

Namibia PEL 37

Pancontinental's Namibia Walvis Basin PEL 37 Licence ends after some 11 years and the Company considers a bid for a new extended Licence. Orange Basin Licence PEL 87 remains a key focus.

Pancontinental Energy's 66.67% subsidiary, Pancontinental Namibia ("Pancontinental"), 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 28th March 2011.

Since the withdrawal of farminee Tullow on 21 March 2021, Pancontinental Namibia has been endeavouring to reach agreement with its remaining joint venture partner and to seek an extension from the Ministry to enable a review the Cormorant well data. However, Pancontinental has not been able to reach agreement with the remaining joint venture partner on a way forward and the application for an extension would not be considered by the Ministry until the partners were in alignment on a way forward. The license, if extended, would expire 28 March 2023. Any potential additional investor would also be deterred by the short time left in the license.

Pancontinental Namibia has now decided to apply for a new longer term licence, based on the facts that the current licence has little time left to do any meaningful work or to attract a farminee.

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 this year. While the PEL 37 Licence lies in the Walvis Basin some distance to the north of the discoveries, there are certain geological similarities between the two basins.

In the Orange Basin itself and on-trend to Total's major Venus oil discovery, Pancontinental also holds a 75% interest and Operatorship of the PEL 87 licence. Pancontinental has mapped the very large Saturn turbidite complex in PEL 87 at the same stratigraphic level and at approximately the same burial depth as the Venus discovery.

Approved for release by the Board of Pancontinental Energy NL

Head Office – Level 2, 30 Richardson 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