

PLACEMENT & COMPANY UPDATE

Pancontinental Energy NL ("Pancontinental" "the Company") (**ASX Code: PCL**) is pleased to advise that it has completed a bookbuild to raise up to \$5 million through a placement to sophisticated and professional investors of up to 500 million shares at an issue price of \$0.01 per share, together with one free listed option for every two shares issued ("**the Placement**"). The Placement received strong support from existing and new sophisticated and professional investors. The funds raised will be used in conjunction with existing cash for ongoing exploration and costs associated with PEL 87 offshore Namibia; further business development and growth opportunities; and ongoing working capital requirements. Additional information in relation to the Placement is provided below.

Appointment of Iain Smith as Advisor to the Board

Pancontinental is pleased to advise that Iain Smith has agreed to join Pancontinental in a part-time role as Advisor to the Board. Iain was until recently Managing Director of successful Perth basin explorer Norwest Energy NL, a company acquired by Mineral Resources Limited. In addition to part-time consulting fees, Iain will be issued with 40 million incentive share options under the Company's Employee Incentive Plan, exercisable at a premium of 145% of the 5 day VWAP at the date of issue and with an expiry date of 3 years from the date of issue. Iain has subscribed for 5 million Pancontinental shares under the Placement, representing a personal investment of \$50,000.

Pancontinental's Chairman, **Ernie Myers commented** "*We are pleased to have completed this placement and appreciate the continued support shown by investors. The Company is now in an excellent financial position as we progress exploration of PEL 87 through completion of the 3D seismic survey and beyond. The ongoing activity in Namibia by TotalEnergies and Shell, together with proposed exploration programs by Chevron and Galp, is going to bring further excitement to the area and Pancontinental looks forward to being part of the action.*

*I am also delighted to welcome **Iain Smith** to the company, who I have no doubt will bring valuable experience and expertise to the small but effective Pancontinental team."*

PEL 87 Project Update

The PEL 87 3D seismic survey is proceeding to schedule, with completion of acquisition forecast for early June. Since the Company's Quarterly Activities Report of 28 April 2023, Woodside Energy has elected to further increase the survey such that it will now cover an area of 7,200 km².

Proposed Award of Director Options

Pancontinental will seek shareholder approval at a forthcoming General Meeting for Chairman Ernie Myers to be awarded 40 million incentive share options and for Executive Director Vesna Petrovic to be awarded an additional 20 million incentive

share options. The options will be exercisable at the 5 day VWAP upon issue of the relevant notice of meeting, and with an expiry of 3 years from the date of issue. The Company will seek shareholder approval, as soon as practicable, to issue these options. The proposed award is intended to provide for appropriate incentives to be in place across the Pancontinental team, consistent with each individual's responsibilities and contribution.

Details of the Placement

The Placement consists of up to 500 million new fully paid ordinary shares to be issued at a price of \$0.01 per share, together with 250 million free options, to raise a total of \$5 million before costs utilising the Company's existing placement capacity under Listing Rules 7.1 (250 million Placement options) and 7.1A (500 million Placement shares). Settlement of the Placement is scheduled to occur on 22 May 2023. The issue price of \$0.01 a share represents a 9.1% discount to the Company's last traded price on 10 May 2023 (A\$0.011).

New shares issued under the Placement will rank equally with existing ordinary shares on issue. Investors in the Placement will be offered one free attaching listed option for every two Placement shares issued (with the listed options exercisable at \$0.012 on or before 8 August 2025). The Placement options are to be issued under a Prospectus and will rank equally with the Company's existing listed options (ASX:PCLO).

In addition to the \$5 million raised, Pancontinental executive directors have subscribed for a total 4 million Pancontinental shares (Ernie Myers 1 million, Barry Rushworth 2 million and Vesna Petrovic 1 million) under the Placement which will be subject to shareholder approval, which the Company proposes to seek at a General Meeting to be held in or around the end of June 2023.

Euroz Hartleys Limited acted as Lead Manager to the Placement and will be receive a capital raising fee of 6% (plus GST) of the total amount raised under the Placement.

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

Pancontinental Energy NL
Vesna Petrovic
Executive Director & Company Secretary

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