

Chairman's Address to 2019 Annual General Meeting of Pancontinental Oil & Gas NL

GOOD AFTERNOON, SHAREHOLDERS AND GUESTS.

ON BEHALF OF THE DIRECTORS, I WELCOME YOU ALL TO PANCONTINENTAL'S 2019 ANNUAL MEETING.

IN THE COMPANY'S RECENTLY RELEASED ANNUAL REPORT, MY CHAIRMAN'S REVIEW LETTER OUTLINED THE GROUP'S PROJECT AND CORPORATE ACTIVITIES DURING THE FINANCIAL YEAR. 2019 WAS AN EVENTFUL YEAR, FILLED WITH OPPORTUNITIES AND CHALLENGES.

THE PRINCIPAL INTENT OF YOUR BOARD HAS ALWAYS BEEN TO DELIVER VALUE TO SHAREHOLDERS. DIRECTORS STRIVE TO DO THIS BY PROVIDING INVESTORS WITH A COMBINATION OF POTENTIALLY HIGH REWARD, LONGER LEAD TIME OBJECTIVES, AND SMALLER, BUT NEARER TERM AND LOWER COST DISCOVERY POSSIBILITIES.

NEAR TERM PLANS INCLUDE DRILLING ON PANCONTINENTAL'S RECENTLY ACQUIRED ACREAGE IN THE COOPER BASIN OF SOUTHWESTERN QUEENSLAND. THESE JOINT VENTURE LICENSES HAVE EXCELLENT OIL DISCOVERY POTENTIAL, AS WELL AS POTENTIAL FOR EARLY CASH FLOW. COOPER BASIN DRILLING IS PLANNED TO COMMENCE IN 2020.

REGARDING LONGER TERM OBJECTIVES, THE COMPANY IS PRESENTLY ONE OF THE LARGEST ACREAGE HOLDERS OFFSHORE NAMIBIA, AN AREA OF GREATLY INCREASED RECENT ACTIVITY BY MAJOR OIL COMPANIES INCLUDING SHELL, TOTAL AND EXXON MOBIL. PANCONTINENTAL CONTINUES ITS EFFORTS TO FARM OUT ITS HUGE POTENTIAL PEL 87 LICENSE, AND TO REVIEW RESULTS OF DRILLING LAST YEAR IN ITS PEL 37 LICENSE. MEANWHILE, THE COMPANY HAS NO MAJOR, NEAR TERM EXPENDITURE OBLIGATIONS IN THESE PERMITS. IN THE NEXT 18 MONTHS, SEVERAL INTERNATIONAL OPERATORS ARE PLANNING DRILLING OFFSHORE NAMIBIA, AND ANY DISCOVERY COULD SUBSTANTIALLY DE-RISK ONE OR BOTH OF OUR NAMIBIAN ASSETS.

YOUR COMPANY IS PRESENTLY DEBT-FREE, AND HAS 1.6 MILLION DOLLARS OF FUNDS AVAILABLE FOR NEAR TERM REQUIREMENTS.

SHAREHOLDERS WILL BE AWARE OF CHANGES AT BOARD AND EXECUTIVE LEVEL SINCE WE LAST MET. MR. JOHN BEGG RESIGNED AS CHIEF EXECUTIVE OFFICER IN OCTOBER, 2018, BEING REPLACED BY LONG SERVING DIRECTOR, MR. ERNIE MYERS. MR. BEGG SUBSEQUENTLY RESIGNED AS A NON-EXECUTIVE DIRECTOR POST YEAR-END. I WOULD LIKE TO THANK MR. BEGG FOR HIS EFFORTS ON BEHALF OF PANCONTINENTAL, AND ALSO THANK ALL OTHER BOARD MEMBERS AND EMPLOYEES FOR THEIR CONTINUED OUTSTANDING PERFORMANCES.

FINALLY, BUT MOST IMPORTANTLY, I THANK OUR SHAREHOLDERS FOR THEIR CONTINUING FAITH AND SUPPORT.

H. D. (DAVID) KENNEDY
CHAIRMAN

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