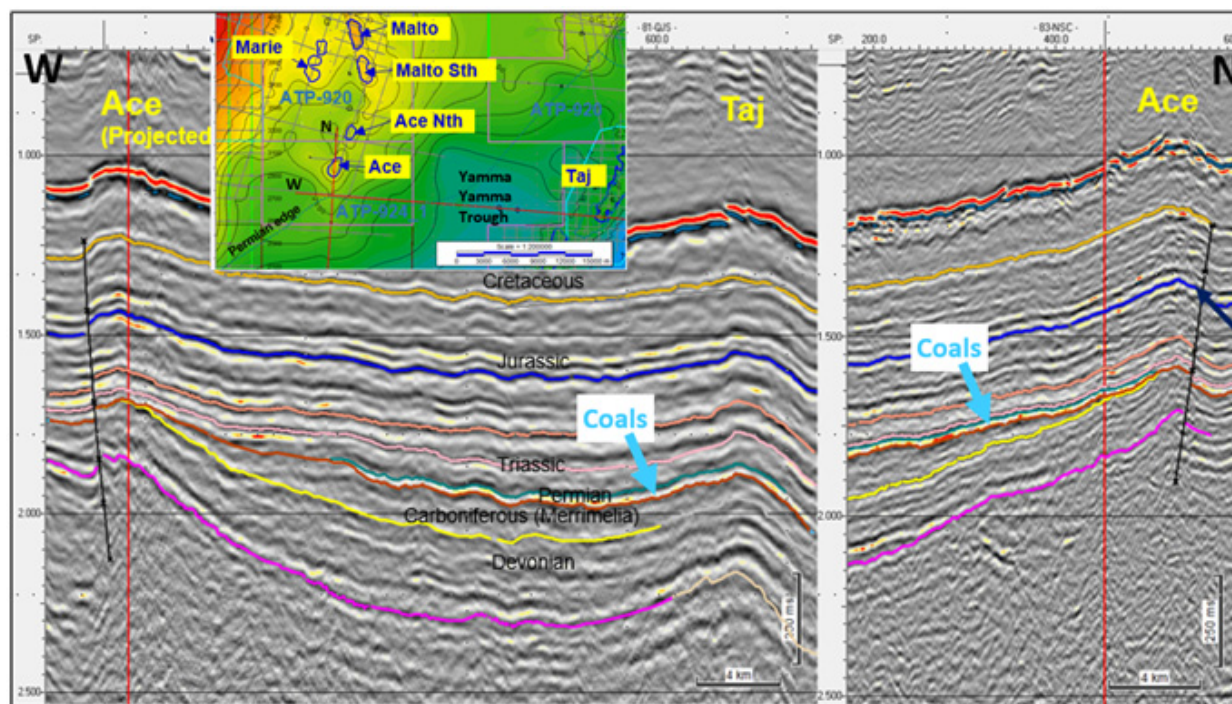
During 2019, the Company farmed into the Meeba Project, Onshore Queensland. The Meeba Project includes two Authorities to Prospect – 920 and the Ace Area of 924. Pancontinental had pursued an in-country project for some time which would diversify the Company's exploration portfolio and provide the potential for near term activity to complement the longer term African projects.

Operator and co-venturer in the project is Key Petroleum Limited, a publicly listed Australian oil and gas company focused on pursuing conventional exploration programmes in the Cooper Eromanga and North Perth Basins in Australia.

Exploration activity in the area has been slowed down due to the COVID 19 pandemic in addition to the natural disasters including floods and bush fires.

Even so, the Operator is forging ahead with the planning of Heritage Surveys around the proposed well location. The survey timing is subject to COVID-19 impacts and associated risks with remote communities.





Seismic evidence for Permian coaly source rocks



## Prospective Resources

INLAND TREND			Probabilistic Prospective Resource OIL			Probabilistic 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	Inland Trend		
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	Meeba Trend		
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			

**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.

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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.

## **Corporate**

### **Cost Cutting**

Since the start of the COVID-19 pandemic the Company has continued to reduce all non-essential expenditure. Pancontinental is running on a low overhead model which will be even lower going forward due to the decision to seek new premises which will better suit the Company as it is adapting to the new business normal of increased digital communications and work from home arrangements.

The CEO and Non-Executive Directors are 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 continue to remain suspended.

### **Notice of Meeting and Annual Report**

During the quarter, the Company released its 2020 Annual Report and conducted its first ever virtual Annual General Meeting. The Company was pleased to be able to offer the option of a virtual meeting where more shareholders could log in to attend and participate in the AGM while adhering to COVID-19 safety recommendations. The meeting was organised through the Company's share registry which made voting and collating results seamless.

### **New Ventures**

While the focus of management is farming out and driving exploration programmes on its current asset portfolio, management also continues to receive and pursue interesting new venture opportunities. The Company has been assessing these opportunities to see if there are any that would meet the Board's criteria for a new entry project.

### **Licence Schedule**

<b>Licence Location</b>	<b>Licence Reference</b>	<b>PCL (consolidated) interest at the beginning of the quarter</b>	<b>Movements for the current quarter</b>	<b>PCL (consolidated) interest at the end of the quarter</b>
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 \$79k 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](mailto:info@pancon.com.au)**

## **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.

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**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**