



**PANCONTINENTAL**  
ENERGY NL

# HALF-YEAR REPORT

31 DECEMBER 2025





# CORPORATE DIRECTORY

**ABN 95 003 029 543**

**Directors**

Ernest Anthony Myers	Executive Chairman
Roy Barry Rushworth	Non-Executive Director
Vesna Petrovic	Executive Director

**Chief Executive Officer**

Iain Peter Smith

**Company Secretary**

Vesna Petrovic

**Registered Office**

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WEST PERTH WA 6005  
Tel: + 61 8 6363 7090

**Share Registry**

Automic Pty Ltd  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000

**Auditors**

In.Corp Audit & Assurance Pty Ltd  
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WEST PERTH WA 6005

**Internet Address & Contact**

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**ASX Code**

PCL

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2025 and any public announcements made by Pancontinental Energy NL during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.





# LOOKING TO THE FUTURE



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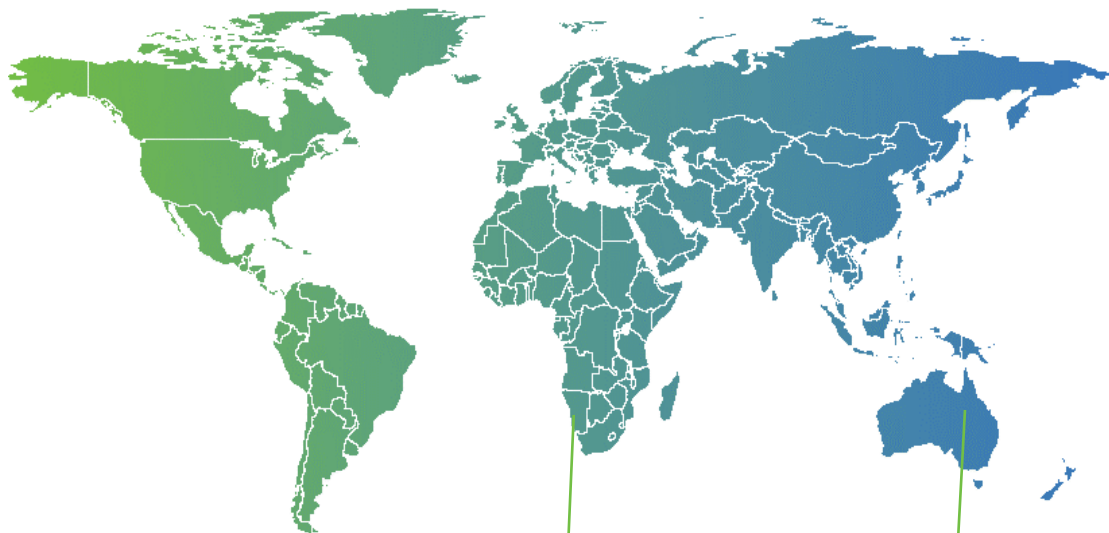
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An offshore supply vessel with a red hull and white superstructure is shown at sea during a sunset. The sun is low on the horizon, casting a golden glow over the water and sky. The vessel is positioned in the upper right quadrant of the image. The background is a large, abstract graphic composed of overlapping geometric shapes in shades of blue and green.

# PERMIT SCHEDULE

## PERMIT SCHEDULE

Licence Location	Licence Number	Pancontinental Interest	Joint Venture Partners
<b>NAMIBIA</b>	PEL 87	75.00%	Custos 15.00% NAMCOR 10.00%
<b>AUSTRALIA</b>	ATP 920	20.00% (earning)	Key Petroleum 80.00%
<b>AUSTRALIA</b>	ATP 924 -Ace	25.00% (earning)	Key Petroleum 75.00%



**PETROLEUM  
EXPLORATION  
LICENCE 87**

Orange Basin,  
Offshore Namibia

**ATP 920 &  
ATP 924  
(ACE AREA)**

Cooper Eromanga Basin,  
Onshore Australia



# DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Pancontinental Energy NL ("Pancontinental" or the "Company") and the entities it controlled at the end of or during the half-year ended 31 December 2025.

### DIRECTORS

The names and details of the company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### Names, qualifications, experience and special responsibilities



#### **Ernest Anthony Myers** CPA (Executive Chairman)

Mr Myers, an Accountant by profession, has held senior management and executive roles within a number of ASX listed companies. During his career he has been instrumental in the capital raisings and financial management of these companies. He has played a key role in managing the Group's African portfolio. Mr Myers joined Pancontinental in March 2004, was appointed Executive Director in January 2009, Chief Executive Officer in November 2018 and Executive Chairman in December 2022.

Mr Myers was also Non-Executive Chairman of Norwest Energy NL from November 2018 until its takeover by Mineral Resources Limited during the 2023 financial year.



#### **Roy Barry Rushworth** BSC (Non-Executive Director)

Mr Rushworth is a Geologist who brings extensive experience in petroleum exploration to the Company. Commencing with positions in exploration operations, his career then extended to the role of Chief Geologist and Exploration Manager for an Australian listed company. A number of oil and gas discoveries were made by the company during that time. More recently, Mr Rushworth has been responsible for identifying, negotiating and acquiring international new venture opportunities in Malta, Kenya, Morocco and Namibia and the farm out of the projects to major companies.

Mr Rushworth has been a Director of Pancontinental since August 2005.



#### **Vesna Petrovic** BComm, CPA (Executive Director & Company Secretary)

Ms Petrovic is an Accountant who holds a Bachelor of Commerce, Major in Accounting and Business Law and has completed the Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Roles in accounting and finance of numerous publicly listed entities, particularly those involved in Africa have provided Ms Petrovic a base from which to contribute to the accounting and governance functions at Pancontinental.

Ms Petrovic was appointed Company Secretary in April 2010, Executive Director in December 2016, Alternate for former Director Mr Kennedy in July 2017 and reappointed Executive Director in September 2018.



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**Iain Smith**

**MSc Petroleum Geophysics & Geology (Chief Executive Officer)**

Mr Smith is a Petroleum Geoscientist who has held commercial and senior management roles with a number of ASX listed oil and gas companies. Most recently he was Managing Director of Norwest Energy NL, a Perth Basin exploration company that enjoyed significant exploration success and was ultimately acquired by Mineral Resources Limited, taking the company's market capitalisation from some \$7 million in 2019, to over \$500 million in 2023.

Mr Smith joined Pancontinental as Advisor to the Board in May 2023 and was appointed as Chief Executive Officer in March 2024. He is responsible for the overall management of the Company and its operations.

# DIRECTORS' REPORT (CONTINUED)

## REVIEW OF OPERATIONS

### Review and Results of Operations

The review of the consolidated entity's operations during the half-year ended 31 December 2025 is as follows:

	31 DEC 2025 \$	31 DEC 2024 \$
<b>Financial</b>		
Expenses from operating activities	(733,319)	(1,508,057)
Income /expenses from financing activities	(16,751)	244,317
Operating loss	(750,070)	(1,263,740)
Income tax benefit (expense)	-	-
<b>Operating loss for the half-year</b>	<b>(750,070)</b>	<b>(1,263,740)</b>

# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

### Operational Review (PEL 87)

During the reporting period progress was made with maturation of the PEL 87 prospect and lead inventory through specific geotechnical studies, each designed to mitigate certain geological risks identified during the initial interpretation phase. Basin modelling, Seismic Sequence Stratigraphy, and Quantitative Interpretation studies have been instrumental in derisking and quantifying the PEL 87 prospectivity, to the point that the Company now sees hydrocarbon potential within a total of 8 prospects/leads (refer Figure 1 for locations).

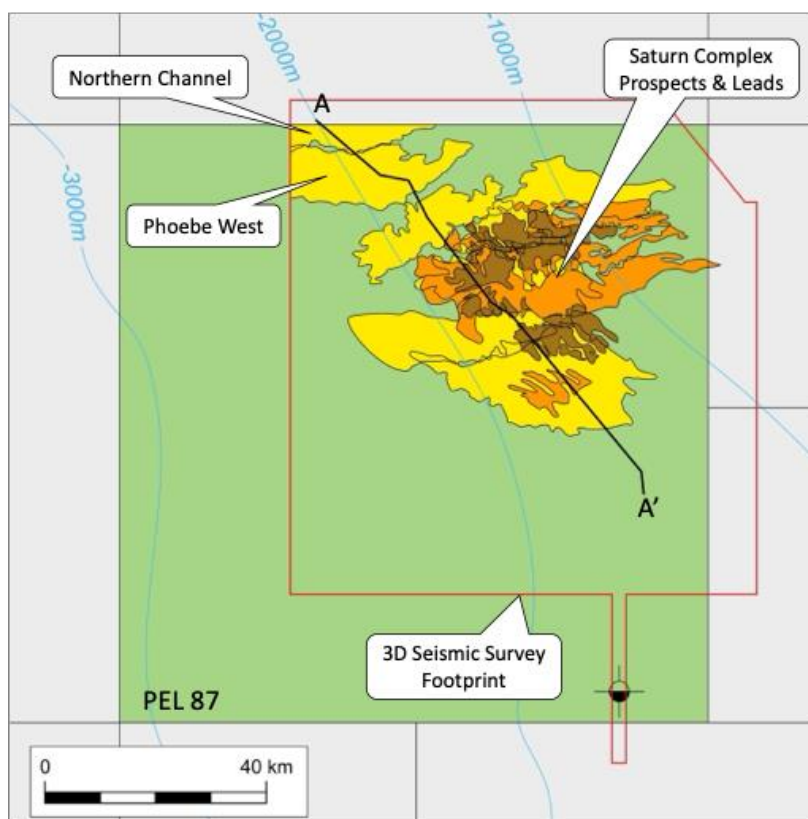


Figure 1: PEL 87 Prospect Location Map (refer Figure 2 for cross-section A-A')

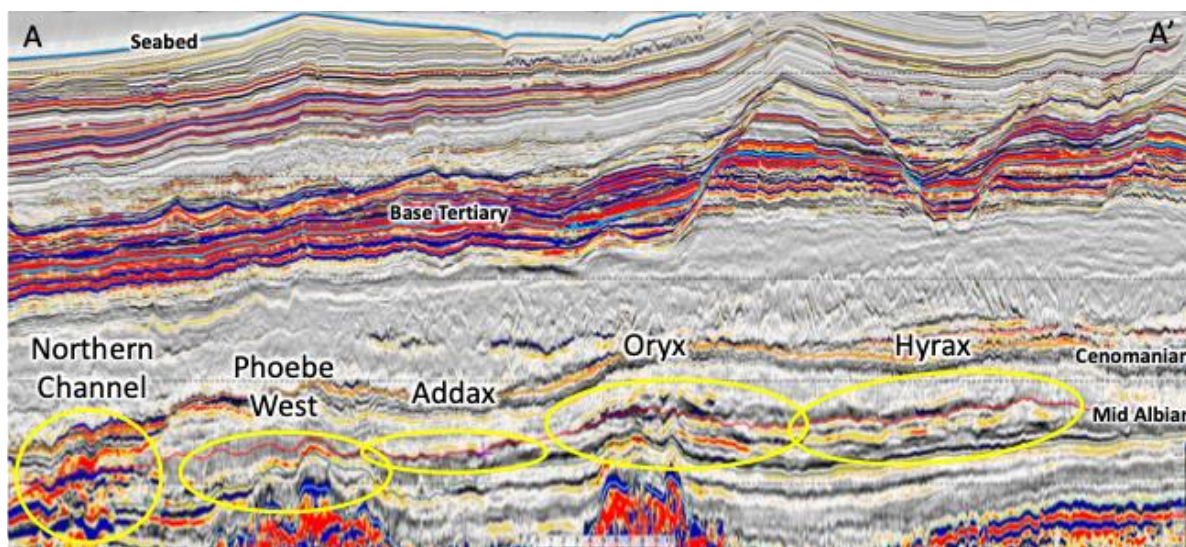


Figure 2: Composite 3D Seismic Line A-A' (Ultrafar offsets) showing PEL 87 Prospects/Leads & Associated AVO Anomalies

# DIRECTORS' REPORT (CONTINUED)

## REVIEW OF OPERATIONS

Pancontinental regards PEL 87 as hosting three "anchor" prospects at Oryx, Hyrax and the Northern Channel, in that they each offer very significant prospective resources with commensurate Geological Chances of Success. With Oryx and Hyrax sharing common play elements within the Saturn Complex, a successful exploration well at either prospect has potential to derisk the entire Saturn Complex prospect inventory, which in itself could host over 5 Billion barrels of recoverable oil across six prospective features (sum of high case prospective resource estimates).

Tables 1 and 2 provide Pancontinental's current estimates of Original Oil in Place (OOIP), Prospective Resources (i.e. recoverable) and Geological Chance of Success (GCoS) for the PEL 87 prospect/lead inventory on a 100% gross and 75% net basis, respectively.

Table 1: PEL 87 OOIP and Prospective Resources Estimates (100% gross)

Prospect/Lead	Original Oil in Place (OOIP), MMbbls			Prospective Resources (Recoverable), MMbbls			GCoS
	Low	Best	High	Low (1U)	Best (2U)	High (3U)	
Oryx (Calypso)	791	3,782	8,771	225	1,086	2,505	26.2%
Hyrax	485	2,442	4,854	121	733	1,456	21.2%
Xerux	159	480	1,852	48	144	556	21.1%
Oryx North	163	585	1,395	41	176	418	20.3%
Addax Fan	54	332	1,106	13	100	332	17.8%
Addax South	72	130	331	18	33	83	16.3%
Phoebe West	350	2,134	4,157	88	534	1,039	21.2%
Northern Channel	628	3,208	7,140	157	802	1,785	22.9%
<b>Total</b>	<b>2,702</b>	<b>13,092</b>	<b>29,606</b>	<b>711</b>	<b>3,606</b>	<b>8,174</b>	

Table 2: PEL 87 OOIP and Prospective Resources Estimates (75% net Pancontinental interest)

Prospect/Lead	Original Oil in Place (OOIP), MMbbls			Prospective Resources (Recoverable), MMbbls			GCoS
	Low	Best	High	Low (1U)	Best (2U)	High (3U)	
Oryx (Calypso)	594	2,837	6,578	169	815	1,879	26.2%
Hyrax	364	1,831	3,640	91	549	1,092	21.2%
Xerux	119	360	1,389	36	108	417	21.1%
Oryx North	122	439	1,046	31	132	314	20.3%
Addax Fan	40	249	830	10	75	249	17.8%
Addax South	54	98	249	13	24	62	16.3%
Phoebe West	263	1,601	3,118	66	400	779	21.2%
Northern Channel	471	2,406	5,355	118	602	1,339	22.9%
<b>Total</b>	<b>2,027</b>	<b>9,819</b>	<b>22,205</b>	<b>533</b>	<b>2,704</b>	<b>6,131</b>	

**Cautionary Statement:** Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project related to undiscovered accumulations. The Prospective Resources have been estimated deterministically on a, best estimates basis, unadjusted for risk. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially recoverable hydrocarbons. Please refer to the Company's ASX announcements of 18 March 2025, 29 July 2025, and 22 October 2025 for full details. For the prospective resources previously announced, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### PEL 87 Farmout and Permit Status

Shortlisted candidates for the PEL87 farmout process have now accessed the farmout dataroom, with a number of groups continuing to advance their technical evaluations of the PEL 87 opportunity. The Company is engaging with those groups and a further update will be provided as soon as material developments occur.

In the meantime, Windhoek-based consultancy Risk Based Solutions CC (RBS) is assisting the Company with preparation of its Environmental Impact Assessment (EIA) for future exploration/appraisal drilling within PEL 87. The Pancontinental team met with the RBS team during a visit to Windhoek in early December 2025 to discuss the timelines in relation to the EIA, with progress on track to permit drilling before end 2026.

# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

Finally, as announced on 22 January 2026 the Company's wholly owned subsidiary Pancontinental Orange Pty Ltd, on behalf of the PEL 87 Joint Venture participants, submitted an application to the Namibian Ministry of Industry, Mines and Energy (MIME) on 6 October 2025 for a 12-month extension to the PEL 87 First Renewal Exploration Period. The Company has thus far received no formal notification from MIME and notes that the First Renewal Exploration Period ended on 22 January 2026. Neither the Namibian Petroleum Act or the PEL 87 Petroleum Agreement provide for this specific circumstance. However, the Company notes that in the case of an exploration license *renewal* application (as distinct from an *extension* application), under the Petroleum Act a license does not expire while MIME continues to consider the application. The Company is liaising with MIME and will provide a further announcement as soon as a formal notification is received.

The Pancontinental team met with PEL 87 Joint Venture Partners and also with MIME in early December 2025, for routine joint venture and Technical Advisory Committee meetings.

### Orange Basin Update

During the reporting period Galp Energia entered into an agreement with TotalEnergies whereby TotalEnergies will acquire a 40% operated interest in the PEL 83 license (which hosts the Mopane Complex discoveries), while Galp will acquire a 10% participating interest in TotalEnergies' PEL 56 license (which hosts the Venus discovery) and a 9.39% participating interest in adjacent PEL 91.

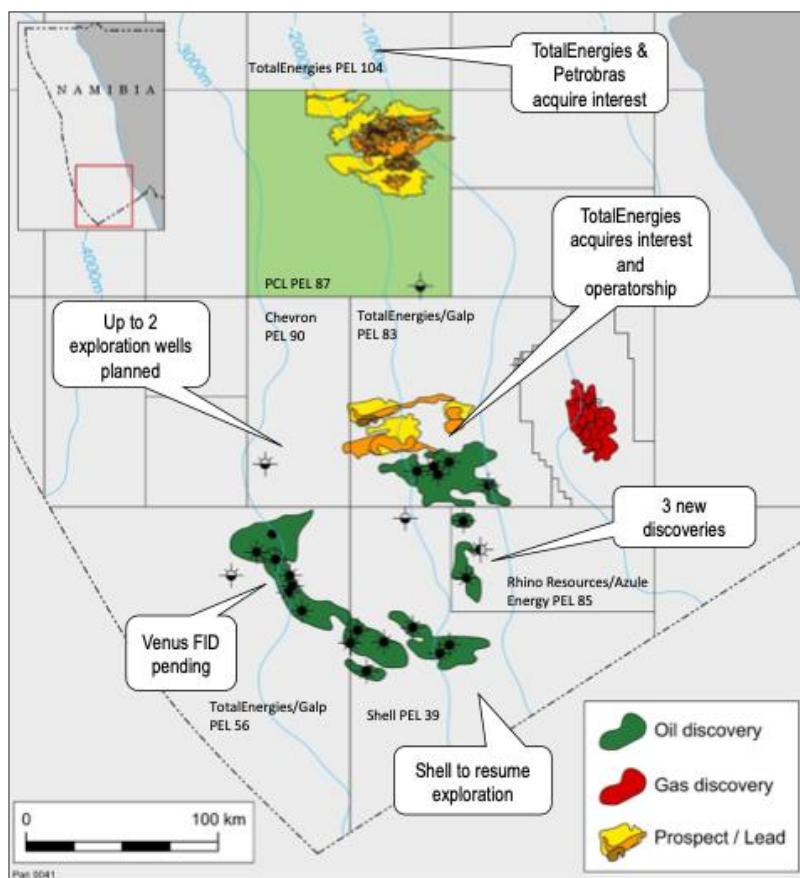


Figure 3: PEL 87 and Neighbouring Activity

Under the terms of the agreement TotalEnergies will carry 50% of Galp's capital expenditures for the exploration and appraisal of the Mopane discovery and the first development within PEL 83. The carry will be repaid via 50% of Galp's future cash flows from the project. TotalEnergies and Galp have agreed to launch an exploration and appraisal campaign within PEL 83, including three wells over the next two years and with the first well planned in 2026. The aim of this program is to further delineate discovered resources to support future development of the Mopane Complex discoveries.

## DIRECTORS' REPORT (CONTINUED)

### REVIEW OF OPERATIONS

Meanwhile TotalEnergies continues to pursue a Final Investment Decision (FID) for development of the Venus discovery and is believed to be in continued discussions with the Namibian government as a precursor to taking FID and is reported to be targeting late 2026 to early 2027 for that decision.

Also, during the reporting period Azure Energy (a BP/ENI Joint Venture) and operating partner Rhino Resources announced a gas/condensate discovery at the Volans-1X exploration well, situated within PEL 85. The well was drilled to a depth of 4,498 metres (subsea) using the semi-submersible rig Deepsea Mira, and encountered 26 metres of net hydrocarbon pay. Initial laboratory analysis indicates a condensate-to-gas ratio of over 140 bbls per mmscf and a liquid density of approximately 40° API. It is understood that a rig will return to Volans-1X to perform production testing, in conjunction with the drilling of an appraisal well at the earlier Capricornus-1X light oil discovery, which flowed at 11,000 bopd on test. An ENI source was reported as stating that the PEL 85 cluster of three discoveries (including Sagittarius-1X) offer an excellent prospect for future development.

Subsequent to the reporting period TotalEnergies and Petrobras executed an agreement with Eight Offshore Investments Holdings and Maravilla Oil & Gas to jointly acquire an 85% interest in the 11,000 km<sup>2</sup> PEL 104 exploration license, located immediately to the north of PEL 87 in the southern Luderitz Basin. Completion of the transaction is subject to customary third party approvals from the Namibian authorities and joint venture partners, whereupon TotalEnergies will be the operator of the license holding a 42.5% interest alongside Petrobras (42.5%), Namcor (10%) and Eight Offshore Investments (5%). Commercial details of the transaction are not known to the Company at the present time.

Finally Chevron and Shell are understood to be planning to resume exploration drilling within permits PEL 90 and PEL 39 respectively, with Chevron reported to be planning up to two wells. However, at this stage no further details are available to the Company.

#### About PEL 87

Petroleum Exploration Licence 87 (PEL 87) is located in the offshore Orange Basin, southern Namibia (refer Figure 4). The permit covers an area of 10,970 km<sup>2</sup> and is situated on-trend with a number of very significant hydrocarbon discoveries that have been made in recent times by TotalEnergies, Shell, Galp Energia and Rhino Resources/Azure Energy.

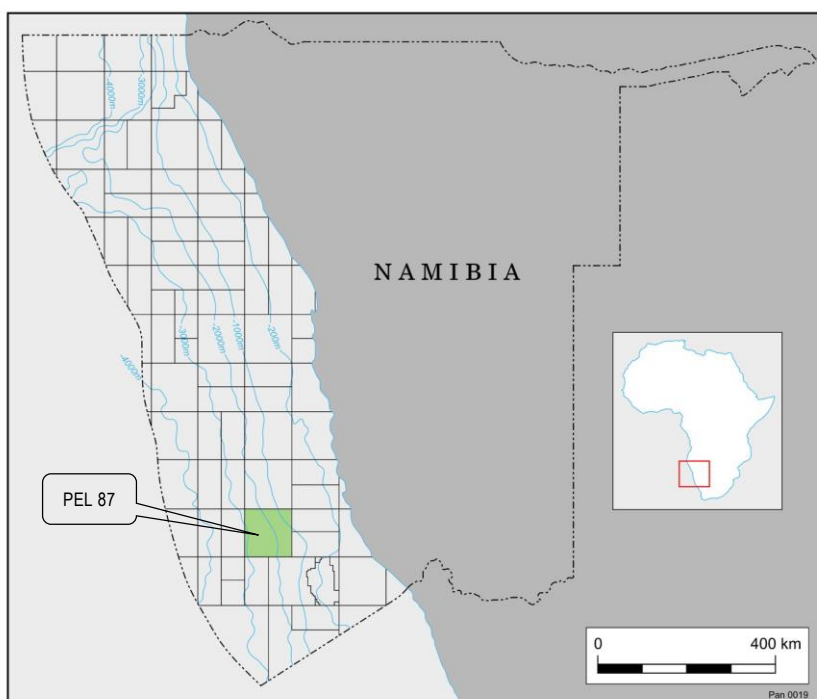


Figure 4: PEL 87 Location Map

## DIRECTORS' REPORT

# REVIEW OF OPERATIONS

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PEL 87 was awarded to a joint venture led by Pancontinental in early 2018 for up to 3 terms over 8 years (plus subsequent extensions) and may be converted to a Production Licence under pre-agreed terms.

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%

# **DIRECTORS' REPORT (CONTINUED)**

## **REVIEW OF OPERATIONS**

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### **Changes in State of Affairs**

During the half year ended 31 December 2025, there was no significant change in the entity's state of affairs other than that referred to in the Half-Year Financial Statements and Notes thereto.

This report is made in accordance with a resolution of the directors, pursuant to section 306 (3) (a) of the Corporations Act 2001.

EA Myers

Executive Chairman

PERTH, 13 March 2026

### **Directors' Declaration for the Half-year ended 31 December 2025**

The directors declare that:

- (a) The attached Financial Statements and Notes thereto comply with Australian Accounting Standard AASB 134 Interim Financial Reporting;
- (b) The attached Financial Statements and Notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- (c) In the Directors' opinion, the attached Financial Statements and Notes thereto are in accordance with the Corporations Act 2001; and
- (d) In the Directors' opinion, there are reasonable grounds to believe that Pancontinental Energy NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

EA Myers

Chairman

PERTH, 13 March 2026

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATIONS ACT 2001**

To the Directors of Pancontinental Energy NL

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2025 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in relation to Pancontinental Energy NL and the entities it controlled during the half-year.

**In.Corp Audit & Assurance Pty Ltd**



**Volha Romanchik**  
Director

Perth, 13 March 2026

**In.Corp Audit & Assurance Pty Ltd**  
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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2025

	NOTE	31 DEC 2025 \$	31 DEC 2024 \$
<b>Operating activities</b>			
Depreciation		(43,199)	(2,124)
Salaries, fees & benefits		(376,875)	(371,271)
Audit fees		(14,616)	(14,110)
Generative exploration expenditure written off		(123,401)	-
ASX fees		(30,392)	(40,280)
Filing fees		(2,515)	(2,455)
Insurance		(40,897)	(40,364)
Legal fees		(2,897)	(400)
Share registry costs		(17,654)	(16,863)
Rent, outgoings and office		(22,058)	(65,876)
Corporate advisory		-	(40,000)
Investor relations		(36,250)	(21,522)
Share based payment expense		-	(850,000)
Other revenues and expenses		(22,565)	(42,792)
<b>Loss from operating activities</b>		<b>(733,319)</b>	<b>(1,508,057)</b>
<b>Financing activities</b>			
Interest income		18,766	75,631
Interest expense		(3,261)	(200)
Foreign exchange loss		(32,256)	168,886
<b>Loss from financing activities</b>		<b>(16,751)</b>	<b>244,317</b>
<b>Loss before income tax</b>		<b>(750,070)</b>	<b>(1,263,740)</b>
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(750,070)</b>	<b>(1,263,740)</b>
<b>Total Comprehensive Loss for the half-year</b>		<b>(750,070)</b>	<b>(1,263,740)</b>
<b>Comprehensive loss attributable to:</b>			
Owners of the Company		(751,338)	(1,264,989)
Non-controlling interest		1,268	1,249
		<b>(750,070)</b>	<b>(1,263,740)</b>
<b>Basic and diluted earnings per share (cents per share)</b>	4	<b>(0.01)</b>	<b>(0.02)</b>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

# STATEMENT OF FINANCIAL POSITION

For the half-year ended 31 December 2025

	NOTE	31 DEC 2025 \$	30 JUN 2025 \$
<b>Current assets</b>			
Cash and cash equivalents	2	3,172,589	2,492,982
Trade and other receivables		77,965	104,385
<b>Total current assets</b>		<b>3,250,554</b>	<b>2,597,367</b>
<b>Non-current assets</b>			
Trade and other receivables		10,200	10,200
Property, plant and equipment		112,838	156,037
Deferred exploration and evaluation costs	6	5,682,536	5,338,715
<b>Total non-current assets</b>		<b>5,805,574</b>	<b>5,504,952</b>
<b>Total assets</b>		<b>9,056,128</b>	<b>8,102,318</b>
<b>Current liabilities</b>			
Trade and other payables		170,645	253,070
Provision for employee entitlements		284,226	253,229
Lease liabilities		84,761	81,820
<b>Total current liabilities</b>		<b>539,632</b>	<b>588,119</b>
<b>Non-current liabilities</b>			
Provision for employee entitlements		18,251	16,907
Lease liabilities		22,302	65,212
<b>Total non-current liabilities</b>		<b>40,553</b>	<b>82,119</b>
<b>Total liabilities</b>		<b>580,185</b>	<b>670,238</b>
<b>Net assets</b>		<b>8,475,943</b>	<b>7,432,080</b>
<b>Equity</b>			
Contributed equity		121,325,194	119,531,262
Reserves		3,100,000	3,100,000
Accumulated losses		(115,949,251)	(115,199,182)
<b>Total equity</b>		<b>8,475,943</b>	<b>7,432,080</b>
Capital and reserves attributable to owners of Pancontinental		9,795,101	8,749,970
Non-controlling interest		(1,319,158)	(1,317,890)
		<b>8,475,943</b>	<b>7,432,080</b>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

## For the half-year ended 31 December 2025

Consolidated	CONTRIBUTED EQUITY \$	ACCUMULATED LOSSES \$	OPTION RESERVE \$	TOTAL EQUITY \$	NON-CONTROLLING INTEREST \$	ATTRIBUTABLE TO OWNERS OF THE COMPANY \$
Balance at 1 July 2025	119,531,262	(115,199,182)	3,100,000	7,432,080	(1,317,890)	8,749,970
Loss for the period	-	(750,070)	-	(750,070)	(1,268)	(748,802)
Issue of shares (net of costs)	1,793,932	-	-	1,793,932	-	1,793,932
<b>Balance at 31 December 2025</b>	<b>121,325,194</b>	<b>(115,949,251)</b>	<b>3,100,000</b>	<b>8,475,943</b>	<b>(1,319,158)</b>	<b>9,795,101</b>
<b>NON-CONTROLLING INTEREST</b>	<b>936,482</b>	<b>(2,255,640)</b>	<b>-</b>	<b>(1,319,158)</b>		
<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>120,388,712</b>	<b>(113,693,611)</b>	<b>3,100,000</b>	<b>9,795,101</b>		

Consolidated	CONTRIBUTED EQUITY \$	ACCUMULATED LOSSES \$	OPTION RESERVE \$	TOTAL EQUITY \$	NON-CONTROLLING INTEREST \$	ATTRIBUTABLE TO OWNERS OF THE COMPANY \$
Balance at 1 July 2024	119,471,262	(113,445,957)	2,250,000	8,275,305	(1,474,293)	9,749,598
Loss for the period	-	(1,263,740)	-	(1,263,740)	1,249	(1,264,989)
Share option movements	-	-	850,000	850,000	-	850,000
<b>Balance at 31 December 2024</b>	<b>119,471,262</b>	<b>(114,709,698)</b>	<b>3,100,000</b>	<b>7,861,564</b>	<b>(1,473,044)</b>	<b>9,334,609</b>
<b>NON-CONTROLLING INTEREST</b>	<b>936,482</b>	<b>(2,409,526)</b>	<b>-</b>	<b>(1,473,044)</b>		
<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>118,534,780</b>	<b>(112,300,172)</b>	<b>3,100,000</b>	<b>9,334,609</b>		

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

# STATEMENT OF CASHFLOWS

For the half-year ended 31 December 2025

	31 DEC 2025 \$	31 DEC 2024 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(557,541)	(583,557)
<b>Net cash flows used in operating activities</b>	<b>(557,541)</b>	<b>(583,557)</b>
<b>Cash flows from investing activities</b>		
Expenditure on exploration interests	(531,063)	(362,838)
<b>Net cash flows from investing activities</b>	<b>(531,063)</b>	<b>(362,838)</b>
<b>Cash flows from financing activities</b>		
Interest received	18,766	75,631
Proceeds from issue of ordinary shares	1,793,933	-
Repayment of lease liabilities	(11,790)	-
<b>Net cash flows from financing activities</b>	<b>1,800,909</b>	<b>75,631</b>
<b>Net increase (decrease) in cash held</b>	<b>712,305</b>	<b>(870,764)</b>
Add opening cash balance	2,492,982	4,301,120
Effects of exchange rate changes	(32,698)	169,859
<b>Closing cash balance</b>	<b>3,172,589</b>	<b>3,600,215</b>

The Statement of Cashflows is to be read in conjunction with the Notes to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## For the half-year ended 31 December 2025

### 1. Basis of Preparation of Half-year Financial Statements

This general-purpose financial report for the half-year ended 31 December 2025 has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 134: *Interim Financial Reporting*. This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2025 and public announcements made by Pancontinental Energy NL during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act.

#### Going concern

The directors consider that the going concern basis for the consolidated entity is appropriate. As at 31 December 2025 the Company had \$3,172,589 in cash assets. Accordingly, the directors believe that the consolidated entity has sufficient cash reserves to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial statements.

#### Accounting Policies

The accounting policies have been consistently applied to all the periods presented, unless otherwise stated.

#### New Standards, Interpretations and Amendments

In the half-year ended 31 December 2025, the consolidated entity has reviewed all the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2025.

It has been determined that there is no material impact of the new and revised standards and interpretations on the financial position or performance of the group.

#### Impact of standards issued but not yet applied by the Group

The consolidated entity has also reviewed all new standards and interpretations that have been issued but are not yet effective for the half-year ended 31 December 2025. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore, no change is necessary to the consolidated entity's accounting policies.

### 2. Cash and cash equivalents

	31 DEC 2025 \$	30 JUN 2025 \$
Cash on hand and at bank	3,172,589	1,742,982
Deposits – at call	-	750,000
<b>Cash assets at end of half-year</b>	<b>3,172,589</b>	<b>2,492,982</b>

### 3. Issued and Quoted Securities at end of current half-year

	NUMBER ISSUED	NUMBER QUOTED
Ordinary shares at beginning of the half-year	8,136,585,866	8,136,585,866
Movement during the half-year	149,494,389	149,494,389
<b>Ordinary shares at end of the half-year</b>	<b>8,286,080,255</b>	<b>8,286,080,255</b>
Listed options at beginning of the half-year	487,549,998	487,549,998
Movement during the half-year	(487,549,998)	(487,549,998)
<b>Listed options at end of the half-year</b>	<b>-</b>	<b>-</b>
Unlisted options at beginning of the half-year	360,000,000	-
Movement during the half-year	-	-
<b>Unlisted options at end of the half-year</b>	<b>360,000,000</b>	<b>-</b>

### 4. Earnings per Share

	31 DEC 2025 \$	31 DEC 2024 \$
Basic and diluted earnings per share	(0.01)	(0.02)
The weighted average number of ordinary shares during the half-year used in the calculation of basic earnings per share	8,197,648,754	8,131,585,866

### 5. Segment Information

During the period the consolidated entity operated predominately in one business segment, being the energy sector. Accordingly, under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the Consolidated Financial Statements.

### 6. Deferred exploration, evaluation and development costs

	31 DEC 2025 \$	30 JUN 2025 \$
Opening balance at beginning of period	5,338,715	4,683,348
Additions	467,222	814,464
Exploration expenditure written off /(credited)	(123,401)	(159,097)
<b>Closing balance</b>	<b>5,682,536</b>	<b>5,338,715</b>

## **7. Subsequent Events**

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of the consolidated entity, or the state of affairs of the consolidated entity as reported to the half-year ended 31 December 2025.

### **22 January 2026**

#### *PEL 87 Update*

The Company's wholly owned subsidiary Pancontinental Orange Pty Ltd, on behalf of the PEL 87 Joint Venture participants, submitted an application to the Namibian Ministry of Industry, Mines and Energy (MIME) on 6 October 2025 for a 12-month extension to the PEL 87 First Renewal Exploration Period. The Company has thus far received no formal notification from MIME, nor a request for additional information, and notes that at present the First Renewal Exploration Period ends 22 January 2026. Neither the Namibian Petroleum Act nor the PEL 87 Petroleum Agreement contemplate this circumstance, however the Company notes that in the case of an exploration license renewal application, under the Petroleum Act a license does not expire while MIME continues to consider the application. The Company is liaising with MIME and will provide a further announcement as soon as formal notification is received.

Based on the Company's ongoing dialogue and written correspondence with MIME, which has confirmed that processing delays are due solely to administrative delay, the Company considers the feedback received to be positive and remains confident that the extension application will be granted in the normal course of MIME's procedures.

## **8. Commitments for Exploration Licence Expenditure (Contingent Liability)**

The Company does not have any current commitments.

The consolidated entity has had certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work for exploration licences. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the consolidated entity. At balance date the Company had an interest in one core exploration licence, PEL 87.

The PEL 87 previous licence period required the Joint Venture to invest a minimum of US\$5 million in exploration-related activities. The exploration investment in PEL 87 during the first licence period exceeded this amount by a significant margin. The majority of this expenditure was associated with the acquisition and processing of the extensive 3D seismic survey, fully-funded by Woodside.

The first renewal exploration period commenced on 23 January 2024 and ended on 22 January 2026, with an associated work commitment to drill one exploration well (or, if a drillable prospect is not identified, acquire either 500 km<sup>2</sup> of 3D seismic data or 1,000 line kms of 2D seismic data). As above in Subsequent Events, Pancontinental submitted an application for a 12-month extension and is awaiting approval from MIME.

**PANCONTINENTAL ENERGY NL**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Members of Pancontinental Energy NL

**Conclusion**

We have reviewed the accompanying half-year financial report of Pancontinental Energy NL (“the Company”) and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including material accounting policy information, other explanatory information, and the directors’ declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group’s financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor’s Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical requirements in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pancontinental Energy NL, would be in the same terms if given to the directors as at the time of this auditor’s review report.

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**PANCONTINENTAL ENERGY NL**

**INDEPENDENT AUDITOR'S REVIEW REPORT (continued)**

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2025 and its performance for the half year ended on that date, and complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**In.Corp Audit & Assurance Pty Ltd**



**Volha Romanchik**  
Director

Perth, 13 March 2026



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