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Announcement to ASX
30 April 2024

31 MARCH 2024
QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Pilot Energy Limited (**ASX: PGY**) ("**Pilot**" or "**the Company**") is pleased to provide the following update on its operational and corporate activity for the quarter ended 31 March 2024 (and post quarter events to date).

OPERATIONS REPORT

Cliff Head Joint Venture

The Cliff Head Joint Venture is effectively held by the following group entities:

- Triangle Energy (Global) Limited (ASX: TEG) ("Triangle"): 78.75%
- Pilot Energy Limited: 21.25%***

a. Operating Results

The key operational statistics for the quarter for the CHJV (100% basis) are set out in the table below.

1 January - 31 March 2024	CHJV (100%)	Pilot (21.25%)
Production (bbls)	37,092	7,882
Average daily production (bopd)	408	87
Sales revenue (bbls)	58,303	12,389
Average oil price received $ per bbl	134	134
Sales revenue ($'000)	7,786	1,655
Oil Inventory (2,986 bbls) ($'000)*	(3,100)	(659)
Routine operating costs ($'000)	(3,215)	(683)
Operating Margin ($'000)	**1,471**	**313**
Trucking, storage & handling ($'000)	(3,013)	(640)
Routine Profit ($'000)	- **1,542**	- **328**
Non-routine operating costs ($'000)	(951)	(202)
Gross Loss (before tax, $'000)	**(2,493)**	**(530)**

Notes:
* Quarterly figures represent a movement in the value of the cumulative barrels stored.
**Figures may differ immaterially to Triangles reported numbers due to the exchange rate applied to sales revenue (if applicable), methodology in valuing inventory and classification of non-routine costs.
*** Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in Triangle Energy (Operations) Pty Ltd ("TEO") which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

b. Operations

Oil Sales

During the quarter on 24 March 2024, the CHJV completed a load-out of oil from the Arrowsmith Separation Plant facility to the Port of Geraldton for loading on to the AB Paloma, a dedicated tanker chartered by the CHJV since the closure of BP's Refinery at Kwinana, for delivery to Asian refineries. Oil sale proceeds from this loadout was received in April 2024.

Oil production from the Cliff Head oil field, operated by the CHJV continues to demonstrate the Geraldton export route as a viable commercialisation pathway which enables oil production in the Perth Basin for both the Cliff Head Oil Field and other Perth Basin producers and will facilitate the CHJV to continue to progress plans for the re-purposing of the Cliff Head Facilities for future CO_2 storage operations.

Cliff Head Production

Wells CH-7 and CH-12 were shut in during the December 2023 quarter after annual integrity testing. CH-12 is now back on-line with CH-7 anticipated to be brought back on-line in the next quarter.

WA 481 – P Exploration

Pilot holds a 100% operated interest in the 8,605km2 permit located in shallow waters offshore Western Australia encompassing the Dunsborough oil field, Frankland gas field and the Leander Complex gas target identified by Pilot's technical team.

The offshore petroleum system within WA-481-P shares many attributes with the onshore Dandaragan Trough, and is potentially a mirror of, and analogous to, the prolific onshore Perth Basin gas discoveries (e.g. Waitsia, Erregulla and Lockyer Deep).

Recent technical review work has focussed on the large Leander Complex gas prospect located 15km west of the Cliff Head oil platform and three oil prospects (Babbler, Brahminy and Cliff Head SW) in close proximity to Cliff Head. Within the Leander gas play fairway, Pilot has also identified significant resource potential at Harrier, Hawk and other prospects identified on sparse 2D seismic. These have large GIP potential and represent significant follow-up potential to possible future drilling success at Leander. 3D seismic will be required to further de-risk all of these opportunities prior to drilling.

Pilot's internally assessed prospective resources to date include the Leander Complex gas resource of 450 Bcf (Best estimate) and the Babbler, Brahminy and Cliff Head SW oil resources of 41 million barrels (Best estimate). These are in addition to the discovered Dunsborough contingent oil resource (2C) of 6 million barrels and Frankland contingent gas resource (2C) of 42 Bcf gas also located within WA-481-P.

The Leander Complex prospective gas resource estimate of 450 Bcf (Best estimate) could provide Pilot with sufficient gas to self-supply over 10 years of blue ammonia production at the Mid West Clean Energy Project. Future production from WA-481-P could leverage the proposed Cliff Head CO2 storage operations infrastructure to lower the economic volumes required to support incremental oil and gas developments.

Current workstreams being progressed in WA-481-P include:

- Continued technical assessment of hydrocarbon prospectivity in the permit, particularly large gas prospects in the vicinity of the Leander Complex and oil plays in the vicinity of Cliff Head.

- Further progressing stakeholder holder engagement and regulatory approval for the Eureka 3D marine seismic survey. A comprehensive Environmental Plan (EP) for the survey was lodged with NOPSEMA for assessment on 2 February 2024. The EP was available for Public Comment from 21 February 2024 until 22 March 2024; responses by Pilot to comments will be provided to NOPSEMA in due course as part of the EP assessment process.

- An ongoing farm-out process to secure domestic and/or international farm-in partner(s) for the upcoming WA-481-P seismic and future drilling campaigns.

- Application to the Regulator was made and granted in Q4 2024 for a variation to the work commitment for the permit (400km2 of new 3D seismic with PSDM processing to replace existing program of 350km2 of new 3D seismic and 200km of new 2D seismic, both with PSDM processing). A suspension/extension for the permit was also requested and granted in Q4 2024 to allow sufficient time to acquire the Eureka 3D seismic program.

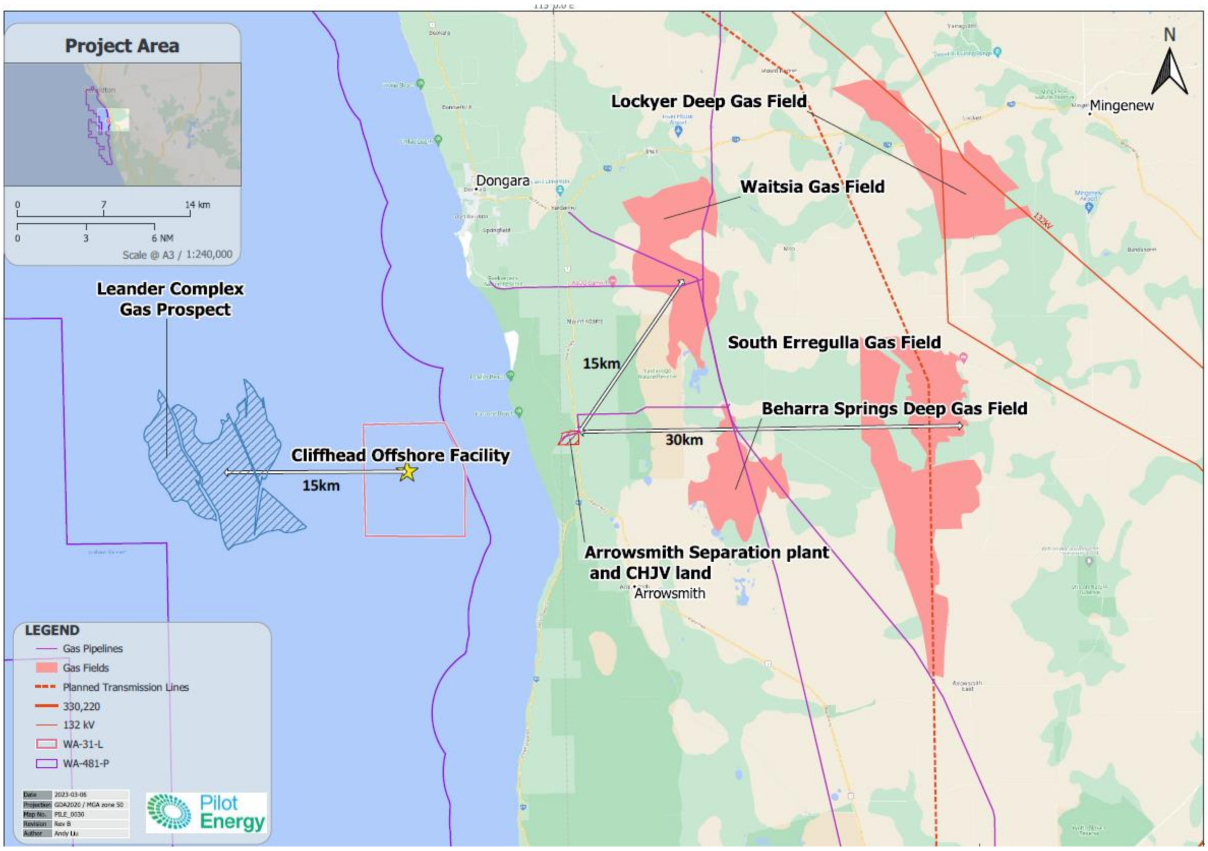


Figure 1: Overview of Pilot's Mid West operations

Mid West Clean Energy Project (MWCEP)

During the quarter, Pilot continued development activities for the MWCEP (refer to the Figure 2 below) with a continued focus on the projects foundational elements, including 1) key regulatory and environmental approvals, 2) pre-FEED studies to enable FEED entry and 3) engaging with potential equity participants and offtake customers (Ammonia and Carbon Storage).

Pilot initiated the MWCEP to leverage the existing Mid West operational asset base (comprising the Cliff Head offshore oil production facility and onshore Arrowsmith separation plant) into the production of clean energy. The Project includes a permanent Carbon Storage facility created from the conversion of the operating Cliff Head offshore oil field, which will be able to sequester CO_2 generated by third parties and from the Company's Clean Energy Ammonia Project.

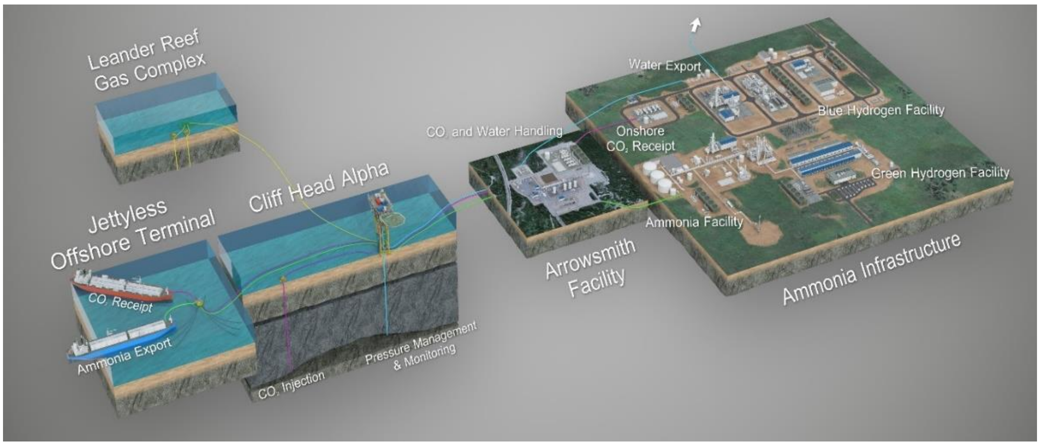
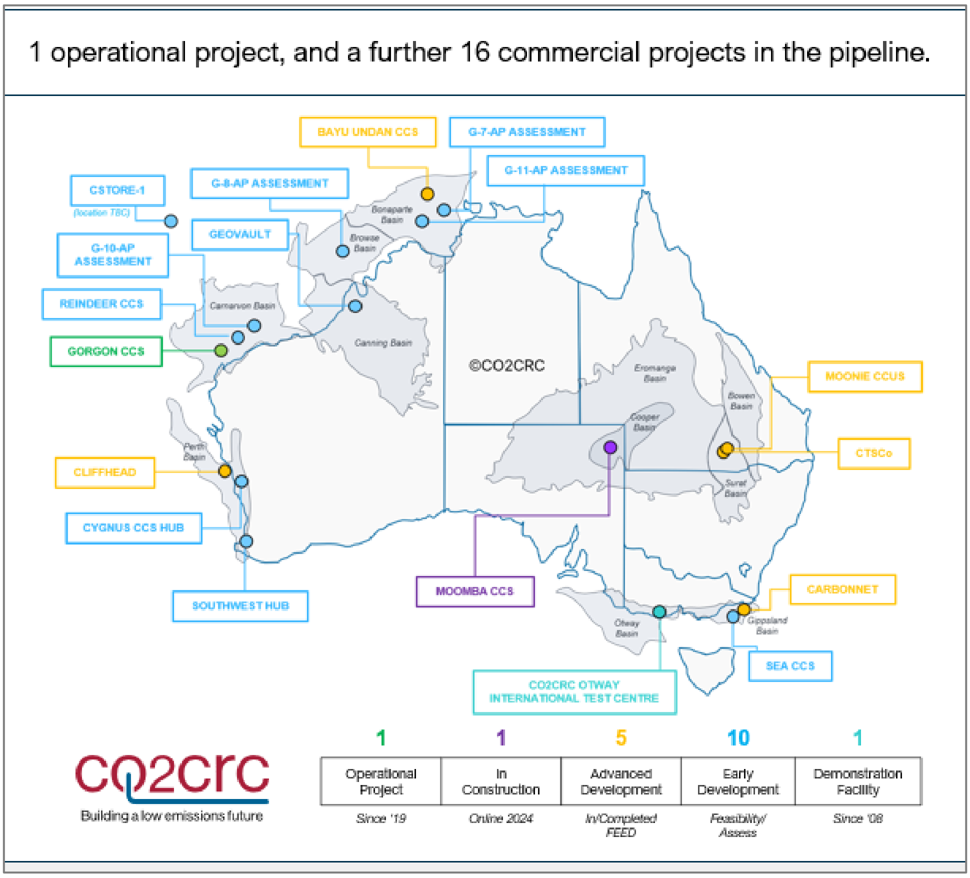


Figure 2. Pilot's MWCEP overview schematic

Pilot's executive and project team have continued to actively engage with the Declaration of Storage Formation regulatory process whilst respecting the necessary engagement protocols at this late stage of the approval process. The application remains at the stage of 'With Minister for Decision'. As one of the leading CO_2 storage projects in Australia (see Figure 3 below), Pilot representatives also continue to assist with the Federal Governments $12m 3-year review of the CCS regulatory regime as members of the review's industry working group.

CCS Projects in Australia – Geological Storage

By 2030, ~32mtpa of CO_2 is projected for permanent geological storage in Australia



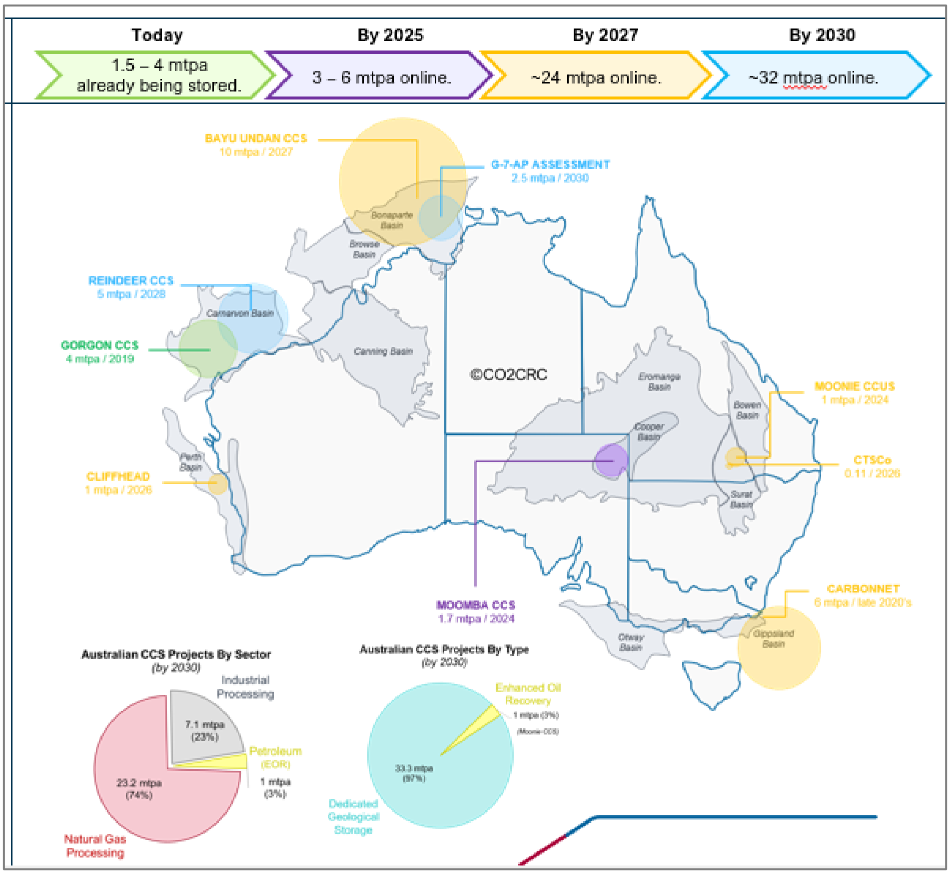


Figure 3. CO2CRC Map of CCS Project in Australia (original image formatting modified by Pilot)

Following on from Perth based Genesis Energies team (Technip Energies subsidiary) role leading the technical MWCEP feasibility studies, in 2022 the Company engaged Genesis Energies as the MWCEP Owners Engineer. Genesis have been supporting the development of the project together with the specialised resources from across the Genesis and Technip workforce and Pilot's MWCEP project team and dedicated OEM and shipping partner engagements. Genesis's scope was extended to complete the MWCEP Pre-FEED study on the full project scope from CO_2 storage through to blue and green ammonia production and export.

The Pre-FEED is being executed by a team of global experts from Genesis in collaboration with industry leading technology and equipment suppliers. The Pre-FEED comprises the following elements:

- Class 4 cost estimate (As defined by Association for the Advancement of Cost Engineering) and project schedule covering all elements of the project.
- Civil work plot plans for the equipment, infrastructure and site arrangements considering the required land area, project sequence and constructability.
- Water supply and disposal study including the elements and infrastructure required for water treatment and disposal of effluent.
- General system for offshore/onshore transportation including the routing and layout for the offshore and onshore pipelines, and CO_2 pumping and flaring infrastructure to support CO_2 transport and storage.

- Onshore CO_2 import & storage system including definition to support onshore storage and import of CO_2.
- CO_2 Offshore Import & Storage system, including definition of CO_2 Import infrastructure.
- Definition of blue hydrogen production, building on comprehensive existing study work by 8Rivers.
- Definition of green hydrogen production including engagement of 8 different electrolyser OEM technology licensors
- Ammonia storage, pipeline and export system including definition to support the pipeline, storage and export pipeline system for offshore Ammonia Export.
- Definition for Ammonia synthesis facility including engagement of OEM technology licensors.
- Definition of the optimal mix of renewable energy generation and energy storage for the specific sites secured or under consideration as required to provide firm power to the ammonia production and CO_2 handling infrastructure.

The renewable energy generation optimisation part of the Pre-FEED will be conducted by DORIS, a renewable energy specialist company based in France and Perth.

The Pre-FEED is expected to be completed in the next quarter, and will enable the Company to tender the FEED, which is the next stage of the engineering of MWCEP. The procurement strategy for the FEED will be completed in May and the tender process is expected to commence mid 2024.

A wide-ranging project governance framework has been developed and will be employed throughout the full project lifecycle providing a comprehensive roadmap guiding the project team and stakeholders. A PMO manager has been engaged to ensure implementation and ongoing support to the framework. As part of that process a detailed project schedule has been developed including all elements of the project.

The detailed project schedule includes a breakdown of the regulatory and environmental approvals needed to be obtained before FID, which includes the environmental plans, drilling and relevant decommissioning approvals by NOPSEMA, the EPBC Act and Sea Dumping approvals by DCCEEW, the EIA and other relevant state approvals under WA EPA and DEMIRS. During the next quarter, the Company will be meeting these entities to inform each of the significant progress of the project and validate the Company´s schedule and other baseline assumptions.

Market engagement has continued with project partners and customers. Key members of a potential expanded investment consortium (complements existing Samsung C&T arrangement) from Korea undertook site visits in January with continued engagement during their ongoing due diligence reviews. A further site visit is scheduled for May 2024 as part of Austrade Korean CCS Delegation visit to Western Australia. Pilot was also involved in Austrade's 2023 CCS Japan/Korean delegation[1] visit to Australia.

The MWCEP product marketing covers the projects clean energy ecosystem and is seeking

[1] https://www.pilotenergy.com.au/sites/default/files/asx-announcements/61153079.pdf

customers across the carbon management solutions and clean energy supply streams. Ammonia marketing is currently managed as part of the MWCEP partnering process. The MWCEP Ammonia offtake strategy allows project partners to secure a priority right to their participating interest share of ammonia. Separately the team are actively engaging with Australian and international emitters on a range of carbon management solutions. Pilot's portfolio of CCS supply chain partners (refer to previous MoU announcements in 2023) ensures we are at the forefront of the capture, transportation and temporary storage solutions required to deliver solutions to emitters. Pilot is actively promoting the seaborne transportation of CO_2 as the likely near term solution, with complementary pipeline solutions expected to be developed through time (note: future key WA onshore CO_2 pipelines are planned to run adjacent to the MWCEP, therefore the project is largely transport technology agnostic). The Global CCS Institutes recent Japan Technical Forum[2] provides the latest information and analysis on the viability of marine transportation with the forum highlighting the economics, safety, and operational advantages of KNCC's elevated pressure system (refer to Pilot's MoU with KNCC – ASX release 15 June 2023[3])

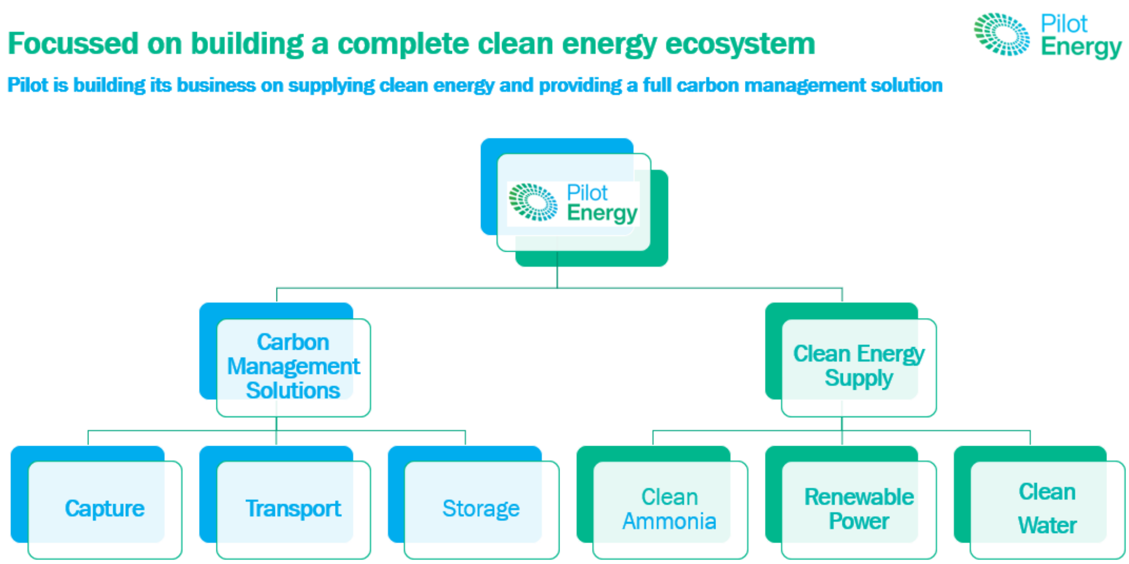


Figure 3 Pilot's MWCEP clean energy ecosystem

During the quarter, the Regional Joint Development Assessment Panel resolved to approve (with conditions) Pilot's development application for a 376MW (DC) solar farm to be located east of Three Springs WA. The proposed project is located ~90km east of the Arrowsmith Separation facility and could supply part of the power required for the proposed MWCEP blue ammonia production facility.

[2] https://jp.globalccsinstitute.com/japan-ccs-forum-technical-seminar-english/
[3] www.pilotenergy.com.au/sites/default/files/asx-announcements/61154213.pdf

CORPORATE ACTIVITIES

Cash on hand

Cash on hand at 31 March 2024, was $1.94 million.

In addition to the cash on hand, it is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head JV (of which 50% is attributable to Pilot). It is noted that recent Cliff Head oil with sale proceeds of ~US$2.3 million (100% TEO) was received in April 2024. These funds are allocated to support Cliff Head oil operations.

As previously announced on 15 December 2023, Pilot entered into Convertible Note Agreements with a syndicate of sophisticated investors lead by Discovery Investments Pty Ltd, for an investment in the Company valued at a total of $3.5 million. One million was advanced in December 2023. The balance of $2.5 million was settled in February 2024 following approval at the Company's AGM held in February 2024.

Share Capital

As at the date of this Report, the Company has the following capital structure:

- 1,189,174,986 shares on issue
- 154,958,330 outstanding (listed) options (3.3c/Aug 2025 expiry)
- 170,385,369 outstanding (unlisted options)

Reserves and resources

(i) Oil & Gas

As noted in the Company's 2023 Annual Report, the Cliff Head 2P Reserves assessment is stated below.

Production Licence WA-31-L Cliff Head

Oil Field Developed Reserves (MMstb) Cliff Head Oil Field	Gross (100%) 2P	Net to Pilot (21.25%) 2P
30 June 2023 Reserves	0.53	0.11

**Source: Page 15 of Tringle Energy (Global) 2023 Annual Report*

Pilot notes that during the period 1 July 2023 through to 31 March 2024, 133,795 bbls (Pilot share 28,431 bbls) of oil have been produced.

The Company confirms there are no changes to WA-481-P Contingent Resource information which was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021. The Contingent Resource estimates set out in the following tables are based on the Independent Technical Specialist Report prepared by RISC dated 28 January 2021 relating to the Company's Australian exploration assets.

WA-481-P Contingent Resources
Pilot interest: 100%

WA-481-P Contingent Oil Resources (MMbbl)

Accumulation		1C	2C	3C
Dunsborough	Gross (100%)	3.3	6	9.8

WA-481-P Contingent Gas Resources (Bcf)

Accumulation		1C	2C	3C
Frankland	Gross (100%)	29.4	41.6	58.9

Sources: RISC Technical Specialist Report January 2021

Pilot has internally assessed the prospective gas and oil resources associated in WA-481-P which are in addition to the existing Dunsborough and Frankland contingent gas resources above.

WA-481-P Prospective Resources

	Prospective Resource (Best)
Leander Complex (Gas)	450 Bcf
Cliff Head SW (Oil)	13 million bbls
Babbler (Oil)	19 million bbls
Brahminy (Oil)	9 million bbls

(ii) CO2 Storage Resource

As reported in the Company's 2023 Annual Report, the CHJV technical teams, along with CO2Tech during 2022, have undertaken a full technical assessment of the CO_2 storage potential across the WA 31-L tenement area and adjacent area (expanding into Pilot's 100% held WA 481-P exploration licence). Set out below are the results of the Resource Assessment. A further CO2tech review of the CO_2 Storage resources is underway and is expected to be finalised during the next quarter subject to the receipt of a positive decision on the declaration of storage formation application.

Greater Cliff Head & WA 481P CO_2 Storage
Contingent & Prospective Resources*

Contingent Storage Resource (million tonnes)	1C	2C	3C
WA 481P (Pilot share, 100% basis)	2.8	4.4	7.2
WA 31L (100 % basis)	7	9.7	13.4
Prospective Storage Resource (million tonnes)	1U	2U	3U
WA 481P (Pilot share, 100% basis)	46.2	80.4	144.2

*Based on Resource Assessment by CO2Tech, prepared in accordance with the SPE SRMS Guidelines for estimating CO_2 storage resources

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

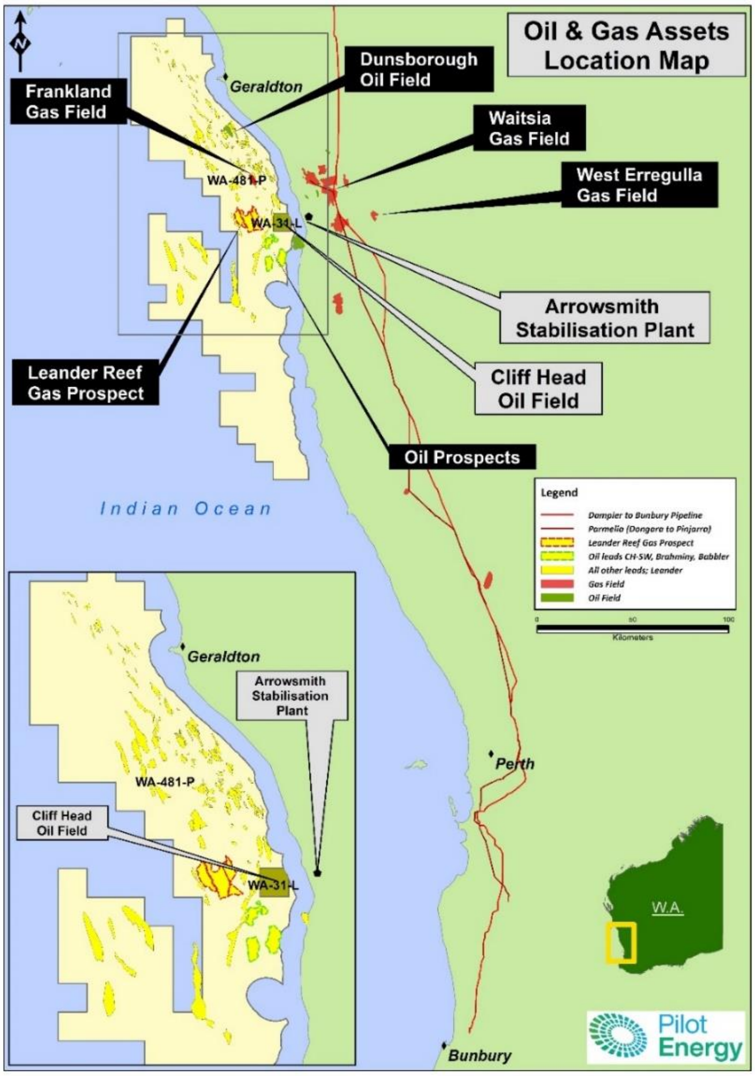
Environmental, Social and Corporate Governance (ESG)

Pilot is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. To progress the Company's commitment, Pilot has commenced a process which will facilitate the Company reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). By integrating ESG metrics into the Company's governance, business strategy, and performance management process, Pilot diligently considers all pertinent risks and opportunities in running its business.

ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot's interest in its Oil and Gas tenements which are also presented on the map below.

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
WA-31-L(i)	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%
i)	The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Participating interest is subject to completion of the Triangle restructure as noted in ASX announcement dated 27 July 2023.		



Pilot Oil and Gas asset map

Material Risks

The material risks that could adversely affect the achievement of the financial prospects of the Company as required by sections 296 and 297 of the Corporations Act 2001 (Cth) and ASIC Regulatory Guide 247, are as set out in Annexure 1.

Competent Person Statement

This announcement contains information on conventional petroleum resources and CO_2 Storage which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master's degree in petroleum engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

END

This announcement has been authorised for release to ASX by the Board of Directors of Pilot Energy Limited.

Enquiries

Cate Friedlander, Company Secretary, email: cfriedlander@pilotenergy.com.au

About Pilot

Pilot is a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, production of hydrogen and clean ammonia for export to emerging APAC Clean Energy markets. Pilot intends to leverage its existing oil and gas operations and infrastructure to cornerstone these developments. Pilot is proposing to develop Australia's first offshore carbon storage project through the conversion of the Cliff Head Oil field and associated infrastructure as part of the Mid West Clean Energy Project.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure (increases to 100% on completion of the acquisition of Triangle Energy (Global) Pty Limited's interest), and a 100% working interest in exploration permit WA-481-P, located offshore Western Australia.

ANNEXURE 1

1. MATERIAL RISK FACTORS

1.1 Introduction

As with any investment in Securities, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This **Note** identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should consult their professional adviser before deciding whether to acquire securities in the Company.

Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company's future financial performance, financial position and prospects.

There can be no guarantee that the Company will achieve its stated objective or that forward-looking statements will be realised.

1.2 Specific risks

(a) **Additional requirements for capital**

The funding of any further ongoing capital requirements will depend upon a number of factors, including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty. Any future additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop its projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

(b) **Exploration, operations and activities risk**

There is no assurance that any exploration or feasibility assessment on current or future interests will result in the discovery of an economic energy project. Even if an apparently viable resource is identified, there is no guarantee that it can be economically developed. The future profitability of the Company and the value of its Securities are directly related to the results of exploration, development and production activities.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction or resource capture costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

(c) **Environmental matters**

The Company's operations are subject to environmental risks that are inherent in the energy industry. The Company is subject to environmental laws and regulations in connection with any operations that it may pursue. The Company conducts all its activities in an environmentally responsible manner and in accordance with all relevant laws. However, accidents, breaches, non-compliance, unforeseen circumstances or changes to the laws and regulations could result in the Company facing penalties, revocation of permits or extensive liabilities for damages, clean-up costs and / or penalties relating to environmental damage.

(d) **Commodity and currency price risks**

The profitability of the Company's operations is directly related to the market price of the commodities. The demand for, and price of oil, gas and energy generally is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company.

International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil prices are unrest and political instability in countries that have increased concern over supply. As oil is principally sold throughout the world in US dollars, any significant and / or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar, could have a materially adverse effect on the Company's operations.

(e) **Reliance on key management**

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise, or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.

(f) **Regulatory risk**

The Company's project interests are governed by Commonwealth and Western Australian acts and regulations that apply to the oil, gas and energy industries, and are evidenced by the granting of approvals, licences or leases. If these approvals, licenses or leases are revoked, then the Company may be unable to fulfil its operational objectives which will likely have a material adverse effect.

There is also the risk that projects which the Company may undertake from to time do not have a legislative regime which provides operational and legal certainty for the Company in relation to the development of future projects.

The Company's licenses or leases may be subject to ongoing obligations to satisfy minimum activities and expenditure obligations. If these obligations are not satisfied, the relevant license or lease may expire or be forfeited, which would result in a loss of the reserves and resources that may be attributable to the Company's interest in the licenses or leases areas.

(g) **Project development**

Production risks associated with marketability and commerciality of oil, gas and energy to be produced include but are not limited to, reservoir characteristics, market fluctuations, proximity and capacity of infrastructure and process equipment, government regulations and the market price of oil, gas and energy.

Decreases of production or stoppages may result from fluctuations in permeability and flowrates, impurities in the product, facility shut-downs, natural decline, mechanical and technical failures, subsurface complications or other unforeseeable events outside the control of the Company.

(h) **Government policy changes**

The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Policy and legislation may affect the viability and profitability of the Company, and the value of its Shares. Amongst other things, taxation including carbon taxes, permitting and licenses, environmental laws, and labour laws are all affected by legislation and regulation and may have an adverse impact.

1.3 General risks

(a) **Investment risk**

The securities in the Company should be considered highly speculative. The issued shares in the capital of the Company carry no guarantee as to payment of dividends, return of capital or the market value. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of securities in the Company regardless of the Company’s operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

(i) general economic outlook in both Australia and internationally;

(ii) introduction of tax reform or other new legislation, regulation, or policy;

(iii) interest rates and inflation rates;

(iv) changes in exchange rates, interest rates and inflation rates;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital;

(vii) the global security situation and the possibility of terrorist disturbances or other hostilities; and

(viii) other factors beyond the control of the Company.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

(i) general economic conditions in jurisdictions in which the Company operates;

(ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;

(iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

(v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities in the Company from a taxation point of view and generally.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may materially affect the financial performance of the Company and the value of securities in the Company.

The risks set out in this **Note** are not to be taken as an exhaustive list of the risk faced by the Company. There may be other risks of which the Directors are unaware as at the time of issuing this report which may impact on the Company and its operations, and on the valuation and performance of securities in the Company.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
PILOT ENERGY LIMITED

ABN	Quarter ended ("current quarter")
86 115 229 984	31 Mar 2024

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (12months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation (if expensed)	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(617)	(895)
	(e)	administration and corporate costs	(494)	(916)
	(f)	professional fees	(430)	(904)
1.3	Dividends received (See note 3)		-	-
1.4	Interest received		2	2
1.5	Interest and other costs of finance paid		(4)	(4)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		1,305	-
1.8	Other		-	-
1.9	**Net cash from / (used in) operating activities**		**(236)**	**(1,412)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	exploration & feasibility expenditure (if capitalised)	(885)	(1,717)
	(e)	investments	-	-
	(f)	other non-current assets	-	(525)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(1,504)	(1,860)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(2,389)**	**(4,102)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	32	2,424
3.2	Proceeds from issue of convertible debt securities	2,500	3,500
3.3	Proceeds from exercise of options	55	70
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Convertible Note Coupons)	(109)	(198)
3.10	**Net cash from / (used in) financing activities**	**2,478**	**5,796**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,087	1,661
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(236)	(1,412)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,389)	(4,102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,478	5,796

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	(3)
4.6	**Cash and cash equivalents at end of period**	**1,940**	**1,940**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,940	2,087
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,940**	**2,087**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	682
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(236)
8.2	Capitalised exploration & feasibility expenditure (Item 2.1(d))	(885)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,121)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,940
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,940
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.73

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Future operating expenditures over the next two quarters are expected to remain consistent with the December 2023 quarter and will be managed in line with available cash resources. Work is continuing in relation to MWCEP Pre-FEED and spend is discretionary.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company notes the following;

a. In April 2024, US$2.3 million was received by TEO (Pilot has 50% interest) for its share of recent Cliff Head Oil sale proceeds.
b. It is in advanced discussions with potential partners regarding participation/investment in Pilot's Mid West Clean Energy Project and associated infrastructure.
c. The Company is also currently negotiating with a substantial Australian operating resource company which is seeking to secure access to the Company's existing operations and infrastructure which if concluded on the proposed terms currently under discussion would provide the Company with potentially material trade and acquisition proceeds by approx. mid 2024.
d. It is considering various conventional capital raising initiatives.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, on the basis described above

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 APRIL 2024..

Authorised by: BY THE BOARD

....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.