



PEL 87 PROJECT UPDATE

Highlights

- Approval granted by the MME for extension of PEL 87 into first renewal exploration period, with exemption from the relinquishment requirement
- Significant oil discovery reported at Mopane-1X, immediately to the south of PEL 87
- Receipt of final 3D PSDM seismic data
- Delivery of final migration gathers pending; required to establish Long Stop Date for Woodside option

Pancontinental Energy NL (ASX: PCL) ("Pancontinental" or "Company") is pleased to provide the following update in relation to its PEL 87 project, offshore Namibia.

Extension of PEL 87 permit

As announced on 26 October 2023, the Company submitted its application to the Namibian Ministry of Mines and Energy (MME) to approve extension of the PEL 87 permit into the first renewal exploration period, to run from 23 January 2024 to 22 January 2026. Pancontinental has now received approval from the MME, with an exemption from the relinquishment obligation at the end of the initial period. With the permit thereby preserved at its full extent of 10,970 km², Pancontinental and partners retain a very significant footprint of prime exploration acreage within the Namibian Orange Basin exploration hotspot.

Drilling success at Mopane-1X

As recently reported by GALP Energia, a significant oil discovery has been made at the Mopane-1X exploration well, located in PEL 83 immediately to the south of PEL 87 (refer Figure 1 for location). Mopane-1X is the first of a two well campaign by GALP and is reported to have encountered a significant column of light oil in reservoir-bearing sands of high quality. These sands are reported by Namibian state oil company Namcor to be Upper Cretaceous in age; specifically Cenomanian-Turonian. GALP's PEL 83 prospects are thought by Pancontinental to reside in a very similar (intra-slope) setting to the PEL 87 Saturn feature, with the reservoir sands being of comparable age and sharing the same oil source formation (Kudu Oil Shale).

Mopane-1X represents the fifth major oil discovery in under two years within the Namibian Orange Basin and confirms the extension of the petroleum play from TotalEnergies and Shell's acreage, to the north. GALP anticipates performing a drill stem test in the coming weeks to assess the commerciality of the discovery, after deepening the well to test additional objectives. Upon completion, the rig will be relocated to the Mopane-2X location.

Pancontinental regards the Mopane-1X result as being extremely positive for PEL 87 prospectivity.

Receipt of final PSDM data

Pancontinental also advises that the Company has now received the final PEL 87 3D prestack depth migrated (PSDM) seismic volume from primary processing contractor CGG. A comprehensive and detailed interpretation of the PEL 87 3D seismic can now commence and will include a significant quantitative interpretation (QI) program, designed to identify seismic anomalies that may represent direct hydrocarbon indicators. This QI program can only commence now that the migrated angle stack gathers are available and will include Amplitude vs Offset analysis. Given the significant amount of interpretation and analysis that is required, Pancontinental anticipates that results will be some months away. The Company will however provide interim updates as the various hydrocarbon play types identified thus far are matured sufficiently.

Whilst Pancontinental envisaged that receipt of the final PSDM data would establish the long stop date for Woodside to exercise its option to farm in to PEL 87 by committing to drill an exploration well (that date being 180 days from receipt of the final deliverables from CGG under the seismic processing contract), Pancontinental has now been advised that a remaining deliverable (truncated final migration gathers) will be received in approximately two months' time. Accordingly, the long stop date will be 180 days from that time. Woodside does have the ability to exercise its option at any time prior to the long stop date.

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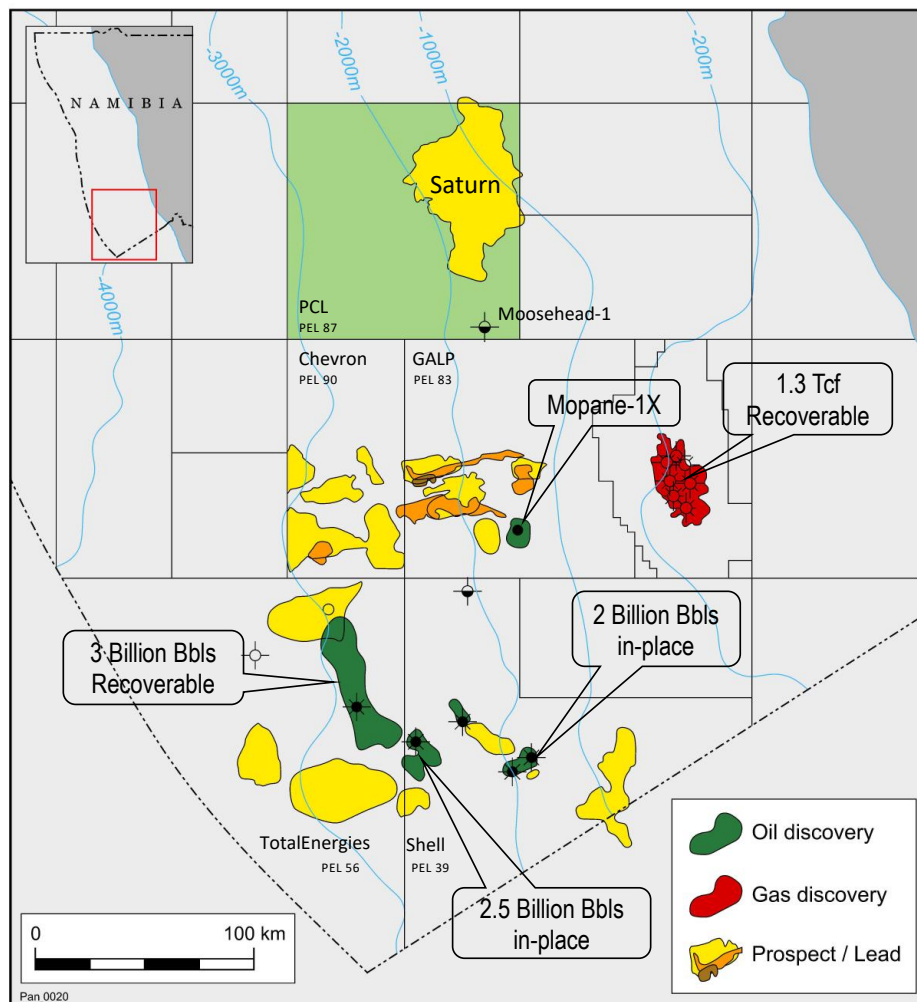


Figure 1: Mopane-1X Location Map

Pancontinental Executive Director, **Barry Rushworth commented** "While patience is required with regards to the significant 3D seismic interpretation and modelling effort, and also establishment of the long stop date, the prolific Namibian Orange Basin continues to deliver and I believe Pancontinental continues to be exceedingly well placed for an exciting 2024 and beyond."

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 the Custos Participating Interest.

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

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