# **ASX Announcement**

30 April 2024



### MARCH 2024 QUARTERLY ACTIVITIES REPORT

Pancontinental Energy NL (**ASX: PCL**) ("**Pancontinental**" or "**Company**) is pleased to provide its Quarterly Activities Report for the period ended 31 March 2024.

# **Highlights**

- Four new oil discoveries in the Namibian Orange Basin
- Mopane discoveries indicate 10 billion barrels of oil equivalent in-place, with Mopane-1X flowing at a maximum (constrained) rate of 14,000 bopd
- Receipt of final 3D seismic dataset with early interpretation identifying a variety of Cretaceous hydrocarbon play concepts and associated exploration leads
- Forward interpretation program to focus on leads that exhibit apparent AVO effects
- Corporate team strengthened with appointment of Iain Smith as CEO

# PEL 87 Project Update

Further to receipt of the final 3D prestack depth migrated (**PSDM**) seismic volume from processing contractor CGG in January 2024, a comprehensive interpretation of the 6,593 km<sup>2</sup> 3D seismic dataset is underway. Early interpretation work has identified a variety of Cretaceous hydrocarbon play concepts, from mid-Early Cretaceous (Barremian) channelised fan sands to early-Late Cretaceous (Cenomanian) channels and erosional remnants (refer Figures 1 & 2).

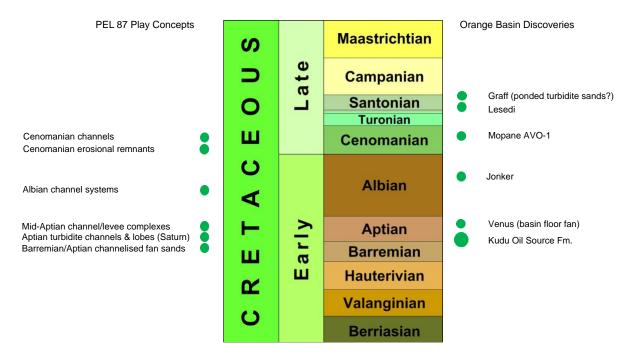
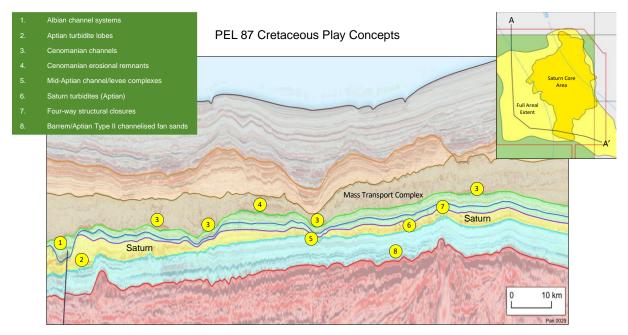


Figure 1: PEL 87 Play Concepts and Orange Basin Discoveries. Reservoir age/types based on information within public domain. Details unknown at this stage for the following discoveries: Mangetti-1X, Mopane-1X (AVO-2) and Mopane-2X (AVO-2 & AVO-3), Enigma-1X.

The play concepts encompass pure structural, pure stratigraphic and combination structuralstratigraphic hydrocarbon trapping styles, with seismic "bright" amplitudes and apparent Amplitude vs Offset (AVO) effects in evidence within a number of exploration leads across the play types. This includes discrete leads that have been identified within the Saturn turbidite complex, although prospectivity is not confined to Saturn alone.



Composite PSDM Seismic Line A-A'

Figure 2: PEL 87 Cretaceous Play Concepts

The forward work program is focused on detailed seismic interpretation of key geological sequence boundaries to identify potential reservoir depositional systems and fairways from paleogeomorphology. Quantitative Interpretation of exploration leads within those fairways will be undertaken, principally being AVO analysis which is regarded by Pancontinental as a likely key determinant for ranking of exploration leads and upgrading of leads to prospect status. AVO analysis involves the comparison of seismic amplitude of a particular subsurface location between the near offsets and far offsets. Typically, seismic amplitude decreases with increased offset due to geometrical spreading, attenuation, and other factors. With an AVO anomaly, seismic amplitude decreases at a reduced rate relative to surrounding reflective events. While rarely definitive, an AVO anomaly can be an indicator of the presence of hydrocarbons within porous reservoir formations, as appears to be the case with the Venus and Mopane discoveries (based on publicly available information). As such, AVO analysis can be a useful tool for the ranking and derisking of leads and prospects.

As announced by the Company on 19 January 2024, the long stop date by which Woodside Energy must exercise its option to farmin to PEL 87 (by committing to drill an exploration well) will be 180 days from fulfilment of both (a) the seismic processing contractor providing final processing deliverables, and (b) the PEL 87 Joint Venture providing to Woodside a license (**Seismic License**) to utilise the PEL 87 3D seismic data (subject to authorisation by the Ministry of Mines & Energy, **MME**). Condition (a) has now been met, with final deliverables having been received mid-April 2024. Pancontinental is working to finalise joint venture and MME approvals to the Seismic License so that condition (b) will be met and the long stop date thereby established. The Company will provide an announcement once this has occurred.

Pancontinental notes that Woodside does have the ability to exercise its option at any time prior to the long stop date.

# **Orange Basin Update**

Significant exploration and appraisal drilling by TotalEnergies, Shell and Galp Energia continues across the Namibian Orange Basin, with four new discoveries and PEL 90 operator Chevron understood to be commencing exploration drilling in Q4 CY 2024.

During the reporting period Galp Energia announced the Mopane-1X and Mopane-2X oil discoveries, situated approximately 90 kms to the south of PEL 87 (refer Figure 3 for location). Mopane-1X is reported to have encountered two significant columns of oil in high quality sandstone reservoirs (referred to as AVO-1 & AVO-2, respectively) and to have achieved a maximum, constrained flow rate on test of 14,000 bopd. Galp Energia report that wireline data analysis indicates good reservoir porosities with high pressure and high permeability in "large" hydrocarbon columns. Oil sampling confirms very low oil viscosity, minimal CO<sub>2</sub> and no H<sub>2</sub>S. The upper sands are reported by Namibian state oil company Namcor to be Cenomanian-Turonian in age (Upper Cretaceous). The precise age of the sandstone reservoir containing the deeper column (AVO-2) is not publicly available at this time.

Prior to production testing Mopane-1X Galp Energia drilled Mopane-2X, confirming a second discovery in March 2024. Galp Energia report that significant light oil columns were discovered in high-quality reservoir sands across three exploration and appraisal targets, AVO-1, AVO-3 and a deeper target. Importantly the AVO-1 level was found to be in pressure communication with the Mopane-1X discovery well (8 km to the east), thus confirming its lateral extension.

Galp Energia advise that the results achieved thus far position Mopane as an important commercial discovery, with the Mopane complex alone holding an estimated 10 billion barrels of oil equivalent inplace (or higher, to be confirmed by additional drilling).

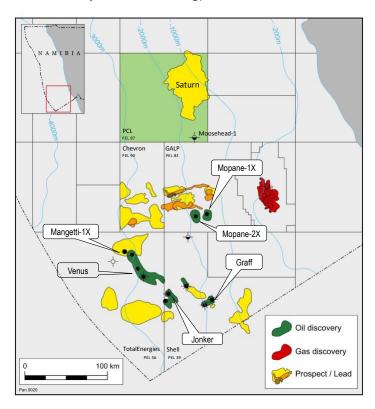


Figure 3: PEL 87 and Neighbouring Discoveries/Prospects (Enigma-1X location unknown at this time)

Pancontinental regards the Mopane discoveries as being an extremely positive indicator for PEL 87 prospectivity, as they are believed to reside in a similar, intra-slope setting to PEL 87.

Other activity within the Namibian Orange Basin during the reporting period includes TotalEnergies' drilling of the Venus-2A appraisal well (results unknown at this time) and drilling of the Mangetti-1X exploration well, which confirmed the presence of oil in two columns, one of which is thought to be a

northerly extension of Venus. The Mangetti discovery has been reported to potentially be one third the size of the Venus discovery, which would represent an additional 1.5 billion barrels of in-place resource for the PEL 56 Joint Venture.

Neighbouring operator Shell also completed an appraisal well during the quarter, with the Deepsea Bolsta rig at Jonker-2A. While details are not known, the well is reported to have been flow tested. Shell then drilled the Enigma-1X exploration well, confirming the presence of hydrocarbons in April.

Assuming that Enigma-1X is to be declared a discovery well, this brings the total number of oil discoveries within the Namibian Orange Basin to seven out of the nine exploration wells drilled since early 2022. In that case the exploration success rate will have reached 78%.

# Corporate

#### Windhoek Visit

Representatives of Pancontinental visited Windhoek, Namibia, during the week commencing 22 April 2024 to meet with joint venture partners, the Ministry of Mines & Energy, and to attend the Namibian International Energy Conference.

#### **Investor Webinar**

On 20 March 2024 the Company's Chief Executive Officer hosted an investor webinar to provide an update on the company's geological and geophysical interpretation program. The webinar is available to be viewed at the following URL: <a href="https://www.youtube.com/watch?v=fAllH1Pb5WM">https://www.youtube.com/watch?v=fAllH1Pb5WM</a>

#### **Financial**

The Company had cash and cash equivalents at 31 March 2024 of \$4,266,000.

#### **Conversion of Listed Options**

The Company received \$87,000 upon conversion of 7,250,000 listed options (PCLO) into PCL shares at \$0.012 per share.

### **Board & Management Changes**

During the quarter Pancontinental appointed Advisor to the Board, Mr Iain Smith, as Chief Executive Officer effective from 18 March 2024. A key component of his remuneration package is the award of 40,000,000 incentive share options (refer to announcement of 18 March 2024 for details). Coincident with Iain's appointment, director Barry Rushworth has elected to reduce his executive responsibilities to the Company and will act as Non-Executive Director.

#### **Change of Share Registry Details**

As of Monday, 4 March 2024, the provider of shareholder registry services for the Company changed from Advanced Share Registry Limited to Automic Pty Ltd. The new Share Registry contact details are as follows:

Automic Level 5, 126 Phillip Street Sydney NSW 2000 GPO Box 5193 Sydney NSW 2001

#### **Change of Registered Office & Address**

As announced on 2 April 2024, Pancontinental has changed its registered office and principal place of business to the following address:

### Office address

45 Ventnor Avenue West Perth WA 6005

### Mailing address

PO Box 1154 West Perth WA 6872

Telephone: (08) 6363 7090 Fax: (08) 6363 7099

#### Notes Pertaining to Quarterly Cashflow Report (Appendix 5B)

Item 6.1: The aggregate amount of payments to related parties and their associates of \$117,000 relates to payments to Executive Directors. Exploration expenditure on the Company's asset base during the reporting period was \$173,000 for consulting and Namibian in-country expenses.

# **ASX Listing Rule 5.4.3: Tenement Details**

In accordance with ASX Listing Rule 5.4.3 the following table details Pancontinental's interests in its oil and gas permits:

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%	0%	75%
Australia	ATP 920	**20%	0%	*20%
Australia	ATP 924 - Ace	**25%	0%	*25%

<sup>\*</sup> Pancontinental has granted to Woodside an exclusive option to acquire a 56% participating interest in PEL 87 (refer to ASX announcement 2 March 2023); Pancontinental has an option to acquire an additional 1% participating interest from Custos Investments.

There were no hydrocarbon production and development activities during the quarter.

### **About PEL 87**

Petroleum Exploration Licence 87 (**PEL 87**) is located in the offshore Orange Basin, southern Namibia (refer Figure 1). The permit covers an area of 10,970 km<sup>2</sup> and is situated on-trend to a number of very significant hydrocarbon discoveries that have been made in recent times by TotalEnergies, Shell and Galp Energia.

PEL 87 was awarded to a joint venture led by Pancontinental in early 2018 for up to 3 terms over 8 years (plus possible extensions) and may be converted to a Production Licence under pre-agreed terms. The permit is currently in the first renewal exploration period.

The participants in the PEL 87 Joint Venture are as follows:

Pancontinental Orange Pty Ltd (Operator) 75%

Custos Investments (Pty) Ltd 15%

National Petroleum Corporation of Namibia (NAMCOR) 10%

- 1: Woodside has an exclusive option over a 56% Participating Interest to be derived from Pancontinental's 75%.
- 2: Pancontinental has an option over a 1% Participating Interest to be derived from Custos' Participating Interest.

**END** 

This announcement is authorised for release by the Board of Pancontinental Energy NL.

PANCONTINENTAL ENERGY NL
Vesna Petrovic
Company Secretary and Executive Director

ASX | PCL

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<sup>\*\*</sup>earning