

CHAIRMAN'S ADDRESS TO 2021 ANNUAL GENERAL MEETING

The 2021 financial year was a difficult one, not only for Pancontinental, but for people and businesses worldwide. Although there was so much beyond the control of the Company during the early days of the pandemic, we believe we performed well on the things we could control. The Company immediately put in place recommendations of both local and global authorities for work practices to ensure the safety of all personnel and assets. I am pleased to report that Pancontinental has been COVID-19 free since the beginning of the pandemic. We achieved cost savings of \$762,329 last financial year by remuneration reductions and running on a much leaner model.

On the project front, the Company continued with reporting and work programme objectives utilising in-house expertise to save on consultant costs. Pancontinental's Namibian projects are located in a very favourable country environment that the Company has been involved in for over a decade. In PEL 87, offshore Namibia, the joint venture worked on evaluation of available data, in addition to continuing exploration work to satisfy licence commitment requirements. Pancontinental's PEL 87 project is viewed by the Company as a very exciting frontier project located amongst the licences of a number of well-known international companies. Drilling of the Venus-1 well by French company Totalenergies is expected soon. Totalenergies' Venus prospect and Pancontinental's Saturn feature are very similar in prospectivity and seismic character. The company also continued with farmout efforts for PEL 87 in light of planned regional activities in the Orange Basin.

Pancontinental has held an interest in the PEL 37 licence for more than 10 years. The last of the licence conditions was completed in 2020 and the joint venture was granted an additional year's extension. The PEL 37 joint venture has now applied for a two year extension in the licence, which if granted will allow the joint venture to continue exploration work planned.

Closer to home, the company holds an interest in a Cooper Basin joint venture consisting of ATP 920 and the Ace area of ATP 924. An investigation of source rock distribution was completed, and heritage surveys and remote sensing were accomplished.

Corporate activities during the year included the successful completion of a capital raising by way of placement, and relocating the Perth office to a smaller space to provide further cost savings. The company also changed its name to Pancontinental Energy NL to better reflect its strategies and direction going forward.

I would like to thank the small, hardworking team at Pancontinental for getting us through hopefully the worst of the pandemic with assets intact and funds in the bank, all while remaining COVID-19 free.

Our loyal Shareholders, as always I also thank you for your support and patience and I am confident that there are better times ahead.

HD Kennedy
Chairman

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