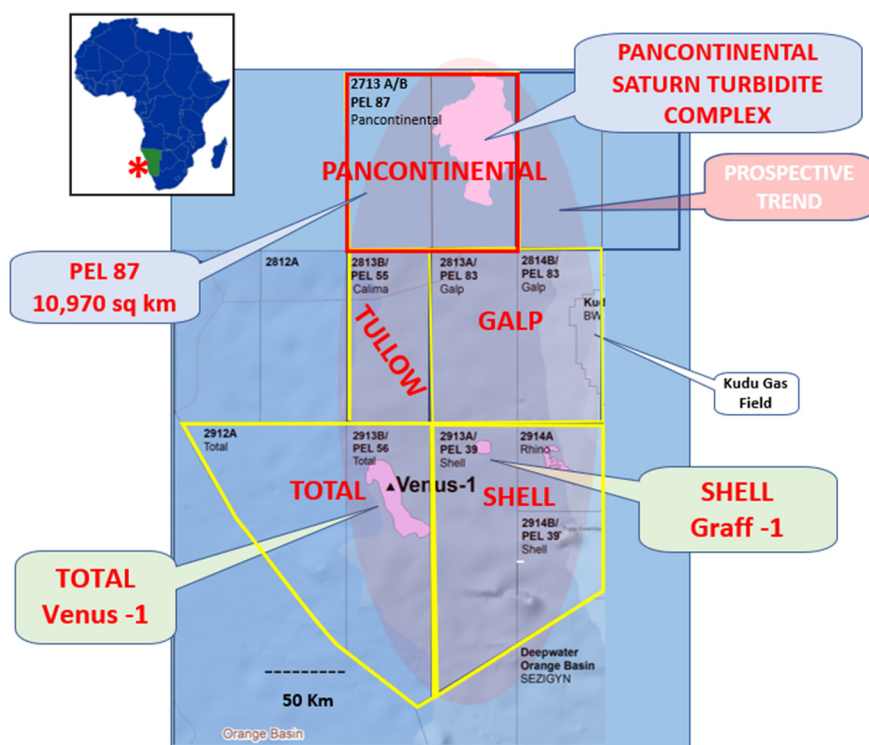


Significant Well Spuds On-Trend to Pancontinental's Offshore Namibia PEL 87

- French major TotalEnergies has commenced drilling its ultra-deep Venus-1 well in the Orange Basin offshore Namibia
- On-trend, Pancontinental has mapped the very large Saturn turbidite complex in PEL 87. Saturn is geologically similar to Total's Venus Prospect
- Venus and Saturn overlie the same high-quality mature Oil Source Rock, and both lie immediately below the major Regional Seal
- The Maersk Voyager drillship has commenced Venus drilling in 3,000m of water. Partners in the well are TotalEnergies (40%), Qatar Petroleum (30%), Impact Oil & Gas (20%), NAMCOR (10%)
- Shell Exploration & Production is also expected to soon commence the Graff-1 well with the drillship Ensco DS-10. Graff-1 will test a stratigraphically younger target than Venus and Saturn
- Venus-1 and Graff-1 are on-trend and about 130 Km south of Pancontinental's PEL 87 area
- Either well could prove the Orange Basin offshore Namibia as a major new oil province

Pancontinental (**ASX: PCL**) is pleased to announce significant drilling activity has commenced on-trend to its significant acreage position in Namibia PEL 87 offshore Namibia.



PEL 87 Overview

PEL 87 Joint Venture interests are-

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

Pancontinental is well positioned in the Orange Basin offshore Namibia with PEL 87 covering a 10,970 km² block with significant oil potential (see below) in the Saturn turbidite complex that spans more than 2,400km².

Pancontinental's Technical Director, Mr Barry Rushworth commented-

"The delayed Venus-1 well offshore Namibia has now started operations on-trend to Pancontinental's PEL 87. The drilling of the Graff-1 well is also expected to follow with the rig currently moving towards the drilling location".

"The wells are being drilled by Shell and Total, two giants in the world's energy scene".

"Total's Venus-1 has started drilling in ultra-deep conditions where the oil prize has to be very large to justify the drilling effort".

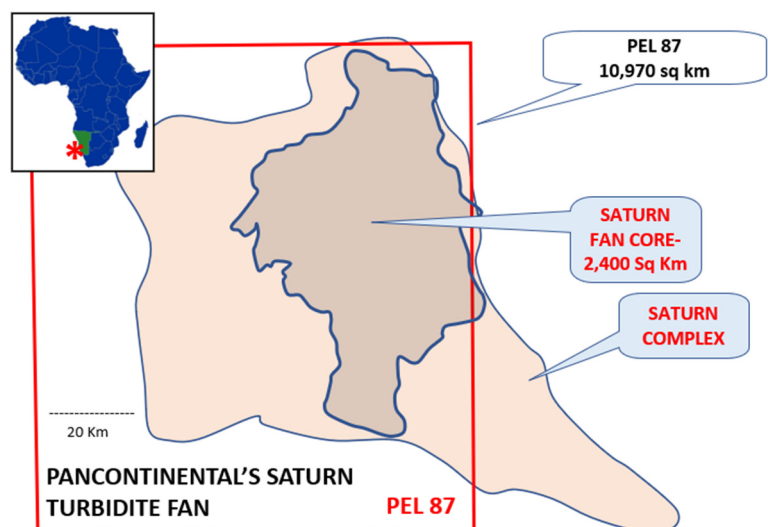
"In fact, Pancontinental's Saturn play is also very large and very similar geologically to Total's Venus Prospect, and in shallower water".

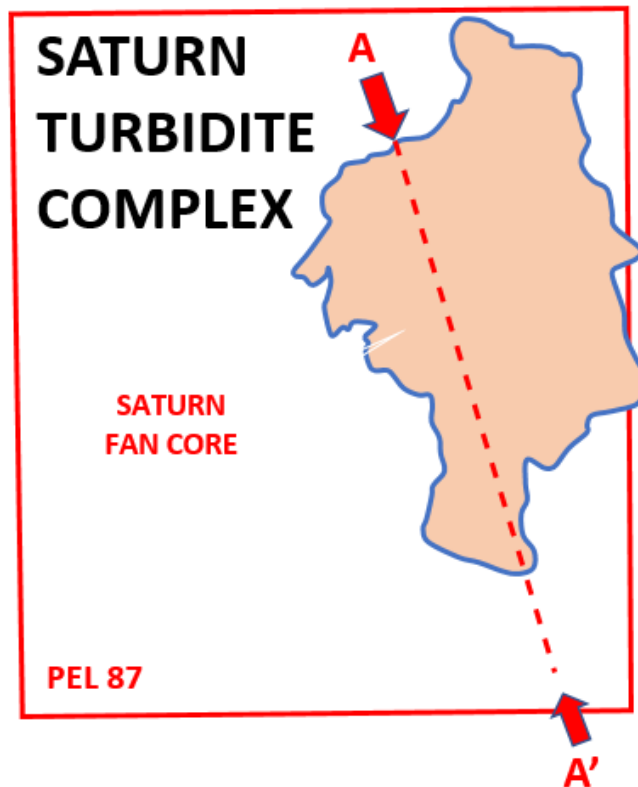
"Shell's imminent Graff-1 is geologically shallower than Venus and Saturn. All the same, success would be extremely meaningful".

"In a carbon-transition world that is growing and still hungry for energy, the fact is that oil remains an unavoidable part of the energy mix until we achieve a full transition".

"Shell and Total are two of the world's largest and most successful oil companies".

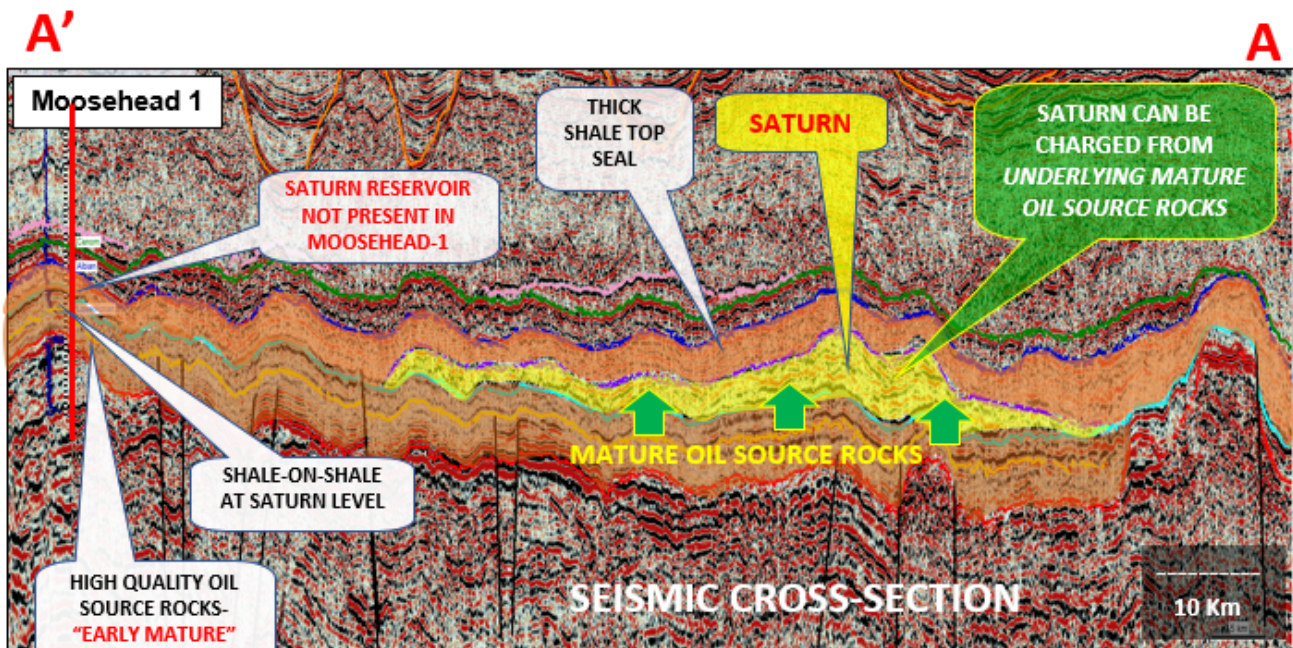
"Pancontinental is the only listed junior company in this exciting Orange Basin play offshore Namibia and we watch with great interest as drilling proceeds".





Pancontinental holds 75% and Operatorship of PEL 87, Orange Basin, offshore Namibia

The very large Saturn turbidite complex is on the same trend as drilling by Total and Shell



SATURN TURBIDITE COMPLEX

- * *Major Oil Potential*
- * **Saturn Core- 2,400 Km²**
- * **Intra-slope ponded Turbidite Complex with thick Top and Bottom Seals, demonstrated by Moosehead-1 (drilled by HRT in 2013)**
- * *High Quality, Mature Oil Source below Saturn fan*

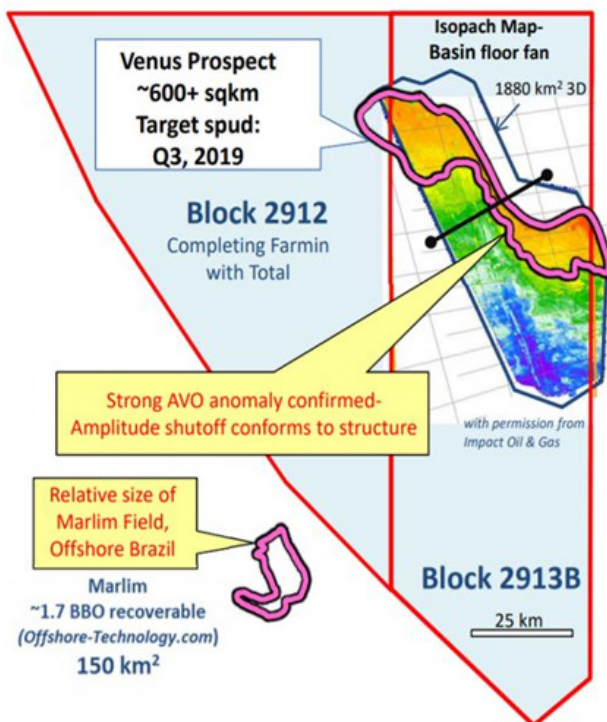
VENUS IS GEOLOGICALLY SIMILAR TO SATURN

- * VENUS – 1 NOW DRILLING
- * VENUS IS AT THE SAME GEOLOGICAL LEVEL AS SATURN

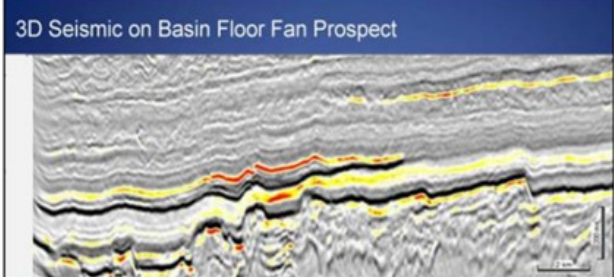
	SHELL GRAFF-1	TOTAL VENUS - 1 *	PANCONTINENTAL SATURN
Drilling	IMMINENT	DRILLING	Pending
Target Age	Aptian	Lower Aptian	Lower Aptian
Type	Sand complex	Turbidite	Turbidite
Area (approx. Sq Km)	?	600	2,400
Potential Recoverable Oil	> 1 Billion Bbls	1.5 to 2 Billion Bbls	See next page

* Details of the Venus Prospect as released by Impact Oil & Gas Limited

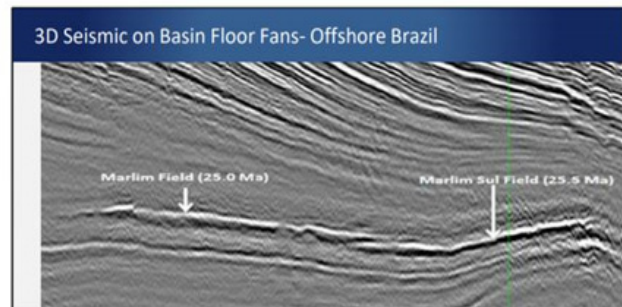
Impact Prospect Map



Impact Seismic



With permission from Impact Oil & Gas



Bruhn 2001

SATURN TURBIDITE FAN, PEL 87 OFFSHORE 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 constitute a very large single oil trap.

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 recoverable volumes assessed at the P50 level

** 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.

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 of 11 September 2018. 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 unrisks and have not been adjusted for an associated risk of discovery and risk of development.

Prospective Resources estimates in this report have been made by Pancontinental Energy 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 Energy 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 Energy 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.

Authorised for release by the Board of **Pancontinental Energy NL**

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

www.pancon.com.au