

Summary

Namibia - Offshore

PEL 87

- The Joint Venture has continued to analyse areas of interest in PEL 87, Offshore Namibia.
- Pancontinental has a farmout package on offer for potential farminees.
- Exploration activity in the Orange Basin is heating up with three wells planned in blocks adjacent to Pancontinental's PEL 87 within the next 12-18 months.

PEL 37

- The PEL 37 Joint Venture has satisfied all of the exploration programme objectives detailed in the Petroleum Exploration Licence conditions for the period ending March 2020.
- A one year extension to the PEL 37 licence has been granted by the Ministry of Mines and Energy of Namibia.
- In addition to the wells planned in the Orange Basin, further exploration wells are planned for the Walvis Basin, in licences neighbouring PEL 37.

Queensland – Onshore

ATP 920 & 924 – Cooper Basin

- During the quarter, Pancontinental formalised a farmin over two exploration permits onshore Queensland. ATP 920 and the Ace Area of ATP 924 are located in the Cooper Basin and are prospective for both oil and gas.
- Initial drilling is due to commence in the near term.
- Formal confirmation has been received from the Department of Natural Resources, Mines and Energy, Queensland that ATPs 920 and 924 have been renewed for four years to 2023.

Corporate

- Cash balance of AUD \$1.4 million as at 31 December 2019.

ASX Code – PCL

Issued shares – 5,406 million

Market Capitalisation - @ 0.02cps - \$10.8 m

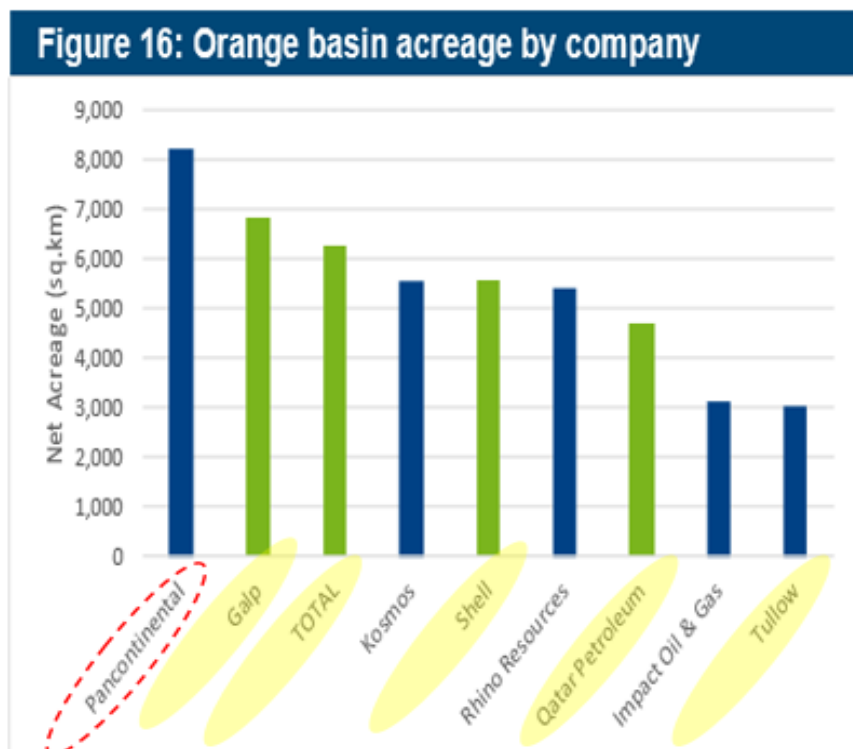
Cash at End of Quarter - \$1.4 million

Projects

Namibia Offshore PEL 87

Location:	Orange Basin		
Project Size:	10,947 square kilometres		
JV Partners:	Pancontinental (Operator)		75.00%
	Custos Investments (Pty) Ltd		15.00%
	NAMCOR*		10.00%
	*National Petroleum Corporation of Namibia		

Pancontinental is the largest acreage holder in the Orange Basin, Offshore Namibia. The Company holds a solid 75% stake in a Joint Venture with local Namibian partners; Custos Investments (Pty) Ltd and the National Petroleum Corporation of Namibia. The Joint Venture over Petroleum Exploration Licence 87 ["PEL 87"] is positioned with an impressive line-up of international companies, as shown in the table below.



Source: Company reports

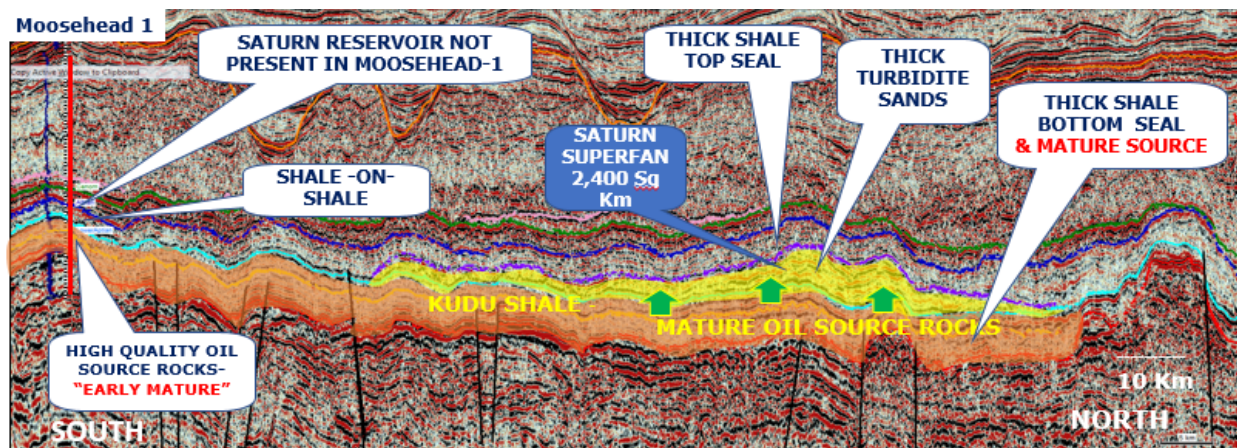
* finnCap Energy quarterly sector note Q4 2019

Pancontinental has held an interest in PEL 87 since December 2017 and in that time has worked through exploration programme objectives such as acquisition of seismic and related reports, processing, interpretation and prospective resource assessment.

The Joint Venture has worked on refining areas of interest within the licence and adding to the farmout package for prospective farminees, which continued to be the focus of management during the quarter.

Exploration carried out to date has uncovered a number of leads within a vast, Turbidite Fan complex of Aptian Age that, based on Pancontinental's interpretation is encased in sealing shales. The fan complex has been named the Saturn Superfan, with highlights of the structure including:

- * 2,400 Km², c 300m thick
- * Located directly on Mature Oil Source
- * High Quality Seals
- * Independent Closures

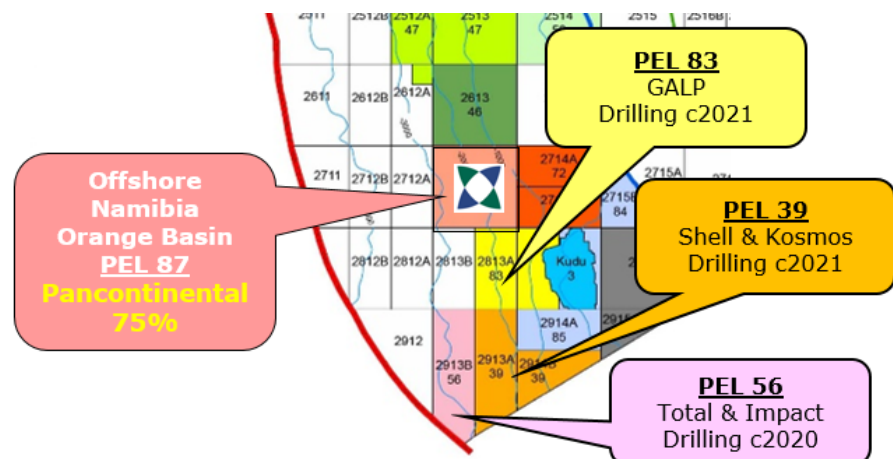


Saturn Superfan - 2D Seismic Section

Excitement within the industry is building as Namibia is set to see a number of wells spud in the coming 12 to 18 months. The country has a limited history of exploration wells, with just 17 exploration wells drilled across the offshore basins including Pancontinental's Cormorant-1 well which was drilled in Petroleum Exploration Licence 37.

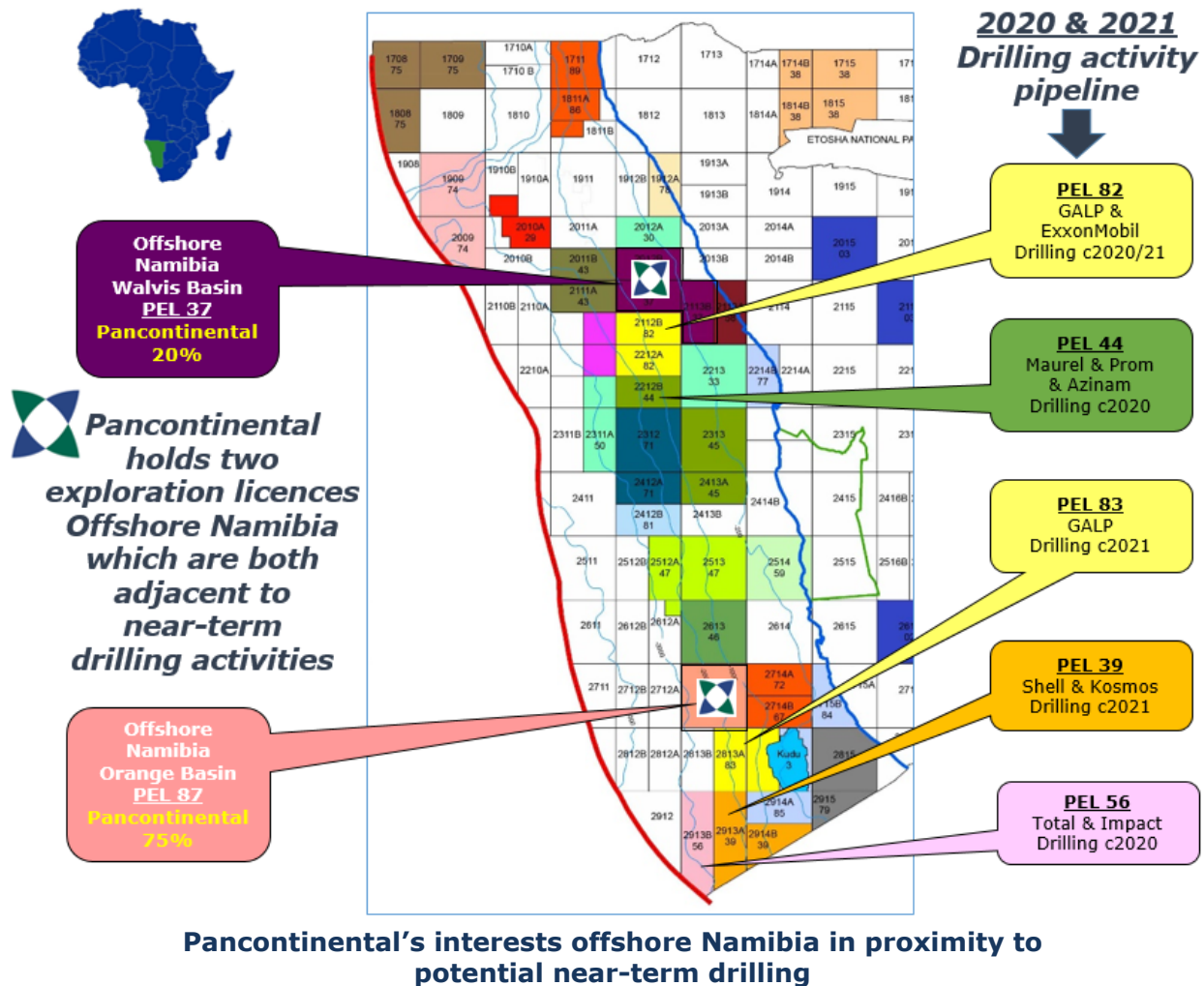
Although commercial quantities of hydrocarbons are yet to be discovered in Namibia, exploration companies have not lost faith and are building acreage positions and planning drilling campaigns. The drilling to date has proven the existence of a working petroleum system and decent reservoirs, so these positives have been built into geological models which may unlock Namibia as a hydrocarbon producing province.

PEL 87 is located north of the upcoming potential drilling programmes planned in the Orange Basin, as seen in this extract of a more detailed map overleaf.



Drilling success in any of the above licences could dramatically revalue Pancontinental and its PEL 87 joint venture. Even in the disappointing case of a dry well, the information that will be gathered regionally will be input into models to give further insight into the geological conditions that the joint venture is working with thus expanding its database.

Experienced operators will be drilling in the planned 2020 and 2021 exploration well campaigns and there are only a number of listed companies which will offer upside if any of these wells are a success. **Pancontinental is one of those companies.**



Prospective Resources

Independently assessed potential for giant scale (over 500MMbbls* recoverable) oil resources is indicated with a range of large sub leads of this play.

The "Saturn" Superfan is made up of a number of discrete internal geological Play types but could itself be a vast single oil trap on a global scale.

This is an exploration project that holds true world class potential.

TABLE OF UNRISKED BEST ESTIMATE RECOVERABLE OIL VOLUMES

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

The oil volumes shown are gross volumes.

*A Giant field has at least 500 MMBOE recoverable potential

** The overall Saturn Superfan incorporates all of the other Leads, but with different risk inputs

*Cautionary Statement

The potential recoverable oil resources, classified as Prospective Resources, have been estimated probabilistically on an unrisked, Best Estimate basis.

These were announced on 11 September, 2018.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Namibia Offshore PEL 37

Location: Walvis Basin

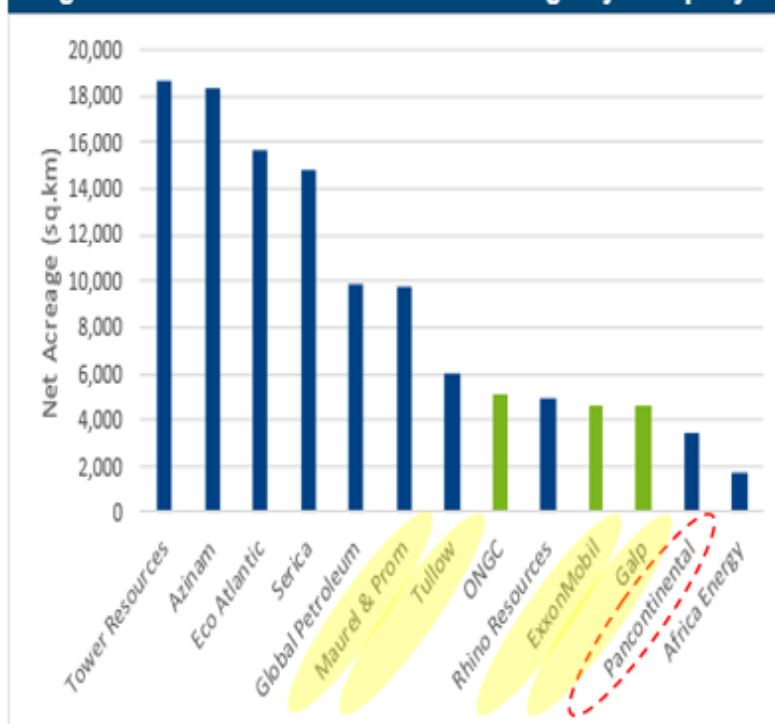
Project Size: 17,295 square kilometres

JV Partners:	Tullow Namibia Limited (Operator)	35.00%
	Pancontinental Namibia Pty Ltd	30.00%
	ONGC Videsh Limited	30.00%
	Paragon Oil & Gas (Pty) Ltd	5.00%

* Ownership of Pancontinental Namibia Pty Ltd:
Pancontinental Oil & Gas NL 66.67%
Africa Energy Corp. 33.33%

Pancontinental not only holds a position in the Orange Basin, Offshore Namibia it is also one of the top acreage holders in the Walvis Basin.

Figure 15: Walvis/Luderitz basin acreage by company

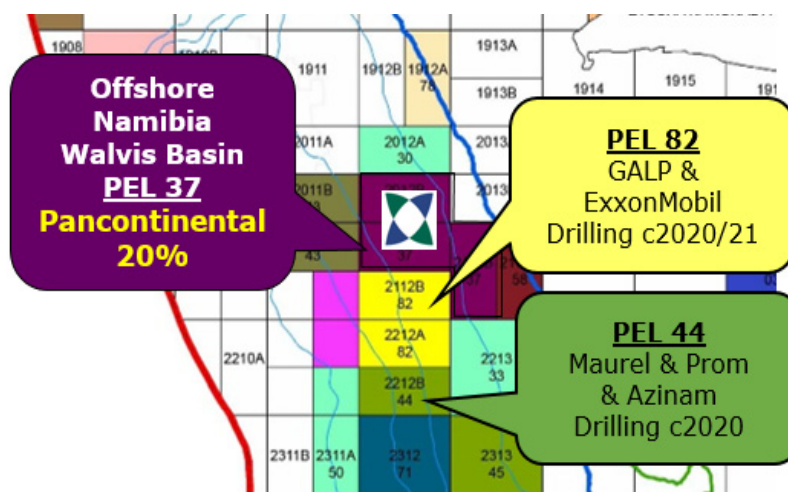


Source: Company reports

*** finnCap Energy quarterly sector note Q4 2019**

The Company initiated this project in 2011 and since then has completed a number of exploration programmes including the drilling of the Cormorant-1 well in 2018. The PEL 37 Joint Venture has now met all of the exploration objectives under the licence conditions by drilling the well, in advance of the deadline in March 2020.

The Joint Venture applied to the Ministry of Mines and Energy in Namibia for a one year extension which was duly granted. This additional time will allow the PEL 37 Joint Venture to continue to integrate any new data into understanding the basin and surrounding areas. As well as monitor upcoming exploration wells planned.



PEL 37 is located north of the upcoming potential drilling programmes planned in the Walvis Basin, as seen in this extract of a more detailed map above.

Queensland, Australia Onshore ATP 920 & ATP 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 Oil & Gas NL	20.00%**	
	ATP 924* Key Petroleum Limited (Operator)	75.00%	
	ATP 924* Pancontinental Oil & Gas NL	25.00%**	
	* Ace Area		
	**earning		

During the Quarter, Pancontinental formalised the farmin to the Meeba Project, Onshore Queensland.

Under the terms of the deal, Pancontinental will acquire from Key Petroleum Cooper Basin Pty Ltd, a wholly owned subsidiary of ASX listed Key Petroleum Limited ["Key"]:

- an undivided 20% participating interest in ATP 920 (together with an option to acquire an additional undivided 15% participating interest in ATP 920); and
- an undivided 25% participating interest in the Ace Area of ATP 924.

In return, Pancontinental paid Key \$150,000 to cover back costs and will fund 26.67% of the total costs and expenses of drilling an exploration well to target depth (site to be selected) including plugging and abandoning the well but excluding success case costs associated with testing and completing the well, with such well costs to be capped at gross \$3,000,000 ("on a 100% basis").

Drilling Planning

An update on the progress of drilling planning is as follows:

Operator Key received formal confirmation from the Department of Natural Resources, Mines and Energy, Queensland during the Quarter that ATPs 920 and 924 have been renewed for four years to 2023.

The relevant commitments for each ATP that need to be completed within the four-year period include:

ATP 920

- Geological and geophysical reviews
- 80 km magnetic survey (Year 3)
- 200 km 2D seismic survey (Year 3)
- Satellite imagery (visible imagery)
- Drill one well (year 4)
- Interpretation studies

ATP 924

- Geological and geophysical reviews
- 80 km magnetic survey (Year 3)
- 80 km 2D seismic survey (Year 3)
- Satellite imagery (visible imagery)
- Drill one well (Year 1)
- Drill one well (Year 4)
- Interpretation studies

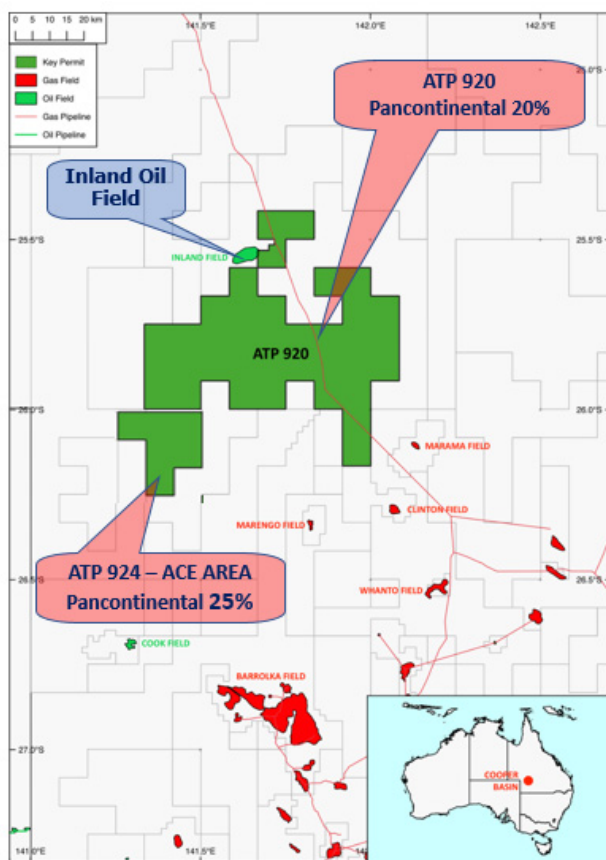
A Conduct and Compensation Agreement for compensation and land access across almost all of ATP 924 and a large portion of ATP 920 has now been executed:

- All exploration activities including seismic and drilling for each of the Meeba and Tanbar Projects as proposed in the four (4) year renewal applications for ATP 920 and 924 are covered in the Agreement;
- Formalisation of access terms comes after nearly a year of negotiation by the Operator where remote logistics requires the assistance of the principal landowners; and
- The execution of this Agreement is a major hurdle in progressing drilling participation and finalising logistics for drilling campaigns in each of Meeba and Tanbar Projects which have been notionally scheduled for May 2020.

Heritage survey clearance is currently being coordinated after completion of the wet season.

During the Quarter, Key executed a non-binding Letter of Intention ["LOI"] with Refine Energy Pty Ltd ["Refine"] to award a Drilling Services Agreement ["DSA"] for the use of Refine Rig 2 in the Cooper Eromanga Basin Program. The LOI specifies the following:

- The Scope of Work is for the drilling of two wells, being Ace-1 and Alfajor-1 in ATP 924;
- Program duration will be a minimum of 50 days;



- As Operator, Key is determining with Pancontinental the optimal surface well location for the drilling of Ace-1 and whether it should potentially be situated in the adjacent landholder land. This assessment will be carried out understanding the conditions the wet season has had on existing roads, the subject of the current compensation agreement; and
- A day rate for drilling has been agreed between the parties and will be incorporated into the formal DSA which is close to being agreed by each of the parties.

ATP 920 and ATP 924 onshore Queensland

Prospective Resources

INLAND TREND			Probabilistic Prospective Resource OIL			Probabilistic Prospective Resource OIL		
Prospect Name	Block	Levels	1U	2U	3U	1U	2U	3U
			mm bls	mm bls	mm bls	bcf	bcf	bcf
Teddy	920_2	Hutton	0.29	0.81	2.29	Inland Trend		
Teevee	920_2	Hutton	0.05	0.19	0.71			
Delta	920	Hutton	0.47	1.35	3.58			
Cuddapan UD	920	Hutton	0.30	0.79	2.18			
Granita	920	Hutton	0.31	0.93	2.53			
Granita NE	920	Hutton	0.28	0.76	2.25			
Hobnob	920	Hutton	0.92	2.33	5.78			
Jaffa	920	Hutton	0.73	1.95	4.73			
Jumbles	920	Hutton	0.83	2.39	6.41			
Macaron	920	Hutton	0.45	1.19	3.67	Meeba Trend		
Macaron Sth	920	Hutton	0.36	1.09	2.93			
Malto	920	Hutton	1.52	4.01	11.02			
Malto Sth	920	Hutton	0.52	1.47	3.95			
Marie	920	Hutton	0.57	1.44	4.40			
Marie Nth	920	Hutton	0.35	1.10	2.92			
Meeba Sth	920	Hutton	0.14	0.39	1.37			
Ace Nth	920	Hutton	0.29	0.82	2.06			
Ace	924_1	Hutton	2.9	10.7	21.0			
	924_1	Arrabury				14.6	39.6	72.7
ATP-920 Sum Totals	920		8.4	23.0	62.8			
ATP 920 Total + Ace			11.3	33.7	83.7			

Cautionary Statement: The estimates quoted here were announced to the ASX on 14 July 2019 (ATP 920 & ATP 924 conventional gas prospective resources) and 30 October 2019 (ATP 920 & ATP 924 oil prospective resources) by Operator Key Petroleum Limited.

The prospective resource parameters for the prospects were combined probabilistically.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The company confirms that it is not aware of any new information or data that, in its opinion, materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

See Disclaimers for further information.

New Ventures

Pancontinental continues to look at new projects to add value to its exploration portfolio of assets.

Licence Schedule

Licence Location	Licence Reference	PCL (consolidated) interest at the beginning of the quarter	Movements for the current quarter	PCL (consolidated) interest at the end of the quarter
Namibia	PEL 87	75.00%	0.00%	75.00%
Namibia	PEL 37	20.00%	0.00%	20.00%
Kenya	L6 offshore	40.00%	0.00%	40.00%
Kenya	L6 onshore	16.00%	0.00%	16.00%
Australia	ATP 920	*20.00%	0.00%	*20.00%
Australia	ATP 924 - Ace	*25.00%	0.00%	*25.00%

*earning

Authorised for release by the Board of Pancontinental Oil & Gas NL

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DISCLAIMERS & NOTES

Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum in this report that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Prospective Resources

Prospective Resource estimates in this report have been prepared as at the date disclosed under the prospective resource numbers. The estimates have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers and have been prepared using deterministic methods and probabilistic methods depending on the project and this is disclosed under the prospective resource numbers. Unless otherwise stated the estimates provided in this report are Best Estimates. The estimates are unrisked and have not been adjusted for an associated risk of discovery and risk of development. The 100% basis refers to the total resource while the Net to Pancontinental basis is adjusted for Pancontinental's percentage entitlement under Joint Venture contracts and adjusted for applicable royalties.

Prospective Resources estimates in this report have been made by Pancontinental Oil & Gas NL and may be subject to revision if amendments to mapping or other factors necessitate such revision.

Prospects and Leads

The meanings of "Prospects" and "Leads" in this report are in accordance with the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers. A Prospect is a project that is sufficiently well defined to represent a viable drilling target. A Lead is a project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and / or evaluation to be classified as a Prospect.

Competent Person Statement Information

The hydrocarbon resource estimates in this report have been compiled by Mr Brian Diamond and reviewed to the satisfaction of Mr Roy Barry Rushworth the Technical Director of Pancontinental Oil & Gas NL. Mr Rushworth has more than 30 years' experience in practising petroleum geology and exploration management. Mr Diamond holds a BSc Geology and an MSc in Geophysics and has over 20 years of experience in petroleum exploration, development and production. Mr Diamond consents to the inclusion in this report of information relating to the hydrocarbon Prospective Resources in the form and context in which it appears.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Pancontinental Oil & Gas NL's planned operation programme and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Pancontinental believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements.

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