

Summary

COVID-19

PANCONTINENTAL'S RESPONSE

- Pancontinental's timely response to the COVID-19 pandemic can be evidenced in the cashflow figures for the quarter (further detail in COVID-19 Response section). During the quarter, the Company reduced all non-essential expenditure and continued with advised procedures to guard against the pandemic.
- The Company is run on a low overhead basis, even more so now with the COVID-19 pandemic.
- CEO and Non-Executive Directors continued with a 50% reduction in salary and fees. Executive Director and Staff also continued with a 25% reduction. This will remain in place for the foreseeable future. Consultancy engagements remain suspended.

Namibia - Offshore

PEL 87 & PEL 37

- Pancontinental has had to balance conservation of cash reserves while maintaining minimum exploration expenditure commitments.
- In the Company's PEL 87, Pancontinental has continued farmout efforts and reduced all non-essential expenditure.
- Post quarter end in PEL 37, Pancontinental Namibia increased its joint venture percentage from 30% to 42.85% (66.66% PCL ownership).

Queensland – Onshore

ATP 920 & 924 – Cooper Basin

- While operations on the Cooper Basin licences have been delayed due to the COVID-19 pandemic, the Operator has advised that they will be pushing ahead with the Heritage Survey while keeping in mind that there will be access restrictions to some areas within and around the licence area.

Kenya

- Pancontinental reached settlement with FAR Limited and exited Kenya [L6](#) during the quarter.

Corporate

- Cash balance of AU \$587k as at 30 June 2020.

ASX Code – PCL

Issued shares – 5,406 million

Market Capitalisation - @ 0.01cps - \$5.4 m

Cash at End of Quarter - \$587k

COVID-19 Response

The Board of Pancontinental responded rapidly to the COVID-19 pandemic by reducing all possible corporate and exploration costs. This included ending all consultant engagements and the CEO and Non-Executive Directors taking a 50% reduction in their fees. The Executive Director and remaining Staff member have taken a 25% reduction.

This timely response is reflected in the Appendix 5B figures which show a downward trend in expenditure outgoings for the quarter as shown below:

Expenditure on Corporate and Exploration per month:

April 2020	\$ 85,189
May 2020	\$ 40,286
June 2020	<u>\$ 55,436</u>
Total	\$180,911

The expenditure figures in the Appendix 5B include once-off or annual amounts such as the settlement agreement on Kenya L6 and refunds from the ATO for Cash Flow Boost assistance totalling a net \$315,241 which have been excluded from the above figures to accurately portray the level of running expenditure for each month in the quarter.

As can be seen from the monthly figures above, May 2020 and June 2020 spending was 53% and 35% less than April 2020 showing that the Company has worked hard to reduce all possible expenditure during these uncertain times. Also, the Company has continued to follow all government directives on keeping personnel safe such as social distancing, digital communications wherever possible and no travel.

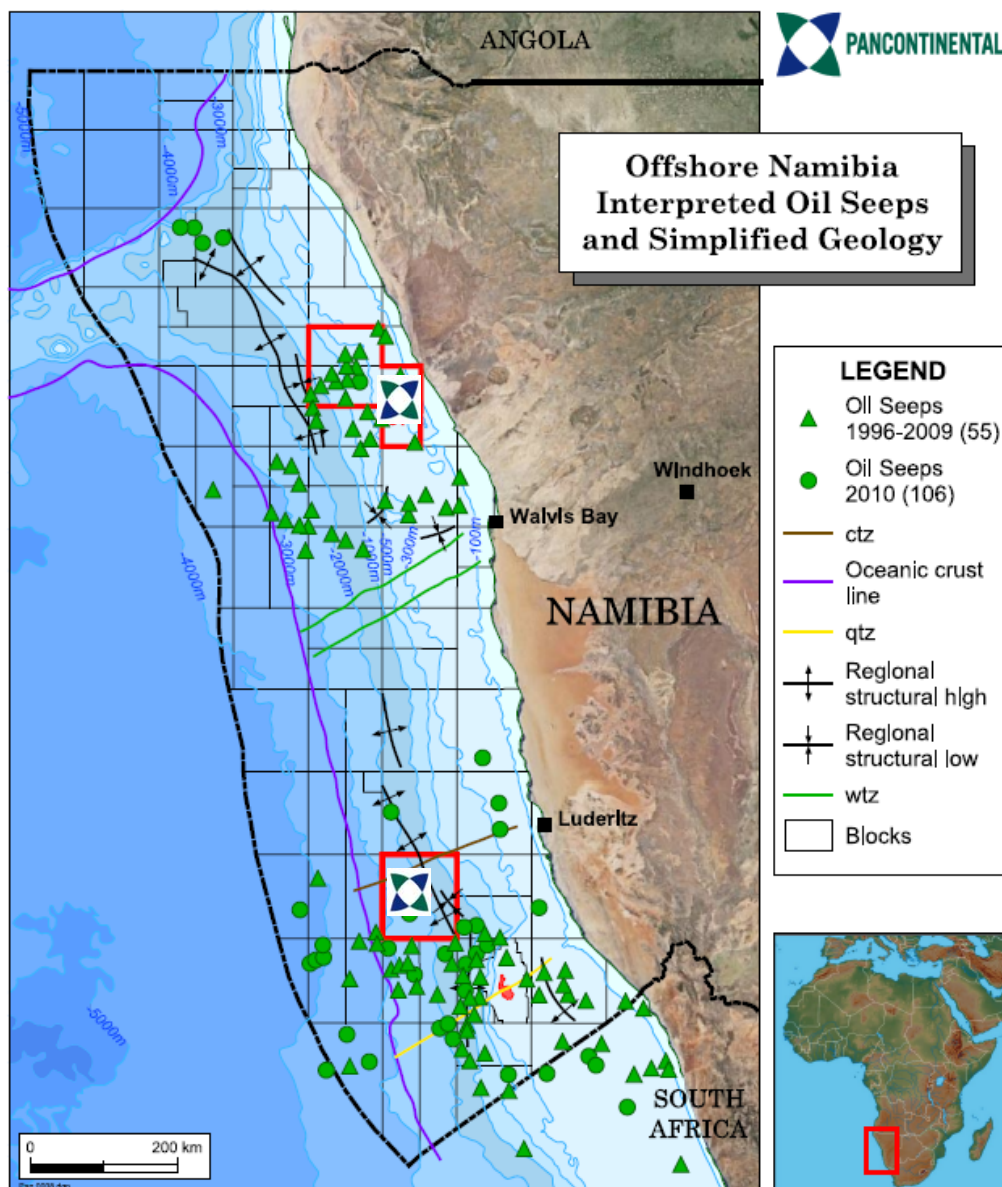
Projects

Namibia

Pancontinental's joint venture acreage offshore Namibia covers a vast area of 28,242 square kilometres. The Company is the largest acreage holder in the Orange Basin where it holds Petroleum Exploration Licence ("PEL") 87 and has a substantial holding (11th largest) in the Walvis Basin where PEL 37 is situated.

The image below shows interpreted oil seeps offshore Namibia. As can be seen Pancontinental has strategically placed itself near the action in both the Orange and Walvis basins and hopes future exploration will prove the theories held by the Company and its technical team for quite some time.

Although COVID-19 has had an impact, drilling activity is still scheduled in both basins in the coming 12-18 months with both Pancontinental and the industry keen to see the results of these drilling campaigns.



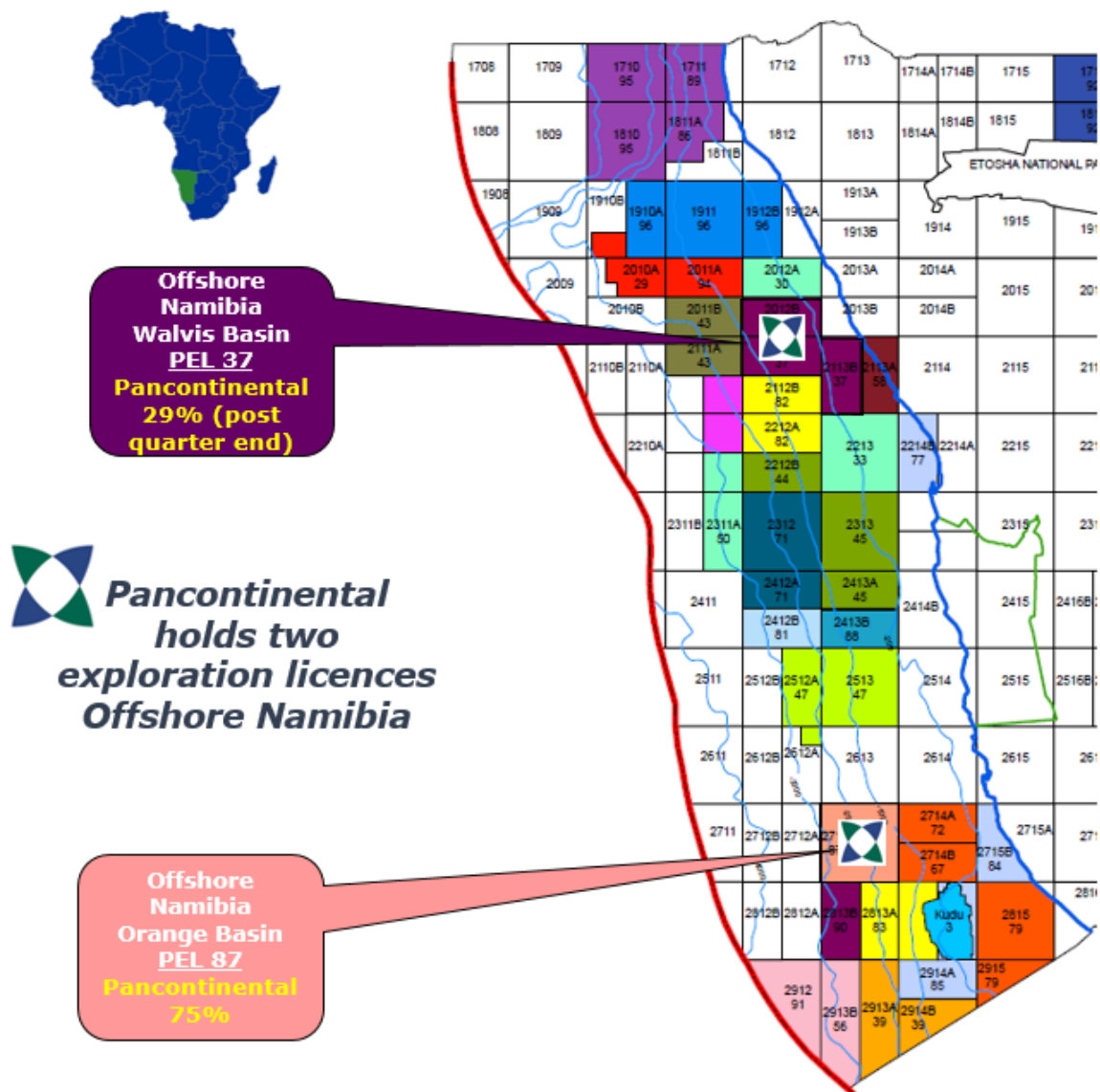
Namibia Offshore PEL 87

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

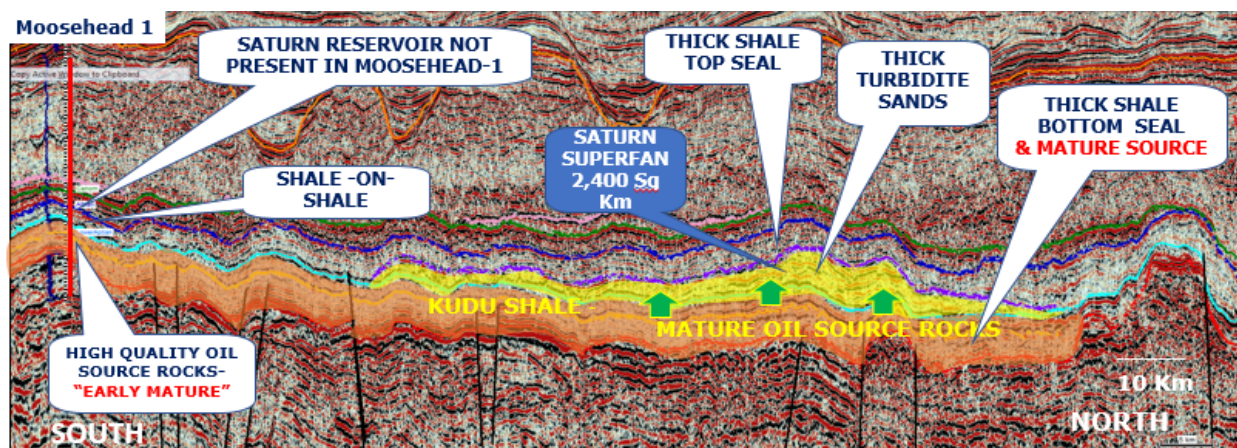
PEL 87 is the newer of the Company's two Namibian assets, it was awarded to the Company and its co-venturers in December 2017. The National Petroleum Corporation of Namibia as well as local company Custos Investments (Pty) Ltd are parties to the Joint Venture.

Pancontinental has been associated with Namibia for well over a decade and in recent years sought award of the exploration licence after in-house studies revealed how prospective the area may be. The Company was successful in its bid even though it was up against strong international competition. Since then the Joint Venture has worked through various exploration objectives to seek further clarification of the geological environment present within the licence.



The PEL 87 Joint Venture licenced 2D seismic data and relevant drilling and processing reports to assist with initial studies, mapping and general assessment of the licence area. As a result of this assessment an interesting Turbidite Fan complex of Aptian Age ("Saturn Superfan") has been uncovered. The fan complex is encased in sealing shales and holds a number of leads based on Pancontinental's interpretation.

The structure is 2,400km² and approximately 300m thick, located directly on Mature Oil Source. Technical modelling has indicated high quality seals and independent closures. The Joint Venture is working on gaining a deeper understanding of this structure and the hydrocarbons that may be present.



Saturn Superfan - 2D Seismic Section

With a solid 75% interest in the licence, Pancontinental has room to move and as such has compiled a farmout package for prospective farminees. The impact of the COVID-19 pandemic has been felt internationally and as such companies have had to limit the number of transactions that they can participate in and tighten their budgets. While this has had an effect on the farmout efforts, companies in the industry have nonetheless still indicated an interest in Namibia.

As can be seen in the above section titled COVID-19 Response, the corporate and exploration teams have worked hard to reduce all expenditure to see the Company through these uncharted waters. The Company is utilising all possible in-house expertise to continue with minimum work programme expectations so as to avoid additional external costs without losing momentum.

Prospective Resources

Independently assessed potential for giant scale (over 500MMbbls* recoverable) oil resources is indicated with a range of large sub leads of this play. The "Saturn" Superfan is made up of a number of discrete internal geological Play types but could itself be a vast single oil trap on a global scale.

TABLE OF UNRISKED BEST ESTIMATE RECOVERABLE OIL VOLUMES

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%

Increased to 42.85% post quarter end

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

The PEL 37 Joint Venture was formed by Pancontinental during 2011. Over the years, the Company has brought in joint venture partners and completed a number of exploration programmes ending with the drilling of the Cormorant-1 well in 2018. This was the final phase of the exploration licence commitments prior to expiry.

The Joint Venture has secured an additional year's extension from the Ministry of Mines and Energy which will enable the partners to assess the most appropriate steps going forward.

Post quarter end, the Company announced that Pancontinental Namibia has increased its joint venture percentage from 30% to 42.85% (66.67% Pancontinental, 33.33% Africa Energy Corp.)

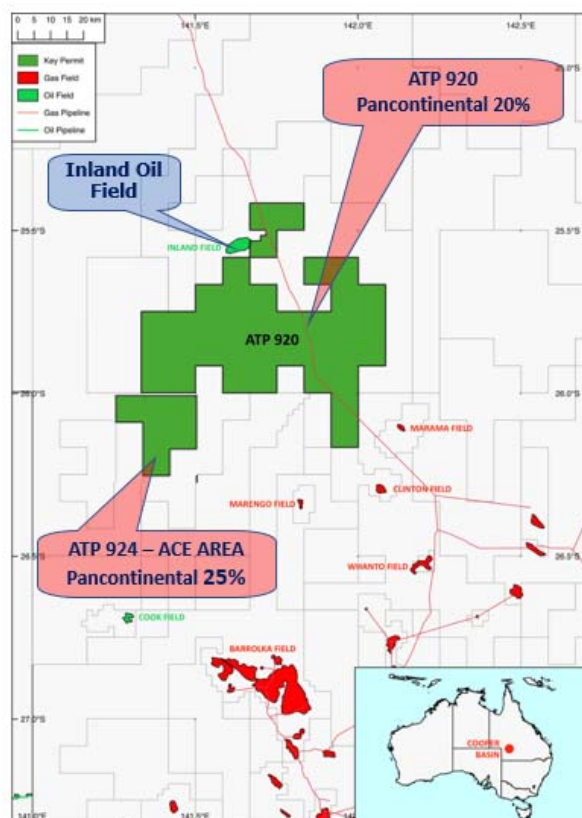
The increased percentage is due to the assigned interest from exiting partners ONGC Videsh Limited. Pancontinental believes the increased interest has come at a good time with offshore exploration in Namibia heating up through a number of drilling programmes planned in the next 12-18 months.

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		

ATP 920 and ATP 924 onshore Queensland

During 2019, Australian assets were added to the Company's exploration portfolio. This was achieved by the Company farming in to the Meeba Project, Onshore Queensland. Entry into the two Authorities to Prospect – 920 and the Ace Area of 924 provides Pancontinental with the possibility of near term drilling activity. The Authorities to Prospect were renewed recently and the joint venture now has until 2023 to explore these areas.



2020 has not been easy anywhere in the world but in particular the Eastern States of Australia where not only are the states fighting the COVID-19 battle, they are also attempting to rebuild after the devastation of natural disasters such as record temperatures, severe flooding and bushfires.

Key Petroleum, the operator of the ATP's continues to monitor the conditions within Queensland and is planning Heritage Surveys around the proposed Ace well location in the Cooper Eromanga Basin. These surveys will have to be coordinated outside of access restrictions associated with the COVID-19 pandemic.

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.

Kenya L6

The long standing dispute over cash calls in the Kenya L6 joint venture was settled during the quarter by the payment of US \$150,000.

New Ventures

Pancontinental continues to review potential acquisitions and investments in the oil and gas sector.

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%	(40.00)%	-
Kenya	L6 onshore	16.00%	(16.00)%	-
Australia	ATP 920	*20.00%	0.00%	*20.00%
Australia	ATP 924 - Ace	*25.00%	0.00%	*25.00%

*earning

Appendix 5B Commentary

As required by the 1 December 2019 amendments to the Appendix 5B, the Company advises that the amounts shown in Item 6 - Payments to related parties of the entity and their associates of \$75k (down from the last quarterly of \$150k) relates to Chairman, CEO, Executive and Non-Executive Director salary and fees.

As announced to the ASX on 9 April 2020 and referred to above, the CEO and Non-Executive Directors reduced their salary and fees by 50% while the Executive Director and remaining Staff Member reduced their salaries by 25%. All Directors' remuneration for consulting as well as outside consulting has now ceased.

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

For further information please contact:

Ernie Myers
CEO & Executive Director
info@pancon.com.au

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.

Head Office – Level 1, 10 Ord Street, West Perth, Western Australia 6005

Postal Address - PO Box 1154, West Perth, Western Australia 6872

Telephone +61 8 6363 7090

Facsimile +61 8 6363 7099

ACN 003 029 543
