

ASX Announcement
30 June 2022

8 RIVERS CAPITAL EXECUTES MEMORANDUM OF UNDERSTANDING WITH PILOT FOR A\$1 MILLION INVESTMENT IN SUPPORT OF MID WEST CLEAN ENERGY PROJECT AND AN AMMONIA OFFTAKE OPTION

Highlights of MOU:

- 8 Rivers Capital to invest A\$1 million to support the development of the Mid West Clean Energy Project;
- Investment to be used to accelerate deployment of 8 Rivers clean $^8\text{RH}_2$ blue hydrogen process and clean ammonia production; and
- 8 Rivers to secure offtake option for 172,500 tpa of clean ammonia-for-export.

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or the **Company**) is pleased to announce it has concluded a Memorandum of Understanding (**MOU**) with 8 Rivers Capital, LLC (**8 Rivers**) for 8 Rivers to invest in the Mid West Clean Energy Project (**Project**). The MOU contemplates that 8 Rivers' support will take the form of an investment of A\$1 million (split equally in cash and in-kind) for Project costs (the **Investment**) and 8 Rivers will receive an option on offtake of ammonia once the Project is in production.

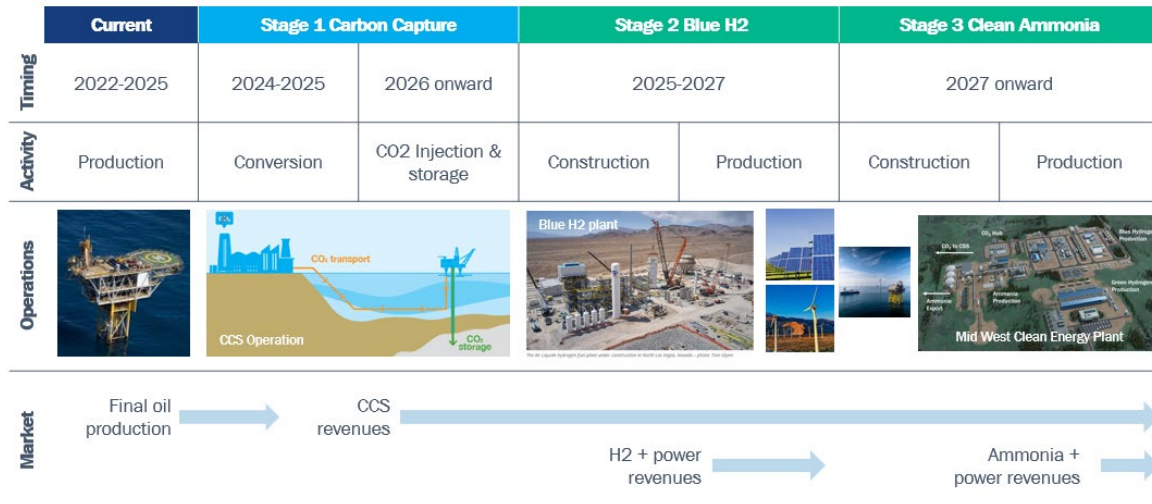
8 Rivers serves as Pilot's technical adviser on its clean hydrogen project. Over the past 12 months, Pilot, together with 8 Rivers, has assessed the feasibility of deploying the 8 Rivers' clean hydrogen technology (refer ASX 28 March 2022) and have concluded an MOU to extend the relationship into the development and execution of the Project. Implementation of the MOU (upon execution of definitive agreements) will align the parties for proceeding to development of this ground-breaking Western Australian Carbon Capture and Storage (**CCS**), clean hydrogen and ammonia production project.

The 8 Rivers Investment would focus on progressing engineering and commercialisation for the Project's Stage 2 Blue Hydrogen and Stage 3 Clean Ammonia production (as defined in Figure 1.), structured as:

- A\$1.0 million in a combined cash and in-kind contribution involving the deployment of 8 Rivers internal technical team to prepare design basis and engineering documentation required for the Stage 2 and 3 pre-FEED and FEED for deployment of the near-zero emissions $^8\text{RH}_2$ hydrogen production process.; and
- 8 Rivers (or an affiliate/joint venture) being granted a priority right to enter into a long-term ammonia offtake agreement for an initial tranche of up to 172,500 tonnes per

annum of zero-carbon ammonia production from the Project on market terms and conditions at the relevant time.

Figure 1. Staged pathway for Mid West Clean Energy Project



8 Rivers’ further Investment in Pilot, through this arrangement would be in addition to the 13.3 million options that were previously issued to 8 Rivers as part consideration paid for the feasibility study.

Subject to further due diligence and declaration of the Greenhouse Gas Storage Resource at Cliff Head (Stage 1 – CCS), the parties also plan to negotiate the terms for further participation by 8 Rivers and/or its affiliates in Stages 2 and 3 of the Project. The work effort associated with the investment contemplated by the MOU is expected to commence over the next month and be completed by calendar Q1 2023. The work effort will be done in parallel to securing the regulatory approval of the Cliff Head CCS project (Stage 1).

Pilot Chairman, Brad Lingo commented “*The Pilot team are looking forward to continuing our strong working relationship with 8 Rivers. Pilot’s feasibility studies demonstrated the benefit of combining the Cliff Head CCS resources with the 8 Rivers clean hydrogen solution at our Mid West Clean Energy Project. Given 8 Rivers market-leading expertise in zero carbon solutions, the investment contemplated by the MOU represents a strong endorsement of Pilot’s Mid West Clean Energy Project.*”.

Cam Hosie, 8 Rivers CEO said “*As a company, we are committed to enabling the development of zero carbon fuels globally. As the world continues to grapple with the consequences of climate change, we’re proud that Pilot is looking to 8 Rivers’ zero-carbon solutions to underpin the creation of one of Australia’s most significant offshore carbon capture projects located on a critical supply route for Asia.*”

Figure 2. Graphic depiction of the Mid-West Clean Energy Project



8 Rivers Capital, LLC

8 RIVERS

8 Rivers is a full-service Net-Zero solutions provider, having developed market-leading zero-carbon eRH_2 blue hydrogen technology, alongside the Allam Fetsvedt Cycle (**AFC**) near-zero emissions power generation technology and other vital energy transition technologies from direct air capture to zero carbon steel. From innovation to commercialization to deployment, 8 Rivers enables the world's largest companies with the hardest decarbonization challenges to meet their net-zero goals. 8 Rivers recently announced a USD\$100 million investment from SK Group, along with the establishment of an 8 Rivers-SK Group joint venture to focus on decarbonization of Korean and key Asian markets. 8 Rivers is the premier Net Zero solutions company globally for industrial decarbonization, offering innovative solutions that are deployment-ready today and will help drive global decarbonization through 2050.

ENDS

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo and Managing Director, Tony Strasser.

Enquiries

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About Pilot: Pilot is currently a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, hydrogen and integrated renewable energy by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, material working interests in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia, which form foundation assets for the potential development of clean energy projects in Western Australia.