PANCONTINENTAL ENERGY NL - ANNUAL REPORT 2026

PANCONTINENTAL
ENERGY NL

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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Tel: + 61 8 6363 7090

Share Registry

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

Auditors

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Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

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ASX Code

PCL

LOOKING TO THE FUTURE

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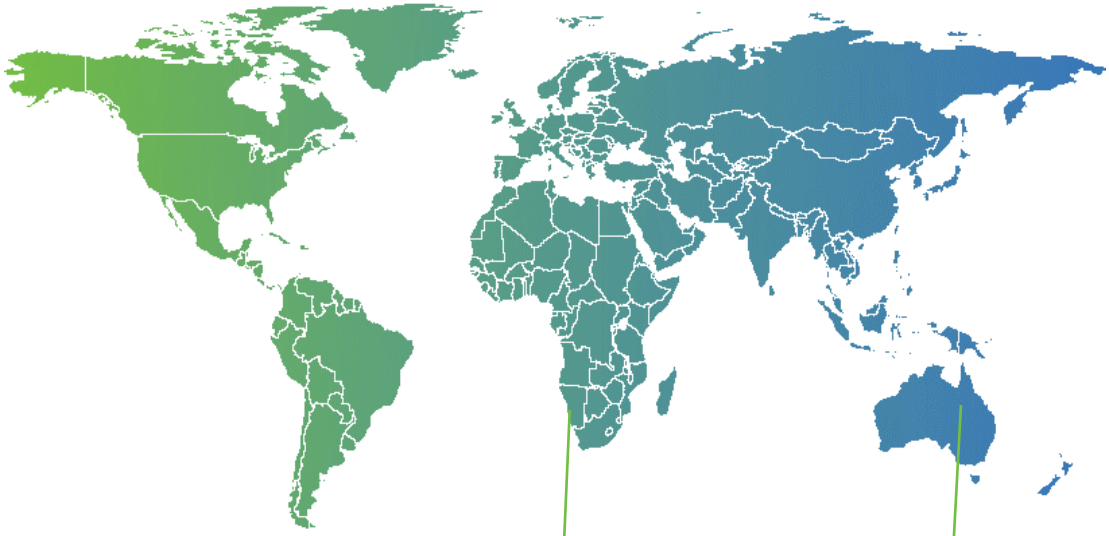
PERMIT SCHEDULE

Licence Location	Licence Number	Pancontinental Interest	Joint Venture Partners
NAMIBIA	PEL 87	75.00%	Custos 15.00% NAMCOR 10.00%
AUSTRALIA	ATP 920	20.00% *	Key Petroleum 80.00%
AUSTRALIA	ATP 924 -Ace	25.00% *	Key Petroleum 75.00%

* Earning



PETROLEUM EXPLORATION LICENCE 87
Orange Basin,
Offshore Namibia

ATP 920 & ATP 924 (ACE AREA)
Cooper Eromanga Basin,
Onshore Australia

Chairman's Review

Dear Shareholders,

On behalf of the Board, I am pleased to present Pancontinental Energy NL's Annual Report for the 2026 financial year.

The year has highlighted both the very significant prospectivity of offshore Namibia and the importance of maintaining a disciplined, strategic approach to advancing our exploration interests. Our principal focus remains on progressing a farmout of our offshore Namibian assets, as well as maximising the value of our 3D seismic data, with the intent of securing a suitable industry partner to fund future exploration activities and unlock the value of PEL 87. Offshore Namibia remains one of the pre-eminent global oil hotspots, particularly in these unusual times.

Farmout Endeavours and Strategic Partnerships
Our farmout endeavours remain ongoing. We continue to engage with potential partners and assess opportunities to bring additional technical expertise, financial capacity and operational experience to the PEL 87 project. Securing the right farmout partner is a key priority for Pancontinental, and we must recognise that this process requires persistence and careful consideration of the commercial and strategic alignment of prospective participants.

While the timing and outcome of the farmout initiative remains ongoing, the Board remains staunchly committed to pursuing this world-class opportunity. We aim to further evaluate our prospects while managing, as always, the significant capital exposure associated with offshore exploration.

The Prospectivity of Offshore Namibia
Offshore Namibia continues to attract considerable attention from the international oil and gas industry, reflecting the region's emerging status as a significant petroleum province. Exploration results across the broader offshore margin have reinforced interest in the basin's hydrocarbon potential and encouraged continued industry engagement.

Pancontinental's offshore Block PEL 87 offers exposure to a compelling exploration opportunity, amongst major activity by some of the world's most active and successful energy companies. The Company's strategy is to build on the technical understanding of its assets and pursue a commercial pathway that appropriately recognises both potential and the risks inherent in frontier exploration.

Other Activities
Pancontinental continues to pursue its fundamental strategy of seeking out and acquiring commercially high-value prospective assets in favourable jurisdictions. In accordance with this strategy an application by Pancontinental for a large and high-potential exploration area offshore New Zealand is currently being considered by the relevant departments of the New Zealand Government.

Acknowledgements
I would like to express my sincere appreciation to our CEO, staff, and technical advisers for their continued commitment, expertise and hard work throughout the year. Their contributions have been important in maintaining momentum across our technical, commercial and corporate activities, particularly as we continue to pursue a farmout in a competitive international market.

I would also like to congratulate employee Linda Underwood and director Vesna Petrovic on celebrating an outstanding 20 years with Pancontinental. Two decades of dedication, commitment and contribution is a remarkable achievement. We thank Linda and Vesna for being an important part of our journey and recognise their significant milestone with great appreciation.

I also thank my fellow directors Vesna Petrovic and Barry Rushworth for their input and support, and our shareholders for their ongoing patience, confidence and commitment to Pancontinental Energy.

I am also thankful for the contribution, support and guidance provided by our in-country team of representatives at Pioneer Oil & Gas in Windhoek.

We recognise that progress in frontier exploration can take time, and we remain focused on pursuing opportunities that we believe have the potential to create high-value potential, in a highly competitive and high-stakes international commercial environment.

Looking Ahead
As we move into the new financial year our priorities remain clear: to continue our farmout program, maintain constructive engagement with potential industry partners and position Pancontinental to progress its substantial offshore Namibian interests as opportunities arise.

Internationally, in a changing energy industry climate, and in addition to our existing material assets, we remain committed to looking for new significant opportunities.

The Board remains focused on disciplined management of the Company's resources, careful evaluation of strategic alternatives and the pursuit of transactions that provide a pathway towards further development of our assets.

The road ahead depends on market conditions, and the outcomes of ongoing discussions, and we remain encouraged by the prospectivity of offshore Namibia and are committed to advancing Pancontinental's interests for the benefit of all shareholders.

Thank you for your continued support.

Yours sincerely,

Ernie Myers
Chairman
Pancontinental Energy NL

Namibia

Namibia Offshore PEL 87

Location:	Orange Basin	
Project Size:	10,947 square kilometres	
JV Partners:	Pancontinental	75% (Operator)
	Custos Investments (Pty) Ltd	15%
	NAMCOR	10%

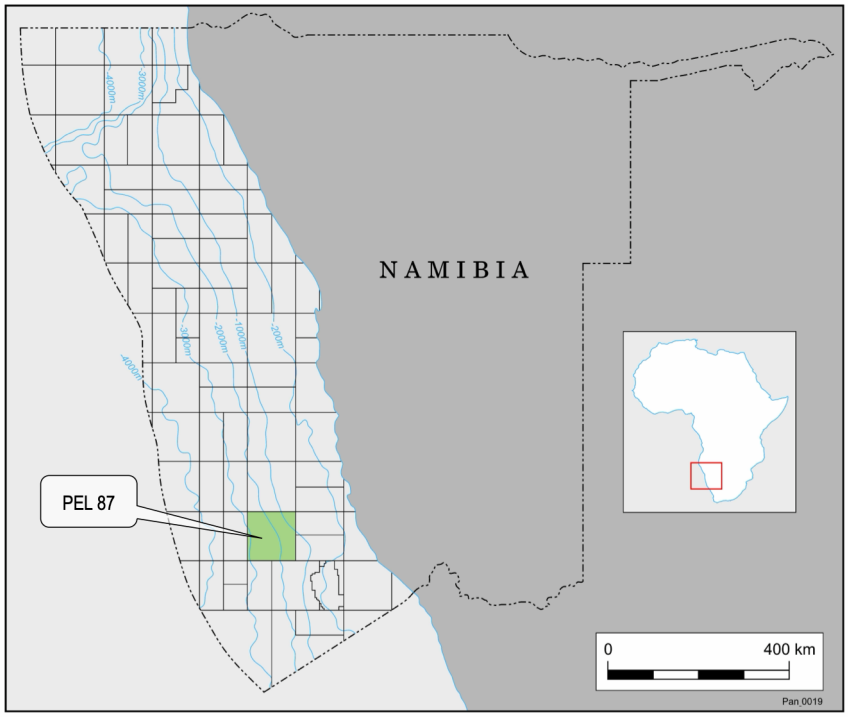


Figure 1: PEL 87 Location Map

During the reporting period the Company continued to advance the technical evaluation and maturation of its 75%-owned PEL 87 exploration permit, located in the Orange Basin offshore Namibia.

The Company's technical work focused on completion of the subsurface studies through integration of basin modelling, seismic sequence stratigraphy and Quantitative Interpretation (QI) to optimise the characterisation of reservoir systems and hydrocarbon charge. Completion of the QI study delivered an upgrade in Prospective Resources for the Saturn Complex prospect and leads, and incorporation of the Northern Channel and Phoebe West into the prospect inventory.

The current Prospective Resources for the full prospect inventory are as follows.

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%
Total	**2,702**	**13,092**	**29,606**	**711**	**3,606**	**8,174**	

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%
Total	**2,027**	**9,819**	**22,205**	**533**	**2,704**	**6,131**	

***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 an unrisked, best estimates basis. 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, 22 October 2025 and 31 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.

The Prospective Resources upgrade and maturation of the Northern Channel and Phoebe West prospects were achieved via screening of 3D seismic Quantitative Interpretation products, in particular the Lambda Rho and Density (Rho) inversion volumes, which provide an estimate of rock property attributes that is indicative of porosity/lithology and hydrocarbon fluid content.

The Northern Channel prospect is located at the northern limit of the PEL 87 3D seismic survey area, and is interpreted to host three stacked and channelised turbidite reservoir sequences. The upper and middle channel-confined turbidite sequences are interpreted to consist of high net-to-gross coarse sands that are analogous in age to those mapped at the Oryx prospect and exhibit Type III (Upper) and Type II (Middle) AVO anomalies.

The southern flank of the North Channel sits within PEL 87 and is underpinned by a broad structural high, providing a focus for hydrocarbons migrating from the ubiquitous world class mature Kudu source kitchen to the east. This slope channel play is proven by numerous hydrocarbon discoveries found in comparable settings along the West African Atlantic margin.

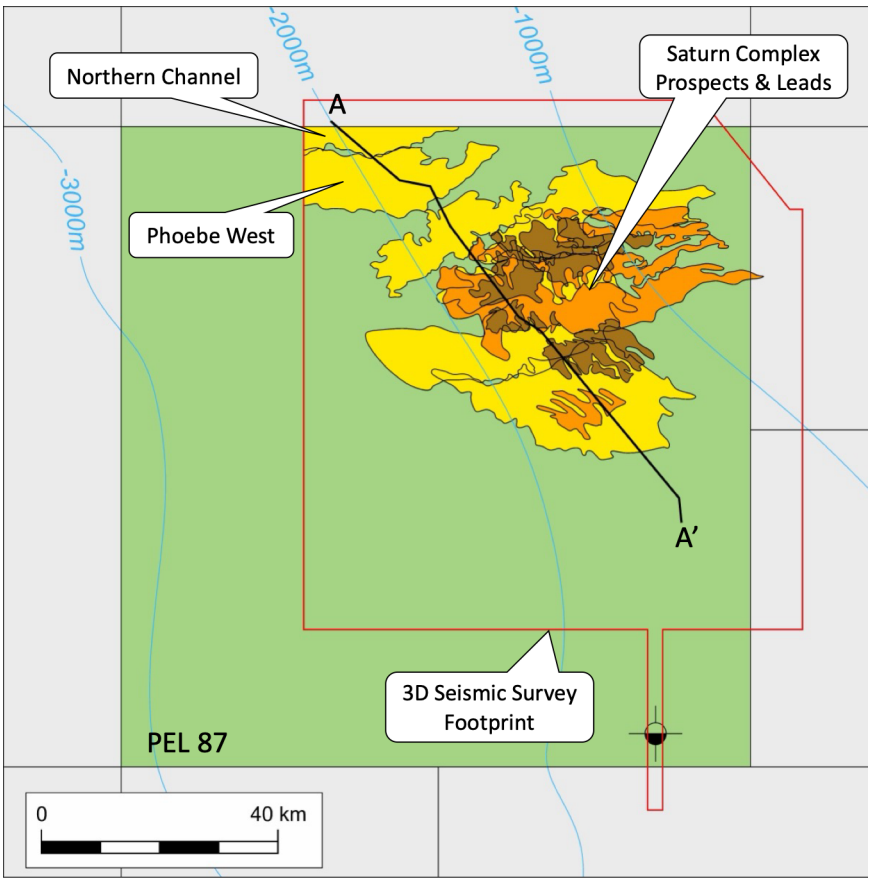


Figure 2: PEL 87 Prospects/Leads with Line of Section A-A'

The Phoebe West prospect is situated directly above the Kudu source rock sequence, with the reservoir target interpreted to be part of the lower Albian basin floor turbidite sequence that is identifiable across PEL 87. The fan sand sequence is interpreted to be draping over the outer rift margin and localised volcanic extrusive highs. Phoebe West exhibits Type III/II AVO anomalies that are conformant to structure and represents the largest connected sand body mapped outside of the Saturn Complex. Deposition is thought to have been contemporaneous with early mass transport deposits that have scoured into the Kudu shale sequence within the immediate fairway.

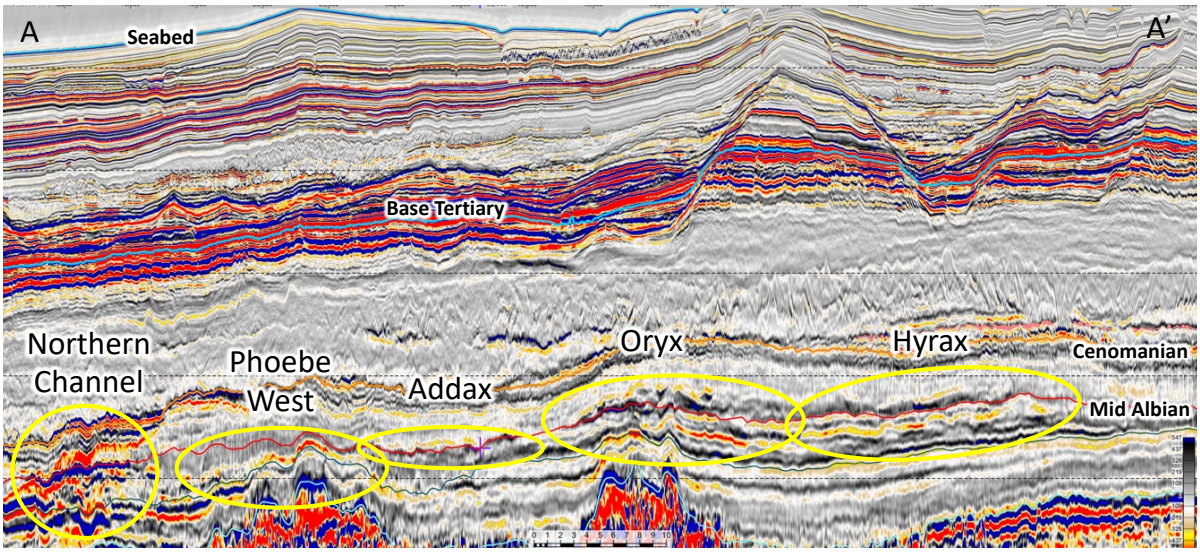


Figure 3: Composite 3D Seismic Line A-A' (Ultrafar offsets) showing PEL 87 Prospects/Leads and Associated AVO Anomalies

During completion of the QI study it became apparent that the PEL 87 3D seismic data, while generally of excellent quality, may benefit from reprocessing due to an apparent attenuation of amplitude in the ultra-far offset data. The Company has completed a seismic reprocessing feasibility study, consulting with a variety of seismic processing contractors to determine the most efficient manner in which to improve the data at the target levels, and has awarded a contract to DUG Technology (DUG) to undertake a pilot reprocessing program as a precursor to a broader reprocessing initiative. It appears that high-energy "multiples" within the data may not have been adequately removed prior to migration, and the DUG pilot program will seek to address this reverting to the pre-migration gathers and attenuating the "multiples" prior to re-migration. The objective in this regard is to improve the ultrafar offset amplitude response, thereby improving the reservoir and fluid response.

During the reporting period, Pancontinental submitted an application to Namibia's Ministry of Industry, Mines and Energy (MIME) for a 12-month extension to the First Renewal Exploration Period. The application was approved in March 2026, extending the current exploration period to 22 January 2027.

The Company has engaged with a variety of prospective farm-in partners since Q2 CY 2025, with the objective of securing a partner to contribute the capital and technical resources required to drill an exploration well. Due to the necessarily confidential nature of the process and discussions the Company is not able to provide details regarding the identity or number of interested groups. Upon securing a farmin partner it is the Company's intent to jointly liaise with MIME at the earliest opportunity, in order to discuss timing and logistical requirements to complete the committed work programme, the key component of which is drilling of an exploration well. In parallel, Pancontinental progressed the Environmental Impact Assessment (EIA) for exploratory drilling within PEL 87, to the point that the EIA may be completed once a specific prospect and drilling location has been selected.

Regional Orange Basin Activity

During the reporting period Azule 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. Laboratory analysis indicated a condensate-to-gas ratio pf over 140 bbls per mmscf and a liquid density of approximately 40° API. The partnership returned to execute well testing operations in early January 2026, with perforations run across some 30 metres of the target reservoir interval. Results have confirmed strong deliverability with 33 MMscfd of gas and approximately 5,300 bpd condensate (estimated CGR of ~160 STB/MMscf).

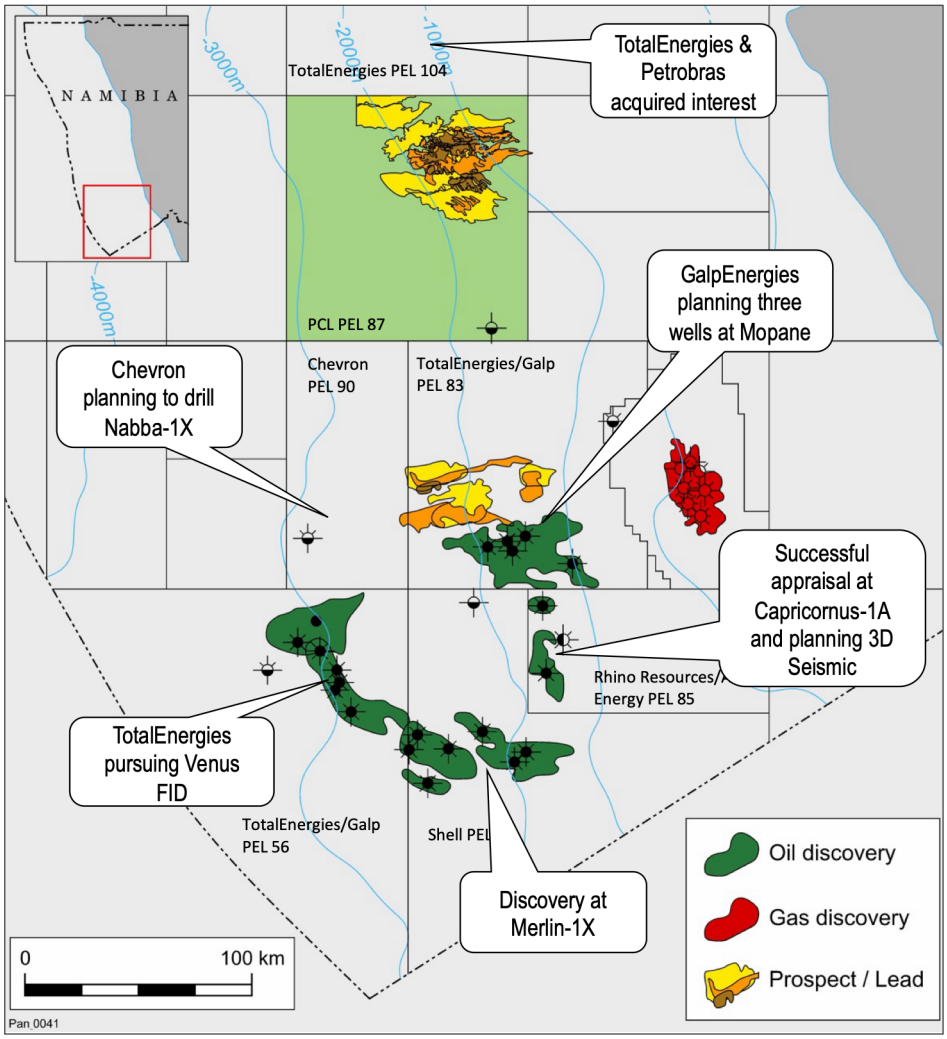


Figure 4: PEL 87 and Neighbouring Activity

Subsequently Rhino Resources/Azule Energy drilled the Capricornus-1A appraisal well utilising the Saipem 12000 drillship. The well was designed to appraise the lateral extent and reservoir quality of the previously discovered Capricornus light oil accumulation and reached a Total Depth of 4,818 metres.

Some 46 metres of gross hydrocarbon pay were encountered and importantly the reservoir was determined to be in pressure communication with the original Capricornus-1X discovery, thereby confirming reservoir continuity across the Capricornus accumulation.

The PEL 85 Joint Venture is now preparing to undertake 3D seismic surveying activities across the entirety of PEL 85, representing a total proposed survey area of 8,633 km2. Up to 8 seismic campaigns are envisaged, from late 2026 to 2030, with each campaign being up to 2.5 months in duration. Operations are expected to commence late 2026.

During the reporting period Galp Energia entered into an agreement with TotalEnergies whereby TotalEnergies acquired a 40% operated interest in the PEL 83 license, which hosts the Mopane Complex discoveries. Under the agreement Galp has acquired a 10% participating interest in TotalEnergies' PEL 56 license (which hosts the Venus discovery) and a 9.39% participating interest in adjacent PEL 91. 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. TotalEnergies and Galp have agreed to launch an exploration and appraisal campaign within PEL 83, including three wells over the next two years. The aim of this program is to further delineate discovered resources to support future development of the Mopane Complex discoveries.

Meanwhile TotalEnergies submitted its Field Development Plan for the Venus oil discovery to MIME for development via a Floating Production, Storage & Offloading vessel (FPSO) with peak production projected to be up to 180,000 bopd. The company is believed to be in continued discussions with the Namibian government as a precursor to taking FID.

Shell recommenced drilling within its PEL 39 permit in April 2026, spudding the Merlin-1X exploration well in its PEL 39 permit between the existing Graff and Lesedi oil discoveries. Merlin-1X confirmed a light oil discovery (with associated gas) within the Upper Cretaceous Coniacian sequence. Prior to releasing the Deepsea Mira the well was side-tracked, reportedly to acquire critical appraisal data.

Elsewhere within the basin Chevron is planning to drill its second exploration well within PEL 90, with the Nabba-1X well expected to be spudded in late 2026.

Directly to the North of Pancontinental's PEL 87 permit, TotalEnergies and Petrobras executed an agreement with Eight Offshore Investments Holdings and Maravilla Oil & Gas in February 2026 to acquire a combined 85% working interest in the PEL 104 exploration permit, situated in the southern Luderitz Basin. At this stage commercial details are not publicly available.

Namibia PEL 87 Outlook

Pancontinental's principal focus remains the technical maturation and commercial advancement of PEL 87. The permit contains a material inventory of prospective resources, supported by ongoing seismic interpretation and geotechnical studies, while exploration and appraisal activity elsewhere in the Orange Basin continues to provide valuable regional geological context.

The key objectives for the next phase are to progress the remaining regulatory and environmental requirements, improve prospect definition through further technical work, and secure a suitable farm-in partner to support exploration drilling. If approved by MIME, continuation of PEL 87 into the Second Renewal Exploration Period from 23 January 2027 will provide the necessary additional time to advance these activities.

The broader Orange Basin continues to attract exploration and appraisal investment, with operators evaluating discoveries and progressing development plans alongside further exploration drilling. For Pancontinental, the principal value-creation milestone remains the successful progression of PEL 87 to an exploration well capable of testing the Company's geological and geophysical interpretation.

Australia

Queensland, Australia
Onshore, Cooper Basin, ATP 920, 924 (Ace Area)

Location:	Cooper Eromanga Basin
Project Size:	ATP 920 - 2,337 km2 ATP 924 - 2,220 km2
JV Partners:	ATP 920 Key Petroleum Limited (Operator) 80.00% ATP 920 Pancontinental Energy NL 20.00%** ATP 924* Key Petroleum Limited (Operator) 75.00% ATP 924* Pancontinental Energy NL 25.00%** * Ace Area **earning

Pancontinental farmed into the Meeba Project, Cooper Basin, Onshore Queensland during 2019. COVID-19 as well as a number of natural disasters in the Eastern States set back the planned activities on the Authorities to Prospect for operator Key Petroleum Limited ("Key") and the joint venture. Key Petroleum has submitted renewal applications for ATP 920 and ATP 924 which are awaiting renewal approvals by the Department of Natural Resources.

New Zealand

New Ventures
Offshore New Zealand Deepwater Taranaki Basin Application

Location: Taranki Basin - Offshore

Project Size: 9,972.5 square kilometres

JV Composition: Pancontinental 100% (Operator) (if awarded)

An application from Taranaki Energy Pty Ltd (a wholly owned subsidiary of Pancontinental Energy) for a petroleum prospecting permit has been accepted by the New Zealand Petroleum and Minerals (NZP&M), with the three-month competitive window having closed on 8 October 2026. The proposed permit area covers 9,972.5 km^2 within the deepwater offshore Taranaki Basin, and the Company's application includes a proposed initial two-year work programme focused on reprocessing and interpreting 2D seismic data, basin modelling, and identifying potential exploration targets to inform future investment decisions.

The Directors of Pancontinental Energy NL ("Pancontinental" or "the Company") present their report for the financial year ended 30 June 2026.

DIRECTORS

The following provides the names and details of the Company's Directors in office during the financial year and up to the date of this report. All Directors served for the full period unless noted otherwise.

Names, qualifications, experience and special responsibilities

Ernest Anthony Myers CPA (Executive Chairman)

Mr Myers, a qualified Accountant, has extensive experience in senior management and executive positions across several ASX-listed companies. Throughout his career, he has been instrumental in capital raisings and the financial management of these organisations. Within Pancontinental, he has played a pivotal role in the oversight and management of 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 subsequently 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 (Geology & Marine Science) (Non-Executive Director)

Mr Rushworth is a Geologist with extensive experience in petroleum exploration. His career began in exploration operations before progressing to senior roles, including Chief Geologist and Exploration Manager for an ASX-listed company, during which time several oil and gas discoveries were achieved. In recent years, he has been responsible for identifying, negotiating, and securing international new venture opportunities in Malta, Kenya, Morocco, and Namibia, as well as successfully farming out these projects to major industry participants.

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

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

Ms Petrovic is an Accountant with a Bachelor of Commerce, majoring in Accounting and Business Law, and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia. Professional experience includes accounting and finance roles within a range of publicly listed companies, many with operations in Africa, providing a strong platform for contributing to Pancontinental's accounting and governance responsibilities.

Ms 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.

MANAGEMENT

Iain Peter Smith, MSc (Petroleum Geophysics & Geology) (Chief Executive Officer)

Mr Smith, a Petroleum Geoscientist, has held a range of commercial and senior leadership positions with ASX-listed oil and gas companies. His most recent role was as Managing Director of Norwest Energy NL, an exploration company focused on the Perth Basin. He commenced with Pancontinental as Board Advisor in May 2023 and was appointed Chief Executive Officer in March 2024. In this capacity, he oversees the Company's strategy, management, and operations.

Mr Smith was a Director of Winchester Energy Limited from 3 June 2024 to 23 July 2025. He has also been a Director of IPB Petroleum Limited since 1 August 2025.

DIRECTORS' INTERESTS

Details of each Director's relevant interests in the Company's shares and options at 30 June 2026 are as follows:

	Ordinary Shares	Options over Ordinary Shares
Ernest Anthony Myers	3,900,715	40,000,000
Roy Barry Rushworth	146,335,610	100,000,000
Vesna Petrovic	8,913,043	40,000,000

DIRECTORS' MEETINGS

Board meetings convened during the year, along with each Director's attendance, are shown below:

	Directors' Meetings
Number of meetings held:	7
Number of meetings attended:	
Ernest Anthony Myers	7
Roy Barry Rushworth	7
Vesna Petrovic	7

Notes
Given the size of the Board, communication between members is highly open and occurs at least weekly, either by email or telephone, ensuring all Directors remain fully informed of the Company's affairs. Throughout the financial year, a number of matters were also considered and approved by circular resolution. The full Board undertakes the responsibilities ordinarily delegated to the audit, remuneration, and nomination committees.

CORPORATE INFORMATION

Corporate structure

Pancontinental Energy NL (ACN 003 029 543) is a no liability company incorporated and domiciled in Australia, with its registered office situated at 45 Ventnor Avenue, West Perth, WA 6005.

Nature of operations and principal activities

The principal activities of the Consolidated Entity during the year were centred on energy exploration, including the management of offshore acreage, reviewing and assessing seismic data, technical studies, and the assessment of new venture opportunities.

For a company in the exploration stage, business drivers are the factors that most directly influence operational and financial performance. These include careful management of working capital, disciplined capital allocation, and technical excellence in sourcing, assessing, and progressing exploration projects. Strategic partnerships, farm-out arrangements, and prudent risk management are also critical to advancing high-impact opportunities while preserving shareholder value.

There have been no significant changes in the nature of those activities during the year.

Objectives

Objectives of the Group include:

- Advancing exploration activities across the Company's existing offshore Namibian permits;
- Maximising value from the Company's asset portfolio;
- Identifying and securing new venture opportunities that complement the Group's strategic focus;
- Actively managing the technical, financial, and operational risks inherent in the exploration sector; and
- Preserving liquidity and maintaining financial flexibility.

The Group's strategies for achieving these objectives include:

- Approving and implementing exploration work programs that are technically robust and financially sustainable;
- Pursuing strategic partnerships and joint ventures to share costs and reduce risk exposure;
- Maintaining a disciplined approach to expenditure, with a focus on reducing non-core costs; and
- Considering appropriate capital management initiatives and fundraising opportunities to support ongoing exploration activities.

Earnings per share	Cents
Basic earnings per share	(0.02)
Diluted earnings per share	(0.02)

For the year ended 30 June 2026, the Group recorded a loss of $1,430,231, compared with a loss of $1,753,224 in the prior year. The Group continues to maintain a lean operating structure, with a focus on disciplined expenditure and preserving funds for its exploration activities.

Employees

As at 30 June 2026 (and 30 June 2025), the Group operated with a streamlined personnel structure comprising three Directors, a Chief Executive Officer and one employee, supported by specialist consultants and technical advisers engaged as required. This structure enables the Group to maintain a low fixed-cost base while retaining access to the expertise required to advance its exploration activities.

OPERATING AND FINANCIAL REVIEW

Projects

Namibia PEL 87 – Offshore [75% interest]

Pancontinental's principal focus during the year remained the continued technical advancement and commercialisation of its 75%-owned and operated offshore Namibian exploration permit, PEL 87, located in the Orange Basin.

During the year, the Company continued to mature the prospectivity identified from its 6,593 km² 3D seismic dataset, progressed regulatory and environmental work required for future exploration drilling and continued its farm-out process aimed at securing a suitably qualified deepwater exploration partner.

Technical Work and Prospect Maturation

During the financial year, Pancontinental continued detailed technical evaluation of the PEL 87 3D seismic dataset, including Quantitative Interpretation, basin modelling, seismic sequence stratigraphy and prospect maturation.

The technical studies further enhanced the Company's understanding of the prospectivity within PEL 87 and resulted in the identification and maturation of additional exploration prospects.

PEL 87 Prospectivity Update

Further analysis of Quantitative Interpretation products resulted in the identification of two additional prospects, Phoebe West and Northern Channel, supplementing the previously identified Saturn Complex prospect and lead inventory. The additional technical work increased the overall prospective resource potential attributed to PEL 87 and further strengthened the Company's prospect inventory.

Pancontinental considers Oryx, Hyrax and Northern Channel to be the three principal "anchor" prospects within PEL 87. Oryx and Hyrax share common play elements within the Saturn Complex, meaning that exploration success at either prospect has the potential to significantly de-risk other prospects and leads within the complex.

The technical work completed during the year continued to support the Company's assessment of PEL 87 as a significant exploration opportunity and provided an enhanced technical basis for the ongoing farm-out process.

Farm-out Activity

Throughout the financial year, Pancontinental continued the farmout process. A number of interested parties continued to evaluate the opportunity, with shortlisted groups provided access to the Company's virtual data room and progressed technical and commercial evaluations. The Company's objective remains to secure a suitably qualified and financially capable partner to participate in the future exploration and drilling of PEL 87.

Licence Extension and Regulatory Activities

During October 2025, Pancontinental submitted an application to the Namibian Ministry of Industry, Mines and Energy for a twelve-month extension to the First Renewal Exploration Period for PEL 87. The Company subsequently received approval from the Minister for a twelve-month extension of the First Renewal Exploration Period to 22 January 2027. The extension was granted subject to work programme commitments comprising completion of an Environmental Impact Assessment, reprocessing and interpretation of 3D seismic data and drilling of an exploration well. The Environmental Impact Assessment, which commenced during 2025, continued to progress during the financial year. During the June 2026 quarter, the Company also progressed a feasibility study for reprocessing a subset of the PEL 87 3D seismic dataset, aimed at identifying opportunities to improve seismic data quality ahead of future exploration drilling.

Queensland Australia ATP 920 & 924 [20–25% earning interest]

The Company retains its interests in the Meeba Project, comprising ATP 920 and ATP 924 (Ace area) in the Cooper Basin, Queensland. The interests arose from agreements with Key Petroleum Cooper Basin Pty Ltd, a wholly owned subsidiary of Key Petroleum Limited. The permits remain subject to the relevant Queensland regulatory processes.

Corporate

Financial Position

Pancontinental continued to maintain a disciplined cost structure during the financial year while directing expenditure towards the technical, regulatory and commercial advancement of PEL 87. During the financial year, the Company received $1,793,932 from the exercise of 149,494,389 listed options at an exercise price of $0.012 per share. The option exercises strengthened the Company's cash position and provided additional working capital to support the continued advancement of PEL 87 and general corporate activities.

Liquidity and Funding

During the financial year, Pancontinental received $1,793,932 from the conversion of 149,494,389 listed options at an exercise price of $0.012 per share into ordinary shares.

New Ventures

The Company continued to assess new venture opportunities during the year that have the potential to complement and enhance its existing exploration portfolio. During the June 2026 quarter, Pancontinental submitted an application for a petroleum prospecting permit in the Taranaki Basin, offshore New Zealand. The application is subject to the applicable regulatory and competitive assessment processes.

The Company continues to assess opportunities having regard to their technical merits, potential scale, entry cost, funding requirements and alignment with the Company's technical capabilities and strategic objectives, while maintaining its principal focus on the advancement and commercialisation of PEL 87.

Group Overview

Pancontinental Energy NL was incorporated in 1985 and has been listed on the Australian Securities Exchange since 1986, marking nearly four decades of active participation in the energy sector. Over this period, the Company has been a dedicated energy exploration business with a strategic emphasis on offshore energy opportunities.

Today, the Pancontinental Group comprises the Parent Company and four subsidiary entities. The Group's principal exploration focus is offshore Namibia, where Pancontinental holds an interest in a highly prospective petroleum licence. This area is widely regarded as an emerging global oil and gas province, and the Group's strategy is to advance these assets while selectively reviewing additional opportunities that may complement its existing portfolio.

Dynamics of the Business

Pancontinental operates as a junior energy exploration company, with activities driven by the acquisition, evaluation, and advancement of high-impact offshore exploration projects. The Group's business dynamics are shaped by the early-stage nature of exploration, where success depends on prudent capital management, technical capability, and the ability to secure and maintain quality acreage.

The Company's principal focus remains its offshore Namibian licence, situated in a region that has attracted global attention following recent discoveries by major operators. The dynamics of operating in this environment involve a balance between high potential reward and the inherent risks of frontier exploration, requiring disciplined expenditure, the right technical evaluation, and strategic partnerships to share costs and reduce risk exposure.

While Africa remains at the core of Pancontinental's activities, the Company maintains the flexibility to evaluate opportunities in other jurisdictions where its technical expertise and strategic objectives can be effectively applied. This approach ensures that the business can adapt to changing industry conditions while continuing to pursue value creation for shareholders.

Performance Indicators

The Board regularly monitors the Group's operating plans, financial budgets, and overall performance, while also reviewing the Company's share price and market positioning. Management reporting to the Board ensures that operational and financial objectives are evaluated against approved work programs and strategic goals.

Key internal performance drivers include the disciplined management of working capital, maintaining a low-overhead cost structure, and allocating funds to activities most likely to deliver shareholder value. Exploration progress is also a critical performance measure, with milestones such as seismic acquisition and interpretation, and progress on joint venture work programs providing tangible indicators of advancement across the Group's Namibian licence.

While the Company's share price is tracked as a performance indicator, it is recognised that market valuation is not solely reflective of underlying performance and may be influenced by external factors, including global energy prices, investor sentiment towards the exploration sector, and broader macroeconomic conditions beyond the control of the Board and Management.

Other important performance indicators for a company at Pancontinental's stage include the ability to secure and retain quality exploration acreage, to attract and maintain strategic farm-in partners, to raise capital on favourable terms, and to progress regulatory approvals in its operating jurisdictions. Collectively, these measures provide the Board with a comprehensive view of performance and alignment with the Company's long-term strategy of creating shareholder value through successful offshore exploration.

Operating Results for the Year

A summary of the operating results is set out below:

	2026	
	Revenues	**Results**
	$	**$**
Non-segment and unallocated revenues and results	23,245	(1,430,231)
Revenues and results of the Consolidated Entity from ordinary activities, prior to income tax expense	23,245	(1,430,231)

For the financial year ended 30 June 2026, the Consolidated Entity recorded a loss of $1,430,231. The result reflects the nature of the Company's activities as a junior energy explorer, where expenditure is primarily directed toward maintaining exploration assets, regulatory compliance, and advancing strategic initiatives rather than generating operating revenues at this stage.

Management and the Board remain committed to prudent financial discipline. Non-essential and discretionary expenditure has been curtailed wherever possible, while cost reductions have also been pursued across essential areas critical to the operation of the business. The Company continues to operate under a streamlined structure, with three Directors, a Chief Executive Officer, and one employee responsible for the day-to-day management of operations. To complement this structure and ensure technical and corporate expertise is available as needed, Pancontinental engages specialist consultants and advisors on a project-specific basis.

This flexible approach enables the Company to maintain low fixed overheads while accessing the skills and knowledge required to progress its offshore Namibian licence and evaluate potential new venture opportunities.

Shareholder Returns

As the Group remains in the exploration phase, direct returns to shareholders are not yet generated through dividends or operating profits. Instead, shareholder value is primarily measured through capital growth, with the potential for returns linked to exploration success, the advancement of the Company's Namibian offshore acreage, and the overall performance of the Company's securities on the Australian Securities Exchange.

	2026	2025	2024	2023	2022
Profit /(Loss) attributable to owners of the Company	**(1,430,231)**	(1,753,224)	(2,338,436)	(1,870,559)	(823,179)
Basic earnings per share (cents)	**(0.02)**	(0.02)	(0.03)	(0.02)	(0.01)
Share price	**$0.011**	$0.011	$0.022	$0.012	$0.001

Net Loss amounts have been calculated in accordance with Australian Accounting Standards.

Risk Management Framework

The Board of Pancontinental is responsible for overseeing the Group's risk management framework. Risk management is embedded in business planning and decision-making across exploration, funding, governance and operations. The Board reviews the effectiveness of the framework regularly to ensure it remains appropriate for the Company's size, strategy and stage of development.

Approach to Risk

Risks are identified and assessed using both qualitative and quantitative factors. Treatments may include avoidance, reduction, transfer or acceptance depending on the likelihood and potential impact. Day-to-day monitoring is undertaken by management, with Board oversight ensuring that significant risks are identified early and addressed appropriately.

Material Business Risks

The Directors have identified the following material risks relevant to the Group and the industry in which it operates:

Exploration and operational risk – energy exploration is inherently uncertain, with outcomes dependent on geological factors, the success of work programs, and the effective execution of exploration activities.

Funding and liquidity risk – reliance on access to equity capital and/or strategic partners to progress exploration programs.

Joint venture and partner risk – the potential for misalignment of objectives, timing or funding commitments when entering into joint ventures or farm-out arrangements with industry partners.

Foreign jurisdiction risk – exposure to political, regulatory, fiscal and operational changes in countries where the Group holds assets.

Market and commodity risk – fluctuations in oil and gas prices, levels of industry exploration activity, and shifts in investor sentiment can influence access to funding and the commercial viability of projects.

People and capability risk – the Group's performance depends on its capacity to attract and retain individuals with the necessary technical, operational and corporate skills. Given the specialist nature of the energy industry, the Company also relies on external consultants to provide expertise on a project-specific basis. Competition for skilled professionals and consultants in the sector may affect the Group's ability to deliver its exploration programs effectively.

Information and systems risk – protection of data and business continuity in the event of cyber-security incidents or IT system outages.

Governance and Disclosure

Given the size and scope of Pancontinental's operations, the full Board oversees risk management rather than establishing a separate Risk Committee. This ensures all Directors contribute to the identification and monitoring of material business risks. Where risks or events could materially affect the price or value of the Company's securities, disclosure is made in accordance with ASX Listing Rule 3.1 and the Company's Continuous Disclosure Policy.

Climate Related Disclosures

The Company is not currently required to prepare a sustainability report under section 292A of the Corporations Act 2001. Nevertheless, the Company continues to monitor developments in Australian climate-related financial reporting requirements and considers climate-related risks and opportunities as part of its broader risk management framework. In preparing the following voluntary climate-related information, the Company has considered the principles and disclosure themes contained in AASB S2 Climate-related Disclosures, where relevant and proportionate to the Company's current activities. These disclosures do not constitute a sustainability report prepared in accordance with AASB S2.

Governance

The Board retains oversight of climate-related risk and opportunity assessment as part of its regular risk management responsibilities. Climate-related matters are considered by the Board when relevant to strategic planning, capital allocation, and risk evaluation, as appropriate for an early-stage energy explorer. Management supports this process by identifying and monitoring relevant risks and opportunities, and by providing information to the Board as circumstances require.

Strategy

Given Pancontinental's current focus on early-stage exploration activities, direct greenhouse gas emissions are not expected to be material. However, the Company has considered both transition and physical risks that may impact its operations and strategy over the short, medium, and long term:

Transition risks

Regulation: Potential for stricter emissions or reporting standards in Namibia or Australia, which could increase compliance costs and delay approvals for work programs.

Capital access: Investors and financiers are increasingly applying climate screens to companies. A tightening of such policies could restrict access to equity or debt markets for early-stage explorers.

Technology: Shifts in industry practice toward lower-emission operations may require the adoption of new technology or higher standards in contracting, potentially increasing costs.

Physical risks

Acute: A severe Atlantic storm or flooding event in Namibia could disrupt offshore seismic or drilling programs, leading to cost overruns or delays.

Chronic: Gradual changes in sea level or weather patterns could increase long-term uncertainty in offshore logistics and vessel availability, and may also lead to higher insurance costs.

Opportunities

Access to capital: A growing pool of investors is targeting low-emission and responsibly managed exploration businesses. Transparent climate governance may improve Pancontinental's ability to attract such capital.

Operational efficiencies: Adoption of remote technology (such as digital geoscience review and remote conferencing) reduces travel and associated emissions, while lowering costs.

Scenario context: While quantitative scenario analysis has not yet been conducted, under a low-carbon transition (aligned with a 2°C pathway), the Company may face higher reporting and compliance costs but could benefit from increased investor preference for well-governed, low-emission explorers. In a high physical impact scenario, exploration activities may face delays or disruption due to severe weather events, which could increase costs or affect timing of work programs. Future scenario analysis will be incorporated as the business progresses toward development and production phases.

Risk Management

Climate-related risks are identified, assessed and managed within the broader risk management framework, consistent with ASX Principle 7 and evolving sustainability standards.

The Board considers climate-related risks when they are relevant to business planning and strategy.

External specialists may be engaged to support scenario analysis or impact assessment as needed.

Metrics & Targets

Given the Company's current early-stage exploration activities and limited operational footprint, the Board does not presently expect the Company's direct Scope 1 and Scope 2 greenhouse gas emissions to be significant. The Company has not yet established a formal greenhouse gas emissions inventory or baseline.

The Company is committed to developing emissions metrics when operationally relevant and report these in future periods.

Future climate-related targets may be adopted as circumstances evolve (e.g., emissions intensity reductions, energy efficiency initiatives, or offset commitments), with progress disclosed annually once established.

Investments for Future Performance

At its current stage of development, Pancontinental's strategy is focused on building asset value rather than generating or distributing operating profits. The Company seeks to create shareholder value through exploration progress, strategic partnerships and disciplined capital management.

Review of Financial Condition

Capital Structure

The Company's capital structure as at 30 June 2026 is as follows:

Share Capital	Number of shares	$
Balance at end of financial year	**8,286,080,255**	**121,325,194**

Unlisted Options on Issue	Number of options	$
Balance at end of financial year	**360,000,000**	**3,100,000**

Treasury Policy

Given the size and scope of the Group's operations, the Board has determined that a separate treasury function is not required at this stage. Cash management, capital allocation, and foreign exchange considerations are overseen directly by the Board and senior management. This approach ensures that treasury-related activities remain aligned with the Company's overall financial strategy, which emphasises prudent cost control, maintaining liquidity, and directing available funds toward advancing exploration activities and creating shareholder value.

SHARE OPTIONS

Unissued shares under unlisted options

As at 30 June 2026, the total number of unlisted options was 360,000,000, with no change from the previous year.

Unissued shares under listed options

As at 1 July 2025, there were 487,549,998 unissued shares under listed options.

During the 2026 financial year, 149,494,389 listed options were exercised at $0.012 per option, resulting in the issue of ordinary shares and raising $1,793,932 for the Company. The remaining 338,055,609 listed options expired during the year, resulting in no listed options remaining as at 30 June 2026.

Shares issued as a result of the exercise of listed options

There were 149,494,389 ordinary shares issued as a result of the exercise of listed options priced at $0.012 during the financial year. The conversion of listed options raised $1,793,932 for the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Consolidated Entity anticipates maintaining its current level of operations in the near term, with ongoing focus on the progression of its existing offshore Namibian exploration acreage. At present, no material changes to the scale or nature of the Group's activities are expected. However, the outcome of exploration activities, joint venture discussions, or capital management initiatives may influence the future direction of the Company. The Board will continue to assess opportunities that have the potential to complement the existing asset base and create value for shareholders.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Pancontinental is committed to meeting all environmental management and regulatory requirements in the jurisdictions where it holds interests. The Company recognises the importance of sound environmental practices in the conduct of its exploration activities, particularly offshore Namibia, where maintaining high standards of compliance is essential.

Operational programmes and budgets are reviewed by the Company's technical and financial executives to ensure that planned activities meet both regulatory obligations and industry best practice. Environmental considerations are embedded in the assessment of all exploration activities, and regular updates are monitored to ensure that any potential environmental issues are identified and addressed promptly.

The Board and Management remain focused on ensuring that Pancontinental's activities are conducted responsibly, with due regard to minimising environmental impact, safeguarding assets, and supporting long-term sustainability.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year, the Company has maintained insurance policies in respect of Directors' and Officers' liability and associated legal expenses. In accordance with the terms of the insurance contracts, the Directors are prohibited from disclosing details of the specific liabilities covered or the amount of the premiums paid. The Board considers this insurance to be an important safeguard, ensuring that the Company can continue to attract and retain high-calibre individuals to serve in governance and management roles.

The premiums were paid in respect of the following Officers of the Company and its Controlled Entities:

EA Myers, RB Rushworth, V Petrovic and IP Smith.

NON-AUDIT SERVICES

During the financial year, an affiliate of the Company's auditors performed certain other services in addition to the audit and review of the financial statements. The affiliate operates within the same global network as the Company's auditors, but is not involved in the audit of the financial statements. The Board has considered the non-audit services provided during the financial year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the Corporate Governance procedures adopted by the Group; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group is set out below:

Amounts received or due and receivable by In.Corp Audit & Assurance Pty Ltd for:		
– an audit or review of the Financial Report of the Entity and any other Entity in the Consolidated Entity	**45,293**	43,699
– tax compliance services in relation to the Entity and any other Entity in the Consolidated Entity	**21,083**	6,140
	66,376	49,839

REMUNERATION REPORT (Audited)

This Remuneration Report provides the specific facts and circumstances covering the remuneration of the Directors and Executives of Pancontinental Energy NL ("the Company"). The report has been prepared in accordance with the requirements of the Corporations Act 2001 and forms part of the Directors' Report for the financial year.

Remuneration philosophy

The Company's remuneration framework is designed to reflect the size, scope, and stage of development of Pancontinental, while ensuring that payments remain competitive with market practice and appropriate for an exploration-focused entity.

- **Non-Executive Directors** receive fixed fees for their Board responsibilities. Where Non-Executive Directors undertake additional duties beyond their normal scope, they may be remunerated separately at rates consistent with market practice.
- **Executive Directors** are paid a fixed salary commensurate with their executive responsibilities.
- **The Chief Executive Officer** receives a fixed fee for his executive services in accordance with his contract of engagement.
- No termination, retirement, or post-employment benefits are provided to Directors, other than those required under statutory obligations such as superannuation.

The Board believes this structure provides clarity, maintains cost discipline, and ensures that remuneration arrangements are consistent with the Company's focus on shareholder value creation during the exploration stage.

Remuneration Committee

Given the size and scope of Pancontinental's operations, the Board has determined that it is not necessary to establish a separate Remuneration Committee. Instead, the full Board retains responsibility for all remuneration-related matters, including setting and reviewing remuneration policies, determining the remuneration of Directors and Executives, and ensuring that remuneration practices remain appropriate to the Company's stage of development and aligned with shareholder interests.

Where a matter pertains to the remuneration of a particular Director, that Director does not take part in discussions or decisions on the matter. This ensures independence, avoids conflicts of interest, and maintains transparency in the decision-making process.

This approach provides effective oversight while maintaining cost efficiency and allows all non-conflicted Directors to contribute to remuneration decisions in a fair and accountable manner.

Remuneration structure

Consistent with recognised corporate governance principles, the Company maintains a clear separation between the remuneration framework for Non-Executive Directors and that of Executive Directors and senior management. This distinction reflects the differing roles and responsibilities of Non-Executives, who provide independent oversight and governance, and Executives, whose remuneration is linked to the management and operational performance of the business.

Non-Executive Director remuneration

Objective

The Board seeks to set aggregate remuneration for Non-Executive Directors at a level that is sufficient to attract and retain individuals of high calibre, with the skills and experience necessary to oversee the Company's strategy and governance. At the same time, remuneration levels are set to ensure that costs remain appropriate for a junior exploration entity and acceptable to shareholders.

Structure

In accordance with the Company's Constitution and the ASX Listing Rules, the aggregate amount of fees payable to Non-Executive Directors is determined from time to time by shareholders in general meeting. The total amount approved represents the maximum that can be paid in aggregate, with the actual allocation among Directors determined by the Board.

Shareholder approval for the current aggregate remuneration limit of $400,000 per annum was granted at the Annual General Meeting held on 29 November 2007. The Board reviews this limit annually, taking into account advice from external sources if necessary and benchmarking against fees paid to Non-Executive Directors of comparable companies, to ensure that remuneration remains appropriate and competitive.
The Non-Executive Directors of the Company can participate in Employee Option Incentive Schemes with Shareholder approval.

The remuneration of Executive and Non-Executive Directors for the year ended 30 June 2026 is detailed in Table 1 of this report.

Executive Director and Management remuneration

Objective
The Board's objective is to structure remuneration for Executive Directors and senior management in a way that enables the Company to secure and retain individuals with the expertise, leadership, and capability to drive the business forward. Remuneration levels are designed to be competitive within the industry, reflect the responsibilities of each role, and remain appropriate to the Company's scale and stage of development. At the same time, the framework ensures that overall executive remuneration remains sustainable and aligned with the expectations of shareholders.

Structure
In determining the level and composition of Executive remuneration, the Board may, where appropriate and necessary, seek independent advice from external advisors to ensure remuneration remains competitive and aligned with market practice.

Executive remuneration levels are reviewed on a regular basis, with consideration given to a range of factors including market benchmarks, movements in the cost of living, changes in the scope or responsibilities of individual roles, and other relevant influences that may impact the competitiveness and fairness of remuneration arrangements.

Details of CEO Iain Smith's contract:

Date of Commencement	18 March 2024
Term and Termination	No fixed term. One month's notice from either party
Fixed Annual Remuneration	$200,000

Mr Smith's overall remuneration is heavily geared towards an increase in shareholder value, due to the 80m options he holds relative to the fixed fee received.

Fixed remuneration

Objective
The level of fixed fees is determined to provide a fair and appropriate base level of remuneration that reflects the responsibilities of the role and the time commitment required. Fees are set with reference to prevailing market rates for companies of comparable size and complexity, ensuring competitiveness while recognising the Company's stage of development as a junior exploration entity.

This approach is designed to attract and retain employees with the necessary skills and experience, while ensuring that overall costs remain reasonable and aligned with shareholder expectations. The Board periodically reviews fee levels, taking into account market benchmarks, industry conditions, and the Company's financial position, to ensure they remain appropriate over time.

Structure
Fixed primary remuneration is paid in cash, with no additional non-cash benefits, or fringe benefits provided. The Company does not incur additional costs beyond statutory obligations such as superannuation contributions, and remuneration is structured to reflect Pancontinental's position as a junior exploration entity focused on preserving capital for its core exploration activities.

Table 1: Director and management remuneration for the year ended 30 June 2026

	Primary benefits Salary & Fees	Equity Options (Issued)	Super-annuation	Total	Value of options as proportion of Revenue
Ernest Anthony Myers					
Executive Chairman					
2026	**120,000**	**-**	**14,400**	**134,400**	**0.0%**
2025	120,000	-	13,800	133,800	0.0%
Roy Barry Rushworth					
Non-Executive Director					
2026	**68,000**	**-**	**-**	**68,000**	**0.0%**
2025	70,000	-	-	70,000	0.0%
Vesna Petrovic					
Executive Director					
2026	**209,167**	**-**	**25,100**	**234,267**	**0.0%**
2025	200,000	-	23,000	223,000	0.0%
Iain Peter Smith					
Chief Executive Officer					
2026	**200,000**	**-**	**-**	**200,000**	**0.0%**
2025	200,000	*300,000	-	500,000	168.4%
Total Current Year Remuneration	**597,167**	**-**	**39,500**	**636,667**	

* Mr Smith was granted 40,000,000 options in the 2024 financial year with 50% vesting 18 March 2024 (2024 financial year) and 50% vesting 18 September 2024 (2025 financial year). The value of the options ($600,000) was split over the two financial years to coincide with vesting terms.

Options granted as part of Director (as approved by Shareholders) and Management remuneration

2026

There were no options granted as part of Director and Management remuneration during the financial year.

2025

There were no options granted as part of Director and Management remuneration during the financial year. Mr Smith was granted 40,000,000 options in the 2024 financial year with 50% vesting 18 March 2024 (2024 financial year) and 50% vesting 18 September 2024 (2025 financial year). The value of the options was split over the two financial years to coincide with vesting terms.

Over the past five years, options issued as part of Director and Management remuneration have been valued using the Black-scholes option pricing model. The valuation methodology takes into account key variables, including the exercise price of the options, the prevailing market price of the Company's shares, historical and expected share price volatility, the risk-free interest rate, the expected life of the options, and any anticipated dividend payments.

The fair value of options is determined at grant date using an appropriate option pricing model, with the relevant assumptions disclosed below.

Fair values of options:

The fair value of each option is estimated on the date of grant using an appropriate option pricing model.

	2026	2025	2024	2023	2022
Expected volatility	**-**	-	120%	120%	-
Risk-free interest rate	**-**	-	3.8 to 3.9%	3.63%	-
Expected life of option	**-**	-	4 years	4 years	-

Total number of unlisted options at 30 June 2026:

Number of options		Issue Date	Vesting Date	Expiry Date	Exercise Price	Weighted Average Fair Value
PCLAD	140,000,000	30 Dec 22	30 Mar 23	30 Dec 26	$0.007	$0.004
PCLAE	70,000,000	30 May 23	30 Aug 23	29 May 27	$0.016	$0.007
PCLAF	60,000,000	28 Jul 23	28 Oct 23	28 Jul 27	$0.0145	$0.015
PCLAA	40,000,000	18 Mar 24	18 Mar/Sep 24	18 Mar 28	$0.035	$0.015
PCLAG	50,000,000	13 Aug 24	13 Aug 24	12 Aug 28	$0.035	$0.011

Table 2: Shareholdings of Specified Directors and Management

2026

Ordinary Shares held in Pancontinental Energy NL	**Balance 1 July 2025**	**Acquisitions /Conversions /Opening Balance**	**Disposals**	**Balance 30 June 2026**
Specified Directors and Management				
Ernest Anthony Myers	3,900,715	-	-	3,900,715
Roy Barry Rushworth	146,335,610	-	-	146,335,610
Vesna Petrovic	8,913,043	-	-	8,913,043
Iain Peter Smith	5,000,000	-	-	5,000,000
Total	**164,149,368**	**-**	**-**	**164,149,368**

2025

Ordinary Shares held in Pancontinental Energy NL	**Balance 1 July 2024**	**Acquisitions /Conversions /Opening Balance**	**Disposals**	**Balance 30 June 2025**
Specified Directors and Management				
Ernest Anthony Myers	3,900,715	-	-	3,900,715
Roy Barry Rushworth	146,335,610	-	-	146,335,610
Vesna Petrovic	8,913,043	-	-	8,913,043
Iain Peter Smith	5,000,000	-	-	5,000,000
Total	**164,149,368**	**-**	**-**	**164,149,368**

Table 3: Movement in Unlisted Option holdings of specified Directors and Management

2026

	Balance at beginning of period	**Granted as Remuneration**	**Options (Exercised)/ (Expired)**	**Opening Balance /Net Change Other**	**Balance at end of period**
	1 July 2025				**30 June 2026**
Specified Directors					
Ernest Anthony Myers	40,000,000	-	-	-	40,000,000
Roy Barry Rushworth	100,000,000	-	-	-	100,000,000
Vesna Petrovic	40,000,000	-	-	-	40,000,000
Iain Peter Smith	80,000,000	-	-	-	80,000,000
Total	**260,000,000**	**-**	**-**	**-**	**260,000,000**

2025

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Opening Balance /Net Change Other	Balance at end of period
	1 July 2024				**30 June 2025**
Specified Directors					
Ernest Anthony Myers	40,000,000	-	-	-	40,000,000
Roy Barry Rushworth	100,000,000	-	-	-	100,000,000
Vesna Petrovic	40,000,000	-	-	-	40,000,000
Iain Peter Smith	80,000,000	-	-	-	80,000,000
Total	**260,000,000**	**-**	**-**	**-**	**260,000,000**

*Mr Smith was issued 40,000,000 options on 15 May 2023 in his role as Board Advisor before being appointed as CEO on 18 March 2024

Table 4: Movement in Listed Option holdings of specified Directors and Management

2026

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Issued via Free Attachment	Balance at end of period
	1 July 2025				**30 June 2026**
Specified Directors					
Ernest Anthony Myers	500,000	-	(500,000)	-	-
Roy Barry Rushworth	1,000,000	-	(1,000,000)	-	-
Vesna Petrovic	500,000	-	(500,000)	-	-
Iain Peter Smith	2,500,000	-	(2,500,000)	-	-
Total	**4,500,000**	**-**	**(4,500,000)**	**-**	**-**

2025

	Balance at beginning of period	Granted as Remuneration	Options (Exercised)/ (Expired)	Issued via Free Attachment	Balance at end of period
	1 July 2024				**30 June 2025**
Specified Directors					
Ernest Anthony Myers	500,000	-	-	-	500,000
Roy Barry Rushworth	1,000,000	-	-	-	1,000,000
Vesna Petrovic	500,000	-	-	-	500,000
Iain Peter Smith	2,500,000	-	-	-	2,500,000
Total	**4,500,000**	**-**	**-**	**-**	**4,500,000**

Company Performance

As Pancontinental remains in the exploration phase and does not currently generate operating revenue, its performance and potential shareholder returns are influenced by exploration progress, advancement of its asset portfolio, successful partnering initiatives and movements in the Company's share price.

The Board's strategy for delivering this outcome is focused on identifying and securing early-stage, high-potential exploration projects that are capable of attracting quality joint venture partners. By leveraging its expertise in sourcing and evaluating projects, Pancontinental aims to build and advance a portfolio of assets that offer the potential for significant upside.

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and its implications for shareholder wealth, the Board has regard to the following indicators for the current financial year and the preceding four financial years.

Return on Equity	2026	2025	2024	2023	2022
Share price at 30 June	**$0.011**	$0.011	$0.022	$0.012	$0.001
Average equity	**7,613,931**	7,853,693	8,471,677	5,804,849	2,810,771
Net Profit /(Loss)	**(1,430,231)**	(1,753,224)	(2,338,436)	(1,870,559)	(823,179)
Return on Equity in %	**(18.78)%**	(22.32)%	(27.60)%	(32.22)%	(29.29)%

END OF REMUNERATION REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on the following page and reviews part of the Directors' Report for the year ended 30 June 2026.

Signed in accordance with a resolution of the Directors.

EA Myers
Director

Perth 30 September 2026

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

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W incorpadvisory.au

To the Directors of Pancontinental Energy NL:

As lead auditor of the audit of Pancontinental Energy NL for the year ended 30 June 2026, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pancontinental Energy NL and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd

Volha Romanchik
Director

30 September 2026

Liability limited by a scheme approved under Professional Standards Legislation

Corporate Governance Statement

Pancontinental Energy NL's Corporate Governance Statement is presented below and is also available on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Statement has been approved by the Board of Pancontinental Energy NL and is current as at 30 September 2026.

This Corporate Governance Statement outlines the Company's corporate governance practices for the financial year ended 30 June 2026 and the extent to which the Company has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, Fourth Edition.

The Company regularly reviews its corporate governance practices having regard to regulatory requirements, good governance practice and the size, nature and activities of the Company.

Corporate Governance Council Recommendation followed by Pancontinental Energy NL Corporate Governance Comments	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1	A listed Entity should have and disclose a Board charter setting out: (a) the respective roles and responsibilities of its Board and Management; and (b) those matters expressly reserved to the Board and those delegated to Management.
	Adopted - The Company has adopted a Board Charter which is available on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Board Charter sets out the respective roles and responsibilities of the Board and Management and those matters expressly reserved for the Board. The Board is responsible for providing leadership and oversight of the Company, setting its strategic direction and overseeing Management's implementation of that strategy.
1.2	A listed Entity should: (a) undertake appropriate checks before appointing a Director or Senior Executive or putting someone forward for election as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.
	Adopted – The Company undertakes appropriate checks before a person is appointed as a Director or Senior Executive, or nominated for election as a Director by security holders. The Company provides security holders with all material information in its possession relevant to a decision on whether to elect or re-elect a Director. The Company's Policy and Procedure for Selection and (Re)Appointment of Directors and Nomination Committee Charter are available on the Company's website at http://pancon.com.au/about-us/corporate-governance/.
1.3	A listed Entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.
	Not Adopted – Pancontinental does not currently have formal written agreements in place with its Executive Chairman (Mr Myers), Executive Director (Ms Petrovic), or Non-Executive Director (Mr Rushworth). Their appointments and responsibilities are governed by the Company's Constitution, Board and shareholder resolutions where applicable, the Corporations Act 2001, the ASX Listing Rules and the Company's corporate governance framework. The Chief Executive Officer, Mr Smith, provides executive services to the Company under a service agreement with Basis Commercial Pty Ltd, which sets out the terms and conditions applicable to his role.
1.4	The Company Secretary of a listed Entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.
	Adopted - The Company Secretary is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board.

	The Company Secretary assists the Board by coordinating and circulating Board papers, recording minutes, advising on governance matters and facilitating compliance with the Company's Constitution, the ASX Listing Rules and applicable laws.
1.5	A listed Entity should: (a) have and disclose a Diversity Policy; (b) through its Board or a Committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, Senior Executives and workforce generally; and (c) disclose in relation to each reporting period: 1. the measurable objectives set for that period to achieve gender diversity; 2. the Entity's progress towards achieving those objectives; and 3. either: A. the respective proportions of men and women on the Board, in Senior Executive positions and across the whole workforce (including how the Entity has defined "Senior Executive" for these purposes); or B. if the Entity is a "relevant employer" under the Workplace Gender Equality Act, the Entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Adopted – Pancontinental has formally adopted a Diversity Policy which can be found at http://pancon.com.au/about-us/corporate-governance/.

Diversity – Board Composition

The mix of skills and diversity which the Company seeks to achieve in the membership of the Board is one that is as diverse as practicable having regard to the size and scope of the Company's operations. In considering new Board appointments, the Board evaluates candidates having regard to the skills, experience and diversity required to enable the Board to effectively discharge its responsibilities and assist the Company in achieving its strategic objectives.

Diversity – Measurable Objectives

The Company's objectives with regard to diversity include:

• maintaining a workforce that is as diverse as practicable having regard to the size and requirements of the Company;

• providing equal opportunities for positions within the Company and maintaining employment and advancement based on merit; and

• periodically reviewing the composition of the Company's workforce and identifying opportunities to enhance diversity.

Diversity – Annual Reporting

As at 30 June 2026, the percentages of women on the Board, in Senior Executive positions and across the Company's workforce were as follows:

	2026	2025
Board – to June 2026	33%	-
Board & Management – to Jun 2026	25%	-
Board – to June 2025	-	33%
Board & Management – to Jun 2025	-	25%
Employees	100%	100%
Total Workforce – to Jun 2026	**40%**	**-**
Total Workforce – to Jun 2025	**-**	**40%**

1.6	A listed Entity should: a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors; and b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.
	Adopted – The Company's website at http://pancon.com.au/about-us/corporate-governance/ includes a Process for Performance Evaluation which provides for the periodic evaluation of the performance of the Board, its Committees and individual Directors. During the reporting period, a formal performance evaluation of the Board and its individual members was not undertaken. However, the composition and performance of the Board, its suitability to carry out the Company's objectives and the contribution of individual Directors were considered by the Board on an ongoing basis.
1.7	A listed Entity should: a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period; and b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.
	Adopted – The Company has adopted a Process for Performance Evaluation which provides for the evaluation of the performance of Senior Executives and is available on the Company's website at http://pancon.com.au/about-us/corporate-governance/ A formal performance evaluation of the Company's Senior Executives was not undertaken during the reporting period. However, the Board monitored and considered the performance of the Company's Senior Executive on an ongoing basis having regard to their respective responsibilities and the Company's objectives.
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE	
2.1	The Board of a listed Entity should: (a) have a Nomination Committee which: (1) has at least three members, a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, and disclose: (3) the charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
	Partially Adopted – Given the size and scope of the Company's operations, the Board considers that the functions of a Nomination Committee are most effectively undertaken by the full Board rather than by a separate committee. The Board therefore performs the functions ordinarily undertaken by a Nomination Committee in accordance with the Company's Nomination Committee Charter. The Board is responsible for reviewing Board succession, composition, skills, experience, independence and diversity and for identifying and considering candidates for appointment to the Board. As the full Board performs these functions, no separate Nomination Committee meetings were held during the reporting period. The Company's Nomination Committee Charter and Policy and Procedure for Selection and (Re)Appointment of Directors are available on the Company's website at http://pancon.com.au/about-us/corporate-governance/

2.2 A listed Entity should have and disclose a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Adopted – The Board seeks to maintain an appropriate mix of skills, knowledge and experience to enable it to discharge its responsibilities effectively and to add value to the Company.

The Board considers that its current members collectively possess skills and experience in the following areas:

Skills and experience represented on the Board
• Petroleum and energy exploration • Geology and geoscience • Corporate and commercial • Financial management and accounting • Capital markets and capital raising • ASX-listed company experience • Corporate governance and compliance • Risk management • Strategy • International business • Government and stakeholder engagement • Mergers, acquisitions and commercial transactions • Exploration project management

Further details of the qualifications, skills and experience of individual Directors are contained in the Directors' Report. All of the Directors have substantial industry experience and consider themselves to be financially literate. Mr Myers and Ms Petrovic are qualified accountants and therefore meet the tests of financial expertise.

Pancontinental acknowledges that the skills, knowledge and experience required on the Board will change as the Organisation evolves however under the current circumstances, the mix of expertise and experience identified above is beneficial in meeting the current challenges faced by the Group.

2.3 A listed Entity should disclose:

(a) the names of the Directors considered by the Board to be Independent Directors;

(b) if a Director has an interest, position or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each Director.

Adopted – The Board regularly assesses the independence of each Non-Executive Director having regard to the factors set out in the ASX Corporate Governance Principles and Recommendations.

In determining whether a Director is independent, the Board considers whether the Director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring independent judgement to issues before the Board and to act in the best interests of the Company and its security holders.

The current Directors, their positions and independence status are:

Director	Position	Tenure	Independent
EA Myers	Executive Chairman	16 years	Not independent
V Petrovic	Executive Director Company Secretary	7 years (9 years since initial appointment)	Not independent
RB Rushworth	Non-Executive Director	20 years	Not independent Non-Executive Director by title, but not independent given his long history as a Technical Director and his ongoing occasional executive/technical services.

	To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed on the Company's website. Although no Directors are considered to be independent, the Board believes its current composition is in line with the long-term interests of Shareholders. The Board also acknowledges the need for independent judgement on all Board decisions, irrespective of each individual Director's independence and as such has implemented a Policy on Independent Professional Advice.
2.4	A majority of the Board of a listed Entity should be Independent Directors.
	Not Adopted – A majority of the Board is not comprised of Independent Directors. The Board acknowledges Recommendation 2.4 but considers that its current composition provides an appropriate mix of corporate, financial, governance, petroleum exploration, geological and international business experience having regard to the Company's size, operations and current requirements. All Directors are expected to exercise independent judgement and act in the best interests of the Company and its security holders as a whole, irrespective of their formal independence classification. Directors may obtain independent professional advice at the Company's expense where appropriate.
2.5	The Chair of the Board of a listed Entity should be an Independent Director and, in particular, should not be the same person as the CEO of the Entity.
	Not Adopted – The Chairman, Mr E A Myers, is an Executive Director and is therefore not considered independent. The roles of Chairman and Chief Executive Officer are held by different individuals. The Board considers that Mr Myers' extensive knowledge of the Company and his corporate and financial experience make him appropriate to perform the role of Chairman at this time. The Board will continue to review its composition and leadership arrangements having regard to the Company's circumstances and the interests of security holders.
2.6	A listed Entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.
	Adopted – The Company has an induction process for new Directors designed to provide them with the information necessary to participate effectively in Board decision-making and to understand the Company's operations, governance framework and their duties and responsibilities. Directors are encouraged to undertake appropriate professional development to maintain and develop the skills and knowledge required to perform their roles effectively. This includes keeping abreast of relevant legal, regulatory, accounting, taxation, governance, industry and technical developments. Where the Board identifies a need for a Director to acquire or develop particular skills or knowledge, the Company facilitates appropriate professional development.
PRINCIPLE 3 – INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY	
3.1	A listed Entity should articulate and disclose its values.
	Adopted – The Company's values are articulated through its Code of Conduct, which is available on the Company's website. The Code reflects the Company's commitment to integrity, honesty, accountability, compliance with the law and responsible conduct in carrying out its activities.

3.2	A listed Entity should: (a) have and disclose a code of conduct for its Directors, Senior Executives and Employees; and (b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code.
	Adopted – The Company has adopted a Code of Conduct which can be found at http://pancon.com.au/about-us/corporate-governance/ applicable to its Directors, Senior Executives and employees. The Code establishes the standards of conduct expected in areas including integrity and honesty, compliance with applicable laws, conflicts of interest, protection and proper use of Company assets and confidential information, employment practices, fair dealing and responsibilities to shareholders and the community. The Board is informed of any material breaches of the Code of Conduct.
3.3	A listed Entity should: (a) have and disclose a Whistleblower Policy; and (b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.
	Adopted – The Company has adopted a Whistleblower Policy which is available on its website at http://pancon.com.au/about-us/corporate-governance/. The policy provides mechanisms for the confidential reporting, investigation and appropriate handling of reportable matters and provides protections for eligible whistleblowers. The Board is informed of any material incidents reported under the policy. There were no material incidents reported under the Whistleblower Policy during the reporting period.
3.4	A listed Entity should: (a) have and disclose an Anti-Bribery and Corruption policy; and (b) ensure that the Board or a Committee of the Board is informed of any material breaches of that policy.
	Adopted – The Company has adopted an Anti-Bribery and Corruption Policy which is available on its website at http://pancon.com.au/about-us/corporate-governance/. The policy prohibits bribery, corruption and other improper conduct and provides for the Board to be informed of any material breaches. There were no material breaches of the Anti-Bribery and Corruption Policy during the reporting period.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS	
4.1	The Board of a listed Entity should: (a) have an Audit Committee which: (1) has at least three members, all of whom are Non-Executive Directors and a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, who is not the Chair of the Board, and disclose: (3) the charter of the Committee; (4) the relevant qualifications and experience of the members of the Committee; and (5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
	Partially Adopted – The Company does not have a separate Audit Committee. Given the size and composition of the Board and the scale of the Company's operations, the Board considers that the functions of an Audit Committee are most effectively undertaken by the full Board. The Board therefore performs the functions ordinarily undertaken by an Audit Committee in accordance with the Company's Audit Committee Charter. In this capacity, the Board oversees the integrity of the Company's financial reporting, the effectiveness of relevant internal controls, the external audit process and the appointment, independence and performance of the external auditor. As the full Board performs these functions, no separate Audit Committee meetings were held during the reporting period. The Company's Audit Committee Charter and Procedure for the Selection, Appointment and Rotation of External Auditor are available on the Company's website at http://pancon.com.au/about-us/corporate-governance/.
4.2	The Board of a listed Entity should, before it approves the Entity's Financial Statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
	Adopted – Before approving the Company's financial statements for each financial year, the Board receives declarations from the Chief Executive Officer and Chief Financial Officer that, in their opinion, the financial records of the Company had been properly maintained, the financial statements complied with the appropriate accounting standards and give a true and fair view, and that their opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.
4.3	A listed Entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.
	Adopted – The Company has processes in place to verify the integrity of periodic corporate reports released to the market that are not audited or reviewed by the external auditor. Such reports are prepared by appropriately qualified personnel and reviewed by relevant members of Management and the Board together with supporting information and source documentation. The Company Secretary reviews the reports for compliance with applicable ASX Listing Rule requirements. All periodic corporate reports are submitted to the Board for review and approval prior to release to ASX.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
5.1	A listed Entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.
	Adopted – The Company has adopted a Continuous Disclosure Policy governing compliance with its continuous disclosure obligations under the ASX Listing Rules. The policy establishes responsibilities and procedures for identifying, escalating, reviewing and disclosing market-sensitive information and is designed to ensure that material information is disclosed to the market in a timely, accurate and balanced manner. The Company has appointed a Responsible Officer to oversee compliance with its continuous disclosure obligations. The Continuous Disclosure Policy is available on the Company's website at http://pancon.com.au/about-us/corporate-governance/
5.2	A listed Entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.
	Adopted – In accordance with the Company's established disclosure procedures, all ASX announcements are provided to the Board for consideration and approval prior to release to the market.
5.3	A listed Entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
	Adopted – The Company releases any new and substantive investor or analyst presentation materials on the ASX Market Announcements Platform ahead of the presentation.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS	
6.1	A listed Entity should provide information about itself and its governance to investors via its website.
	Adopted – The Company's website provides security holders with information about the Company and its governance, including its Corporate Governance Statement, governance charters and policies, ASX announcements, financial reports, investor presentations and other information relevant to security holders.
6.2	A listed Entity should have an investor relations program that facilitates effective two-way communication with investors.
	Adopted – The Company has adopted a Shareholder Communication Policy designed to facilitate effective two-way communication with investors. Information is communicated to security holders through ASX announcements, financial reports, the Company's website, notices of meeting and other investor communications. Security holders may also contact the Company directly with questions or comments.
6.3	A listed Entity should disclose how it facilitates and encourages participation at meetings of security holders.
	Adopted – The Company has adopted a Shareholder Communication Policy which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Company facilitates and encourages participation by security holders at meetings. Notices of Meeting provide security holders with information about the matters to be considered and the mechanisms available to participate and vote. Security holders are provided with opportunities to ask questions and express their views in relation to matters relevant to the Company and the business of the meeting.
6.4	A listed Entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
	Adopted – All resolutions at meetings of security holders are decided by poll rather than by a show of hands.

6.5	A listed Entity should give security holders the option to receive communications from, and send communications to, the Entity and its security registry electronically.
	Adopted – The Company provides security holders with the option to receive communications from, and send communications to, the Company and its security registry electronically.
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
7.1	The Board of a listed Entity should: (a) have a Committee or Committees to oversee risk, each of which: (1) has at least three members, a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, and disclose: (3) the charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Risk Committee or Committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the Entity's risk management framework.
	Partially Adopted – The Company does not have a separate Risk Committee. Given the size and composition of the Board and the nature and scale of the Company's operations, the Board considers that responsibility for risk oversight is most effectively undertaken by the full Board. The Board oversees the Company's risk management framework and considers risk as an integral part of strategic planning, budgeting, exploration activities, regulatory compliance, business development and other material corporate decisions. The Board is responsible for reviewing the Company's material business risks and monitoring the effectiveness of the Company's risk management and internal control processes. The Company's Risk Management Policy is available on its website at http://pancon.com.au/about-us/corporate-governance/.
7.2	The Board or a Committee of the Board should: (a) review the Entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the Entity is operating with due regard to the risk appetite set by the Board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.
	Adopted – The Board is responsible for overseeing the Company's risk management framework and reviews that framework at least annually. During the reporting period, the Board reviewed the Company's risk management framework and satisfied itself that the framework remained appropriate having regard to the nature, scale and complexity of the Company's operations. Risk is also considered on an ongoing basis as part of the Board's ordinary decision-making processes.
7.3	A listed Entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.
	Adopted – The Company does not have a separate internal audit function, having regard to the size and nature of its operations. Management is responsible for maintaining appropriate risk management and internal control processes and for identifying, monitoring and responding to business risks. The Board oversees these processes and evaluates the effectiveness of the Company's governance, risk management and internal control arrangements on an ongoing basis. The Board considers these arrangements appropriate having regard to the Company's current size, operations and risk profile.

7.4	A listed Entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.
	Adopted – The Company recognises that its activities may give rise to environmental and social risks, particularly in connection with its offshore petroleum exploration interests and activities. The Board oversees the identification, assessment and management of material environmental and social risks through the Company's risk management framework. These may include environmental and regulatory compliance, climate-related matters, health and safety, stakeholder and community relations. The Company seeks to manage these risks through compliance with applicable laws, regulations and licence requirements, appropriate technical and environmental assessment, engagement with regulators and relevant stakeholders and ongoing Board oversight. Material business risks that may affect the Company, including material environmental and social risks where applicable, are discussed in the Risk Management section of the Company's Annual Report.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY	
8.1	The Board of a listed Entity should: (a) have a Remuneration Committee which: (1) has at least three members, a majority of whom are Independent Directors; and (2) is chaired by an Independent Director, and disclose: (3) the charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.
	Partially Adopted – The Company does not have a separate Remuneration Committee. Given the size and composition of the Board and the scale of the Company's operations, the Board considers that the functions of a Remuneration Committee are most effectively undertaken by the full Board. The Board therefore performs the functions ordinarily undertaken by a Remuneration Committee in accordance with the Company's Remuneration Committee Charter available at http://pancon.com.au/about-us/corporate-governance/ The Board considers the remuneration arrangements of Directors and Senior Executives having regard to the Company's circumstances, relevant market practices, individual responsibilities, skills and experience and the need to appropriately align remuneration with the interests of security holders. As the full Board performs these functions, no separate Remuneration Committee meetings were held during the reporting period. Where appropriate, the Board may obtain independent remuneration advice. Further information concerning Director and Key Management Personnel remuneration is contained in the Remuneration Report.
8.2	A listed Entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives.
	Adopted – The Company has adopted a Remuneration Committee Charter which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/. The Charter discloses the processes regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other Senior Executives. Executive remuneration is determined having regard to the Company's circumstances, the responsibilities and experience of the individual and relevant market practices. Non-Executive Directors receive fees for their services within the aggregate amount approved by security holders and do not receive performance-based remuneration. Further information regarding the Company's remuneration practices and the remuneration of Directors and Key Management Personnel is contained in the Remuneration Report.
8.3	A listed Entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.
	Adopted - The Company has adopted a Policy for Trading in Company Securities which can be found on the Company's website at http://pancon.com.au/about-us/corporate-governance/ Directors, Officers and Employees who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act 2001 dealing with insider trading, in conjunction with the Company's Policy for Trading in Company Securities. The policy has been developed so that all Company Employees and representatives are clear as to their obligations with regard to trading while in possession of insider information.

Consolidated Statement of Profit or Loss &

Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026	Notes	CONSOLIDATED 2026 $	2025 $
OPERATING ACTIVITIES			
Non-cash gain on extinguishment of liability	2(a)	**-**	476,560
Foreign exchange gains/(losses)		**(78,776)**	78,255
Depreciation expenses		**(86,145)**	(24,730)
Salaries, fees and benefits		**(736,870)**	(737,670)
Audit fees	16	**(45,293)**	(43,699)
Generative exploration expenditure and write off		**(27,985)**	(159,097)
ASX fees		**(65,437)**	(80,295)
Insurance		**(84,591)**	(82,404)
Legal fees		**(2,897)**	(827)
Share registry costs		**(34,727)**	(32,748)
Rent and outgoings		**(3,280)**	(66,365)
Office expenses		**(33,856)**	(33,072)
Travel		**-**	(41,339)
Corporate advisory		**-**	(40,000)
Share-based payments	13	**-**	(850,000)
Other expenses	2(b)	**(248,115)**	(212,072)
TOTAL OPERATING ACTIVITIES		**(1,447,972)**	(1,849,503)
FINANCING ACTIVITIES			
Financing income		**23,245**	98,281
Financing expense		**(5,504)**	(2,002)
TOTAL FINANCING ACTIVITIES		**17,741**	96,279
(LOSS) BEFORE INCOME TAX		**(1,430,231)**	(1,753,224)
Income tax expense	3	**-**	-
(LOSS) FOR THE YEAR		**(1,430,231)**	(1,753,224)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		**-**	-
TOTAL OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,430,231)**	(1,753,224)
Total comprehensive income attributable to:			
Owners of the Company		**(1,428,730)**	(1,909,628)
Non-controlling interest		**(1,501)**	156,404
		(1,430,231)	(1,753,224)
Basic earnings per share (cents per share)	15	**(0.02)**	(0.02)
Diluted earnings per share (cents per share)		**(0.02)**	(0.02)

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

Consolidated Statement of Financial Position

AT 30 JUNE 2026	Notes	CONSOLIDATED 2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	11(b)	**2,344,217**	2,492,982
Trade and other receivables	4	**108,292**	104,385
TOTAL CURRENT ASSETS		**2,452,509**	2,597,367
NON-CURRENT ASSETS			
Trade and other receivables	4	**-**	10,200
Property, plant and equipment	6	**68,093**	156,037
Deferred exploration and evaluation costs	7	**5,979,235**	5,338,715
TOTAL NON-CURRENT ASSETS		**6,047,328**	5,504,952
TOTAL ASSETS		**8,499,837**	8,102,318
CURRENT LIABILITIES			
Trade and other payables	8(a)	**322,771**	253,070
Provision for employee entitlements	8(d)	**316,073**	253,229
Lease liabilities	8(b)	**65,211**	81,820
TOTAL CURRENT LIABILITIES		**704,055**	588,119
NON-CURRENT LIABILITIES			
Provision for employee entitlements	8(e)	**-**	16,907
Lease liabilities	8(c)	**-**	65,212
TOTAL NON-CURRENT LIABILITIES		**-**	82,119
TOTAL LIABILITIES		**704,055**	670,238
NET ASSETS		**7,795,782**	7,432,080
EQUITY			
Contributed equity	9(a)	**121,325,194**	119,531,262
Reserves	10	**3,100,000**	3,100,000
Accumulated losses	10	**(116,629,412)**	(115,199,182)
TOTAL EQUITY		**7,795,782**	7,432,080
Capital and reserves attributable to owners of PCL		**9,115,173**	8,749,970
Non-controlling interest		**(1,319,391)**	(1,317,890)
		7,795,782	7,432,080

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

Consolidated Statement of Changes in Equity

AS AT YEAR ENDED 30 JUNE 2026

Consolidated	Contributed Equity	Option Reserve	Accumulated Losses	Total Equity	Non-Controlling Interest	Attributable to Owners of the Company
	$	$	$	$		
Balance at 1 July 2025	**119,531,262**	**3,100,000**	**(115,199,182)**	**7,432,080**	**(1,317,890)**	**8,749,970**
Loss for the year	**-**	**-**	**(1,430,231)**	**(1,430,231)**	**(1,501)**	**(1,428,730)**
Transactions with Owners in their capacity as Owners						
Exercise of listed options (cash)	**1,793,932**	**-**	**-**	**1,793,932**	**-**	**1,793,932**
Balance at 30 June 2026	**121,325,194**	**3,100,000**	**(116,629,412)**	**7,795,782**	**(1,319,391)**	**9,115,173**
Non-Controlling Interest	**936,482**	**-**	**(2,255,873)**	**(1,319,391)**		
Attributable-Owners of the Company	**120,388,712**	**3,100,000**	**(114,373,539)**	**9,115,173**		
Balance at 1 July 2024	119,471,262	2,250,000	(113,445,957)	8,275,305	(1,474,293)	9,749,598
Loss for the year	-	-	(1,753,224)	(1,753,224)	156,404	(1,909,628)
Transactions with Owners in their capacity as Owners						
Unlisted options issued	-	850,000	-	850,000	-	850,000
Exercise of options (cash)	60,000	-	-	60,000	-	60,000
Balance at 30 June 2025	119,531,262	3,100,000	(115,199,182)	7,432,080	(1,317,890)	8,749,970
Non-Controlling Interest	936,482	-	(2,254,372)	(1,317,890)		
Attributable-Owners of the Company	118,594,780	3,100,000	(112,944,810)	8,749,970		

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

Consolidated Statement of Cashflows

YEAR ENDED 30 JUNE 2026	Notes	CONSOLIDATED 2026	2025
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(1,133,149)**	(1,320,435)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	11(a)	**(1,133,149)**	(1,320,435)
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditure on exploration interests		**(663,729)**	(702,624)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(663,729)**	(702,624)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest received		**23,246**	98,281
Repayment of lease liabilities		**(87,325)**	(21,615)
Proceeds from exercise of options		**1,793,932**	60,000
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,729,853**	136,666
NET (DECREASE) IN CASH HELD		**(67,025)**	(1,886,393)
Add opening cash brought forward		**2,492,982**	4,301,120
Effects of exchange rate changes		**(81,740)**	78,255
CLOSING CASH BALANCE	11(b)	**2,344,217**	2,492,982

The above Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements.

1. MATERIAL ACCOUNTING POLICY INFORMATION

This Financial Report was authorised for issue by the Directors on 30 September 2026.

Statement of Compliance
The Financial Report is a General Purpose Financial Report which has been prepared in accordance with Australian Accounting Standards, including Australian interpretations adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The Consolidated Financial Report of the Consolidated Entity and Company also complies with IFRS and interpretations adopted by the International Accounting Standards Board.

Basis of preparation
The report has been prepared on the basis of historical costs and except where stated does not take into account changing money values or current valuation of non-current assets. The accounting policies adopted are consistent with those of the previous year. The following accounting policies material to the preparation of the financial report have been consistently applied, unless otherwise stated.
Certain prior year amounts have been reclassified for consistency with the current year presentation. This change maintains the comparability among the periods presented.

Going concern
For the year ended 30 June 2026, the Consolidated Entity incurred a loss before tax of $1,430,231 and cash outflows from operating activities of $1,133,149. These circumstances indicate that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and fund its future exploration activity. This uncertainty arises due to the Consolidated Entity's reliance on future capital raisings and securing of a potential farm-in partner.

Notwithstanding these circumstances, the Directors consider the adoption of the going concern basis to be appropriate in the preparation of the Consolidated Entity's financial statements. This conclusion has been reached after assessing the Consolidated Entity's current financial position, projected cash flows, and available funding alternatives.

In forming this view, the Directors have taken into account a number of factors, including:

- During the financial year, Pancontinental raised $1,793,932 from the conversion of 149,494,389 listed options at an exercise price of $0.012 per share into ordinary shares;
- The Company's ability and dependency on raising additional share capital under the Corporations Act 2001, whether through a share purchase plan, share placement, or rights issue;
- Continued exploration of the Consolidated Entity's exploration projects will require further capital raising which may be achieved through farm-out arrangements with suitable industry partners, allowing the Consolidated Entity to obtain funding contributions while retaining exposure to potential future project upside potential; and
- the ability, if necessary, to realise value through the partial or full disposal of interests in exploration assets.

Having regard to the matters outlined above, the Directors consider that the Group will be able to access sufficient funding to meet its obligations as and when they fall due. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis. Should the Group not be able to achieve successful outcomes with the above, there is material uncertainty whether the Group will be able to continue as a going concern.

(a) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in

relation to that area of interest.

As at the end of the financial year, the Directors considered that the carrying value of the exploration interests of the Consolidated Entity was as shown in the Statement of Financial Position and no further impairment should arise other than that already recognised.

(b) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for the current annual reporting period; however, none have been applied in preparing these Consolidated Financial Statements. The standards are not expected to have a material impact on the accounting policies or Consolidated Financial Statements of the Group.

(c) Share Based Payments

The Group provides benefits to directors and key management personnel of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (options reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the options. Fair value is determined using an external specialist valuer, a Black-Scholes option pricing model, or other models as appropriate.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to profit and loss. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(d) Leases

Right-of-use asset
A right-of-use asset is recognised at the commencement of a lease. The asset is initially measured at cost, which includes the initial lease liability together with any lease payments made at or before the commencement date (net of lease incentives received), any initial direct costs incurred, and, where applicable, an estimate of costs to be incurred in dismantling or removing the underlying asset and restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right-of-use assets are also subject to impairment testing and are adjusted for any remeasurement of the related lease liability.

Lease liability
The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined, then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term, or index upon which the lease payments are based, or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement.

(e) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will,

by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related licence itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include abandonment of area of interest, the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

2. STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

2 (a) NON-CASH GAIN ON EXTINGUISHMENT OF LIABILITY

	CONSOLIDATED 2026 $	CONSOLIDATED 2025 $
Liability write-back – historic joint venture contributions	-	476,560
	-	476,560

During the previous financial year, the Group derecognised a historic liability relating to exploration funding contributed by a non-controlling interest entity many years ago. The liability was written back as it is no longer payable. This resulted in a credit to profit or loss of $476,560. The adjustment is a non-cash, one-off accounting entry and does not represent income from operations or current activities.

Part Disposal of Subsidiary & Non-Controlling Interest– Pancontinental Namibia Pty Ltd

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 balance disclosed represents amounts advanced by the non-controlling shareholder to Pancontinental Namibia Pty Ltd to fund exploration which were written off during the year.

2 (b) OTHER EXPENSES

	CONSOLIDATED 2026 $	CONSOLIDATED 2025 $
Public/Investor Relations	**(57,250)**	(48,681)
Conferences & Seminars	**(6,323)**	(26,033)
Farm-out Activities	**(127,118)**	(79,790)
Other	**(57,424)**	(57,568)
	(248,115)	(212,072)

3. INCOME TAX

	CONSOLIDATED 2026 $	CONSOLIDATED 2025 $
(a) Income Tax (Benefit)/Expense		
The prima facie tax, using tax rates applicable in the country of operation, on profit and extraordinary items differs from the income tax provided in the Financial Statements as follows:		
Prima facie tax on profit from ordinary activities at 30% (2025: 30%)	**(429,069)**	(525,967)
Tax effect of permanent differences:		
Other items (net)	**-**	-
Amount not brought to account as a carried forward future income tax benefit	**429,069**	525,967
Income tax expense attributable to ordinary activities	**-**	-

(b) Future Income Tax Benefit not recognised

The potential future income tax benefit calculated at 30% in respect of:		
Adjustments to carry forward tax losses	-	-
Tax Losses not recognised	**9,349,631**	9,260,672
Total *	**9,349,631**	9,260,672

This future income tax benefit will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

The recognition and utilisation of losses is subject to the loss recoupment rules being satisfied.

*The potential future income tax benefit was calculated by multiplying the current tax rate of 30% by the Group's carry forward losses at 30 June 2026 of $31,165,436.

4. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2026 $	CONSOLIDATED 2025 $
CURRENT		
Deposits	**10,200**	-
Trade receivables	**23,501**	34,650
Prepayments	**74,591**	69,735
Total	**108,292**	104,385
NON-CURRENT		
Deposits	**-**	10,200
Total	**-**	10,200

(a) Terms and conditions

(i) Trade debtors are non-interest bearing and generally on 30-day terms.

(ii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

5. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the Consolidated Entity 2026 %	2025 %
Pancontinental Namibia Pty Ltd	Australia	**66.67**	66.67
Pancontinental Orange Pty Ltd	Australia	**100**	100
Pancontinental Cooper Pty Ltd	Australia	**100**	100
Taranaki Energy Pty Ltd	Australia	**100**	N/A

6. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2026 $	2025 $
(a) PLANT & EQUIPMENT		
Office equipment		
At cost	**15,774**	27,535
Less: Accumulated depreciation	**(10,173)**	(17,312)
Total written down value of Office equipment	**5,601**	10,223
Reconciliations		
Reconciliations of the carrying amounts of plant and equipment		
Office equipment		
Carrying amount opening balance	**10,223**	14,122
Additions	**-**	-
Disposals	**(1,799)**	-
Depreciation expense	**(2,823)**	(3,899)
Total written down amount	**5,601**	10,223

	CONSOLIDATED 2026 $	2025 $
(b) PROPERTY – RIGHT-OF-USE ASSET		
Office lease 45 Ventnor Avenue, West Perth 2 year lease		
At cost	**166,645**	166,645
Less: Accumulated depreciation	**(104,153)**	(20,831)
Total written down value of Office lease	**62,492**	145,814
TOTAL PROPERTY, PLANT & EQUIPMENT	**68,093**	156,037

7. DEFERRED EXPLORATION AND EVALUATION

	CONSOLIDATED 2026 $	2025 $
Exploration and evaluation costs carried forward Pre-production, exploration and evaluation phases:		
Carrying amount at 1 July	**5,338,715**	4,683,348
Expenditure & acquisitions during the year	**668,505**	814,464
Exploration expenditure written off	**(27,985)**	(159,097)
Carrying amount at 30 June	**5,979,235**	5,338,715

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective petroleum areas.

8. LIABILITIES

(a) Trade and other payables	CONSOLIDATED 2026 $	2025 $
Current – Ordinary trade creditors and payables	**322,771**	253,070
Total	**322,771**	253,070

(b) Other liabilities	CONSOLIDATED 2026 $	2025 $
Current - Lease liability	**65,211**	81,820
Total	**65,211**	81,820

(c) Other liabilities	CONSOLIDATED 2026 $	2025 $
Non-current - Lease liability	**-**	65,212
Total	**-**	65,212

Lease liabilities

The maturity analysis of lease liability based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1-5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
2026	$	$	$	$	$
Lease liabilities	**65,211**	**-**	-	**65,211**	**65,211**

(d) Provision for employee entitlements	CONSOLIDATED 2026 $	2025 $
Current – Annual leave and long service leave	**316,073**	253,229
Total	**316,073**	253,229

(e) Provision for employee entitlements	CONSOLIDATED 2026 $	2025 $
Non-current – Long service leave	**-**	16,907
Total	**-**	16,907

9. CONTRIBUTED EQUITY

	CONSOLIDATED 2026 $	2025 $
(a) Issued and paid up capital		
Ordinary shares fully paid	**121,325,194**	119,531,262
Total	**121,325,194**	119,531,262

(b) Movements in shares on issue

ASX: PCL	2026		2025	
	Number of shares	**$**	**Number of shares**	**$**
Beginning of the financial year	**8,136,585,866**	**119,531,262**	8,131,585,866	119,471,262
Movements during the year:				
– Options converted	**149,494,389**	**1,793,932**	5,000,000	60,000
End of the financial year	**8,286,080,255**	**121,325,194**	8,136,585,866	119,531,262

10. RESERVES AND ACCUMULATED LOSSES

	CONSOLIDATED 2026 $	2025 $
Reconciliation of movements in unlisted options on issue		
Beginning of the financial year	**3,100,000**	2,250,000
Options issued	**-**	550,000
Options vested	**-**	300,000
End of the financial year	**3,100,000**	3,100,000
Accumulated losses		
Beginning of the financial year	**(115,199,182)**	(113,445,957)
Loss for the year	**(1,430,231)**	(1,753,224)
End of the financial year	**(116,629,412)**	(115,199,182)

(a) Movements in listed options on issue

ASX: PCLO	2026		2025	
	Number of listed options	**$**	**Number of listed options**	**$**
Beginning of the financial year	**487,549,998**	**-**	492,549,998	-
Movements during the year:				
– Options converted	**(149,494,389)**	**-**	(5,000,000)	-
– Options expired	**(338,055,609)**		-	-
End of the financial year	**-**	**-**	487,549,998	-

No value was assigned to the listed options as they were free attaching options to shares (1 free option for every 2 shares subscribed for) issued in previous placements.

(b) Movements in unlisted options on issue

	2026		2025	
	Number of unlisted options	**$**	**Number of unlisted options**	**$**
Beginning of the financial year	**360,000,000**	**3,100,000**	310,000,000	2,250,000
Movements during the year:				
– Options issued	**-**	**-**	50,000,000	550,000
– Options vested*	**-**	**-**	-	300,000
End of the financial year	**360,000,000**	**3,100,000**	360,000,000	3,100,000

*Unlisted options issued to CEO Iain Smith – 20 million vested 18 March 2024 (2024 financial year) and 20 million 18 September 2024 (2025 financial year).

11. STATEMENT OF CASH FLOWS

	CONSOLIDATED	
	2026	**2025**
	$	**$**
(a) Reconciliation of the net loss after tax to the net cash flows from operations		
Net loss	**(1,430,231)**	(1,753,224)
Non-Cash Items, Non-Operating Items		
Depreciation of property, plant and equipment	**86,145**	24,730
Financing income	**(23,259)**	(98,281)
Financing expense	**5,504**	2,002
Share-based payments	**-**	850,000
Write offs	**27,985**	(317,463)
Foreign exchange differences	**78,776**	(78,255)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**6,293**	(14,587)
(Decrease)/increase in trade and other payables	**69,701**	(4,727)
(Decrease)/increase in provisions for employee entitlements	**45,937**	69,370
Net cash flow from operating activities	**(1,133,149)**	(1,320,435)
(b) Reconciliation of cash		
Cash balance comprises:		
– cash and cash equivalents	**2,344,217**	2,492,982
Closing cash balance	**2,344,217**	2,492,982

12. EXPENDITURE COMMITMENTS

The Group holds a 75% participating interest in Petroleum Exploration Licence 87 (PEL 87), offshore Namibia.

PEL 87 is currently in the First Renewal Exploration Period, which has been extended for a further 12 months to January 2027.

The minimum work programme for the First Renewal Exploration Period requires the drilling of one exploration well where a drillable prospect has been identified. In the absence of a drillable prospect, the work programme requires the acquisition of either approximately 500 km² of 3D seismic data or 1,000 km of 2D seismic data.

The expenditure associated with the minimum work programme is US$20 million for the drilling of an exploration well or US$5 million for the seismic acquisition programme.

As previously reported, Woodside fully funded the acquisition of the 6,593 km² 3D seismic survey over PEL 87 at a cost in excess of US$38 million. This expenditure satisfies the applicable seismic expenditure commitment under the licence. Accordingly, no additional expenditure is required in respect of that seismic expenditure commitment.

During the 12-month extension period, should the PEL 87 joint venture successfully secure a farm-in partner and proceed with the proposed exploration programme, the joint venture has provided for budgeted expenditure of approximately US$76 million. This amount represents the proposed joint venture exploration budget and is conditional upon securing a farm-in partner and proceeding with the relevant work programme; it does not represent an unconditional expenditure commitment of the Group as at the reporting date.

The Group's share of future expenditure will depend on the final work programme undertaken, the terms of any farm-in arrangement and the respective participating interests and funding obligations of the joint venture parties.

13. SHARE-BASED PAYMENTS

	CONSOLIDATED 2026 $	2025 $
Options issued (see below for further information)	-	850,000
Total	-	850,000

Share-based Payments Related to Options Issued

	2026		2025	
	Number of unlisted options	$	Number of unlisted options	$
– Options issued (see (b) below)	-	-	50,000,000	550,000
– Options vested EIS	-	-	-	300,000
End of the financial year	-	-	50,000,000	850,000

a) Unlisted Options - Employee Incentive Scheme
Information with respect to the number of options under the Employee Share Incentive Scheme is as follows:

	2026			2025		
	Number of options	Weighted average exercise price	Value	Number of options	Weighted average exercise price	Value
Balance at beginning of year	**310,000,000**	**0.014**	**2,550,000**	310,000,000	0.014	2,250,000
– issued	-	-	-	-	-	-
– exercised	-	-	-	-	-	-
– vested	-	-	-	-	-	*300,000
Balance at end of year	**310,000,000**	**0.014**	**2,550,000**	310,000,000	0.014	2,550,000

*Unlisted options issued to CEO Iain Smith – 20 million vested 18 March 2024 (2024 financial year) and 20 million 18 September 2024 (2025 financial year).

In addition to the above information, refer to disclosure in the Remuneration Report regarding share-based payments.

b) Unlisted Options - Other
As at 30 June 2026, in addition to the above Employee Share Incentive Scheme unlisted options, there were 50,000,000 unlisted options held by Salient Corporate Pty Ltd.

14. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

15. EARNINGS PER SHARE

	CONSOLIDATED	
	2026	**2025**
	$	**$**
Basic earnings per share	**(0.02)**	(0.02)
Diluted earnings per share	**(0.02)**	(0.02)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net profit	**(1,430,231)**	(1,753,224)
Adjustments:		
Earnings used in calculating basic and diluted earnings per share	**(1,430,231)**	(1,753,224)

	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	**8,271,781,589**	8,133,955,729

Options on issue have not been included in the calculation of diluted earnings per share as their inclusion would have an anti-dilutive effect.

16. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2026	**2025**
	$	**$**
Amounts received or due and receivable by In.Corp Audit & Assurance Pty Ltd for:		
– an audit or review of the Financial Report of the Entity and any other Entity in the Consolidated Entity	**45,293**	43,699
– tax compliance services in relation to the Entity and any other Entity in the Consolidated Entity	**21,083**	6,140
	66,376	49,839

The remuneration disclosed above does not include amounts paid or payable to overseas subsidiary company auditors.

During the financial year, the Company's auditors performed certain other services in addition to the audit and review of the financial statements. The Board has considered the non-audit services provided during the financial year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the Corporate Governance procedures adopted by the Group; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

17. DIRECTOR AND EXECUTIVE DISCLOSURES

Summarised Compensation of Key Management Personnel	2026 $	2025 $
Short-term employee benefits	**597,167**	590,000
Post-employment benefits	**39,500**	36,800
Share-based payments	**-**	*300,000
	636,667	926,800

* Mr Smith was granted 40,000,000 options in the previous financial year with 50% vesting 18 March 2024 (2024 financial year) and 50% vesting 18 September 2024 (2025 financial year). The value of the options ($600,000) has been split over the two financial years ($300,000 in each) to coincide with vesting terms.

18. SEGMENT INFORMATION

Segment accounting policies
During the period the Group 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.

19. FINANCIAL INSTRUMENTS

Financial risk management

Overview:
The Company and Group have exposure to the following risks from their use of financial instruments:

(a) credit risk
(b) liquidity risk
(c) market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In this industry, it arises principally from the receivables of joint venture re-charges and recuperations of cost. For the Group in this financial year, it arises primarily from receivables due from subsidiaries, GST and VAT refunds, prepayments and bonds.
(i) Trade and other receivables:

The Group operates predominantly in the energy exploration sector; it does not ordinarily have material trade receivables and is therefore not ordinarily exposed to credit risk in relation to trade receivables.

(ii) Loans to subsidiaries:

The Company has provided funding to its subsidiaries by way of loans. Repayment of these loans will occur through future business activities of each respective Entity.

Exposure to credit risk

The carrying amount of the Company's and Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Consolidated	Note	Carrying amount 2026 $	2025 $
Trade and other receivables	4	**108,292**	114,584
Cash and cash equivalents	11(b)	**2,344,217**	2,492,982
Total		**2,452,509**	2,607,566

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Impairment losses:

There are no material receivables past due for the Company or Group as at 30 June 2026, (2025: nil).

An impairment write down in respect of inter-Group loans and shares was recognised during the current year from an analysis of the subsidiaries respective financial positions. The total impairment write down recognised through impairment of loans to subsidiaries and shares held in subsidiaries during the current period was $148,722 (2025: $312,235).

Whilst the loans were not payable at 30 June 2026 a provision for impairment based on the subsidiaries financial position was carried forward from previous periods. The balance of this provision may vary due to performance of a subsidiary in a given year.

(b) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves through monitoring forecasts and actual cash flows.

Consolidated	Contractual cashflows < 1 year $	1-5 years $	> 5 years $
Current			
Trade and other payables	**(322,771)**	-	-
Provision for employee entitlements	**(316,073)**	-	-
Lease liabilities	**(65,211)**	-	-
Non-Current			
Provision for employee entitlements	-	-	-
Lease liabilities	-	-	-
Total	**(704,055)**	-	-

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk:

The Group is from time to time exposed to currency risk on investments, and foreign currency denominated purchases in a currency other than the respective functional currencies of Group Entities, primarily the Australian dollar (AUD). The other material currency that these transactions are denominated in is the (USD).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Exposure to currency risk:
The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2026			**30 June 2025**		
AUD	**AUD**	**USD**	**Total**	**AUD**	**USD**	**Total**
Cash & cash equivalents	**847,677**	**1,496,540**	**2,344,217**	899,339[1]	1,593,643	2,492,982
Trade & other receivables	**108,292**	**-**	**108,292**	114,584	-	114,584
Trade and other payables	**(322,769)**	**-**	**(322,769)**	(253,070)	-	(253,070)
Lease liability	**(65,211)**		**(65,211)**	(147,032)		(147,032)
Net balance sheet exposure	**567,989**	**1,496,540**	**2,064,529**	613,821	1,593,643	2,207,464

1. 8,097 Namibian dollars which is the equivalent of $696.40 is included in the AUD balance as it is immaterial to the currency risk.

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2026	2025	**2026**	2025
AUD : USD	**0.676**	0.640	**0.692**	0.655

Sensitivity analysis:
A 10 percent strengthening of the Australian dollar against the USD at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2025.

Effect in AUD	**Consolidated**	
	Equity	**Profit or loss**
30 June 2026		
10% strengthening	**166,282**	**166,282**
30 June 2025		
10% strengthening	177,071	177,071

A 10 percent weakening of the Australian dollar against the USD at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis only had an effect on the equity or profit and loss of the Company in relation to the USD bank account.

Interest rate risk:
At balance date the Group had exposure to interest rate risk, through its cash and equivalents held within financial institution.

	Consolidated Carrying Amount	
	30 June 2026	**30 June 2025**
Variable rate instruments		
Cash and cash equivalents	**2,344,217**	2,492,982

Fair value sensitivity analysis for fixed rate instruments:
The Company and Group do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at reporting date would not affect profit or loss or equity.

Fair values:
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	**30 June 2026**		**30 June 2025**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Trade and other receivables	**108,292**	**108,292**	114,584	114,584
Cash and cash equivalents	**2,344,217**	**2,344,217**	2,492,982	2,492,982
Liabilities	**(322,771)**	**(322,771)**	(670,238)	(670,238)
	2,129,738	**2,129,738**	1,937,328	1,937,328

Capital Management:
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total Shareholders' equity, excluding non-redeemable preference shares and minority interests.

	2026	**2025**
Equity attributable to Shareholders of the Company		
Minorities	**(1,319,391)**	(1,317,890)
Equity	**9,115,173**	8,749,970
Total assets	**8,499,837**	8,102,318
Equity ratio in %	**107.24%**	107.99%
Average equity	**7,613,931**	7,853,693
Net Profit /(Loss)	**(1,430,231)**	(1,753,224)
Return on Equity in %	**(18.78)%**	(22.32)%

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

20. RELATED PARTY

(a) During the year the Company paid fees to Basis Commercial Pty Ltd, a company in which Mr Smith has a financial interest, for his role as Chief Executive Officer. The amount paid was $200,000 (2025: $200,000).

(b) Refer to note 17 and Directors' Report for Key Management Personnel remuneration.

21. PARENT INFORMATION

The Group has applied amendments to the *Corporations Act (2001)* which remove the requirement for the Group to lodge Parent Entity Financial Statements. Parent Entity Financial Statements have been replaced by the specific Parent Entity disclosures below.

	2026 $	2025 $
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
(Loss) for the period	**(1,424,442)**	(2,224,324)
TOTAL COMPREHENSIVE INCOME	**(1,424,442)**	(2,224,324)

	2026 $	2025 $
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	**2,435,109**	2,543,825
TOTAL ASSETS	**8,279,728**	7,942,402
Liabilities		
Current liabilities	**478,157**	428,202
TOTAL LIABILITIES	**478,157**	510,321
Equity		
Contributed equity	**118,515,488**	116,721,555
Reserves	**3,100,000**	3,100,000
Accumulated losses	**(113,813,917)**	(112,389,474)
TOTAL EQUITY	**7,801,571**	7,432,081

22. CONTINGENCIES

As at 30 June 2026, the Group has no contingent liabilities (2025: nil).

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Body Corporate, partnership or trust	Country of incorporation	% of Share Capital held directly or indirectly by the Company in the body corporate	Australian or Foreign Tax Resident	Jurisdiction for Foreign tax resident
Pancontinental Energy NL	Body Corporate	Australia	Parent	Australian	N/A
Pancontinental Namibia Pty Ltd	Body Corporate	Australia	66.67%	Australian	N/A
Pancontinental Orange Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
Pancontinental Cooper Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
Taranaki Energy Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A

Directors' Declaration

In accordance with a resolution of the Directors of Pancontinental Energy NL, I state that:

(1) In the opinion of the Directors:

(a) the Financial Statements and notes of the Company and of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2026 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards including International Financial Reporting Standards and Corporations Regulations 2001; and

(iii) the information disclosed in the consolidated entity disclosure statement is true and correct; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2026.

On behalf of the Board

EA Myers
Director

Perth, Western Australia
30 September 2026

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PANCONTINENTAL ENERGY NL
INDEPENDENT AUDITOR'S REPORT

To the members of Pancontinental Energy NL

Opinion

We have audited the financial report of Pancontinental Energy NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' Declaration.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards and *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 responsibilities 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PANCONTINENTAL ENERGY NL
INDEPENDENT AUDITOR'S REPORT (continued)

Material Uncertainty in Relation to Going Concern

We draw attention to Note 1 to the financial report which indicates that during the year ended 30 June 2026, the Group incurred a loss before tax of $1,430,231 and had net operating cash outflows of $1,133,149. As stated in Note 1, these events or conditions along with other matters set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Capitalised Exploration and Evaluation Expenditure As disclosed in Note 7 to the financial statements, the carrying value of the capitalised exploration and evaluation expenditure is $5,979,235 which represents 70% of all assets of the Group. We consider capitalised exploration and evaluation expenditure to be a key audit matter due to: • the high level of judgement involved in assessing whether expenditure meets the capitalisation requirements and assessing the carrying value for indicators of impairment, and • the significance of the balance to the shareholders.	Our procedures included, but were not limited to: • Reviewing the ownership rights to the tenements against which the expenditure is capitalised, their expiry dates, and if any expenditure commitments were met; • Assessing the eligibility of expenditure items to be capitalised in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*; • Testing a sample of exploration and evaluation expenditure items to supporting documentation to ensure they were bona fide payments and meet capitalisation criteria; • Evaluating management's assessment for the existence of impairment indicators; and • Reviewing the appropriateness of the related disclosures in the notes to the financial statements.

PANCONTINENTAL ENERGY NL

INDEPENDENT AUDITOR'S REPORT (continued)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

PANCONTINENTAL ENERGY NL

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Pancontinental Energy NL, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

In.Corp Audit & Assurance Pty Ltd

Volha Romanchik
Director

30 September 2026

ASX Additional Information

Additional information required by the ASX Ltd and not shown elsewhere in this report is as follows.
The information is current as at 30 September 2026.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	431	95,901
1,001	-	5,000	234	774,210
5,001	-	10,000	250	2,092,773
10,001	-	100,000	1,604	81,433,323
100,001		and over	2,723	8,201,684,048
			5,242	**8,286,080,255**
The number of shareholders holding less than a marketable parcel of shares are:			2,123	48,079,483

(b) Twenty largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	BNP PARIBAS	598,407,004	7.22%
2	PERTH SELECT SEAFOODS PTY LTD	470,000,000	5.67%
3	SOUDURE S/F PTY LTD	369,000,000	4.45%
4	CITICORP NOMINEES PTY LIMITED	337,487,327	4.07%
5	OLD BLOOD AND GUTS PTY LTD	151,243,531	1.83%
6	ROY BARRY RUSHWORTH	146,335,610	1.77%
7	BNP PARIBAS NOMINEES PTY LTD	132,756,623	1.60%
8	MS CLAIRE ELIZABETH SEALS	118,137,416	1.43%
9	MRS SHARON LYN COONEY	108,137,415	1.31%
9	MR KEITH DANIEL KENNEDY	108,137,415	1.31%
9	MRS HEATHER MARY BONDY	108,137,415	1.31%
10	MR JAMES WERNER REIMERS	100,087,087	1.21%
11	MR VICTOR LORUSSO	100,000,000	1.21%
12	HSBC CUSTODY NOMINEES	96,548,010	1.17%
13	MR SCOTT ROBERT WEIR	80,000,000	0.97%
14	MRS SUSAN GAYE BOAS	77,739,550	0.94%
15	EST MRS LAURIE BETH MARTIN	76,000,000	0.92%
16	BUDWORTH CAPITAL PTY LTD	74,250,000	0.90%
17	MSI 888 PTY LTD	66,000,000	0.80%
18	SUPARELL PTY LTD	61,200,000	0.74%
19	AMIDOR INVESTMENTS PTY LTD	60,000,000	0.72%
20	OLD BLOOD AND GUTS PTY LTD	55,000,000	0.66%
		3,494,604,403	**42.17%**

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial Shareholders

	Number of Shares
The details of Substantial Shareholder notices are set out below:	
• Sundowner International Limited	411,768,269
• Perth Select Seafoods Pty Ltd	330,000,000
• Crescent Nominees Limited	254,021,311

(e) Permit Schedule

Permits and Licence Interests	Permit reference	Interest
Petroleum prospects		
Namibia	PEL 87	75%
Australia	ATP 920	earning 20%
Australia	ATP 924	earning 25%

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ENERGY NL

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