

PANCONTINENTAL ENERGY NL - ANNUAL REPORT 2023



PANCONTINENTAL
ENERGY NL





ABN 95 003 029 543

Directors

Ernest Anthony Myers
Roy Barry Rushworth
Vesna Petrovic

Executive Chairman
Executive Director
Executive Director

Company Secretary

Vesna Petrovic

Board Advisor

Iain Peter Smith

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ASX Code

PCL

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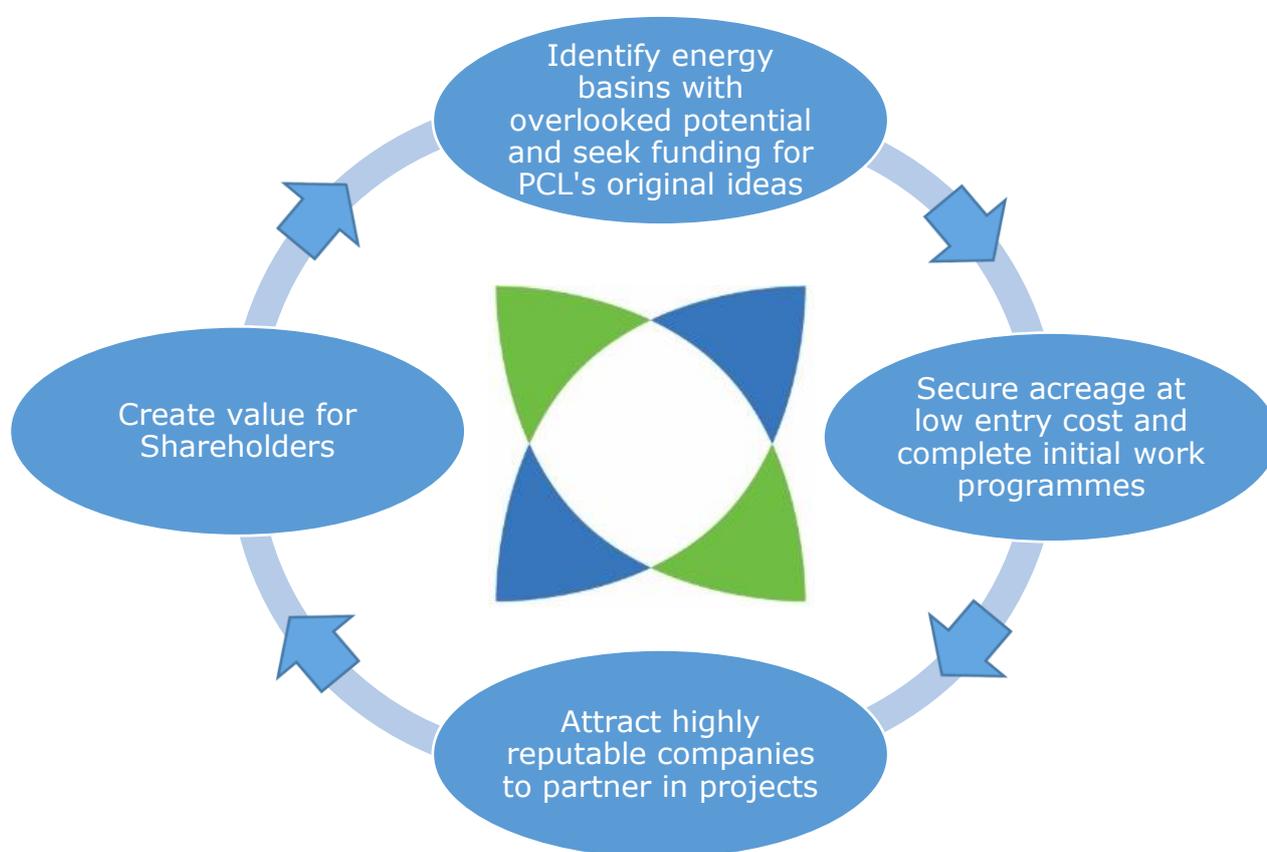
Who we are

- Pancontinental Energy NL is an Australian based international energy exploration company with interests in Africa and Australia.
- The Company's headquarters are in West Perth, Western Australia.
- The Company is listed on the Australian Securities Exchange under code PCL.
- Pancontinental is managed by a team of experienced individuals from corporate, technical and financial backgrounds.





Strategy & Business Model





Dear Shareholder,

I am pleased to present to you Pancontinental's 2023 Annual Report on what has been a transformational year for PCL.



In March 2023, PCL and Woodside entered into an option agreement for a 3D seismic program over Petroleum Exploration Licence (PEL) 87 in the Orange Basin, offshore Namibia. The option agreement provides Woodside an exclusive right to acquire a 56% Participating Interest in PEL 87, in consideration for Woodside paying for a 3D seismic survey covering an area of at least 5,000 square kilometres within PEL 87 at an estimated cost of US\$ 35 million and also paying Pancontinental US\$1.5 million. Woodside exceeded expectations and carried out a survey covering 6,593 km² of which 5,952 km² is in the PEL 87 block. The survey was completed in May 2023.

The Orange Basin has hosted major oil discoveries by Shell and TotalEnergies, both to the south of PCL's block. It has been reported that Chevron and GALP (also to the immediate south of PCL) will also be drilling wells in the near future.

PCL also took the opportunity to strengthen the balance sheet with a \$5 million capital raising which was carried out in May 2023. This provides us with sufficient funding to support future operational activities. We have also added to the team with the appointment of Iain Smith as an advisor to the Board. Iain was previously Managing Director of successful Perth basin explorer Norwest Energy NL, a company acquired by Mineral Resources Limited. His input and experience will be of immense value as we progress our Namibian project.

The results achieved in 2023 would not have been possible without the efforts of my fellow directors Barry Rushworth and Vesna Petrovic. We are also indebted to our office administrator Linda Underwood for her support and commitment. We have been fortunate to have had the services of consulting geophysicist Gary Powis who has played a pivotal role during the year. I must also make special mention of our former Chairman David Kennedy who stepped down at last year's AGM. He has been a mentor over many years and his guidance has enabled PCL to be positioned where it is today.

I thank shareholders for their support over the journey. We have worked hard over a long period to bring to fruition the project in Namibia and we trust shareholders will now reap the rewards in the near future.

EA Myers
Chairman



Pancontinental is a junior energy exploration company with a portfolio of high quality assets in prospective hydrocarbon provinces

Namibia <u>PEL 87</u>	Australia <u>ATP 920 + 924</u> <u>(Ace Area)</u>
LOCATION: Orange Basin, Offshore Namibia	LOCATION: Cooper Eromanga Basin, Queensland, Australia
PROJECT SIZE: 10,947 square kilometres	PROJECT SIZE: ATP 920 - 2,337 square kilometres ATP 924 - 2,220 square kilometres
JOINT VENTURE PARTNERS: Pancontinental Orange Pty Ltd 75.00% Custos Investments (Pty) Ltd 15.00% National Petroleum Corporation of Namibia (NAMCOR) 10.00%	JOINT VENTURE PARTNERS: ATP 920 Key Petroleum Limited 80.00% Pancontinental Energy NL 20.00%** ATP 924 [Ace Area] Key Petroleum Limited 75.00% Pancontinental Energy NL 25.00%** **earning
GEOLOGY: Pancontinental believes that PEL 87 is highly prospective for oil, with high quality mature oil source rocks and the potential for very large oil traps. Water depths are between 500m and 3,200 m. Pancontinental has a large interest in this area.	GEOLOGY: The farmin acreage acquired by Pancontinental contains conventional trends prospective for both oil and gas. Potentially large volume prospectivity for unconventional gas is present within the acreage but has yet to be fully evaluated and documented.



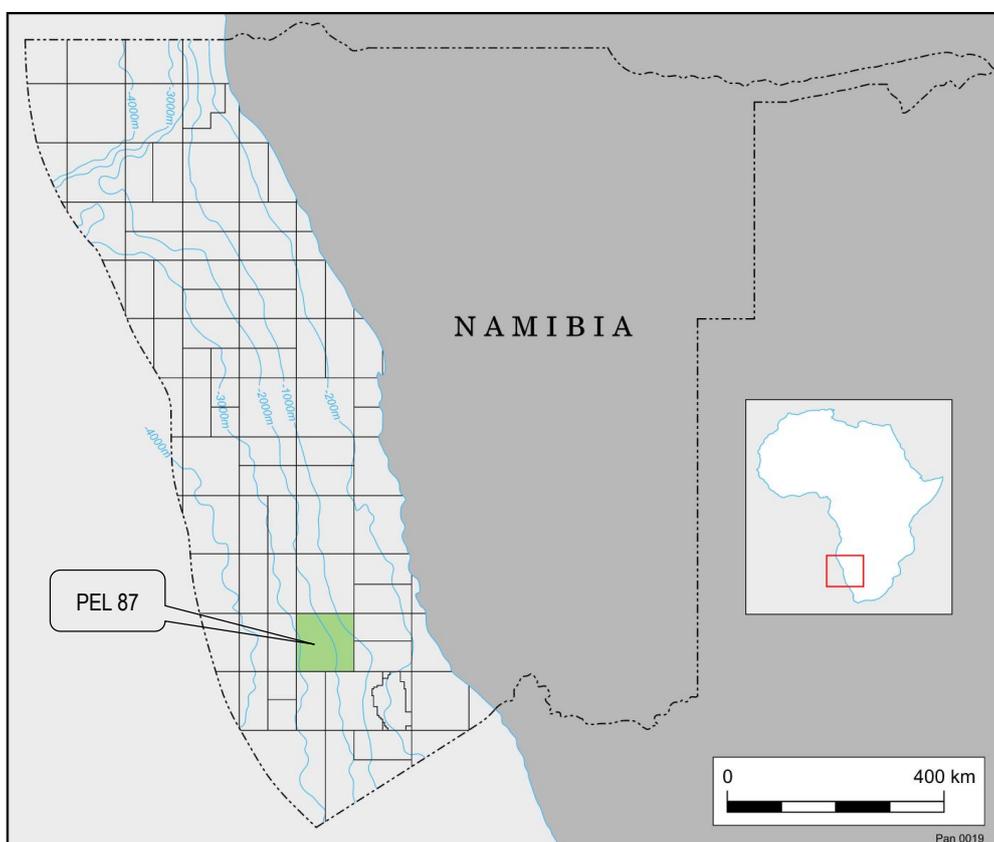
Namibia

Namibia Offshore PEL 87

Location:	Orange Basin		
Project Size:	10,947 square kilometres		
JV Partners:	Pancontinental	75%	(Operator)
	Custos Investments (Pty) Ltd	15%	
	NAMCOR	10%	
	Woodside Energy holds an option to acquire a 56% interest		

Pancontinental has been active within Namibia for over ten years as a partner in various joint ventures that have completed significant exploration programmes, including the drilling of the Cormorant-1 well in recent years. The Company's technical team has maintained its strong belief in the prospectivity of the region with each successive Namibian venture, and dealings with the Ministry of Mines & Energy (MME) and local partners have consistently been positive.

Pancontinental originated the Petroleum Exploration Licence 87 (PEL 87) joint venture in 2017 with its local Namibian partners NAMCOR (National Petroleum Corporation of Namibia) and Custos Investments (Pty) Ltd. PEL 87 is located within the Orange Basin, offshore Namibia; an emerging petroleum province that is attracting considerable interest from major, global E&P companies due to a number of very significant oil discoveries since early 2022.

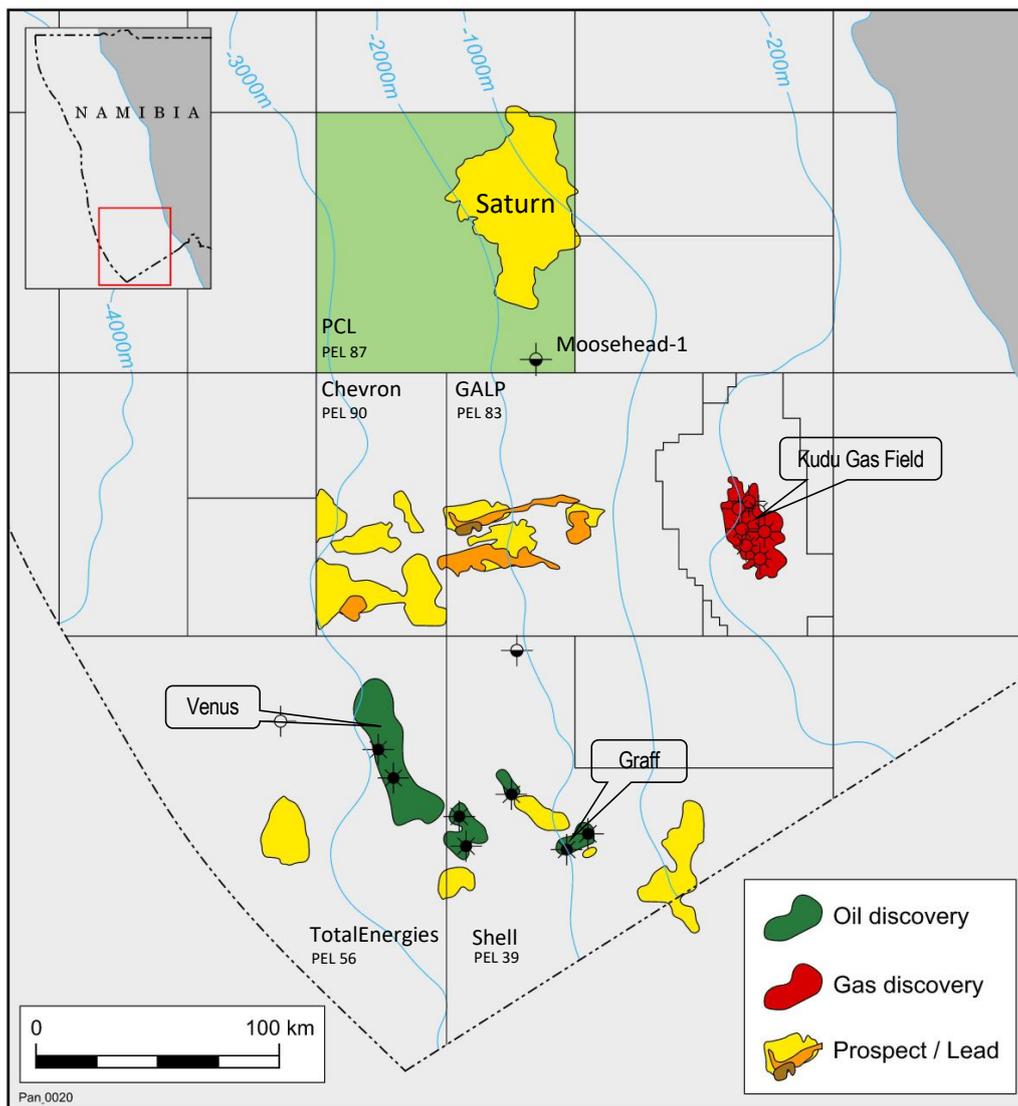


In early 2022, two major oil discoveries within the Namibian Orange Basin, TotalEnergies Venus-1X discovery and Shell's Graff-1 discovery. The Venus discovery has been successfully appraised by the Venus-1A well, and the original discovery well has been production tested with positive results that suggest excellent reservoir deliverability. Venus is reported to potentially host some 3 Billion Barrels of oil recoverable, and as a result TotalEnergies are directing half of the company's global exploration



and appraisal budget to its PEL 56 permit. Meanwhile Shell have followed up its Graff discovery with "four out of five" successful oil wells, with discoveries at Jonker, La Rona and Lesidi. Both TotalEnergies and Shell's discoveries have received worldwide recognition as some of the most significant oil exploration results in recent times.

Importantly for Pancontinental, these discoveries are situated on trend to PEL 87, sharing the same oil source formation and analogous depositional environments. PEL 87 covers an area of 10,970 km², surrounding the vast Aptian-aged Saturn Turbidite Complex (STC, or Saturn), a feature that extends across some 4,000 km² with a core area of approximately 2,400 km². The STC and adjacent strata play host to multiple exploration leads across a variety of hydrocarbon play types. Saturn is of comparable age and of comparable depositional environment to the multi-billion barrel discoveries to the south. Water depths across PEL 87 range from approximately 500m to over 3,200m.



Technical work completed since the commencement of PEL 87 includes numerous geological and geophysical studies, largely based upon the 2,800 line kilometres of legacy 2D seismic data. The STC was defined during these technical assessments. Saturn is thought to be up to 300 metres thick and encased by thick, competent shale units - including the Kudu oil shale source which lies directly beneath.



During the reporting period Pancontinental announced that the MME had granted a second, one-year extension to the current (initial) four-year period of PEL 87, exempting the typical 50% area relinquishment. As such, the current Exploration Period ends on 22 January 2024.

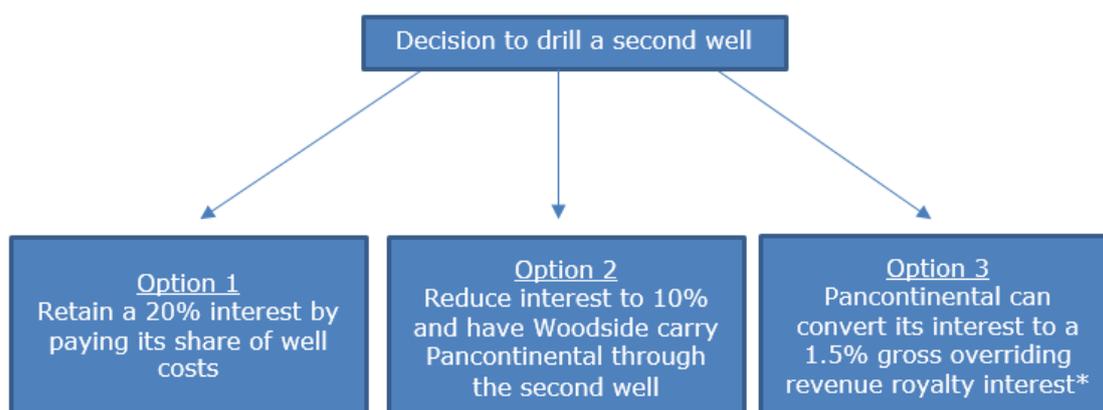
Also during the reporting period, Pancontinental entered into an Option Deed (Deed) with a wholly owned subsidiary of Woodside Energy Group Ltd (Woodside). Under the terms of the Deed, Woodside has earned an exclusive option to acquire a 56% participating interest in PEL 87 in return for fully funding an extensive 3D seismic survey and paying Pancontinental US\$1.5 million. Shortly after execution of the Deed, seismic contractor PGS commenced 3D seismic acquisition, completing the survey in late May 2023. The survey was originally intended to cover an area of approximately 5,000 km² at an estimated cost of US\$35 million, however during the survey the area was increased at Woodside's election to 6,593 km² (with no modification to the commercial terms of the Deed). The completed 3D seismic survey fully covers the STC and its periphery.

The acquired seismic "field data" is presently being processed by primary processing contractor CGG, with the final Pre-stack Depth Migration (PSDM) volume due to be received late 2023. As preliminary, interim seismic volumes are received Pancontinental is updating its interpretation of the data utilising a specialist independent consultant, and in close collaboration with Joint Venture partners.

Upon receipt of the final processed PSDM data, Woodside will have up to 180 days to exercise its option, at which time Pancontinental and Woodside will enter into a Farmout Agreement which will see Pancontinental fully carried for the drilling of an exploration well within PEL 87. In the meantime, Pancontinental will remain Operator of PEL 87 and will receive all interim and final 3D seismic products and interpretations from the seismic contractors and Woodside as they become available.

Upon execution of the Farmout Agreement Pancontinental will retain a 20% interest in PEL 87, having entered into an option agreement with its existing joint venture partner Custos Investments (Pty) Ltd (Custos) to acquire a 1% interest at an upfront cost of US\$1.5 million and an exercise fee of US\$1.0 million. Both the US\$1.5 million receivable from Woodside and the US\$1.5 million payable to Custos have been settled during the reporting period.

After completion of the first exploration well, if the joint venture elects to drill a second well then under the terms of the Deed Pancontinental has various options, as presented in Figure 1 below.



**Exercisable at any time up to 60 days after the approval of any Development Plan*

Figure 1: Pancontinental options under Woodside Option Deed

Pancontinental is delighted to have successfully positioned itself with a significant working interest in a large licence area in this prime exploration hot spot, and looks forward to further exploring the PEL 87 permit in collaboration with its Joint Venture partners.



Namibia Offshore PEL 37

During the reporting period Pancontinental Energy advised of its intention to withdraw from the process of seeking regulatory approval of an extension to the original PEL 37 Licence offshore Namibia, thereby withdrawing from the permit.

Queensland, Australia

Onshore, Cooper Basin, ATP 920, 924 (Ace Area)

Location:	Cooper Eromanga Basin		
Project Size:	ATP 920 - 2,337 km ² ATP 924 - 2,220 km ²		
JV Partners:	ATP 920 Key Petroleum Limited (Operator)	80.00%	
	ATP 920 Pancontinental Energy NL	20.00%**	
	ATP 924* Key Petroleum Limited (Operator)	75.00%	
	ATP 924* Pancontinental Energy NL	25.00%**	
	* Ace Area		
	**earning		

Pancontinental farmed into the Meeba Project, Cooper Basin, Onshore Queensland during 2019. COVID-19 as well as a number of natural disasters in the Eastern States have set back the planned activities on the Authorities to Prospect for operator Key Petroleum Limited ("Key") and the joint venture.

Project status has been approved by the regulator DNRME, enabling the joint venture to transfer commitments between the Authorities to Prospect, thereby focusing its efforts only on the most prospective areas. A detailed review of the projects is being conducted to determine the focus areas for future exploration.

New Ventures

The Company continually evaluates new venture opportunities that might be pursued to complement the Company's existing portfolio of exploration assets. The Company is mindful that any new venture must be the right fit and offer compelling value for Shareholders. Many factors are considered when assessing any new project. Not only does the Company assess the prospectivity of the area and how it may bring returns for its Shareholders, it also considers the risks involved in the project. Environmental, social and governance risks play an important role in the assessment of each new venture. The impact of the project on climate change is an important factor and with this in mind, Pancontinental is carefully assessing projects to select only the most appropriate.

Corporate

Chairman

HD Kennedy

After 23 years as a Director of Pancontinental, David Kennedy retired during the financial year. Mr Kennedy has always been a major supporter of the Company and participated in many capital raisings during his tenure. He leaves the Company in a good position with the Namibian PEL 87 Project being part of the renewed interest in the Orange Basin due to the nearby major discoveries by Shell and Total.



EA Myers

Ernie Myers stepped up to fulfil the role of Chairman after 13 years on the Board of Pancontinental.

Placements

In July 2022, the Company undertook a Placement to raise \$2 million before costs through a placement of up to 400 million shares at an issue price of \$0.005 per share to sophisticated and professional investors. Investors in the placement were issued one free attaching listed option for every two placement shares issued (with the listed options exercisable at \$0.012 each and expiring 8 August 2025). In addition, the Lead Manager received 100 million broker options.

In May 2023, Pancontinental raised \$5 million through a placement to sophisticated and professional investors of 500 million shares at an issue price of \$0.01 per share, together with one free listed option for every two shares issued. The listed options are exercisable at \$0.012 each and expire 8 August 2025. The Placement received strong support from existing and new sophisticated and professional investors, including directors and advisers of the Company.

Issue of Securities

During the reporting period, the Company issued 230 million unlisted options under the Company's Incentive Awards Plan. The issues to Directors were approved by Shareholders at the Annual General Meeting.

Annual General Meeting

Pancontinental's Annual General Meeting of shareholders was held on 30 November 2022. All resolutions put to the meeting; the remuneration report, re-election of director, approval of placement facility, ratification of securities, approval of issue of securities, renewal of proportional takeover provisions in the constitution and confirmation of auditor appointment were passed on a poll.

Results can be found following the link below:

https://clients2.weblink.com.au/news/pdf_2%5C02606356.pdf

Annual Report

The Company's annual report was lodged during the December 2022 quarter.

A copy of the report can be found following the below link:

https://clients2.weblink.com.au/news/pdf_2%5C02589568.pdf

Half Year Report

The Company's half year report was lodged during the March 2023 quarter.

A copy of the report can be found by following the link below:

https://clients2.weblink.com.au/news/pdf_2%5C02643014.pdf



Change of Auditor

In accordance with section 329(5) of the Corporations Act 2001, the Company received the resignation of the audit firm that traded as Rothsay Auditing and ASIC's consent to that resignation. Rothsay Audit & Assurance Pty Ltd has been appointed auditor of the Company and this appointment continued until the annual general meeting where it was proposed that Rothsay Audit & Assurance Pty Ltd be appointed as auditors of the Company. The Shareholders voted in favour of the resolution.

Appointment of Iain Smith

As announced on 15 May 2023, Iain Smith has been engaged as an adviser to the Board of Pancontinental in a part-time role. Iain was until recently the Managing Director of Perth Basin explorer Norwest Energy NL, a company acquired by Mineral Resources Limited.

Notice of Meeting

A Notice of Meeting was lodged with ASX during the June 2023 quarter for a General Meeting which was held on 25 July 2023. The resolutions covered ratification of shares and options, Director participation in the placement and issue of incentive options to Directors. All resolutions put to the meeting were passed on a poll.

Climate Change

Pancontinental is mindful of the developing and continued interest of stakeholders in climate change issues. Climate risk has evolved to become an important consideration in investment and corporate strategic decisions. It is now widely recognised as a critical risk to business, industry and capital markets. So much so, that the guidance recommends that listed companies consider disclosing climate change risk separately to other general risk categories, which is what Pancontinental has adopted (please see Directors' Report for detailed discussion on risk and climate change).

The G20 Financial Stability Board established the Task Force on Climate-related Financial Disclosures ("TCFD") which is an industry-led task force that has published recommendations for financial report preparers to assist in providing investors the most relevant climate change disclosures. The Company has utilised the publication as well as other recommended publications as a guide in providing our stakeholders with the appropriate information in this regard which can be found in the Directors' Report.



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 unrisks 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 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 (PEL 87) and Key Petroleum Limited (ATP 920-924 (Ace Area)) 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 Rushworth 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.



The Directors of Pancontinental Energy NL ("Pancontinental" or the "Company") submit their report for the year ended 30 June 2023.

DIRECTORS

The names and details of the company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities



Ernest Anthony Myers CPA (Mr Myers held the positions of CEO and Executive Director until December 2022 when he was appointed Executive Chairman)

Mr Myers, an Accountant by profession, has held senior management and executive roles within a number of ASX listed companies. During his career he has been instrumental in the capital raisings and financial management of these companies. He has played a key role in managing the Group's African portfolio. Mr Myers joined Pancontinental in March 2004, was appointed Executive Director in January 2009 and Chief Executive Officer in November 2018.

Mr Myers was also Non-Executive Chairman of Norwest Energy NL from November 2018 until its takeover by Mineral Resources Limited during the 2023 financial year.



Roy Barry Rushworth, BSc (Executive Director - Technical)

Mr Rushworth is a Geologist who brings extensive experience in petroleum exploration to the Company. Commencing with positions in exploration operations, his career then extended to the role of Chief Geologist and Exploration Manager for an Australian listed company. A number of oil and gas discoveries were made by the Company during that time. More recently, Mr Rushworth has been responsible for identifying, negotiating and acquiring international new venture opportunities in Malta, Kenya, Morocco and Namibia and the farm out of the projects to major companies.

Mr Rushworth has been a Director of Pancontinental since August 2005.



Vesna Petrovic, BComm, CPA (Executive Director & Company Secretary)

Ms Petrovic is an Accountant who holds a Bachelor of Commerce, Major in Accounting and Business Law and has completed the Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Roles in accounting and finance of numerous publicly listed entities, particularly those involved in Africa have provided Ms Petrovic a base from which to contribute to the accounting and governance functions at Pancontinental.

Ms Petrovic was appointed Company Secretary in April 2010, Executive Director in December 2016, Alternate for Mr Kennedy in July 2017 and reappointed Executive Director in September 2018.

FORMER DIRECTOR

Henry David Kennedy MA (Geology), SEG (Non-Executive Chairman)

Mr Kennedy was appointed to the Board of Pancontinental over 20 years ago. He retired from his position as Non-Executive Chairman in December 2022.



DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options of the Company as at 30 June 2023 is as follows:

	Ordinary Shares	Options over Ordinary Shares
Henry David Kennedy (retired December 2022)	658,824,491	20,000,000
Ernest Anthony Myers	2,900,715	-
Roy Barry Rushworth	144,335,610	100,000,000
Vesna Petrovic	-	40,000,000

Note: See the *Significant Events after Balance Date* section for details of ordinary shares and options issued post year end.

DIRECTORS' MEETINGS

The numbers of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings
Number of meetings held:	4
Number of meetings attended:	
Henry David Kennedy (retired December 2022)	4
Ernest Anthony Myers	4
Roy Barry Rushworth	4
Vesna Petrovic	4

Notes

Due to the size of the Board, communications between the members are very open with discussions regarding the Company's affairs discussed weekly either by email or phone so that all members of the Board are aware of the current state of affairs. The Directors discussed and agreed various matters throughout the financial year which were resolved by circular resolution. All of the Company's Committees are carried out by the full Board.



CORPORATE INFORMATION

Corporate structure

Pancontinental Energy NL (ACN 003 029 543) is a no liability Company incorporated and domiciled in Australia. The Company's registered office is Level 2, 30 Richardson Street, West Perth WA 6005.

Nature of operations and principal activities

The principal activity during the year of Entities within the Consolidated Entity was exploration for energy sources.

Business drivers are the key inputs and activities that drive the operational and financial results of a business. For a Company in the exploration stage, business drivers include the management of working capital and sensible capital investment decisions as well as technical excellence in sourcing, assessing and providing guidance for projects which will create value for the Entity and its Shareholders.

There have been no significant changes in the nature of those activities during the year.

Objectives

Objectives of the Group include:

- Continue exploration on the Company's current portfolio of permits;
- Extract value from the Company's asset base;
- Seek new ventures suitable for inclusion in the Group's asset structure;
- Manage risks involved in the exploration industry; and
- Maintain liquidity.

The Group's targets and strategies for meeting the above objectives include:

- Approve work programmes best suited for exploration success which are within the Company's financial capacity;
- Consider strategic alliances through joint ventures to minimise risks to the Group;
- Focus on cost cutting in all non-essential areas; and
- Review appropriate fundraising proposals.

Cents

Earnings (loss) per share

Basic earnings (loss) per share	(0.02)
Diluted earnings (loss) per share	(0.02)

The result from the financial year ended 30 June 2022 was a loss of \$823,179. The current financial year also produced a loss, at \$1,870,559. While the Company has always operated on a low cost and overhead model, the recent situation internationally has affected businesses across every industry albeit some more than others. The Company has responded by working carefully to decrease each and every discretionary and non-essential expenditure item as well as seeking reductions for essential expenditure.

Employees

The Consolidated Entity had two (2) Employees as at 30 June 2023, (2022: three (3)). The Consolidated Entity employs the services of specialised consultants where and when needed.

OPERATING AND FINANCIAL REVIEW

Projects

Namibia PEL 87 – Offshore [75% interest]

Pancontinental originated the PEL 87 joint venture in 2017 with its local Namibian partners NAMCOR (10%) and Custos Investments (Pty) Ltd (15%). The Company is Operator of the project and holds a substantial 75% interest. The PEL 87 licence covers Block 2713 offshore Namibia and is 10,970 square kilometres in size. A Turbidite Fan complex of Aptian Age named Saturn, has been uncovered in exploration carried out to date. The structure holds a number of leads that, based on Pancontinental's interpretation are encased in sealing shales. The Saturn Turbidite Fan complex covers a core area of more than 2,400 square kilometres with an overall area of about 4,000 square kilometres and holds significant oil potential.



Pancontinental has had a long relationship with Namibia and has been present in country for over a decade. The Company believes strongly in the prospectivity of the region and has completed numerous exploration programmes in recent years. Offshore Namibia has become a focus of oil industry attention after two major oil discoveries, by Total and Shell, in the Orange Basin in February 2022.

On 5 December 2022, Pancontinental announced that the Honourable Tom K. Alweendo, the Minister of Mines and Energy in Namibia, had 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. The current Initial Exploration Period now ends on 23 January 2024.

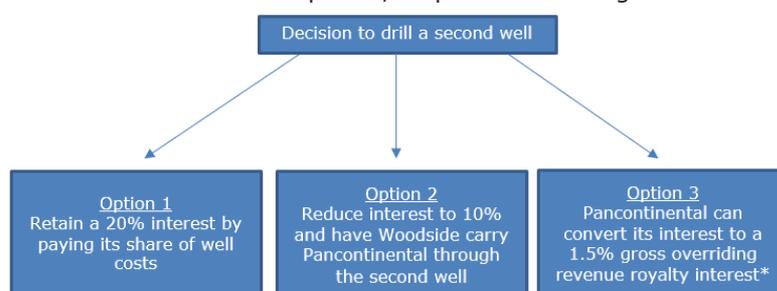
After the current period, two additional periods totalling four years are available, with possible additional extensions if granted. The current Petroleum Exploration Licence (PEL) can be converted to a Production Licence under pre-agreed terms.

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.

During the reporting period, Pancontinental entered into an Option Deed (Deed) with a wholly owned subsidiary of Woodside Energy Group Ltd (Woodside). Under the terms of the Deed, Pancontinental has granted to Woodside an exclusive option to acquire a 56% participating interest in Petroleum Exploration Licence 87 (PEL 87), in return for Woodside fully funding a 3D seismic survey and paying Pancontinental US\$1.5 million. The 3D seismic survey was originally intended to cover an area of at least 5,000 km², at an estimated cost of US\$35 million, however the area has subsequently been increased by Woodside to approximately 6,872 km², with no modification to the commercial terms of the Deed.

In the event that Woodside elects to exercise its option under the Deed, Pancontinental and Woodside will enter into a Farmout Agreement which will see Pancontinental fully carried for the drilling of an exploration well within PEL 87. Pancontinental will retain a 20% interest in the project, having entered into an option agreement with its existing joint venture partner Custos Investments (Pty) Ltd (Custos) to acquire a 1% interest at an upfront cost of US\$1.5 million and an exercise fee of US\$1.0 million. Both the US\$1.5 million receivable from Woodside and the US\$1.5 million payable to Custos have been settled during the reporting period.

After completion of the first exploration well, if the joint venture elects to drill a second well then under the terms of the Deed Pancontinental has various options, as presented in Figure 1 below.



**Exercisable at any time up to 60 days after the approval of any Development Plan*

Figure 1: Pancontinental options under Woodside Option Deed

Shortly after Pancontinental executed an Option Deed with a subsidiary of Woodside (announced 1 March 2023), seismic contractor PGS commenced 3D seismic acquisition and completed the survey on 23 May 2023, utilising its specialist vessel, the Ramform Titan.

The final survey area of 6,593 km² covers the core, and peripheral areas of the highly prospective Saturn Turbidite Complex. The survey took 83 days to complete, utilising the Ramform Titan, two supporting vessels and a total crew of 90 specialists, plus shore support staff.

The final field data set has been delivered to processing contractor CGG. Pancontinental will conduct its own interpretation of the data utilising a specialist independent consultant. Pancontinental will provide a high-level overview of the seismic results as soon as the Company's substantive initial interpretation has been completed.

Receipt of a final processed dataset will require a further few months, from which time Woodside will have up to 180 days to exercise its option to enter into a Farmout Agreement with Pancontinental to fully carry the Company through drilling of an exploration well. In the meantime, Pancontinental will remain Operator of PEL 87 and will receive all interim and final 3D seismic products and interpretations from the seismic contractors and Woodside as they become available.



Namibia PEL 37 – Offshore

Pancontinental Energy's 66.67% owned subsidiary, Pancontinental Namibia Pty Ltd, has decided to withdraw from the process of seeking an extension to the original PEL 37 Licence offshore Namibia. Pancontinental has held the licence since 28 March 2011.

Since the withdrawal of farminee Tullow on 21 March 2021, Pancontinental Namibia had been endeavouring to reach agreement with its remaining joint venture partner but could not reach agreement and consequently withdrew from the process.

Queensland Australia ATP 920 & 924 [20-25% earning interest]

While the Company's focus has mostly been in Africa, in recent years it was decided that the exploration portfolio should be broadened to include shorter term projects with near term activity which would complement the Company's longer term assets in Namibia. As such, the Company signed agreements to acquire two large exploration permits, ATP 920 and ATP 924 (Ace area) in the Cooper Basin, Queensland. The agreement was executed with the Operator of the permits Key Petroleum Cooper Basin Pty Ltd, a wholly owned subsidiary of ASX listed Key Petroleum Limited.

The Eastern States of Australia were then affected by natural disasters including record temperatures, severe flooding and bushfires. This occurred prior to the COVID-19 pandemic. This has made proceeding with planned activities difficult.

A detailed review of the projects is ongoing to determine the way forward.

Corporate

Chairman

HD Kennedy

After 23 years as a Director of Pancontinental, David Kennedy retired during the financial year. Mr Kennedy has always been a major supporter of the Company and participated in many capital raisings during his tenure. He leaves the Company in a good position with the Namibian PEL 87 Project being part of the renewed interest in the Orange Basin due to the nearby major discoveries by Shell and Total.

EA Myers

Ernie Myers stepped up to fulfil the role of Chairman after 13 years on the Board of Pancontinental.

Placements

In July 2022, the Company undertook a Placement to raise \$2 million before costs through a placement of up to 400 million shares at an issue price of \$0.005 per share to sophisticated and professional investors. Investors in the placement were issued one free attaching listed option for every two placement shares issued (with the listed options exercisable at \$0.012 each and expiring 8 August 2025). In addition, the Lead Manager received 100 million broker options.

In May 2023, Pancontinental raised \$5 million through a placement to sophisticated and professional investors of 500 million shares at an issue price of \$0.01 per share, together with one free listed option for every two shares issued. The listed options are exercisable at \$0.012 each and expire 8 August 2025. The Placement received strong support from existing and new sophisticated and professional investors, including directors and advisers of the Company.

Issue of Securities

During the reporting period, the Company issued 230 million unlisted options under the Company's Incentive Awards Plan. The issues to Directors were approved by Shareholders at the Annual General Meeting.



Annual General Meeting

Pancontinental's Annual General Meeting of shareholders was held on 30 November 2022. All resolutions put to the meeting; the remuneration report, re-election of director, approval of placement facility, ratification of securities, approval of issue of securities, renewal of proportional takeover provisions in the constitution and confirmation of auditor appointment were passed on a poll.

Results can be found following the link below:
https://clients2.weblink.com.au/news/pdf_2%5C02606356.pdf

Annual Report

The Company's annual report was lodged during the December 2022 quarter.

A copy of the report can be found following the below link:
https://clients2.weblink.com.au/news/pdf_2%5C02589568.pdf

Half Year Report

The Company's half year report was lodged during the March 2023 quarter.

A copy of the report can be found by following the link below:
https://clients2.weblink.com.au/news/pdf_2%5C02643014.pdf

Change of Auditor

In accordance with section 329(5) of the Corporations Act 2001, the Company received the resignation of the audit firm that traded as Rothsay Auditing and ASIC's consent to that resignation. Rothsay Audit & Assurance Pty Ltd has been appointed auditor of the Company and this appointment continued until the annual general meeting where it was proposed that Rothsay Audit & Assurance Pty Ltd be appointed as auditors of the Company. The Shareholders voted in favour of the resolution.

Appointment of Iain Smith

As announced on 15 May 2023, Iain Smith has been engaged as an adviser to the Board of Pancontinental in a part-time role. Iain was until recently the Managing Director of Perth Basin explorer Norwest Energy NL, a company acquired by Mineral Resources Limited.

Notice of Meeting

A Notice of Meeting was lodged with ASX during the June 2023 quarter for a General Meeting which was held on 25 July 2023. The resolutions covered ratification of shares and options, Director participation in the placement and issue of incentive options to Directors. All resolutions put to the meeting were passed on a poll.

New Ventures

The Company is continually searching for, and evaluating new ventures that could be pursued to complement the Company's existing portfolio of exploration assets.



Group Overview

Pancontinental Energy NL was incorporated in 1985 and listed on the Australian Securities Exchange in 1986.

The Pancontinental Group is comprised of the Parent Company along with three subsidiary companies.

Dynamics of the Business

The Company is continually working on development of its existing projects and evaluates emerging opportunities as they become available. While the Company's main focus has been in Africa, the technical team is open to jurisdictions outside of Africa if they are compatible with the strengths of the team at Pancontinental.

Performance Indicators

The Board closely monitors and discusses the Group's operating plans, financial budget and overall performance as well as the Company's share price on a regular basis.

The underlying drivers which contribute to the Company's performance and that can be managed internally include a disciplined approach to reducing the Group's non-essential costs and allocating funds to those areas which will add shareholder value. The Company's share price is used as a performance indicator however, the share price is not entirely indicative of a Company's performance and can be influenced by factors outside the control of Management and the Board such as market conditions.

Operating Results for the Year

Summarised operating results are as follows:

	2023	
	Revenues	Results
	\$	\$
Non-segment and unallocated revenues and results	72,429	(1,870,559)
Consolidated Entity revenues and results from ordinary activities before income tax expense	72,429	(1,870,559)

This financial years' result is a loss of \$1,870,559. Management has worked carefully to reduce all costs where possible. For essential items crucial to running the business, reductions have been sought. Non-essential and discretionary expenditure has been reduced as much as possible. There are 3 Directors and 1 Employee who carry out the day-to-day operations of the Company. Specialist consultants are engaged when required.

Shareholder Returns

The Group is in the exploration phase and so returns to Shareholders are primarily measured through capital growth.

	2023	2022	2021	2020	2019
Profit /(Loss) attributable to owners of the Company	(1,870,559)	(823,179)	(788,165)	(4,463,850)	(1,633,481)
Basic earnings per share (cents)	(0.02)	(0.01)	(0.01)	(0.08)	(0.03)
Share price	\$0.012	\$0.001	\$0.001	\$0.001	\$0.002

Net Loss amounts have been calculated in accordance with Australian Accounting Standards.



Risk Management

Risk management at Pancontinental begins with the Board who delegate authority throughout the organisation. The Board monitors, identifies, analyses and responds to any risks that will impact the Company in realising its strategic direction as well as potential risks that are perhaps not expected, but could cause a disruption.

Risk management is a day-to-day part of the business which is considered in all decision making. Project management, financial planning, corporate actions, strategic partnerships, conducting business abroad and the like. The process of identifying and analysing risk factors includes both quantitative and qualitative factors. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are able to continue without disturbance.

The Group believes that it is crucial for all Board members to be a part of this process and as such the Board has not established a separate Risk Management Committee. The Board has identified business risks specific to Pancontinental and the industry it operates in. These include:

Operating Risks

- **Health and Safety** – The safety and health of the people at Pancontinental is paramount. The physical and mental wellbeing of its Directors and Employees is crucial to the Company achieving success. For example, during the COVID-19 pandemic, the Company protected its workers while continuing business operations by adhering to recommended guidelines to prevent the spread of the virus including restricted travel, alternative office access options, provision of hygiene consumables and social distancing.
- **Joint Venture Operators** - Currently some of Pancontinental's assets are managed by Joint Venture Operators who are responsible for the day-to-day operation of the permits. As such, regular review of Joint Venture activities is crucial in safeguarding the assets of the Company. Attendance at joint venture meetings is important to keep abreast of any emerging risks that could impact the Company due to its joint venture activities.
- **Foreign Jurisdictions** - Conducting business in foreign jurisdictions carries with it a risk of change in business, legal, tax, accounting, political, environmental and technical practices which may have a material effect on the Company.
- **Loss of Key Data** – Pancontinental has a tried and tested backup system of all its data. The Company is confident that no unauthorised access could compromise key data. However, there is still a level of risk involved due to cyber-attacks or outages. If there was a violation it could cause serious business interruption such as loss of data, damage to the data system and privacy breaches. In recent years, the Company moved to a cloud-based system which provides for ease of remote access for Staff and faster recovery in the event of an attack or outage.

Financial Risks

- **Access to Funding** – In the past, Pancontinental has funded its operations by several means; funds received from the divestment of project areas, investment partner expenditure on the Company's behalf (carried expenditure) and equity markets. Volatility in capital markets or the exploration industry could limit the Company's access to future funding. Pancontinental has successfully reached out to the equity market this year, with broker support and without issue. The Company has maintained a long and successful relationship with the broking house who has supported the majority of funds raised this year. The Company continues to seek partnering opportunities such as those negotiated in the past which have allowed the Company to participate in multi-million-dollar exploration programs such as drilling exploration wells in Kenya and Namibia.
- **Market Prices** - Oil and gas price volatility as well as currency fluctuations in Australian and United States dollars. Commodity prices and foreign exchange rates are subject to global economic forces. Although the Company is not in production and there is not a material business risk in that regard, the Company's operations are affected due to exploration budgets and overall activity in the exploration sector.



Strategic Risks

- **Climate Change Risk** - Certain research has shown that the global climate is changing and may continue to change. Extreme weather events such as flooding and drought are thought to be increasing in severity and frequency. As such, this affects the planning and day to day running of businesses and industry. Pancontinental will consider climate change risk in its everyday business decisions and how it can adapt to changing conditions believed to be caused by climate change. Governments, regulators, lenders and investors are becoming more and more interested in how companies are managing the impacts of climate change. Pancontinental may be impacted by increased regulation and costs associated with climate change. Climate change risk is discussed in detail in the following section.
- **Extraordinary Events** - Extraordinary events such as the COVID-19 pandemic. The Company may be affected by future events similar to those experienced during the COVID-19 pandemic which affected lives and businesses worldwide. The Company must be prepared to again act quickly should a similar situation arise.
- **Regulatory Change** - Pancontinental's operations and finances may be affected by a changes to government policy, regulations or legislation. Unexpected changes may impact longer term projects and their viability to provide returns for shareholders.
- **Social Risks** - Social exposures may include; diversity and inclusion and health and safety. Pancontinental has consistently exceeded the industry average for diversity.

The Group has advised each Director, Employee and Consultant that they must comply with a set of ethical standards maintaining appropriate core Company values and objectives. Such standards ensure shareholder value is delivered and maintained. Standards cover legal compliance, conflict resolution, privileged information and fair dealing.

The Board provides Shareholders with information using a Continuous Disclosure Policy which includes identifying matters which have a material effect on the underlying security price. ASX announcements, the web page of the Company and other media resources are used to convey such information. The Board encourages full participation by Shareholders at the Annual General Meeting and Shareholders are requested to vote on Board and Executive remuneration aggregates as well as Employee Incentive Schemes. All resolutions put to a meeting are voted on by a poll.

The Company's Board prevents the occurrence of risks by undertaking regular reviews of the Group's business practices to identify potential risks. Techniques used for identifying risks include:

- Evaluating each function of the business and identifying anything that could have a negative impact on the Group's operations;
- Reviewing records to identify previous issues that could have a current impact;
- Considering any external risks that could affect the Group; and
- Consulting with Employees and independent contractors as well as auditors to identify risks and in turn implementing risk prevention measures.

Once potential risks have been identified, managing risks involves developing cost effective options on how to best to deal with the risks. Risks can be:

- **Avoided** - by changing business processes or equipment to achieve a similar outcome with less risk;
- **Reduced** - if a risk can't be avoided the Group can reduce its likelihood and consequence. This could include Staff training, documenting procedures and policies, complying with legislation, maintaining equipment, practicing emergency procedures, keeping records safely secured and contingency planning;
- **Transferred** - transfer some or all of the risk to another party through contracting, insurance, partnerships or joint ventures; and
- **Accepted** - this may be the only option.

The continued monitoring of risk within the Group is directed at evaluating:

- The effectiveness and efficiency of operations;
- The reliability of financial and management internal processes and reporting; and
- Compliance with laws and regulations

to enable the Group to safeguard its assets.



Climate Change

Pancontinental is mindful of the developing and continued interest of stakeholders in climate change issues. Climate risk has evolved to become an important consideration in investment and corporate strategic decisions. It is now widely recognised as a critical risk to business, industry and capital markets. So much so, that the guidance recommends that listed companies consider disclosing climate change risk separately to other general risk categories, which is what Pancontinental has adopted.

The G20 Financial Stability Board established the Task Force on Climate-related Financial Disclosures ("TCFD") which is an industry-led task force that has published recommendations for financial report preparers to assist in providing investors the most relevant climate change disclosures. The Company has utilised the publication as a guide in providing our stakeholders with the appropriate information in this regard.

The TCFD structured its recommendations around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management and metrics and targets. The four recommendations are supported by recommended disclosures that build out the framework that will help investors and others understand how the reporting organisation has assessed climate-related risks and opportunities.

The voluntary disclosure recommendations issued by the TCFD are specifically designed to help companies produce information that is useful for investors (among others).

Climate change risk, as defined by the TCFD falls into two main categories; risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change:

- 1. Transition risks** – transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.
- 2. Physical risks** – physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer-term shifts in climate patterns.

In addition to risks, climate change can also bring about opportunities. Companies will need to consider that with any change, opportunities can arise.

Pancontinental will continue to use the recommendations of the TCFD as a reference for climate change related disclosures which we expect to continue to evolve over the coming years.

Recommended Disclosures	Pancontinental Commentary
Governance The organisation's governance around climate-related risks and opportunities.	
a) Describe the Board's oversight of climate-related risks and opportunities.	The Board considers those matters that would ordinarily be the responsibility of a Risk Committee as they believe it is crucial for all Board members to be a part of this process. The Board assess risks (including climate-related risks) as part of the ordinary course of business activities such as strategic planning, promotion, budgets, mergers and acquisitions, strategic partnerships, legislative changes and conducting business abroad. Each Board Meeting is used as a platform for the review and assessment of the Company's material risk profile, including climate risk.
b) Describe Management's role in assessing and managing climate-related risks and opportunities.	As above. Due to the size of the Company and cost reduction reasons, the Executive Board members manage the day to day activities and there is no separate management function.
Strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning, where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	1. Transition risks: <ul style="list-style-type: none"> • Transition changes may affect regulatory bodies in the countries Pancontinental holds exploration properties, which may delay approval of documents, in turn delaying planned work programmes [Short, medium and long term risk];



	<ul style="list-style-type: none"> • Transitioning to a low carbon economy may bring with it costs for new technology, training, property, plant and equipment, additional insurance and general operating costs [Short, medium and long term risk]; • During the transition phase companies in the industry may also utilise their capital reserves to invest in low carbon alternatives, leaving less of a budget for farmins and other asset deals within the industry [Short, medium and long term risk]; and • Increased shareholder activism which may divert Company funds or delay planned project activity. [Short and medium risk]; <p>2. Physical risks:</p> <ul style="list-style-type: none"> • Extreme weather events may affect exploration activities on the ground with delays having the potential to have a financial impact on the Company and its operations [Short, medium and long term risk]; • Damage to property caused by floods or the like may lead to the early write off of certain assets [Short, medium and long term risk]; and • Physical climate change events may have an impact on staffing levels, both at corporate and operational levels [Short, medium and long term risk]. <p>3. Opportunities</p> <ul style="list-style-type: none"> • Revenue opportunities for the Company may result from the increased demand for low emissions products and processes should the Company be able to acquire new technology. [Medium and long term opportunity]; • A low emissions environment may bring about new and emerging markets where the Company may be able to source capital. [Short, medium and long term opportunity].
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</p>	<p>Described in (a) above.</p>
<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The organisation's strategy towards climate change is appropriate as the Company is in the exploration stage and does not have any material greenhouse gas emissions and the climate change risks it has are based on future events that may or may not occur.</p> <p>The Company consumes the following limited energy sources:</p> <ul style="list-style-type: none"> • Electricity in the shared office - the Company does not have control of the electricity source and whether it can be replaced with 100% renewable energy due to its sub-tenant status; • Waste disposal – the shared office produces minimal waste to be disposed of and with a move towards a paperless office this form of energy consumption will decrease even further. The Company does not have control over the waste recycling due to its sub-tenant status; • Travel – Since the COVID-19 pandemic the Company utilises the use of video conferencing more frequently, reducing the need for travel and associated emissions.



	Should the circumstances of the Company change, so too would the organisation's strategy. If the Company were to produce material greenhouse gases it would then be appropriate for the Company to implement an annual target for the reduction of such emissions and report against those annually.
Risk Management	
The processes used by the organisation to identify, assess, and manage climate-related risks.	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Refer to the Risk Management section preceding this Climate Change section of the annual report for a detailed description of how the Company identifies risk (including climate risk) and the processes for dealing with the risk. As climate change is an emerging area the Directors as always have the option of engaging external specialists to assist with an understanding of definitions, impacts and materiality of the climate risk issue, should the need arise.
b) Describe the organisation's processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets	
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to Strategy part (c).
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	As the Company is in the exploration stage, the calculation of emissions data is not relevant.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Refer to Strategy part (c).



Investments for Future Performance

The Board is continually assessing the Company's assets and considering how it could position itself to execute its growth strategy which is aimed at enhancing shareholder value while utilising the expertise and experience of its Board and personnel.

During the financial year, Pancontinental announced that its wholly owned subsidiary Pancontinental Orange Pty Ltd had entered into an Option Deed with Woodside Energy (GOM), Inc, a wholly owned subsidiary of Woodside Energy Group Ltd whereby Pancontinental granted Woodside an exclusive option to acquire a 56% Participating Interest in PEL 87, in consideration for Woodside paying for a 3D seismic survey covering an area of at least 5,000 square kilometres within the area the subject of PEL 87 at an estimated cost of US\$ 35 million and also paying Pancontinental US\$1.5 million.

Woodside has a period of at least 180 days after the delivery of the seismic survey data to exercise that option.

If Woodside exercises the option then Woodside and Pancontinental have agreed to enter into a farmout agreement whereby Woodside will carry the existing joint venture during the drilling of the first exploration well to be drilled on the licence area after the completion of the seismic survey.

To ensure Pancontinental retains at least a 20% interest in the project if Woodside exercises its option, Pancontinental has, for a consideration of US\$1.5 million, entered into an option agreement with Custos Investments (Pty) Ltd to acquire a 1% interest from Custos by paying Custos a further US\$1million. This option is exercisable by Pancontinental within a similar time period as Woodside's option. Pancontinental will retain a 20% interest during the drilling of the well.

If the joint venture decides to drill a second well then Pancontinental may:

- (i) retain its 20% interest but must pay its share of well costs;
- (ii) reduce its interest to a 10% Participating Interest and have Woodside carry Pancontinental through the cost of the second well; or
- (iii) at any time up to 60 days after the approval of any Development Plan, convert its interest to a 1.5% gross overriding revenue royalty interest.

Upon Woodside's election to exercise its option, Woodside will pay Pancontinental approximately US\$ 2.5 million, of which approximately US\$1.5 million is reimbursement of a portion of Pancontinental's past costs.

The Company sees the Option Deed with Woodside as a valuable investment for the future performance of the Company.

Review of Financial Condition

Capital Structure

The Company's current capital structure is as follows:

Share Capital	Number of shares	\$
Balance at end of financial year	8,054,222,823	118,645,569
Option Reserve	Number of options	\$
Balance at end of financial year	230,000,000	1,130,000

Treasury Policy

The Board has not considered it necessary to establish a separate treasury function because of the size and scope of the Group's activities.



Liquidity and Funding

During the financial year, the Company issued 900,000,000 ordinary shares; 400,000,000 at \$0.005 and 500,000,000 at \$0.01, grossing a total of \$7,000,000.

Post year end, Pancontinental raised \$40,000 from the issue of 4,000,000 ordinary shares to Directors upon approval by Shareholders in General Meeting. In addition, the Company received \$24,000 from the conversion of 2,000,000 listed options at \$0.012 to ordinary shares.

As detailed in the *Investments for Future Performance* section above, after signing the Option Deed with Woodside in March 2023, Pancontinental received US\$1.5 million during the financial year. Pancontinental also entered into an Option Deed with Custos Investments (Pty) Ltd for a consideration of US\$1.5 million, to acquire a 1% interest from Custos by paying Custos a further US\$1million. This payment was also made in the current financial year.

SHARE OPTIONS

Unissued shares

As at 30 June 2022, there were 78,926,830 ordinary shares under options exercisable at \$0.006. These options expired during the year. 230,000,000 unlisted options were issued to Directors, Employees, Consultants and Advisors during the current financial year. 160,000,000 were issued with an exercise price of \$0.007 and expiry 30 December 2026 and 70,000,000 with an exercise price of \$0.016 and expiry 29 May 2027. See the *Significant Events after Balance Date* section for details of options issued post year end.

549,999,998 listed options exercisable at \$0.012 each and with an expiry date of 8 August 2025 were issued during the financial year. The options were free attaching options issued under a prospectus to participants in the two placements which were concluded during the financial year. Included in the total are also 100,000,000 broker options which were also issued under the same conditions.

Shares issued as a result of the exercise of Options

There were no shares issued as a result of the exercise of options during the financial year. Post year end, the Company raised \$24,000 by the conversion of 2,000,000 listed options at \$0.012 to ordinary shares.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

25 July 2023

The Company held a General Meeting on 25 July 2023. The seven (7) resolutions put to the General Meeting were voted on by a poll and all seven (7) resolutions passed.

28 July 2023

Pancontinental issued unlisted options to eligible participants of the Company's Incentives Awards Plan:

Key terms of the unlisted options include:

Type of Security	Unquoted options
Type of Award	Each option is exercisable, before its expiry date, into one fully paid, ordinary share in the Company
Number of Awards Granted	Director Ernest Anthony Myers – 40,000,000 Director Vesna Petrovic – 20,000,000 (approval for the issue of options to directors was granted at the General Meeting held 25 July 2023)
Exercise Price	\$0.0145 per option
Vesting Condition	Remain a director for 3 months from date of grant
Expiry of Options	28 July 2027



8 August 2023

The Company issued 1,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 500,000 listed options to Pinegold Enterprises Pty Ltd (nominee of Director EA Myers). The shares were subscribed for at \$0.01 per share and raised \$10,000 for the Company. The listed options have an exercise price of \$0.012 and expire 8 August 2025. The issues were approved by shareholders at the General Meeting held 25 July 2023 and issued on the same terms as unrelated participants of the placement announced 15 May 2023.

22 August 2023

The Company raised \$24,000 by the conversion of 2,000,000 listed options at \$0.012 to ordinary shares.

24 August 2023

The Company issued 2,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 1,000,000 listed options to RB Rushworth and 1,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 500,000 listed options to Vesna Petrovic. The shares were subscribed for at \$0.01 per share and raised \$30,000 for the Company. The listed options have an exercise price of \$0.012 and expire 8 August 2025. The issues were approved by shareholders at the General Meeting held 25 July 2023 and issued on the same terms as unrelated participants of the placement announced 15 May 2023.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The economic Entity expects to maintain the present status and level of operations and hence currently there are no likely developments in the Entity's operations.

As detailed in the *Investments for Future Performance* section above, if Woodside exercises the option then Woodside and Pancontinental have agreed to enter into a farmout agreement whereby Woodside will carry the existing joint venture during the drilling of the first exploration well to be drilled on the licence area after the completion of the seismic survey.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Pancontinental is committed to complying with any requirement for environmental management in any jurisdiction and country that it operates.

Currently some of Pancontinental's assets are managed by Joint Venture Operators who are responsible for the day to day operations of the permits. As such, regular review of the Joint Venture activities is crucial in safeguarding the assets of the Company. Technical and financial executives review the work programmes and budgets in place to ensure compliance with approved documents. Updates on operational activities that are provided by the Joint Venture partners are reviewed and will include any environmental operational issues if applicable.



INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses insurance contracts. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors and Officers and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract. The premiums were paid in respect of the following Officers of the Company and its Controlled Entities:

HD Kennedy (retired December 2022), EA Myers, RB Rushworth and V Petrovic.

NON-AUDIT SERVICES

During the year, the Company's auditors performed certain other services in addition to the audit and review of the financial statements. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the Corporate Governance procedures adopted by the Group; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group is set out below:

Amounts received or due and receivable by Rothsay for:

– an audit or review of the Financial Report of the Entity and any other Entity in the Consolidated Entity	40,500	41,500
– other services in relation to the Entity and any other Entity in the Consolidated Entity	16,900	25,000
	57,400	66,500

As recommended by the Parliamentary Joint Committee on Corporations and Financial Services, the Company provides the following information:

- Auditor tenure: 3 years
- Lead auditor tenure: 3 years
- A public tender process for the position of company auditor has not been undertaken due to the Board's belief that the current auditors are the most appropriate to suit the current needs of the Company.



REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and Executives of Pancontinental Energy NL ("the Company").

Remuneration philosophy

A description of the remuneration structures in place are as follows:

The Non-Executive Directors receive a fixed fee for their services. If additional duties are performed by the Non-Executive Directors they are remunerated at market rates. The Chief Executive Officer receives a fixed fee for his respective executive services. Executive Directors are paid a salary. Directors do not receive any termination or retirement benefits.

Remuneration Committee

The full Board carries out the role of the Remuneration Committee.

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive and Executive remuneration is separate and distinct.

Non-Executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate fees of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 29 November 2007 when Shareholders approved an aggregate remuneration of \$400,000 per year. The amount of aggregate remuneration sought to be approved by Shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external sources as well as the fees paid to Non-Executive Directors of comparable companies when undertaking reviews. The Non-Executive Directors of the Company can participate in Employee Option Incentive Schemes with Shareholder approval. The remuneration of Executive and Non-Executive Directors for the year ended 30 June 2023 is detailed in Table 1 of this report.

Executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Executives of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

Structure

In determining the level and make up of Executive remuneration, the Board may take independent advice from external sources when necessary.

The Chief Executive Officer (to December 2022), Mr Myers received a salary of \$100,000 per annum during the year until 1 June 2023 where it was increased to \$120,000 (this was reduced from \$200,000 during COVID-19) for his respective executive services. Mr Myers held the positions of CEO and Executive Director until December 2022 when he was appointed Executive Chairman. The Company and Mr Myers do not currently have a contract between them.

The Board regularly reviews compensation levels to take into account market-related factors such as cost of living changes, any change to the scope of the role performed and any other relevant factors of influence.

Fixed remuneration

Objective

The level of fixed Directors' fees is set so as to provide a base level which is both appropriate to the position and is competitive in the market.

Structure

Fixed primary remuneration is paid on a cash basis and there are no fringe benefits or other costs incurred by the Company.



Table 1: Director remuneration for the year ended 30 June 2023

	Primary benefits Salary & Fees	Consulting	Equity Options (Issued)	Super-annuation	Total	Value of options as proportion of Revenue
Henry David Kennedy (Non-Executive Chairman – retired December 2022)						
2023	10,417	-	80,000	-	90,417	110.4%
2022	25,000	-	-	-	25,000	0.0%
Ernest Anthony Myers (Executive Chairman – from December 2022) (Executive Director, CEO – to December 2022)						
2023	101,669	-	-	10,675	112,344	0.0%
2022	100,002	-	-	10,000	110,002	0.0%
Roy Barry Rushworth (Executive Director, Technical)						
2023	183,332	-	400,000	-	583,332	552.3%
2022	89,081	-	-	-	89,081	0.0%
Vesna Petrovic (Executive Director, Company Secretary)						
2023	150,833	-	160,000	15,838	326,671	220.9%
2022	134,375	-	-	13,438	147,813	0.0%
Marie Michele Malaxos (Non-Executive Director – resigned February 2022)						
2023	-	-	-	-	-	0.0%
2022	13,333	-	-	-	13,333	0.0%
Total Current Year Remuneration	446,251	-	640,000	26,513	1,112,764	

Table 2: Options granted as part of Director remuneration for the year ended 30 June 2023 (as approved by Shareholders)

	Granted Number	Grant Date	Terms & Conditions for Each Grant			
			Value per option at grant date (\$)	Exercise Price per share (\$)	First Exercise Date	Last Exercise Date
Specified Directors						
Henry David Kennedy ¹	20,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Roy Barry Rushworth	100,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Vesna Petrovic	40,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Total	160,000,000					

1. HD Kennedy retired in December 2022.

There were no options granted as part of Director remuneration for the year ended 30 June 2022.

Over the past five years options granted as part of Director and Management remuneration have been valued using an appropriate option pricing model, in which the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying shares, the current market price of the underlying shares and the expected life of the options are taken into account. See following table for further details.



Fair values of options:

The fair value of each option is estimated on the date of grant using an appropriate option pricing model.

	2023	2022	2021	2020	2019
Expected volatility	120%	-	-	-	-
Risk-free interest rate	3.63%	-	-	-	-
Expected life of option	4 years	-	-	-	-

Total number of unlisted options at 30 June 2023:

	Number of options	Grant Date	Vesting Date	Expiry Date	Exercise Price	Weighted Average Fair Value
PCLAD	160,000,000 ¹	30 Dec 22	30 Mar 23	29 Dec 26	\$0.007	\$0.004
PCLAE	70,000,000	30 May 23	30 Aug 23	29 May 27	\$0.016	\$0.007

1. Director options

Table 3 : Shareholdings of Specified Directors and Specified Executives

2023

Ordinary Shares held in Pancontinental Energy NL	Balance 1 July 2022	Acquisitions (Disposals)	Balance 30 June 2023
Specified Directors			
Henry David Kennedy	643,824,491	15,000,000	658,824,491
Ernest Anthony Myers	2,900,715	-	2,900,715
Roy Barry Rushworth	144,335,610	-	144,335,610
Total	791,060,816	15,000,000	806,060,816

2022

Ordinary Shares held in Pancontinental Energy NL	Balance 1 July 2021	Acquisitions (Disposals)	Balance 30 June 2022
Specified Directors			
Henry David Kennedy	411,768,269	232,056,222	643,824,491
Ernest Anthony Myers	2,900,715	-	2,900,715
Roy Barry Rushworth	134,335,610	10,000,000	144,335,610
Marie Michele Malaxos (resigned February 2022)	39,000,000	20,000,000	59,000,000
Total	588,004,594	262,056,222	850,060,816

Table 4 : Movement in Option holdings of specified Directors

2023

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Net Change Other	Balance at end of period
	1 July 2022				30 June 2023
Specified Directors					
Henry David Kennedy	-	20,000,000	-	-	20,000,000
Roy Barry Rushworth	-	100,000,000	-	-	100,000,000
Vesna Petrovic	-	40,000,000	-	-	40,000,000
Total	-	160,000,000	-	-	160,000,000



2022

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Net Change Other	Balance at end of period
	1 July 2021				30 June 2022
Specified Directors					
Henry David Kennedy	-	-	-	-	-
Ernest Anthony Myers	20,000,000	-	(20,000,000)	-	-
Vesna Petrovic	20,000,000	-	(20,000,000)	-	-
Roy Barry Rushworth	20,000,000	-	(20,000,000)	-	-
Marie Michele Malaxos (resigned February 2022)	39,463,415	-	(39,463,415)	-	-
Total	99,463,415	-	(99,463,415)	-	-

Company Performance

Company performance can be reflected in the movement of the Company's share price over time. As the Company is in an exploration phase, returns to Shareholders will primarily come through share price appreciation. The Board's strategy in achieving this aim is to acquire early-stage projects which can attract quality joint venture partners.

The Company has developed skills in the acquisition of quality projects and has also built strategic alliances with other companies to further develop its project portfolio.

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regard to the following indices in respect of the current financial year and the previous four financial years.

Return on Equity	2023	2022	2021	2020	2019
Share price at 30 June	\$0.012	\$0.001	\$0.001	\$0.001	\$0.002
Average equity	5,804,849	2,810,771	2,849,192	5,140,416	7,500,025
Net Profit /(Loss)	(1,870,559)	(823,179)	(788,165)	(4,463,850)	(1,633,481)
Return on Equity in %	(32.22)%	(29.29)%	(27.66)%	(86.84)%	(21.78)%

END OF REMUNERATION REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor independence declaration is set out on the following page and reviews part of the Directors' Report for the year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.

EA Myers
Director

Perth 29 September 2023

ROTHSAY

AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Pancontinental Energy NL for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pancontinental Energy NL and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla
Director

29 September 2023



The Company's 2023 Corporate Governance Statement is presented below and can also be accessed at <http://pancon.com.au/about-us/corporate-governance/>. The Statement has been approved by the Board of Pancontinental Energy NL and is current as at 29 September 2023. The Board does not view the Corporate Governance Statement as a compliance document but rather as an opportunity to demonstrate that they are cognisant of the importance of having proper and effective corporate governance arrangements and to communicate to stakeholders and the broader investment community Pancontinental's approach to corporate governance.

Pancontinental's Corporate Governance Statement outlines the Company's governance practices throughout the financial year and the extent of the Company's compliance, as at 30 June 2023 with the ASX Corporate Governance Council's fourth edition of Corporate Governance Principles and Recommendations.

The Company will regularly review its current practices to ensure they evolve with good practice methods recommended by regulatory bodies while taking into account factors such as the size, nature and activities of the Company.

Corporate Governance Council Recommendation followed by Pancontinental Energy NL Corporate Governance Comments	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1	<p>A listed Entity should have and disclose a Board charter setting out:</p> <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its Board and Management; and (b) those matters expressly reserved to the Board and those delegated to Management. <p>Adopted - Pancontinental has adopted a Board Charter which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter outlines the roles and responsibilities of Board and Management including the responsibilities of not only the Board as a whole but also the Chairman, Chief Executive Officer and Non-Executive / Independent Directors.</p>
1.2	<p>A listed Entity should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a Director or Senior Executive or putting someone forward for election as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. <p>Adopted – The Company's Nomination Committee Charter which has been disclosed on the Pancontinental website http://pancon.com.au/about-us/corporate-governance/ outlines the role of the Nomination Committee including the oversight of the Company's selection and appointment practices for Directors.</p> <p>As part of its Corporate Governance Manual, the Company has also adopted a Policy and Procedure for Selection and (Re)Appointment of Directors which can be found at http://pancon.com.au/about-us/corporate-governance/. The Policy and Procedure outlines the process for the evaluation and appointment of new Board members, as well as listing information that is required to be provided to Shareholders so that they may make an informed decision regarding the election of a proposed candidate.</p> <p>The Nomination Committee Charter empowers the Directors to engage external consultants for background checks on Directors and Executive Staff such as Employment Screening Australia who are a CrimTrac accredited information agent that adheres to the Australian Standard AS 4811-2006 Employment Screening.</p> <p>The Company has not had to conduct any background checks during the reporting period but if a new appointment were to be required in the future, the Company would complete background checks on the candidate's work experience, education, criminal history, character references and bankruptcy history.</p>
1.3	<p>A listed Entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.</p> <p>Not Adopted – Mr Myers, Mr Rushworth and Ms Petrovic do not currently have written contract agreements.</p>



1.4	<p>The Company Secretary of a listed Entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p> <p>Adopted – The Company Secretary is accountable to the Board through the Chairman on matters relating to the proper functioning of the Board.</p> <p>The Company Secretary completes and circulates Board papers, records minutes of the business discussed at Board Meetings and communicates with the Board on: governance matters, application of the Company’s Constitution, the ASX Listing Rules and other relevant laws.</p>									
1.5	<p>A listed Entity should:</p> <ol style="list-style-type: none"> (a) have and disclose a Diversity Policy; (b) through its Board or a Committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, Senior Executives and workforce generally; and (c) disclose in relation to each reporting period: <ol style="list-style-type: none"> 1. the measurable objectives set for that period to achieve gender diversity; 2. the Entity’s progress towards achieving those objectives; and 3. either: <ol style="list-style-type: none"> A. the respective proportions of men and women on the Board, in Senior Executive positions and across the whole workforce (including how the Entity has defined “Senior Executive” for these purposes); or B. if the Entity is a “relevant employer” under the Workplace Gender Equality Act, the Entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act. <p>Adopted – Pancontinental has formally adopted a Diversity Policy which can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>Diversity – Board Composition</p> <p>The mix of skills and diversity for which the Company is looking to achieve in membership of the Board is one that is as diverse as practical given the size and scope of the Company’s operations. In considering new member appointments, the Board evaluates the candidate’s ability to actively participate in Board matters by exercising sensible business judgement and committing the time required to fulfil the role effectively so that the Company can move towards achieving its strategic goals.</p> <p>Diversity – Measurable Objectives</p> <p>The main objectives with regard to diversity include:</p> <ul style="list-style-type: none"> • The Company’s workforce composition to be as diverse as practicable with an aim to always achieve higher percentages than the industry average calculated by the Australian Government’s Workplace Gender Equality Agency; • To provide equal opportunities for all positions within the Group and continue the Group’s commitment to employment based on merit; • Periodic review of the Group’s workforce structure and assessment of where and how improvements can be implemented incorporating greater diversity. <p>The above objectives set by the Company with regard to diversity have been met, as described below:</p> <ul style="list-style-type: none"> • Blend of skills – wide range of backgrounds; geology, petroleum exploration, finance and corporate experience; • Cultural backgrounds – Australian and European; • Gender – both male and female, with the female percentage exceeding industry average for most of the year; and • Age – the age range spans over 40 years. <p>Diversity – Annual Reporting</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">2023</th> <th style="width: 20%; text-align: center;">2022</th> </tr> </thead> <tbody> <tr> <td>Board & Company Secretary – to Feb 2022</td> <td style="text-align: center;">-</td> <td style="text-align: center;">40%</td> </tr> <tr> <td>Board & Company Secretary – to Jun 2022</td> <td style="text-align: center;">-</td> <td style="text-align: center;">25%</td> </tr> </tbody> </table>		2023	2022	Board & Company Secretary – to Feb 2022	-	40%	Board & Company Secretary – to Jun 2022	-	25%
	2023	2022								
Board & Company Secretary – to Feb 2022	-	40%								
Board & Company Secretary – to Jun 2022	-	25%								



Board & Company Secretary – to Dec 2022	25%	-
Board & Company Secretary – to Jun 2023	33%	-
Employees	100%	100%
Total Workforce – to Feb 2022	-	50%
Total Workforce – to Jun 2022	-	40%
Total Workforce – to Dec 2022	40%	-
Total Workforce – to Jun 2023	50%	-

The Australian Government’s Workplace Gender Equality Agency periodically releases statistics with regard to the gender composition of the Australian workforce by industry. With reference to its latest data, Pancontinental far exceeds the industry average of 20% of women. The Company believes that there are benefits to addressing diversity, equity and inclusion.

1.6

A listed Entity should:

- a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors; and
- b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Adopted – The Company’s website includes a policy with regard to the Process for Performance Evaluation which can be found at <http://pancon.com.au/about-us/corporate-governance/>

During the reporting period a formal evaluation of the Board and its members was not carried out however the composition of the Board, its suitability to carry out the Company’s objectives and remuneration levels are reviewed on an as required basis.

1.7

A listed Entity should:

- a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Adopted – The Company’s website includes a policy with regard to the process for performance evaluation which can be found at <http://pancon.com.au/about-us/corporate-governance/>

With regard to the current financial reporting period, there were no Senior Executives only Board Members and Employees.

PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

2.1

The Board of a listed Entity should:

(a) have a Nomination Committee which:

- (1) has at least three members, a majority of whom are Independent Directors; and
- (2) is chaired by an Independent Director,

and disclose:

- (3) the charter of the Committee;
 - (4) the members of the Committee; and
 - (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings;
- or

(b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Not Adopted – The full Board fulfils the role of the Nomination Committee.

The Board considers those matters that would ordinarily be the responsibility of a Nomination Committee and no separate meetings were held as the Nomination Committee during the year. The Board has adopted a Nomination Committee Charter which is disclosed on the Company’s website at <http://pancon.com.au/about-us/corporate-governance/> The Charter as well as the Company’s Policy and Procedure for Selection and (Re) Appointment of Directors



	<p>http://pancon.com.au/about-us/corporate-governance/ and Succession Plan Policy are applied when convening to discuss Nomination Committee matters.</p> <p>In assessing the Company's diversity objectives, the composition of the Board is considered with regard to blend of skills, experience, independence and diversity. The Directors consider that the current Board has the appropriate balance to successfully carry out the duties required of them as Officers of the Company.</p>																																												
2.2	<p>A listed Entity should have and disclose a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p> <p>Adopted – The Board is seeking Directors who collectively have the skills, knowledge and experience to govern and direct the Company effectively. The below table shows the key skills and experience the Board as a whole possess.</p> <table border="1" data-bbox="311 629 1377 1144"> <thead> <tr> <th colspan="2">Board Expertise</th> <th colspan="2">Board Experience</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>•</td> <td>Capital Raisings</td> <td>•</td> </tr> <tr> <td>Compliance</td> <td>•</td> <td>Company Promotion</td> <td>•</td> </tr> <tr> <td>Corporate</td> <td>•</td> <td>Financial Management</td> <td>•</td> </tr> <tr> <td>Ethics</td> <td>•</td> <td>Former Board Experience</td> <td>•</td> </tr> <tr> <td>Exploration</td> <td>•</td> <td>International Business</td> <td>•</td> </tr> <tr> <td>Finance</td> <td>•</td> <td>Listed Company Management</td> <td>•</td> </tr> <tr> <td>Geology</td> <td>•</td> <td>Mergers & Acquisitions</td> <td>•</td> </tr> <tr> <td>Governance</td> <td>•</td> <td>Mineral Exploration</td> <td>•</td> </tr> <tr> <td>Risk</td> <td>•</td> <td>Mineral Production</td> <td>•</td> </tr> <tr> <td>Strategy</td> <td>•</td> <td>Energy Exploration</td> <td>•</td> </tr> </tbody> </table> <p>Details of each of the Director's qualifications are set out in the Directors' Report. All of the Directors have substantial industry experience and consider themselves to be financially literate. Mr Myers and Ms Petrovic are qualified accountants and therefore meet the tests of financial expertise.</p> <p>Pancontinental acknowledges that the skills, knowledge and experience required on the Board will change as the Organisation evolves however under the current circumstances, the mix of expertise and experience identified above is beneficial in meeting the current challenges faced by the Group.</p>	Board Expertise		Board Experience		Commercial	•	Capital Raisings	•	Compliance	•	Company Promotion	•	Corporate	•	Financial Management	•	Ethics	•	Former Board Experience	•	Exploration	•	International Business	•	Finance	•	Listed Company Management	•	Geology	•	Mergers & Acquisitions	•	Governance	•	Mineral Exploration	•	Risk	•	Mineral Production	•	Strategy	•	Energy Exploration	•
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2.3	<p>A listed Entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be Independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director.</p> <p>Adopted – see table below.</p> <table border="1" data-bbox="256 1765 1404 2054"> <thead> <tr> <th>Director</th> <th>Position</th> <th>Tenure</th> <th>Independent</th> </tr> </thead> <tbody> <tr> <td>HD Kennedy</td> <td>Non-Executive Chairman to Dec 2022</td> <td>24 years</td> <td>No - Substantial Shareholder</td> </tr> <tr> <td>EA Myers</td> <td>CEO and Executive Director to Dec 2022 Executive Chairman from Dec 2022</td> <td>14 years</td> <td>No – Executive Director</td> </tr> <tr> <td>V Petrovic</td> <td>Executive Director and Company Secretary</td> <td>5 years</td> <td>No - Executive Director</td> </tr> </tbody> </table>	Director	Position	Tenure	Independent	HD Kennedy	Non-Executive Chairman to Dec 2022	24 years	No - Substantial Shareholder	EA Myers	CEO and Executive Director to Dec 2022 Executive Chairman from Dec 2022	14 years	No – Executive Director	V Petrovic	Executive Director and Company Secretary	5 years	No - Executive Director																												
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	<p>RB Rushworth Non-Executive Director 18 years No – Executive Director</p> <p>In considering the independence of Directors, the Board refers to the criteria for independence as set out in Box 2.3 of the ASX Corporate Governance Council’s fourth edition of Corporate Governance Principles and Recommendations. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed on the Company’s website.</p> <p>Box 2.3’s independence criteria has been applied in the above table and although no Directors are considered to be independent, the Board believes its current composition is in line with the long term interests of Shareholders. The Board also acknowledges the need for independent judgement on all Board decisions, irrespective of each individual Director’s independence and as such has implemented a Policy on Independent Professional Advice.</p>
2.4	<p>A majority of the Board of a listed Entity should be Independent Directors.</p> <p>Not Adopted – No Director is considered to be independent.</p> <p>The Board acknowledges Recommendation 2.4 in that the majority of the Board of a listed Entity should be Independent Directors, however the Board is of the belief that each area of expertise required for a Company of Pancontinental’s size is well represented and that there are long term benefits to be gained from the current combination of Directors’ skills, experience and expertise. Mr Kennedy did not provide executive services during the year.</p> <p>Although the Board of Directors are able to exercise objective business judgement, a Policy on Independent Professional Advice has been implemented to assist if required. If a Director considers it necessary to obtain professional advice to properly discharge the responsibility for their office as a Director, then the Company will pay reasonable expenses associated with obtaining such advice.</p>
2.5	<p>The Chair of the Board of a listed Entity should be an Independent Director and, in particular, should not be the same person as the CEO of the Entity.</p> <p>Not Adopted – Leadership of the Board rests with the Chairman who oversees its operation ensuring that it is run effectively. The Board believes Mr Myers’ (and during the year, Mr Kennedy’s) interests are aligned with the long term interests of Shareholders. Given his extensive experience and qualifications, the Board is of the opinion that Mr Myers is the most appropriate Director to carry out the role of the Chairman.</p>
2.6	<p>A listed Entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p> <p>Adopted – The Company has devised an Induction Programme for new Directors, Executives and Employees.</p> <p>The goal of the Induction Programme is to assist new Directors in participating fully and actively in Board decision making at the earliest opportunity by providing them with the necessary Company knowledge as well as information pertaining to the industry within which it operates. A Directors’ Pack is made available which includes key information on Board Members, Board Charters, Duties Imposed on Directors of Public Companies, Directors’ Disclosure Obligations, Declaration of Interest Forms and Overall Responsibility amongst other Policies and Procedures implemented by the Company.</p> <p>New Directors are given the opportunity to review the Company’s operations and meet with key Executives.</p> <p>Professional development opportunities arise when there are new corporate, legal, tax, accounting or geological developments within Australia or in overseas countries where the Company operates. In addition, a number of professional bodies with which the Company is associated run regular seminars or conferences at which attendance is encouraged.</p>
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY	
3.1	<p>A listed Entity should articulate and disclose its values.</p> <p>Adopted – Pancontinental’s values form part of the Code of Conduct which can be found at http://pancon.com.au/about-us/corporate-governance/</p>



<p>3.2</p>	<p>A listed Entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, Senior Executives and Employees; and</p> <p>(b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code.</p> <hr/> <p>Adopted – The Company’s Code of Conduct can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>The Company’s Code of Conduct sets out the principles, values and standards which the Board, Management and Employees of the Company are encouraged to strive towards when dealing with each other, Shareholders, Stakeholders and the broader community.</p> <p>The Code of Conduct covers the Company’s core values and beliefs including the following:</p> <ul style="list-style-type: none"> • Integrity and Honesty • Responsibility to Shareholders • Respect for the Law • Conflicts of Interest • Protection of Assets • Confidential Information • Employment Practices • Responsibility to the Community • Responsibility to the Individual • Obligations Relative to Fair Trading and Dealing • Financial and other Inducements • Compliance with the Code of Conduct
<p>3.3</p>	<p>A listed Entity should:</p> <p>(a) have and disclose a Whistleblower Policy; and</p> <p>(b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.</p> <hr/> <p>Adopted - A Whistleblower Policy forms part of the Company’s Corporate Governance Manual. The Policy covers the following:</p> <ul style="list-style-type: none"> • Reporting and Investigating Officers • Reporting Responsibility • No Retaliation • Reporting Violations • Accounting and Auditing Matters • Acting in Good Faith • Confidentiality • Handling of Reported Violations <p>The Policy was adopted so that any concerns regarding contraventions of the Code of Conduct could be addressed in a safe and formal manner without fear of reprisal. There were no material incidents reported under that policy during the reporting period.</p>
<p>3.4</p>	<p>A listed Entity should:</p> <p>(a) have and disclose an Anti-Bribery and Corruption policy; and</p> <p>(b) ensure that the Board or a Committee of the Board is informed of any material breaches of that policy.</p> <hr/> <p>Adopted – Pancontinental’s Anti-Bribery and Corruption policy forms part of the Code of Conduct which can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>There were no material incidents reported under that policy during the reporting period.</p>



PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS	
4.1	<p>The Board of a listed Entity should:</p> <p>(a) have an Audit Committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are Non-Executive Directors and a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, who is not the Chair of the Board, and disclose: (3) the charter of the Committee; (4) the relevant qualifications and experience of the members of the Committee; and (5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>
	<p>Not Adopted – The full Board fulfils the role of the Audit Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of an Audit Committee and no separate meetings were held as the Audit Committee during the year.</p> <p>The Board has adopted an Audit Committee Charter which is disclosed on the Company’s website at http://pancon.com.au/about-us/corporate-governance/ The Charter as well as the Company’s Procedure for the Selection, Appointment and Rotation of External Auditor http://pancon.com.au/about-us/corporate-governance/ is applied when convening to discuss Audit Committee matters.</p> <p>An External Auditor is appointed to independently verify and safeguard the integrity of the Company’ corporate reporting, in addition when discussing Audit Committee matters, the Board reviews annual action points such as:</p> <ul style="list-style-type: none"> • Review of financial statements • Examine accounting policies and principles • Consider the external audit report and whether it is consistent with the Board’s information and knowledge • Consider the Company’s internal controls • Assess if the external audit report is adequate for Shareholder needs • Discuss any significant findings with the External Auditor • Confirm the independence of the External Auditor • Ensure that the External Auditor is requested to attend the Annual General Meeting <p>The Board in conjunction Management’s input, review the suitability of existing audit arrangements and the scope of the audit on a periodic basis. The Board is responsible for the appointment of a new external auditor should a vacancy arise, however the appointment must be ratified by Shareholders at the next Annual General Meeting.</p> <p>The Board of Directors also review the current circumstances in light of Section 324D (1) and (2) of the Corporations Act 2001 which stipulates that an individual may not play a significant role in the audit of a listed Entity for more than five out of seven successive financial years.</p>
4.2	<p>The Board of a listed Entity should, before it approves the Entity’s Financial Statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
	<p>Adopted – A Directors’ Declaration under Subsection 295(4) of the Corporations Act 2001 is only made after each person who performs:</p> <ol style="list-style-type: none"> a) A Chief Executive Officer function; or b) A Chief Financial Officer function <p>in relation to the Company, has given the Directors a declaration whether, in their opinion:</p> <ol style="list-style-type: none"> a) The financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;



	<p>b) The Financial Statements and notes for the financial year comply with the accounting standards;</p> <p>c) The Financial Statements and notes for the financial year give a true and fair view;</p> <p>d) Any other matters that are prescribed by the regulations in relation to the Financial Statements and notes for the financial year are satisfied.</p> <p>In addition, that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.</p> <p>The declaration is made:</p> <p>a) In writing;</p> <p>b) Specifying the date the declaration is made;</p> <p>c) Specifying the capacity in which the person is making the declaration; and</p> <p>d) Signed by the person making the declaration.</p>
4.3	<p>A listed Entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> <p>Adopted – The Company verifies the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor using the following process:</p> <ul style="list-style-type: none"> • The report is prepared by a qualified Employee with sufficient expertise in providing accurate information to the market; • The report is then reviewed by an Executive Staff Member who creates an auditable supporting document which provides the source of each calculation; • The Company Secretary will also review the documents for accuracy with the ASX Listing Rules; • Both the report and supporting documentation is forwarded to the entire Board for their approval; • Once the Board approves the documents, they are lodged with ASX Online.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
5.1	<p>A listed Entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.</p> <p>Adopted – A summary of the Company’s Policy on ASX Listing Rule Compliance can be found at http://pancon.com.au/about-us/corporate-governance/</p> <p>As a Company listed on the Australian Securities Exchange, Pancontinental is obliged to disclose certain information under a continuous disclosure regime to keep the market informed of events and developments as they occur. The Company promotes timely and balanced disclosure of all material matters concerning the Company. All Investors should have equal and timely access to material information. The Company has adopted certain procedures to ensure that it complies with its continuous disclosure obligations and has appointed a Responsible Officer for ensuring the procedures are complied with.</p> <p>The Policy sets out details with regards to:</p> <ul style="list-style-type: none"> • The Responsible Officer • Types of information that needs to be disclosed • The concept of timely announcements • Board Notification – informing the Board and ongoing monitoring • Avoiding a false market • Safeguarding confidentiality of corporate information to avoid premature disclosure • Media contact and comment • External communications such as analyst briefings and responses to Shareholder questions • Reporting • Required actions in the case of non-compliance • Updating compliance procedures • Guide to drafting Company announcements
5.2	<p>A listed Entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.</p>



	Adopted – The Board receives all announcements, regardless of materiality, before they are announced to the market. The Board is also notified of the timing of release of all announcements.
5.3	A listed Entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
	Adopted – Pancontinental has always had this recommendation in place even prior to it becoming part of the Corporate Governance Principles and Recommendations.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS	
6.1	A listed Entity should provide information about itself and its governance to investors via its website.
	Adopted – The Company’s website includes a Corporate Governance landing page which can be found at http://pancon.com.au/about-us/corporate-governance/ The Corporate Governance page shows an introduction to the Corporate Governance of the Company by referring to the Corporate Governance Manual adopted, in addition, Investors can find Board Charters as well as an extract of Policies and Procedures included in the manual. Links to the Investor Centre can also be opened from the Corporate Governance page where ASX releases, the Company’s share price, financial reports and Company presentations can be accessed. Subscriptions to the Company’s mailing list can also be submitted from this page. Furthermore, general and detailed project information is available for the Investor’s perusal from the Corporate Governance page.
6.2	A listed Entity should have an investor relations program that facilitates effective two-way communication with investors.
	Adopted – The Company has adopted a Shareholder Communication Policy which can be found on the Company’s website at http://pancon.com.au/about-us/corporate-governance/ The Policy aims to ensure that Shareholders are informed of all major developments affecting the Company and that there are means available to facilitate two-way communication. If Investors have a greater understanding of the business they are able to make informed investment decisions. Information is communicated to Investors by: <ul style="list-style-type: none"> • Company announcements • Information briefings to media and analysts • Notices of Meeting and explanatory material • Financial information including annual reports • Website updates • Board addresses and presentations at meetings Investors can express their views or present queries to the Company by: <ul style="list-style-type: none"> • Utilising the Contact Us section of the website http://pancon.com.au/contact-us to send direct communications to the Company • The Contact Us section http://pancon.com.au/contact-us as well as any ASX or media updates include the contact details of the Company such as address and telephone number. These details can be used to initiate written or verbal contact with the Company • The Company provides Shareholders with a Notice of Meeting detailing matters such as the agenda, location and time of the meeting so that Shareholders can make arrangements to attend and speak to Company representatives. Notices of Meeting are available on the ASX platform under the code PCL or the Company website so that Investors who are not currently Shareholders can also attend the meeting



6.3	A listed Entity should disclose how it facilitates and encourages participation at meetings of security holders.
	<p>Adopted – The Company has adopted a Shareholder Communication Policy which can be found on the Company’s website at http://pancon.com.au/about-us/corporate-governance/</p> <p>The Policy covers the Company’s belief that general meetings are an effective means of communicating with Shareholders. The Company provides information in the Notice of Meeting that is presented in a clear, concise and effective manner. Meetings are held during business hours, at a central location convenient for the largest number of Investors to attend. Shareholders are encouraged to attend and take note of the Chairman’s address as well as vote on the resolutions presented to the meeting. Upon completion of formal matters, the Chief Executive Officer provides attendees with an update of activities via a company presentation. This provides Investors with an opportunity to ask questions, express their views or just meet the Company representatives.</p>
6.4	A listed Entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
	Adopted – Pancontinental has had this recommendation in place for some time, prior to it becoming part of the Corporate Governance Principles and Recommendations.
6.5	A listed Entity should give security holders the option to receive communications from, and send communications to, the Entity and its security registry electronically.
	Adopted – Pancontinental has had this recommendation in place for some time, prior to it becoming part of the Corporate Governance Principles and Recommendations.
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
7.1	<p>The Board of a listed Entity should:</p> <p>(a) have a Committee or Committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, <p>and disclose:</p> <ol style="list-style-type: none"> (3) the charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; <p>or</p> <p>(b) if it does not have a Risk Committee or Committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the Entity’s risk management framework.</p>
	<p>Not Adopted - The full Board fulfils the role of the Risk Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of a Risk Committee and no separate meetings were held as the Risk Committee during the year. The Board is of the view that this is an important part of the business which all Directors should be involved in. The Company’s Risk Management Policy which can be found at http://pancon.com.au/about-us/corporate-governance/ is applied when reviewing and discussing risk management matters.</p> <p>In managing risk, it is the Company’s practice to take advantage of potential opportunities while managing potential adverse effects. The Company’s Risk Management Policy sets out the Company’s risk management system and processes as well as the Company’s Risk Profile.</p> <p>The Policy covers the following risk related points and is used as a means to assess the Company’s risk management structure:</p> <ul style="list-style-type: none"> • The role of the Board and delegated responsibility – ultimate responsibility rests with the Board, however day to day management of risk is the responsibility of the CEO • The role of the CEO and accountabilities • Authority of the CEO • Risk Profile • Audit Committee Charter • Regular budgeting and financial reporting • Clear limits and authorities for expenditure levels • Procedures for compliance with continuous disclosure obligations under the Listing Rules



	<ul style="list-style-type: none"> • Procedures to assist with establishing and administering corporate governance systems and disclosure requirements • Responsibility to Stakeholders • Continuous improvement
7.2	<p>The Board or a Committee of the Board should:</p> <p>(a) review the Entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the Entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> <p>Adopted – The Board and Management assess risk as part of the ordinary course of business activities such as strategic planning, promotion, budgets, mergers and acquisitions, strategic partnerships, legislative changes and conducting business abroad. Each Board Meeting as well as general Board discussions are used as a platform for the review and assessment of the Company’s risk profile. The Board believes consideration of risk isn’t an exercise that should be considered on an annual or periodic basis but rather it be considered in every decision and action the Board makes.</p>
7.3	<p>A listed Entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> <p>Adopted – The Company discloses that it does not have an internal audit function. The Company’s risk management system is overseen by Executive Staff who ensure the identification, monitoring and response of business risks. The Board reviews the assessment of the efficiency of the system and according to the Risk Management Policy is required to satisfy itself that the Executive team has developed and implemented a sound system of risk management and internal control.</p>
7.4	<p>A listed Entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> <p>Adopted – The Company values economic, environmental and social sustainability in areas within which it operates. The Company has adopted a Corporate Governance Manual which sets out the policies and procedures in place which apply to the Board, Executives, Employees and the entire business. The policies and procedures are designed to assist in identifying relevant risks and having processes in place to mitigate if not eliminate the risk.</p> <ul style="list-style-type: none"> • Economic sustainability refers to the ability of a listed Entity to continue operating at a particular level of economic production over the long term. • Environmental sustainability refers to the ability of a listed Entity to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. • Social sustainability is the ability of a listed Entity to continue operating in a manner that meets accepted social norms and needs over the long term. <p>Risks identified that may have a material effect on the Company are discussed in detail in the Directors’ Report section of the Annual Report titled Risk Management.</p>



PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY	
8.1	<p>The Board of a listed Entity should:</p> <p>(a) have a Remuneration Committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, and disclose: (3) the charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; <p>or</p> <p>(b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.</p>
	<p>Not Adopted – The full Board fulfils the role of the Remuneration Committee.</p> <p>The Board considers those matters that would ordinarily be the responsibility of a Remuneration Committee and no separate meetings were held as the Remuneration Committee during the year. The Board has adopted a Remuneration Committee Charter which is disclosed on the Company's website at http://pancon.com.au/about-us/corporate-governance/ The Charter as well as the Company's Remuneration Policy is applied when convening to discuss Remuneration Committee matters.</p> <p>Emoluments of Directors and Senior Executives are set by reference to payments made by other companies of a similar size and industry, and by reference to the skills and experience of the Directors and Executives. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's annual report.</p> <p>Should circumstances arise where the Board needs assistance on a remuneration matter, the Board after requisite approval may engage a remuneration consultant to ensure the level of remuneration in the Company is appropriate for its size, level of activity and industry.</p>
8.2	<p>A listed Entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives.</p>
	<p>Adopted - The Company has adopted a Remuneration Committee Charter which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/ The Charter separately discloses the processes regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives.</p> <p><u>Executive Remuneration</u></p> <p>In considering the level of remuneration for Executives, the matters that are taken into account include:</p> <ul style="list-style-type: none"> • Remuneration which motivates Executives to pursue the long term growth and success of the Company within an appropriate control framework; • Align the interests of key leadership with the long term interests of the Company's Shareholder; and <p><u>Non-Executive Remuneration</u></p> <p>Matters of consideration include:</p> <ul style="list-style-type: none"> • Fees paid to Non-Executive Directors are within the aggregate amount approved by Shareholders; • Non-Executive Directors to be remunerated by way of fees; • Non-Executive Directors are not provided with retirement benefits other than statutory superannuation; and • Non-Executive Directors are not entitled to participate in equity-based remuneration schemes designed for Executives without due consideration and appropriate disclosure to the Company Shareholders.



8.3	<p>A listed Entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none">(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and(b) disclose that policy or a summary of it. <p>Adopted - The Company has adopted a Policy for Trading in Company Securities which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/</p> <p>Directors, Officers and Employees who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act 2001 dealing with insider trading, in conjunction with the Company's Policy for Trading in Company Securities. The policy has been developed so that all Company Employees and representatives are clear as to their obligations with regard to trading while in possession of insider information.</p>
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Statement of Comprehensive Income



YEAR ENDED 30 JUNE 2023	Notes	CONSOLIDATED	
		2023	2022
		\$	\$
OPERATING ACTIVITIES			
Depreciation expenses	2, 6	(2,179)	(3,010)
Salaries, fees and benefits		(398,591)	(405,643)
Audit fees		(32,500)	(41,500)
Generative exploration expenditure and write off	2	63,963	(750)
Annual report costs		(2,423)	(5,334)
ASX fees		(59,323)	(42,858)
Insurance		(79,939)	(79,136)
Legal fees		(5,126)	(22,575)
Share registry costs		(31,794)	(27,369)
Rent and outgoings		(27,077)	(33,579)
Office expenses		(56,984)	(41,506)
Travel		(12,386)	(105)
Corporate advisory		(72,000)	(50,000)
Other expenses		(94,707)	(70,409)
TOTAL OPERATING ACTIVITIES		(811,066)	(823,774)
FINANCING ACTIVITIES			
Financing income		72,429	595
Financing expense		(1,131,922)	-
TOTAL FINANCING ACTIVITIES		(1,059,493)	595
PROFIT/(LOSS) BEFORE INCOME TAX		(1,870,559)	(823,179)
Income tax expense	3	-	-
PROFIT/(LOSS) FOR THE PERIOD		(1,870,559)	(823,179)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income /(loss)		-	-
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,870,559)	(823,179)
Comprehensive income / (loss) attributable to:			
Owners of the Company		(1,837,337)	(821,681)
Non-controlling interest	5(b)	(33,222)	(1,498)
		(1,870,559)	(823,179)
Basic earnings per share (cents per share)	15	(0.02)	(0.01)
Diluted earnings per share (cents per share)		(0.02)	(0.01)

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position



AT 30 JUNE 2023	Notes	CONSOLIDATED	
		2023	2022
		\$	\$
CURRENT ASSETS			
Cash assets	11(b)	5,300,909	274,051
Trade and other receivables	4	73,641	67,715
TOTAL CURRENT ASSETS		5,374,550	341,766
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,712	7,891
Deferred exploration, evaluation and development costs	7	4,066,860	3,303,679
TOTAL NON-CURRENT ASSETS		4,072,572	3,311,570
TOTAL ASSETS		9,447,122	3,653,336
CURRENT LIABILITIES			
Trade and other payables	8	252,089	196,149
TOTAL CURRENT LIABILITIES		252,089	196,149
NON-CURRENT LIABILITIES			
Provision for employee entitlements		50,425	38,978
Non-controlling interest loan in subsidiary	5(b)	476,560	476,560
TOTAL NON-CURRENT LIABILITIES		526,985	515,538
TOTAL LIABILITIES		779,074	711,687
NET ASSETS		8,668,048	2,941,649
EQUITY			
Contributed equity	9(a)	118,645,569	112,178,611
Reserves	10	1,130,000	149,962
Accumulated losses	10	(111,107,521)	(109,386,924)
TOTAL EQUITY		8,668,048	2,941,649
Capital and reserves attributable to owners of PCL		10,141,913	4,448,729
Non-controlling interest	5(b)	(1,473,865)	(1,507,080)
		8,668,048	2,941,649

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity



AT YEAR ENDED 30 JUNE 2023

Consolidated	Share Capital	Retained Earnings	Option Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	112,178,611	(109,386,924)	149,962	2,941,649
Profit or loss	-	(1,870,559)	-	(1,870,559)
Other comprehensive income/(loss)	-	-	-	-
Shares issued (net of costs)	6,466,958	-	-	6,466,958
Share option & reserve movements	-	149,962	980,038	1,130,000
Balance at 30 June 2023	118,645,569	(111,107,521)	1,130,000	8,668,048
Balance at 1 July 2021	111,093,675	(109,006,185)	592,402	2,679,892
Profit or loss	-	(823,179)	-	(823,179)
Other comprehensive income/(loss)	-	-	-	-
Shares issued (net of costs)	1,084,936	-	-	1,084,936
Share option & reserve movements	-	442,440	(442,440)	-
Balance at 30 June 2022	112,178,611	(109,386,924)	149,962	2,941,649

The above Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

Statement of Cashflows



YEAR ENDED 30 JUNE 2023	Notes	CONSOLIDATED	
		2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(906,702)	(799,280)
Expenditure on exploration interests		(647,402)	(305,050)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	11(a)	(1,554,104)	(1,104,330)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
Reimbursement of past costs - Woodside*	5(c)	2,217,842	-
Option agreement for 1% of PEL 87 - Custos Investments*	5(c)	(2,273,120)	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(55,278)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest received		19,455	115
Proceeds from issues of ordinary shares (net of share issue costs)		6,563,307	976,243
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		6,582,762	976,358
NET INCREASE/(DECREASE) IN CASH HELD		4,973,380	(127,972)
Add opening cash brought forward		274,051	394,408
Effects of exchange rate changes		53,478	7,615
CLOSING CASH CARRIED FORWARD	11(b)	5,300,909	274,051

The above Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Financial Report was authorised for issue by the Directors on 29 September 2023.

Statement of Compliance

The Financial Report is a General Purpose Financial Report which has been prepared in accordance with Australian Accounting Standards, including Australian interpretations adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The Consolidated Financial Report of the Consolidated Entity and Company also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

Basis of preparation

The report has been prepared on the basis of historical costs and except where stated does not take into account changing money values or current valuation of non-current assets. The accounting policies adopted are consistent with those of the previous year. The following specific accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(b) Exploration Expenses

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

As at the end of the financial year, the Directors considered that the carrying value of the exploration interests of the Consolidated Entity was as shown in the Statement of Financial Position and no further impairments arises other than that already recognised.

(c) Principles of consolidation

The Consolidated Financial Statements are those of the Consolidated Entity, comprising Pancontinental Energy NL (the Parent Entity) and all Entities which Pancontinental Energy NL controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the Parent Company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the Consolidated Financial Statements include the results for the part of the reporting period during which the Parent Company has control.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.



(d) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of Entities within the Consolidated Entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

A monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract is translated at the exchange rate fixed in the contract.

All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year. Any gains or costs on entering a hedge are deferred and amortised over the life of the contract.

(e) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Interest expense is charged as an expense as it accrues.

(f) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Bills of exchange and promissory notes are measured at the lower of cost and net realisable value.

(g) Investments

Investments in Controlled Entities are carried in the Company's Financial Statements at the lower of cost and recoverable amount.

(h) Recoverable Amount

The carrying amounts of non-current assets valued on the cost basis, other than exploration and evaluation expenditure carried forward are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write down is expensed in the reporting period in which it occurs.

(i) Property, plant and equipment

Cost and valuation

Property, plant and equipment is measured at cost.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment.

Major depreciation rates are:

	2023	2022
Plant and equipment:	30%	30%

(j) Joint ventures

Interests in the joint venture operations are brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

In the Company's Financial Statements, investments in joint venture operations were carried at the lower of cost and recoverable amount.



(k) Going concern

The Directors consider that the going concern basis for the Consolidated Entity is appropriate. This basis has been determined after consideration of the following factors:

- The ability to issue additional share capital under the *Corporations Act 2001*, if required, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of the Consolidated Entity's exploration projects and;
- The ability, if required to dispose of interests in exploration assets.

Accordingly, the Directors believe that the Consolidated Entity will obtain sufficient cash inflows to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the Financial Statements.

(l) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity.

Payables to related parties are carried at the principal amount.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(m) Provisions

Provisions are recognised when the economic Entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(n) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Services

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest Revenue

Control of the right to receive the interest payment. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(p) Taxes

Where assets are revalued no provision for potential capital gains tax has been made.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.



The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Employee benefits

Provision is made for Employee benefits accumulated as a result of Employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other Employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of Employee benefits

are charged against profits on a net basis in their respective categories.

(r) Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(t) Financial Instruments

See financial instruments note for compliance notes with AASB 7, financial instruments: disclosures.

(u) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for the current annual report period; however, none have been applied in preparing these Consolidated Financial Statements. The standards are not expected to have a material impact on the accounting policies or Consolidated Financial Statements of the Group.



2. DEPRECIATION AND WRITE OFF

	CONSOLIDATED	
	2023	2022
	\$	\$
Expenses		
Depreciation of non-current assets:		
Office furniture and equipment	2,179	3,010
Generative exploration and write off:		
Exploration and evaluation costs	(63,963)	750

3. INCOME TAX

	CONSOLIDATED	
	2023	2022
	\$	\$

(a) Income Tax (Benefit)/Expense

The prima facie tax, using tax rates applicable in the country of operation, on profit and extraordinary items differs from the income tax provided in the Financial Statements as follows:

Prima facie tax on profit from ordinary activities	(561,168)	(246,954)
<i>Tax effect of permanent differences:</i>		
Other items (net)	-	-
Amount not brought to account as a carried forward future income tax benefit	561,168	246,954
Income tax expense attributable to ordinary activities	-	-

(b) Future Income Tax Benefit not taken into account

The potential future income tax benefit calculated at 30% in respect of:

Adjustments to carry forward tax losses	-	-
Tax Losses not brought to account	7,701,205	7,140,037
Total	* 7,701,205	7,140,037

This future income tax benefit will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

The recognition and utilisation of losses is subject to the loss recoupment rules being satisfied.

*The potential future income tax benefit was calculated by multiplying the current tax rate of 30% by the Group's carry forward losses at 30 June 2023 of \$25,670,682.



4. RECEIVABLES (CURRENT)	CONSOLIDATED	
	2023	2022
	\$	\$
Trade receivables & prepayments	73,641	67,715
Total	73,641	67,715

(a) Terms and conditions

- (i) Trade debtors are non-interest bearing and generally on 30 day terms.
- (ii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

5. INTERESTS IN SUBSIDIARIES & INVESTMENTS

(a) Interests in Subsidiaries

Name	Country of incorporation	Percentage of equity interest held by the Consolidated Entity		Investment (Recorded in Parent Entity)	
		2023	2022	2023	2022
		%	%	\$	\$
Pancontinental Namibia Pty Ltd*	Australia	66.67	66.67	20	20
Provision for diminution in value of investment				(20)	(20)
Loan to Pancontinental Namibia Pty Ltd				3,951,221	3,944,221
Provision for loss on loan to Pancontinental Namibia Pty Ltd				(3,945,477)	(3,944,221)
Pancontinental Orange Pty Ltd*	Australia	100	100	20	20
Provision for diminution in value of investment				(20)	(20)
Loan to Pancontinental Orange Pty Ltd				4,157,622	3,438,849
Provision for loss on loan to Pancontinental Orange Pty Ltd				(250,788)	(244,784)
Pancontinental Cooper Pty Ltd	Australia	100	100	1	1
Provision for diminution in value of investment				(1)	(1)
Loan to Pancontinental Cooper Pty Ltd				166,204	161,204
Provision for loss on loan to Pancontinental Cooper Pty Ltd				(6,789)	(1,359)
Total				4,071,993	3,353,910

*Australian Entities audited by Rothsay Audit & Assurance Pty Ltd, branch operation audited by local in country auditors.

(b) Part Disposal of Subsidiary & Non-Controlling Interest– Pancontinental Namibia Pty Ltd

In September 2017, the Group disposed of 33.33% of the ownership interest in Pancontinental Namibia Pty Ltd to Africa Energy Corp. Following the disposal, the Group still controls the subsidiary and retains 66.67% of the ownership interest. The transaction has been accounted for as an equity transaction with a non-controlling interest ("NCI") resulting in the balances as shown in the Financial Statements.

(c) Option Deeds with Woodside Energy and Custos Investments

During the financial year, Pancontinental announced that its wholly owned subsidiary Pancontinental Orange Pty Ltd had entered into an Option Deed with Woodside Energy (GOM), Inc, a wholly owned subsidiary of Woodside Energy Group Ltd whereby Pancontinental granted Woodside an exclusive option to acquire a 56% Participating Interest in PEL 87, in consideration for Woodside paying for a 3D seismic survey covering an area of at least 5,000 square kilometres within the area the subject of PEL 87 at an estimated cost of US\$ 35 million and also paying Pancontinental US\$1.5 million.



Woodside has a period of at least 180 days after the delivery of the seismic survey data to exercise that option.

If Woodside exercises the option then Woodside and Pancontinental have agreed to enter into a farmout agreement whereby Woodside will carry the existing joint venture during the drilling of the first exploration well to be drilled on the licence area after the completion of the seismic survey.

To ensure Pancontinental retains at least a 20% interest in the project if Woodside exercises its option, Pancontinental has, for a consideration of US\$1.5 million, entered into an option agreement with Custos Investments (Pty) Ltd to acquire a 1% interest from Custos by paying Custos a further US\$1million. This option is exercisable by Pancontinental within a similar time period as Woodside's option. Pancontinental will retain a 20% interest during the drilling of the well.

If the joint venture decides to drill a second well then Pancontinental may:

- (i) retain its 20% interest but must pay its share of well costs;
- (ii) reduce its interest to a 10% Participating Interest and have Woodside carry Pancontinental through the cost of the second well; or
- (iii) at any time up to 60 days after the approval of any Development Plan, convert its interest to a 1.5% gross overriding revenue royalty interest.

Upon Woodside's election to exercise its option, Woodside will pay Pancontinental approximately US\$ 2.5 million, of which approximately US\$1.5 million is reimbursement of a portion of Pancontinental's past costs.

6. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2023	2022
	\$	\$
Office equipment		
At cost	25,024	25,024
Less: Accumulated depreciation	(19,312)	(17,133)
Total written down value of Office equipment	5,712	7,891

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment

Office equipment		
Carrying amount opening balance	7,891	10,901
Additions	-	-
Disposals	-	-
Depreciation expense	(2,179)	(3,010)
Total written down amount	5,712	7,891



7. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

	CONSOLIDATED	
	2023	2022
	\$	\$
Exploration, evaluation and development costs carried forward		
Pre-production, exploration and evaluation phases:		
Carrying amount at 1 July	3,303,679	2,993,035
Expenditure & acquisitions during the year	643,940	311,394
3D Seismic costs*	28,224,311	-
3D Seismic costs paid by Woodside per Option Deed*	(28,224,311)	-
Option Deed payment – Custos Investments*	2,273,120	-
Option Deed payment – Woodside Energy*	(2,217,842)	-
Exploration expenditure written off (refunded)	63,963	(750)
Carrying amount at 30 June	4,066,860	3,303,679

* See note 5(c) for further explanation.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective petroleum areas.

8. TRADE and OTHER PAYABLES

	CONSOLIDATED	
	2023	2022
	\$	\$
Current		
Trade creditors, accruals and provisions	252,089	196,149
Total	252,089	196,149

9. CONTRIBUTED EQUITY

	CONSOLIDATED	
	2023	2022
	\$	\$
(a) Issued and paid up capital		
Ordinary shares fully paid	118,645,569	112,178,611
Total	118,645,569	112,178,611

(b) Movements in shares on issue

ASX: PCL	2023		2022	
	Number of shares	\$	Number of shares	\$
Beginning of the financial year	7,154,222,823	112,178,611	6,006,715,498	111,093,675
Issued during the year:				
– Placement share issue (net of costs)	900,000,000	6,466,958	1,147,507,325	1,084,936
End of the financial year	8,054,222,823	118,645,569	7,154,222,823	112,178,611

(c) Movements in listed options on issue

ASX: PCLO	2023		2022	
	Number of listed options	\$	Number of listed options	\$
Beginning of the financial year	-	-	-	-
Issued during the year:				
– Listed options	549,999,998	-	-	-
End of the financial year	549,999,998	-	-	-

The 549,999,998 listed options do not have a value in the general ledger due to the listed options being free attaching options to shares (1 free option for every 2 shares subscribed for) issued in the placements during the financial year. In addition 100,000,000 listed options were issued to the lead manager in the placements.



10. RESERVES AND ACCUMULATED LOSSES

	CONSOLIDATED	
	2023	2022
	\$	\$
Reserves		
Beginning of the financial year	149,962	592,402
Options issued	1,130,000	-
Options expired	(149,962)	(442,440)
End of the financial year	1,130,000	149,962
Accumulated losses		
Beginning of the financial year	(109,386,924)	(109,006,185)
Net loss	(1,870,559)	(823,179)
Options expired	149,962	442,440
Total available for appropriation	(111,107,521)	(109,386,924)
End of the financial year	(111,107,521)	(109,386,924)

11. STATEMENT OF CASH FLOWS

	CONSOLIDATED	
	2023	2022
	\$	\$
(a) Reconciliation of the net loss after tax to the net cash flows from operations		
Net loss	(1,870,559)	(823,179)
Non-Cash Items, Non-Operating Items		
Depreciation of non-current assets	2,179	3,010
Financing income	(72,429)	(595)
Financing expense	1,131,922	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(5,926)	(294)
(Increase)/decrease in exploration, evaluation & development	(763,181)	(310,644)
(Decrease)/increase in trade and other payables	55,940	25,050
(Decrease)/increase in non-current liabilities	11,447	(99,236)
Other non-cash	(43,497)	101,558
Net cash flow from operating activities	(1,554,104)	(1,104,330)
(b) Reconciliation of cash		
Cash balance comprises:		
- cash assets	5,300,909	274,051
Closing cash balance	5,300,909	274,051

12. EXPENDITURE COMMITMENTS

	CONSOLIDATED	
	2023	2022
	\$	\$
Capital expenditure commitments		
Estimated capital expenditure contracted for at reporting date, but not provided for, payable:		
not later than one year	-	-
later than one year and not later than five years	-	7,255,557
later than five years	-	-
Total	-	7,255,557

The Company does not have any current commitments. The Group has had certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work its exploration licences. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. At balance date the Company had an interest in one core exploration block of which the work commitments have been met up to the balance date.



13. EMPLOYEE BENEFITS

Employee Share Scheme

Information with respect to the number of options under the Employee Share Incentive Scheme is as follows:

	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	-	-	72,500,000	0.006
- issued	230,000,000	0.01	-	-
- expired	-	-	(72,500,000)	0.006
Balance at end of year	230,000,000	0.01	-	-

Options held at the end of the reporting period

There were an additional 78,926,830 options held by the Company as at 30 June 2022, these options were not issued under the Employee Share Scheme and expired during the 2023 financial year.

14. SUBSEQUENT EVENTS

25 July 2023

The Company held a General Meeting on 25 July 2023. The seven (7) resolutions put to the General Meeting were voted on by a poll and all seven (7) resolutions passed.

28 July 2023

Pancontinental issued unlisted options to eligible participants of the Company's Incentives Awards Plan:

Key terms of the unlisted options include:

Type of Security	Unquoted options
Type of Award	Each option is exercisable, before its expiry date, into one fully paid, ordinary share in the Company
Number of Awards Granted	Director Ernest Anthony Myers – 40,000,000 Director Vesna Petrovic – 20,000,000 (approval for the issue of options to directors was granted at the General Meeting held 25 July 2023)
Exercise Price	\$0.0145 per option
Vesting Condition	Remain a director for 3 months from date of grant
Expiry of Options	28 July 2027

8 August 2023

The Company issued 1,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 500,000 listed options to Pinegold Enterprises Pty Ltd (nominee of Director EA Myers). The shares were subscribed for at \$0.01 per share and raised \$10,000 for the Company. The listed options have an exercise price of \$0.012 and expire 8 August 2025. The issues were approved by shareholders at the General Meeting held 25 July 2023 and issued on the same terms as unrelated participants of the placement announced 15 May 2023.

22 August 2023

The Company raised \$24,000 by the conversion of 2,000,000 listed options at \$0.012 to ordinary shares.

24 August 2023

The Company issued 2,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 1,000,000 listed options to RB Rushworth and 1,000,000 ordinary shares together with one (1) free attaching listed option for every two (2) ordinary shares subscribed for totaling 500,000 listed options to Vesna Petrovic. The shares were subscribed for at \$0.01 per share and raised \$30,000 for the Company. The listed options have an exercise price of \$0.012 and expire 8 August 2025. The issues were approved by shareholders at the General Meeting held 25 July 2023 and issued on the same terms as unrelated participants of the placement announced 15 May 2023.



Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

15. EARNINGS PER SHARE

	CONSOLIDATED	
	2023	2022
	\$	\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit	(1,870,559)	(823,179)
Adjustments:		
Earnings used in calculating basic and diluted earnings per share	(1,870,559)	(823,179)
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	7,586,551,590	6,992,201,131
Effect of dilutive securities:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	7,554,003,643	6,992,201,131

16. AUDITORS' REMUNERATION

	CONSOLIDATED	
	2023	2022
	\$	\$
Amounts received or due and receivable by Rothsay Audit & Assurance Pty Ltd for:		
- an audit or review of the Financial Report of the Entity and any other Entity in the Consolidated Entity	40,500	41,500
- other services in relation to the Entity and any other Entity in the Consolidated Entity ¹	16,900	25,000
	57,400	66,500

The remuneration disclosed above does not include amounts paid or payable to overseas subsidiary company auditors.

1. During the year, the Company's auditors performed certain other services in addition to the audit and review of the financial statements. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the Corporate Governance procedures adopted by the Group; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

As recommended by the Parliamentary Joint Committee on Corporations and Financial Services, the Company provides the following information:

- Auditor tenure: 3 years
- Lead auditor tenure: 3 years
- A public tender process for the position of company auditor has not been undertaken due to the Board's belief that the current auditors are the most appropriate to suit the current needs of the Company.



17. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives as at 30 June 2023

(i) Specified Directors *for the current financial year*

Henry David Kennedy	Non-Executive Chairman (retired December 2022)
Ernest Anthony Myers	Executive Chairman (appointed December 2022)
	Executive Director, CEO (to 1 December 2022)
Roy Barry Rushworth	Executive Director, Technical
Vesna Petrovic	Executive Director, Company Secretary
Marie Michele Malaxos	Non-Executive Director (resigned February 2022)

(ii) Specified Executives *for the current financial year*

N/A

Fees paid for Non-Executive Directors, last voted upon by Shareholders at the 2007 AGM, is not to exceed \$400,000 per annum and is set with reference to fees paid to other Non-Executive Directors of comparable companies.

Non-Executive and Executive Directors do not receive performance related remuneration but they are eligible to participate in Employee Option Schemes approved by Shareholders.

Directors do not receive any termination or retirement benefits.

(b) Remuneration of Specified Directors /Officers

	Salary & Fees	Primary Consult- ing	Non Mone- tary benefits	Post Employment Super- annuati on	Retire- ment benefits	Equity Options	Super- annuation	Total
Specified Directors/Officers								
Henry David Kennedy (retired December 2022)								
2023	10,417	-	-	-	-	80,000	-	90,417
2022	25,000	-	-	-	-	-	-	25,000
Ernest Anthony Myers								
2023	101,669	-	-	-	-	-	10,675	112,344
2022	100,002	-	-	-	-	-	10,000	110,002
Roy Barry Rushworth								
2023	183,332	-	-	-	-	400,000	-	583,332
2022	89,081	-	-	-	-	-	-	89,081
Vesna Petrovic								
2023	150,833	-	-	-	-	160,000	15,838	326,671
2022	134,375	-	-	-	-	-	13,438	147,813
Marie Michele Malaxos (resigned February 2022)								
2023	-	-	-	-	-	-	-	-
2022	13,333	-	-	-	-	-	-	13,333
Total Remuneration: Specified Directors /Officers								
2023	446,251	-	-	-	-	640,000	26,513	1,112,764
2022	361,791	-	-	-	-	-	23,438	385,229



(c) Directors' remuneration options: Granted and vested during the year

	Granted Number	Grant Date	Terms & Conditions for Each Grant		First Exercise Date	Last Exercise Date
			Value per option at grant date (\$)	Exercise Price per share (\$)		
Specified Directors						
Henry David Kennedy ¹	20,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Roy Barry Rushworth	100,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Vesna Petrovic	40,000,000	30 Dec 22	0.004	0.007	30 Mar 22	29 Dec 26
Total	160,000,000					

1. HD Kennedy retired in December 2022.

There were no options granted as part of Director remuneration for the year ended 30 June 2022.

(d) Option holdings of specified Directors and specified Executives

2023

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Net Change Other	Balance at end of period
	1 July 2022				30 June 2023
Specified Directors					
Henry David Kennedy ¹	-	20,000,000	-	-	20,000,000
Roy Barry Rushworth	-	100,000,000	-	-	100,000,000
Vesna Petrovic	-	40,000,000	-	-	40,000,000
Total	-	160,000,000	-	-	160,000,000

1. HD Kennedy retired in December 2022.

2022

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Net Change Other	Balance at end of period
	1 July 2021				30 June 2022
Specified Directors					
Ernest Anthony Myers	20,000,000	-	(20,000,000)	-	-
Roy Barry Rushworth	20,000,000	-	(20,000,000)	-	-
Vesna Petrovic	20,000,000	-	(20,000,000)	-	-
Marie Michele Malaxos (resigned February 2022)	39,463,415	-	(39,463,415)	-	-
Total	99,463,415	-	(99,463,415)	-	-

(e) Shareholdings of Specified Directors and Specified Executives

2023

Ordinary Shares held in Pancontinental Energy NL	Balance 1 July 2022	Acquisitions (Disposals)	Balance 30 June 2023
Specified Directors			
Henry David Kennedy ¹	643,824,491	15,000,000	658,824,491
Ernest Anthony Myers	2,900,715	-	2,900,715
Roy Barry Rushworth	144,335,610	-	144,335,610
Total	791,060,816	15,000,000	806,060,816

1. HD Kennedy retired in December 2022.



2022

Ordinary Shares held in Pancontinental Energy NL Specified Directors	Balance 1 July 2021	Acquisitions (Disposals)	Balance 30 June 2022
Henry David Kennedy ¹	411,768,269	232,056,222	643,824,491
Ernest Anthony Myers	2,900,715	-	2,900,715
Roy Barry Rushworth	134,335,610	10,000,000	144,335,610
Marie Michele Malaxos (resigned February 2022)	39,000,000	20,000,000	59,000,000
Total	588,004,594	262,056,222	850,060,816

1. HD Kennedy retired in December 2022.

18. SEGMENT INFORMATION

Segment accounting policies

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board of Pancontinental reviews internal reports prepared as Consolidated Financial Statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated predominately in one business segment, being the energy sector. Accordingly, under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the Consolidated Financial Statements.

19. FINANCIAL INSTRUMENTS

Financial risk management

Overview:

The Company and Group have exposure to the following risks from their use of financial instruments:

- (a) credit risk
- (b) liquidity risk
- (c) market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In this industry, it arises principally from the receivables of joint venture re-charges and recuperations of cost. For the Group in this financial year, it arises primarily from receivables due from subsidiaries, GST and VAT refunds, prepayments and bonds.

- (i) Trade and other receivables:

The Group operates predominantly in the energy exploration sector; it does not ordinarily have material trade receivables and is therefore not ordinarily exposed to credit risk in relation to trade receivables.



(ii) Loans to subsidiaries:

The Company has provided funding to its subsidiaries by way of loans. Repayment of these loans will occur through future business activities of each respective Entity.

Exposure to credit risk

The carrying amount of the Company's and Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Consolidated	Note	Carrying amount	
		2023	2022
		\$	\$
Trade and other receivables	4	73,641	67,715
Cash and cash equivalents		5,300,909	274,051
Total		5,374,550	341,766

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Impairment losses:

There are no material receivables past due for the Company or Group as at 30 June 2023, (2022: nil).

An impairment write down in respect of inter-Group loans and shares was recognised during the current year from an analysis of the subsidiaries respective financial positions. The total impairment write down recognised through impairment of loans to subsidiaries and shares held in subsidiaries during the current period was \$12,689 (2022: \$5,524).

Whilst the loans were not payable at 30 June 2023 a provision for impairment based on the subsidiaries financial position was carried forward from previous periods. The balance of this provision may vary due to performance of a subsidiary in a given year.

(b) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves through monitoring forecasts and actual cash flows.

Consolidated	Contractual cashflows		
	< 1 year	1-5 years	> 5 years
	\$	\$	\$
Trade and other payables - Current	(252,089)	-	-
Provisions - Non Current	-	-	(50,425)
Other payables - Non Current	-	-	(476,560)
Total	(252,089)	-	(526,985)



(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk:

The Group is from time to time exposed to currency risk on investments, and foreign currency denominated purchases in a currency other than the respective functional currencies of Group Entities, primarily the Australian dollar (AUD). The other material currency that these transactions are denominated in is the (USD).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Exposure to currency risk:

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

AUD	30 June 2023			30 June 2022		
	AUD	USD	Total	AUD	USD	Total
Cash & cash equivalents	5,060,071 ¹	240,838	5,300,909	266,862 ²	7,189	274,051
Trade & other receivables	73,641	-	73,641	67,715	-	67,715
Trade and other payables	(779,074)	-	(779,074)	(711,687)	-	(711,687)
Net balance sheet exposure	4,354,638	240,838	4,595,476	(377,110)	7,189	(369,921)

1. 4,124.63 Namibian dollars which is the equivalent of \$329.99 is included in the AUD balance as it is immaterial to the currency risk.

2. 1,840.84 Namibian dollars which is the equivalent of \$164.05 is included in the AUD balance as it is immaterial to the currency risk.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2023	2022	2023	2022
AUD : USD	0.673	0.723	0.664	0.689

Sensitivity analysis:

A 10 percent strengthening of the Australian dollar against the USD at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

Effect in AUD	Consolidated	
	Equity	Profit or loss
30 June 2023		
10% strengthening	26,760	26,760
30 June 2022		
10% strengthening	799	799



A 10 percent weakening of the Australian dollar against the USD at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis only had an effect on the equity or profit and loss of the Company in relation to the USD bank account.

Interest rate risk:

At balance date the Group had exposure to interest rate risk, through its cash and equivalents held within financial institution.

	Consolidated Carrying Amount	
	30 June 2023	30 June 2022
Variable rate instruments		
Cash and cash equivalents	5,300,909	274,051

Fair value sensitivity analysis for fixed rate instruments:

The Company and Group do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at reporting date would not affect profit or loss or equity.

Fair values:

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	30 June 2023		30 June 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	73,641	73,641	67,715	67,715
Cash and cash equivalents	5,300,909	5,300,909	274,051	274,051
Trade and other payables	(779,074)	(779,074)	(711,687)	(711,687)
	4,595,476	4,595,476	(369,921)	(369,921)

The basis for determining fair values is disclosed in note 1.

Capital Management:

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total Shareholders' equity, excluding non-redeemable preference shares and minority interests.

	2023	2022
Equity attributable to Shareholders of the Company		
Minorities	(1,473,865)	(1,507,080)
Equity	10,141,913	4,448,729
Total assets	9,447,122	3,653,336
Equity ratio in %	107.35%	121.77%
Average equity	7,295,321	2,810,771
Net Profit /(Loss)	(1,870,559)	(823,179)
Return on Equity in %	(25.64)%	(29.29)%

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



20. RELATED PARTY

- (a) During the year the Company paid fees to Resource Services International Limited, a company in which Mr Kennedy has a financial interest, for his role as Non-Executive Chairman. The amount paid was \$10,417 (2022: \$25,000). Refer note 17.
- (b) During the 2022 financial year the Company paid fees to GM Woodmont Pty Ltd, a company in which Ms Malaxos (resigned February 2022) has a financial interest, for Non-Executive Director fees. The amount paid was \$13,333. No payments were made in the 2023 financial year. Refer note 17.
- (c) The Company has effected Directors and Officers Liability Insurance.

21. PARENT INFORMATION

The Group has applied amendments to the *Corporations Act (2001)* which remove the requirement for the Group to lodge Parent Entity Financial Statements. Parent Entity Financial Statements have been replaced by the specific Parent Entity disclosures below.

AT 30 JUNE 2023

	2023	2022
	\$	\$
STATEMENT OF COMPREHENSIVE INCOME		
Profit/(Loss) for the period	(1,971,470)	(819,684)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(1,971,470)	(819,684)
	2023	2022
	\$	\$
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	5,352,836	327,066
TOTAL ASSETS	9,430,541	3,720,475
Liabilities		
Current liabilities	235,509	162,376
TOTAL LIABILITIES	285,934	201,354
Equity		
Contributed equity	115,835,863	109,368,906
Reserves	1,130,000	149,961
Accumulated losses	(107,821,256)	(105,999,746)
TOTAL EQUITY	9,144,607	3,519,121



In accordance with a resolution of the Directors of Pancontinental Energy NL, I state that:

- (1) In the opinion of the Directors:
 - (a) the Financial Statements and notes of the Company and of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2023 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards including International Financial Reporting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2023.

On behalf of the Board

EA Myers
Director

Perth, Western Australia
29 September 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PANCONTINENTAL ENERGY NL**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pancontinental Energy NL (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PANCONTINENTAL ENERGY NL (continued)**

<i>Key Audit Matter - Deferred Exploration, Evaluation and Development Costs</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>As disclosed in Note 7 to the financial statements, the Group's has capitalised exploration expenditure of \$4,066,860.</p> <p>We note that assessment for impairment capitalised exploration and evaluation expenditure is subject to a significant level of judgement.</p>	<p>Our procedures in assessing exploration expenditure included but were not limited to the following:</p> <ul style="list-style-type: none">• We reviewed the ownership rights to the tenements, against which the expenditure is capitalised, their expiry dates and if required commitments were met;• We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>;• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments;• We assessed the reasonableness of management's assessment for the existence impairment indicators; and• We reviewed the appropriateness of the related disclosures in Note 7.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PANCONTINENTAL ENERGY NL (continued)**

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PANCONTINENTAL ENERGY NL (continued)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023.

In our opinion the remuneration report of Pancontinental Energy NL for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

A handwritten signature in black ink, appearing to read 'Dalla', written in a cursive style.

Daniel Dalla
Director

Dated 29 September 2023



Additional information required by the ASX Ltd and not shown elsewhere in this report is as follows.
The information is current as at 30 September 2023.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

		Ordinary shares	
		Number of holders	Number of shares
1	- 1,000	454	96,910
1,001	- 5,000	257	856,704
5,001	- 10,000	284	2,389,608
10,001	- 100,000	1,658	86,065,622
100,001	and over	2,894	7,970,813,979
		5,547	8,060,222,823
The number of shareholders holding less than a marketable parcel of shares are:		1,437	11,467,387

(b) Twenty largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	MR HENRY DAVID KENNEDY	658,824,491	8.17
2	PERTH SELECT SEAFOODS PTY LTD	462,000,000	5.73
3	SOUDURE S/F PTY LTD <GREG SOUDURE PRIV S/F A/C>	357,000,000	4.43
4	CITICORP NOMINEES PTY LIMITED	332,515,679	4.13
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	168,440,262	2.09
6	ROY BARRY RUSHWORTH	146,335,610	1.82
7	CRESCENT NOMINEES LIMITED	130,021,311	1.61
8	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	118,798,591	1.47
9	MSI 888 PTY LTD <MSI 888 A/C>	116,000,000	1.44
10	MR ROBERT ALBERT BOAS	110,000,000	1.36
11	MS FENGMEI SHEN	100,650,000	1.25
12	MR VICTOR LORUSSO	100,000,000	1.24
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	85,199,146	1.06
14	MR SCOTT ROBERT WEIR <THE S R INVESTMENT A/C>	80,985,715	1.00
15	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	80,000,000	0.99
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	66,318,392	0.82
17	BUDWORTH CAPITAL PTY LTD <ROLLING HILLS CAPITAL A/C>	59,500,000	0.74
18	CORD INVESTMENTS PTY LTD <MINING ANALYTICS A/C>	50,000,000	0.62
19	CORD INVESTMENTS PTY LTD <ANDREW C FERGUSON S/F A/C>	45,475,000	0.56
20	GREENSEA INVESTMENTS PTY LTD	44,000,000	0.55
		3,312,064,197	41.00



(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial Shareholders

	Number of Shares
The details of Substantial Shareholders are set out below:	
<ul style="list-style-type: none">Henry David Kennedy	658,824,491
<ul style="list-style-type: none">Perth Select Seafoods Pty Ltd	462,000,000
<ul style="list-style-type: none">Crescent Nominees Limited	130,021,311

(e) Permit Schedule

Permits and Licence Interests	Permit reference	Interest
Petroleum prospects		
Namibia	PEL 87	75%
Australia	ATP 920	earning 20%
Australia	ATP 924	earning 25%

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