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**Half Year Report and Accounts
July 2021 to December 2021**



PANCONTINENTAL



ABN 95 003 029 543

Directors

Henry David Kennedy
Ernest Anthony Myers
Roy Barry Rushworth
Vesna Petrovic

Non-Executive Chairman
Executive Director & Chief Executive Officer
Executive Technical Director
Executive Director

Company Secretary

Vesna Petrovic

Registered Office

Level 2, 30 Richardson Street
West Perth WA 6005
Telephone: +61 8 6363 7090

Share Registry

Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909
Telephone: +61 8 9389 8033

Auditors

Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

Internet Address & Contact

www.pancon.com.au
info@pancon.com.au

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 2021 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.

Contents

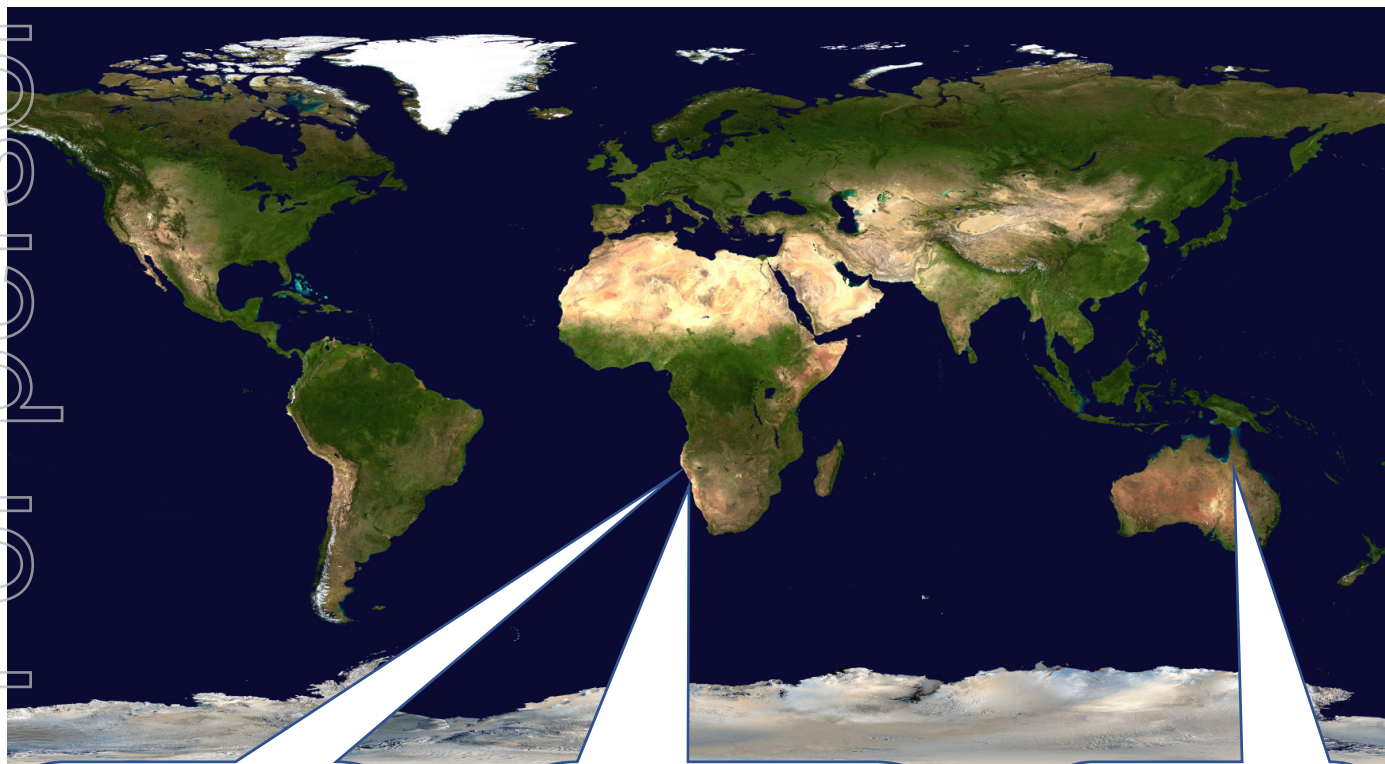
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Permit Schedule



Licence Location	Licence Reference	Pancontinental Interest	Joint Venture Partners
Namibia	PEL 87	75.00% The Company has received official written notification from the Ministry of Mines and Energy in Namibia that the licence has been extended until 23 January 2023. To effect this extension, a Deed of Amendment is to be submitted (which Pancontinental has done) so once the Ministry signs off, the documentation will be complete.	Custos 15.00% NAMCOR 10.00%
Namibia	PEL 37	Pending Ministerial approval and the grant of an extension.	Paragon Oil & Gas (Pty) Ltd Africa Energy Corp (through investment in Pancontinental Namibia Pty Ltd)
Australia	ATP 920	*20.00%	Key Petroleum 80.00%
Australia	ATP 924-Ace	*25.00%	Key Petroleum 75.00%

*Earning



NAMIBIA PEL 37
Offshore
Regional drilling on-trend 2021/22
Awaiting Ministerial Approval and grant of extension

NAMIBIA PEL 87 Offshore
"SATURN" OIL PROJECT
Shell and Total have drilled wells on-trend to PEL 87 this year with both making oil discoveries

AUSTRALIA Cooper Basin
Ongoing exploration affected by COVID-19



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 2021.

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



Henry David Kennedy MA (Geology), SEG (Non-Executive Chairman)

Mr Kennedy is a Geologist with a long history in Australian and New Zealand oil and gas companies. During his time as a technical director he was instrumental in the formation and development of a number of successful listed companies. These companies were involved in numerous discoveries in Western Australia and New Zealand. At Pancontinental, Mr Kennedy has used his wide knowledge base to assist with the strategic direction of the company. Mr Kennedy has been a director of Pancontinental since August 1999.

Mr Kennedy retired as a Non-Executive Director of Norwest Energy NL in March 2020. (Director since April 1997).



Ernest Anthony Myers CPA (Chief Executive Officer and Executive Director)

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 and Chief Executive Officer in November 2018.

Mr Myers is currently also Non-Executive Chairman of Norwest Energy NL (since November 2018).



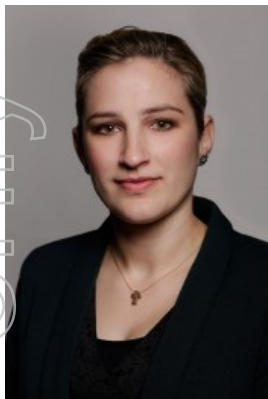
Roy Barry Rushworth, BSc (Executive Technical Director)

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.

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



COMPANY SECRETARY & EXECUTIVE DIRECTOR



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

Mrs 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 Mrs Petrovic a base from which to contribute to the accounting and governance functions at Pancontinental.

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

FORMER NON-EXECUTIVE DIRECTOR

Ms Malaxos was a Non-Executive Director during the half-year but resigned on 21 February 2022, after half-year end and before the signing of these financial statements.

Ms Malaxos has been a valuable member of the Board since her appointment in 2017. The Board believes Ms Malaxos' knowledge and experience have been an asset to the Company and they wish her well in her future endeavours.



REVIEW AND RESULTS OF OPERATIONS

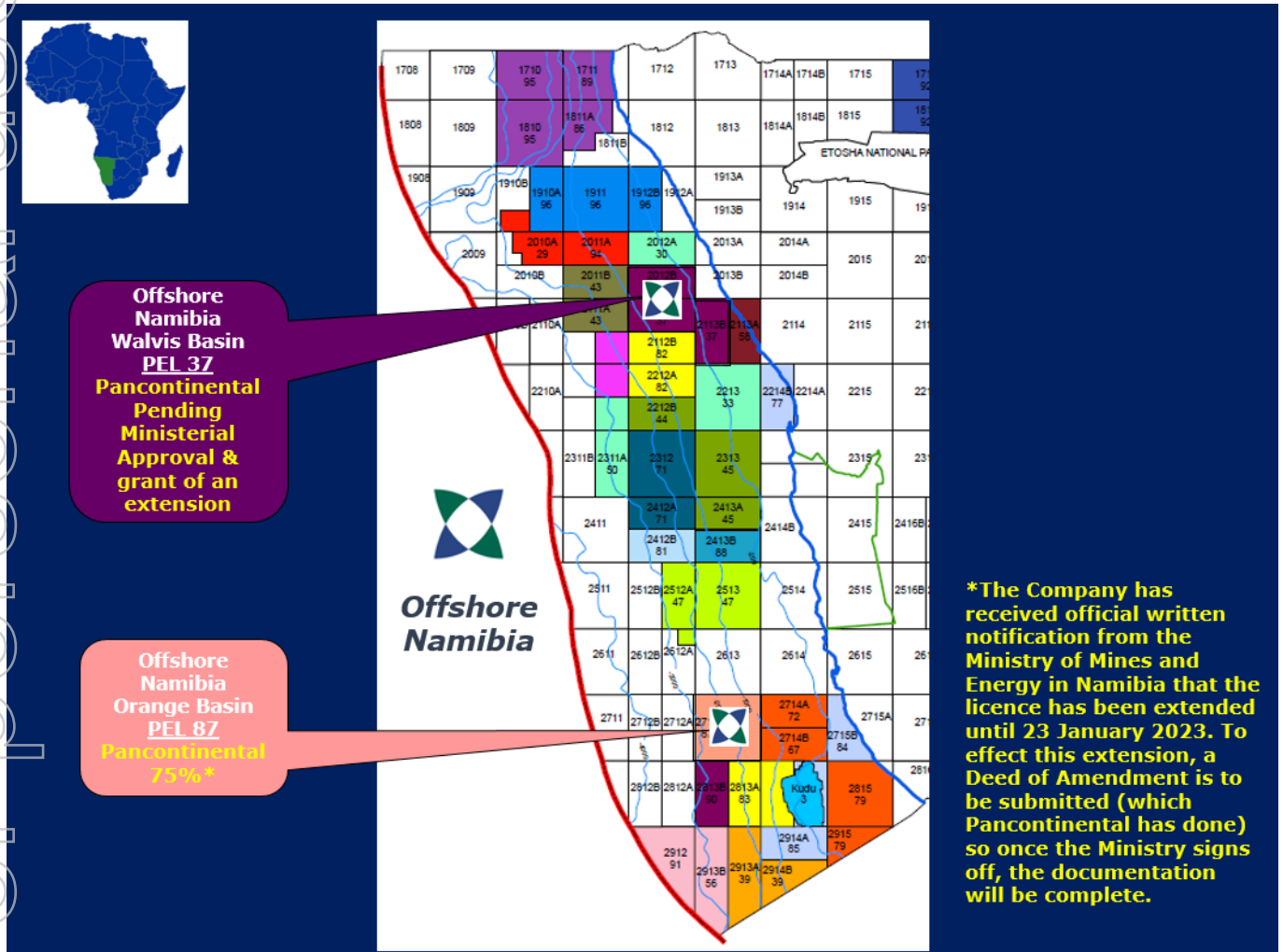
The review of the consolidated entity's operations during the half year ended 31 December 2021 is as follows:

Financial

	\$
Expenses from operating activities	(420,113)
Income from financing activities	3,756
Operating Profit /(Loss)	<u>(416,357)</u>
Income Tax	-
Operating Profit /(Loss) for the half year	<u>(416,357)</u>

Review of Operations

NAMIBIA



Namibia is located on the western coast of Africa. Namibia is extremely diverse in language and culture, however the official language is English. This, as well as the economic and political stability in country has assisted the Company to conduct successful business activities there over the past decade. The geology of Namibia has long been compared to that of its neighbour Angola – one of the largest oil producing countries in Africa. Two significant recent oil discoveries offshore Namibia this year confirm that theory. Pancontinental is very pleased to have its strategy and perseverance validated, and to be a significant part of this exciting new oil play.



TotalEnergies announced an oil discovery with the Venus-1X well offshore Namibia in February 2022. This was the second recent oil discovery, after Shell's Graff-1 light oil discovery, also made in February. The two discoveries are on-trend to Pancontinental's PEL 87 licence. PEL 87 holds the very large Saturn turbidite complex, sharing many prospective characteristics with the Venus Prospect. These recent events are extremely significant to Pancontinental as well as the oil industry in Namibia. NAMCOR's Managing Director, Immanuel Mulunga, commented: "Following the recent success of the Graff-1 well by Shell, this second light oil discovery by TotalEnergies has demonstrated the world-class potential of this new play in the deep-water of the Orange Basin, which could be a major game-changer for Namibia's economy and its people."

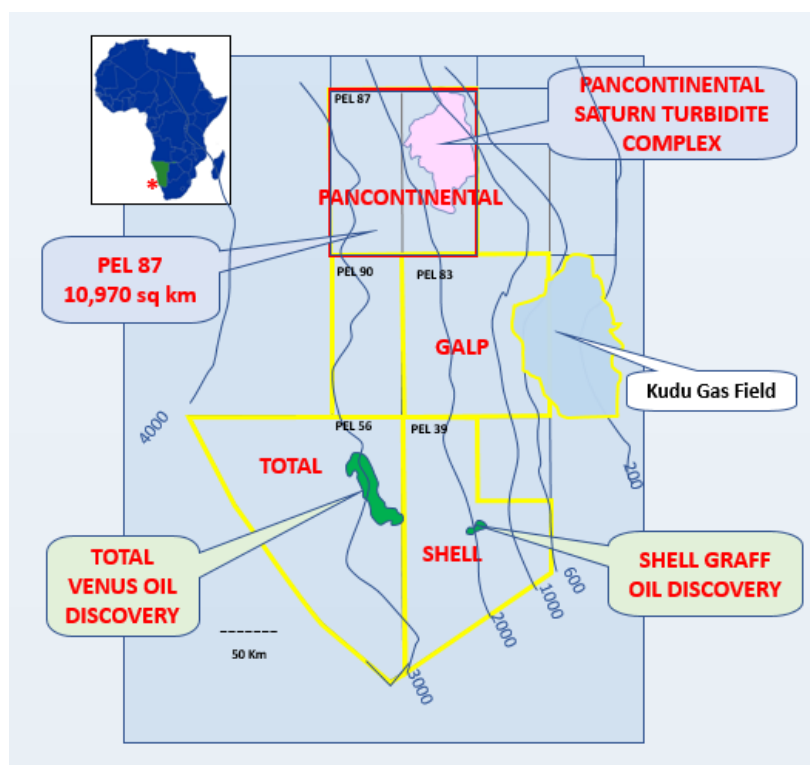
Namibia Offshore PEL 87

Location:	Orange Basin	
Project Size:	10,947 square kilometres	
JV Partners:	Pancontinental (Operator)	75.00%**
	Custos Investments (Pty) Ltd	15.00%
	NAMCOR*	10.00%
	*National Petroleum Corporation of Namibia	

****The Company has received official written notification from the Ministry of Mines and Energy in Namibia that the licence has been extended until 23 January 2023. To effect this extension, a Deed of Amendment is to be submitted (which Pancontinental has done) so once the Ministry signs off, the documentation will be complete.**

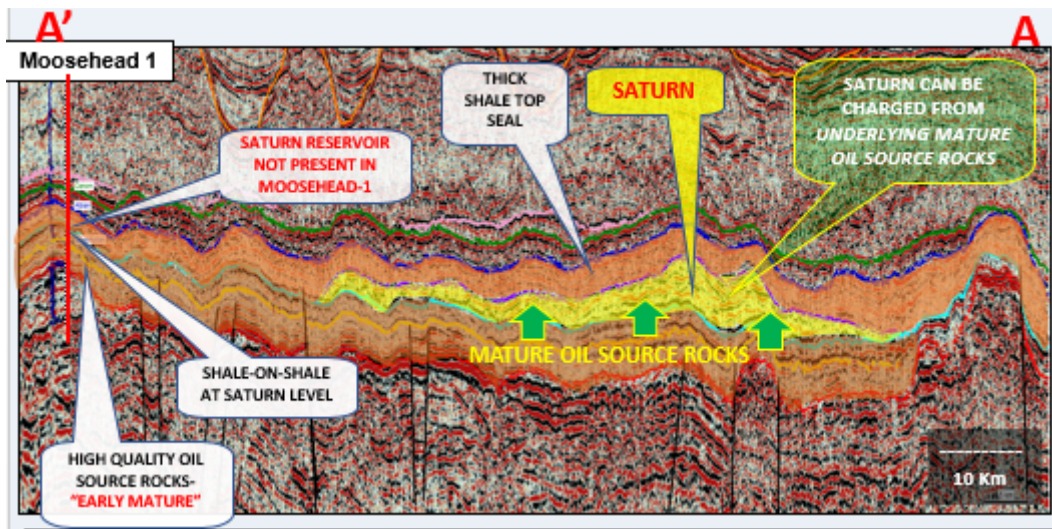
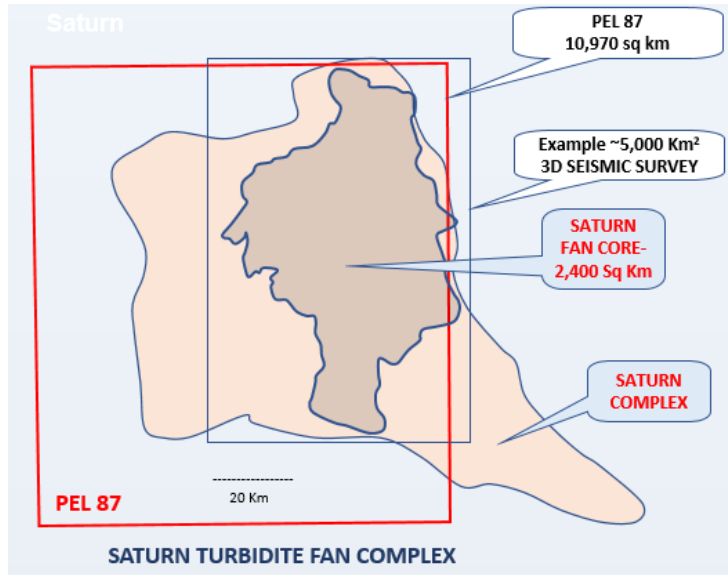
Pancontinental, local partners Custos Investments (Pty) Ltd and the National Petroleum Corporation of Namibia applied for an exploration licence over Block 2713, offshore Orange Basin in 2017. A new joint venture was formed when the consortium was advised that the application was successful and Petroleum Exploration Licence 87 granted. Ownership of the licence is divided between Pancontinental 75%, Custos 15% and NAMCOR 10%. The licence has been extended by the Ministry of Mines and Energy until 23 January 2023 by official written communication with the Deed of Amendment currently with the Ministry for signing.

As can be seen from the map below, the PEL 87 licence is situated on trend to the two recent discoveries by Shell and TotalEnergies.





PEL 87 holds the very large Saturn turbidite complex, on trend and at the same stratigraphic level as the Venus discovery. The fan is of Aptian age and the joint venture has interpreted it to be covered with sealing shales. Saturn is at the same stratigraphic level (Lower Aptian) as the Venus discovery and shares the same underlying Source Rock and the same Regional Seal. It is at approximately the same depth below the mudline as Venus.



Features of the Saturn Turbidite Complex include:

- * Saturn Core- 2,400 Km², c 300m thick
- * Intra-slope ponded Turbidite Complex with thick top and bottom seals, demonstrated by Moosehead-1
- * High quality, mature oil source below Saturn fan
- * Stratigraphic and independent closures

Exploration activities conducted in the PEL 87 licence have thus far suggested the presence of an active petroleum system. An active petroleum system will exhibit the following characteristics; petroleum source rocks, reservoir rocks, seal and trap. High quality Kudu Shale oil source can be inferred via seismic extension from regional well data including that of the nearby Moosehead-1 well (2013). Saturn is believed to be sealed by slightly overpressured shale and modelling has shown that there is Full Oil Maturity. Depositional characteristics have been used to infer good Reservoir quality.

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Pancontinental has continued working on the licence commitments during the half year while monitoring the regional activities heating up offshore Namibia.

The Company holds a large interest in the PEL 87 project and has compiled a farmout package to interested parties. COVID-19 has had an effect on company budgets which has slowed farmout efforts, however the whole industry has been keeping close tabs on the recent drilling by Shell and TotalEnergies and no doubt the success stories of both wells will bode well for Pancontinental's future farmout endeavours.

Namibia Offshore PEL 37**

Location: Walvis Basin
 Project Size: 17,295 square kilometres
 JV Partners: Pancontinental Namibia Pty Ltd*
 Paragon Oil & Gas (Pty) Ltd

* Ownership of Pancontinental Namibia Pty Ltd:
 Pancontinental Oil & Gas NL 66.67%
 Africa Energy Corp. 33.33%

****The Company is awaiting pending Ministerial approval and grant of an extension for PEL 37**

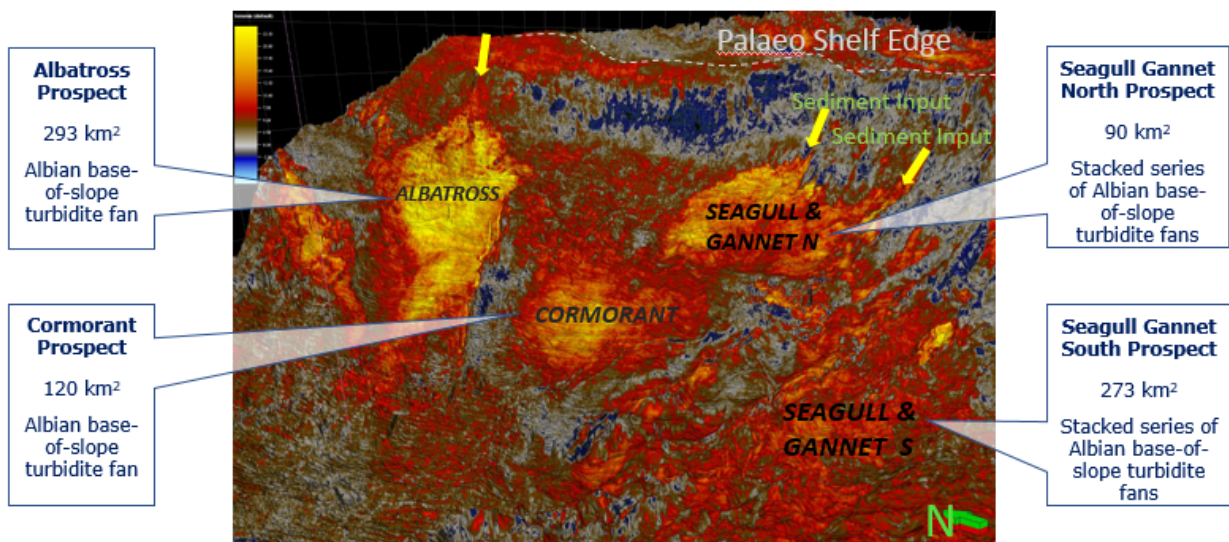
Pancontinental was one of the founding partners in the PEL 37 joint venture which commenced over 10 years ago. Numerous exploration programmes have been completed by the joint venture during this time and external funding brought in by way of farmout. In recent years, the joint venture drilled the Cormorant-1 well under farmout and although no commercial quantities of hydrocarbons were found, the drilling provided valuable information for the joint venture's dataset.

The PEL 37 licence is located in the Walvis Basin and covers 17,295 km² (4.2 million acres) in water depths extending from <300m to 1,800m. An "Oil Mature Fairway" has been interpreted which extends through PEL 37. Pancontinental believes that PEL 37 is well positioned in an oil generating "sweet spot" where oil prone source rocks are sufficiently buried to generate oil. A number of ponded turbidite, slope turbidite, basin floor turbidite fans and channels forming very large leads and prospects closely associated with, and within the Inner Graben of PEL 37 have been identified and mapped.

Drilling was planned for both the Walvis and Orange Basins. In February 2022, both Total and Shell and their respective joint ventures made discoveries with wells drilled offshore Namibia in the Orange Basin. Drilling in the Walvis Basin has yet to commence and any success case regionally would reduce the play risk and have significance for deepwater exploration in the area.

The Company has always strongly believed in the prospectivity of the area and was pleased that the joint venture could secure an extension to the previous exploration term. Now, Pancontinental is in the process of applying for a two year extension of the licence. The extension being sought will be a two year, 3rd Renewal Period. This additional period will enable further assessment of the dataset and provide time to assess the most appropriate steps going forward. In addition to the current Initial Term of the PEL 87 Licence (as extended) the Licence provides for two further Terms, each of two years.

Prospects within PEL 37





AUSTRALIA

Queensland, Australia Onshore ATP 920 & ATP 924 [Ace Area]

Location:	Cooper Eromanga Basin	
Project Size:	ATP 920 - 2,337 km ² ATP 924 - 2,220 km ²	
JV Partners:	ATP 920 Key Petroleum Limited (Operator)	80.00%
	ATP 920 Pancontinental Oil & Gas NL	20.00%**
	ATP 924* Key Petroleum Limited (Operator)	75.00%
	ATP 924* Pancontinental Oil & Gas NL	25.00%**
	* Ace Area	
	**earning	

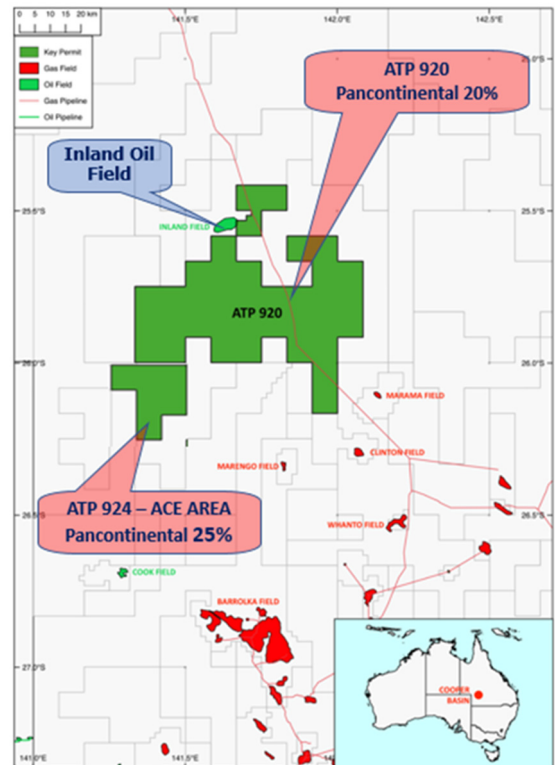
ATP 920 and ATP 924 onshore Queensland

In the past, Pancontinental's exploration portfolio has mostly been dominated with longer term African focussed projects however in 2019 the Company agreed to move forward with a strategy to diversify and include projects that are both long and short term in nature. As such, the Company was presented with an opportunity by Key Petroleum Limited which it accepted by signing agreements to acquire two large exploration permits, ATP 920 and ATP 924 (Ace area) in the Cooper Basin, Queensland.

Shortly after execution of documents, the Eastern States of Australia were hit with a number of unforeseen natural disasters which included record temperatures, severe flooding and bushfires. All of this was before the COVID-19 pandemic arrived. Therefore, the joint venture has found it very difficult to continue with planned activities over the last few years.

During the half year, the joint venture received approval from the Queensland Department of Natural Resources, Mines and Energy for an application lodged for Project Status. Project Status will enable the joint venture to combine the commitments of Authorities to Prospect 920 and the Ace Area of 924 and they will be considered as one project. The licence commitments can now be transferred from one to the other enabling the joint venture to focus on the most prospective areas first.

A detailed review of the projects is ongoing to determine the focus areas for future exploration.



NEW VENTURES

Pancontinental has for some time expressed its interest in seeking new projects which will add value for shareholders and expand the asset base.

COVID-19

While the COVID-19 pandemic is ongoing throughout the world, this has impacted the Company's exploration activities. The Company has felt the effects of the pandemic by the reduced industry activity, travel restrictions and available budgets for project farms. This has resulted in a tightening of the Company's own corporate and exploration outgoings. Also the adaptation of work from home and hygiene recommendations has had an impact.



Pancontinental continues to align its work practices with the recommendations of the World Health Organisation as well as State and Federal Department of Health's requirements. The Company continues to monitor global activity and take the advice of relevant government and global agencies.

Pancontinental has set as its priorities the health and safety of its Staff and Directors as well as the conservation of its asset base and the continuation of its project activity.

CLIMATE CHANGE

Pancontinental is mindful of the developing and continued interest of stakeholders in climate change issues. Climate risk has evolved to become an important consideration in investment and corporate strategic decisions. It is now widely recognised as a critical risk to business, industry and capital markets.

The G20 Financial Stability Board established the Task Force on Climate-related Financial Disclosures which is an industry-led task force that has published recommendations for financial report preparers to assist in providing investors the most relevant climate change disclosures. The Company has utilised the publication as a guide in providing our stakeholders with the appropriate information in this regard which can be found in the Directors' Report of the latest Annual Report at the below link:

http://clients2.weblink.com.au/news/pdf_2%5C02444158.pdf

FUNDRAISING & GENERAL MEETINGS

A General Meeting of shareholders was conducted on 29 July 2021 with all resolutions put to the meeting passed on poll results. All of the resolutions were passed with an approval percentage above 97%. During the March 2021 quarter, the Company raised \$710,000 via a Placement of 710,000,000 shares at \$0.001. The shares were issued to sophisticated and professional investors as well as directors. Resolutions put to the meeting covered ratification of the placement and director participation (\$110,000 contributions for 110,000,000 shares) as well as the name change to Pancontinental Energy NL.

During the half year, the Company completed a bookbuild to raise \$1.0 million through the placement of 1,037,507,325 shares at an issue price of \$0.001 per share to sophisticated and professional investors. \$917k for the issue of 917,507,325 shares was received and shares duly granted. The remaining 120,000,000 shares were subject to shareholder approval at the General Meeting held on 21 October 2021. Resolutions for the ratification of the placement and Directors' contributions to the placement of \$120,000 (120,000,000 shares) were put forward to the meeting and passed on a poll with an approval percentage above 96%.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Company's annual report was lodged during the half year. A copy of the report can be found following the below link:

http://clients2.weblink.com.au/news/pdf_2%5C02444158.pdf

Pancontinental's Annual General Meeting of shareholders was held on 29 November 2021. All resolutions put to the meeting; the remuneration report, re-election of directors and amendment of the constitution were passed on a poll with an approval percentage above 95%. Results can be found following the below link:

http://clients2.weblink.com.au/news/pdf_2%5C02459475.pdf



CHANGES IN STATE OF AFFAIRS

During the half year ended 31 December 2021, there were no significant change in the entity's state of affairs other than that referred to in the Half Year Financial Statements of 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
CEO and Executive Director
PERTH, 16 March 2022

DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Directors declare that:

- (a) The attached Financial Statements and Notes thereto comply with Accounting Standards;
- (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
CEO and Executive Director
PERTH, 16 March 2022



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
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Phone (08) 9486 7094 www.rothsay.com.au

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

As lead auditor of the review of Pancontinental Energy NL for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, 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 respect of Pancontinental Energy NL and the entities it controlled during the year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', is written over a faint, large watermark that says 'For personal use only'.

**Daniel Dalla
Partner**

15 March 2022





Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
PANCONTINENTAL ENERGY NL**

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the 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 2021, the consolidated statement of profit and 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, a summary of significant accounting policies and 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company 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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Directors' Responsibility for the 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 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 gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility 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 Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard 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.

Rothsay Auditing

Dated 15 March 2022

**Daniel Dalla
Partner**

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Statement of Comprehensive Income



HALF YEAR ENDED 31 DECEMBER 2021

Notes **CONSOLIDATED**
Half Year to Half Year to
Dec 2021 Dec 2020

		\$	\$
OPERATING ACTIVITIES			
Depreciation		(1,640)	(4,013)
Salaries, fees & benefits (inc leave accruals & recoveries)		(202,304)	(196,343)
Audit fees		(14,500)	(21,500)
Exploration – generative & write offs	7	(750)	(7,753)
Annual report costs		(5,334)	(8,895)
ASX fees		(18,695)	(12,361)
Filing fees		(2,338)	(2,086)
Insurance		(38,906)	(73,953)
Legal fees		(17,763)	(540)
Share registry costs		(9,046)	(6,609)
Rent, outgoings and office		(47,095)	(65,644)
Corporate advisory		(30,000)	-
Investor relations		(22,000)	-
Other revenues and expenses		(9,742)	41,955
TOTAL OPERATING ACTIVITIES		(420,113)	(357,742)
FINANCING ACTIVITIES			
Financing income (including foreign exchange gains)		3,756	7
Financing expense (including foreign exchange losses)		-	(38,465)
TOTAL FINANCING ACTIVITIES		3,756	(38,458)
PROFIT/(LOSS) BEFORE INCOME TAX		(416,357)	(396,200)
Income tax expense		-	-
PROFIT/(LOSS) FOR THE PERIOD		(416,357)	(396,200)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(416,357)	(396,200)
Comprehensive income / (loss) attributable to:			
Owners of the Company		(416,131)	(395,973)
Non-controlling interest	8	(226)	(227)
		(416,357)	(396,200)
Basic earnings per share (cents per share)	5	(0.01)	(0.01)
Diluted earnings per share (cents per share)		(0.01)	(0.01)

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

Statement of Financial Position



AT 31 DECEMBER 2021

Notes **CONSOLIDATED**
Dec 2021 Jun 2021

\$ \$

CURRENT ASSETS

Cash assets 3 925,774 394,408
Trade and other receivables 42,040 67,421

TOTAL CURRENT ASSETS 967,814 461,829

NON-CURRENT ASSETS

Property, plant and equipment 9,261 10,901
Deferred exploration, evaluation and development costs 7 3,045,593 2,993,035

TOTAL NON-CURRENT ASSETS 3,054,854 3,003,936

TOTAL ASSETS

4,022,668 3,465,765

CURRENT LIABILITIES

Trade and other payables 161,519 171,099

TOTAL CURRENT LIABILITIES 161,519 171,099

NON-CURRENT LIABILITIES

Provision for employee entitlements 36,118 28,214

Shares awaiting shareholder approval - 110,000

Non-controlling interest loan in subsidiary 476,560 476,560

TOTAL NON-CURRENT LIABILITIES 512,678 614,774

TOTAL LIABILITIES

674,197 785,873

NET ASSETS

3,348,471 2,679,892

EQUITY

Contributed equity 112,178,612 111,093,675

Reserves 149,961 592,402

Accumulated losses 2 (108,980,102) (109,006,185)

Total Equity 3,348,471 2,679,892

TOTAL EQUITY

3,348,471 2,679,892

Capital and reserves attributable to owners of PCL 4,854,279 4,185,474

Non-controlling interest 8 (1,505,808) (1,505,582)

3,348,471 2,679,892

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

Statement of Changes in Equity



AT 31 DECEMBER 2021

Consolidated	Share Capital	Retained Earnings	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	111,093,675	(109,006,185)	592,402	2,679,892
Profit or loss	-	(416,357)	-	(416,357)
Share issues (net of costs)	1,084,937	-	-	1,084,937
Share option & reserve movements	-	442,440	(442,441)	(1)
Balance at 31 December 2021	112,178,612	(108,980,102)	149,961	3,348,471
Balance at 1 July 2020	110,534,109	(108,301,845)	676,227	2,908,491
Profit or loss	-	(396,200)	-	(396,200)
Share option & reserve movements	-	83,824	(83,824)	-
Balance at 31 December 2020	110,534,109	(108,614,221)	592,403	2,512,291

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

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Statement of Cashflows



HALF YEAR ENDED 31 DECEMBER 2021

CONSOLIDATED
 Half Year to Half Year to
 Dec 2021 Dec 2020
 \$ \$

CASH FLOWS FROM OPERATING ACTIVITIES

Payments to suppliers and employees	(396,350)	(257,382)
Expenditure on exploration interests	(53,696)	(28,005)

NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES

	(450,046)	(285,387)
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CASH FLOWS FROM FINANCING ACTIVITIES

Interest received	33	-
Shares awaiting shareholder approval	-	100,000
Proceeds from issues of ordinary shares	1,037,507	-
Share issue costs	(59,902)	-

NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES

	977,638	100,000
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NET INCREASE/(DECREASE) IN CASH HELD

Add opening cash brought forward	394,408	(185,387)
Effects of exchange rate changes	3,774	(38,636)

CLOSING CASH CARRIED FORWARD

	925,774	343,338
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The above Statement of Cash Flows 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 2021

1. Basis of Preparation of Half Year Financial Statements

This general purpose financial report for the Half Year ended 31 December 2021 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 2021 and public announcements made by Pancontinental Energy NL during the Half Year in accordance with any continuous disclosure obligations arising under the Corporations Act, 2001.

Going concern

The Directors consider that the going concern basis for the consolidated entity is appropriate. During the Half Year, the Company raised \$1,147,507 by way of placement to sophisticated and professional investors as well as Director contributions of \$230,000.

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.

COVID-19

The Group has exercised judgement in considering the impacts that COVID-19 has had, or may have, on the financial position or performance of the Group. Factors taken into consideration whilst making this judgement include; nature of the Group's activities, assets, liabilities and licence location of the Group's assets. The Group has concluded that while the Company has felt the effects of COVID-19 through tightening of its own corporate and exploration expenditure, decrease in industry activity, travel restrictions and available budgets for project farms as well as adaptation of work from home and other hygiene recommendations there does not appear to be any significant uncertainties which would impact upon 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 2021, the Group has reviewed all of 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 2021.

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 Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2021. 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 necessary to Group accounting policies.



2. Equity

Accumulated Losses

For the Half Year Ended 31 December 2021	\$
Loss from ordinary activities after related income tax expense	(416,357)
Share option and reserve movements	442,440
Accumulated profits (losses) brought forward	<u>(109,006,185)</u>
Accumulated profits (losses) at end of Half Year	<u>(108,980,102)</u>

3. Reconciliation of Cash

Cash at the end of the Half Year as shown in the Statement of Cash Flows is reconciled to the related items in the Financial Statements as follows:	31-Dec-21	30-Jun-21
	\$	\$
Deposits – at call	10,000	10,000
Cash on hand and at bank	915,774	384,408
Cash and Equivalents at 31 December	<u>925,774</u>	<u>394,408</u>

4. Issued and Quoted Securities at end of current Half Year

Category of Securities	Number Issued	Number Quoted
Ordinary Shares at beginning of the Half Year	6,006,715,498	6,006,715,498
Movements during Half Year ended 31 December 2021	<u>1,147,507,325</u>	<u>1,147,507,325</u>
OS. shares at end of the Half Year	<u>7,154,222,823</u>	<u>7,154,222,823</u>
Options at beginning of the Half Year	269,817,075	-
Movements during Half Year ended 31 December 2021	<u>(190,890,245)</u>	<u>-</u>
Options at end of the Half Year	<u>78,926,830</u>	<u>-</u>

5. Earnings per Share

	Half Year Ended 31-Dec-21	Half Year Ended 31-Dec-20
Basic earnings per share - cents	(0.01)	(0.01)
Diluted earnings per share is not materially different from Basic earnings per share	(0.01)	(0.01)
The weighted average number of ordinary shares outstanding during the Half Year used in the calculation of basic earnings per share	6,410,505,718	5,406,715,498

6. Segmental Information

The Company operates in Australia and Africa, however internal reporting is conducted on an entity wide basis.



7. Exploration

	Half Year Ended 31-Dec-21	Half Year Ended 31-Dec-20
Opening Balance 30 June	2,993,035	2,801,177
Additions	53,308	28,263
Exploration write offs	(750)	(7,503)
Generative exploration expenditure	-	(250)
Closing Balance 31 December	<u>3,045,593</u>	<u>2,821,687</u>

8. Subsidiaries

Part Disposal of Subsidiary

In September 2017, the Group disposed of 33.33% of the ownership interest in Pancontinental Namibia Pty Ltd to Africa Energy Corp. Following the disposal, the Group still controls the subsidiary and retains 66.67% of the ownership interest. The transaction has been accounted for as an equity transaction with a non-controlling interest ("NCI") resulting in the balances as shown in the financial statements.

9. 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 2021 other than:

7 February 2022

Pancontinental announced that reports by the National Petroleum Corporation of Namibia (NAMCOR) and Qatar Energy confirmed a light oil discovery operated by their partner Shell Namibia in the Graff-1 exploration well in the Orange Basin, offshore Namibia. This is the first oil discovery ever declared offshore Namibia. Pancontinental's very large Saturn turbidite complex in PEL 87 is on-trend to the Graff discovery.

21 February 2022

Marie Malaxos resigned from the position of Non-Executive Director.

25 February 2022

Pancontinental released an announcement that TotalEnergies and its joint venture partners have made a major oil discovery in the Venus-1 well offshore southern Namibia. The Venus discovery closely follows the Shell Graff-1 light oil discovery and Shell has now spudded an appraisal well, Graff-2. Pancontinental's Saturn turbidite complex in PEL 87 is similar to Venus because it has the same age and depositional character, the same mature oil source rocks and regional seal at about the same depth below the sea floor. Saturn is much larger in area, with the potential for greater oil volumes.

10. Commitments for Expenditure (Contingent Liability) Oil Leases and Permits

The Company does not have any current commitments.

The Group has had certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work its 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 Group. These commitments have not been provided for in the financial report. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment or by new joint venture arrangements.

As at 31 December 2021, there were no minimum expenditure commitments in place.