



Thursday 6<sup>th</sup> October 2022.

## Joint Announcement to ASX

### Cliff Head Joint Venture

Effectively held by the following group entities:

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

# Triangle and Pilot Formalise deal to Reset CHJV Ownership once CCS Development Proceeds

## Paves the way for the proposed Carbon Capture and Storage (CCS) development project at Cliff Head

Pilot Energy Limited (**Pilot**) and Triangle Energy (Global) Limited (**Triangle**) are pleased to announce that they have concluded and executed a sale and purchase deed formalising the restructure of the existing joint venture ownership arrangements for the Cliff Head Joint Venture (**CHJV**) and the proposed Cliff Head Carbon Capture and Storage Project (**CH CCS Project**) previously announced on 26 April 2022.

At the time of the joint ASX announcement on 26 April 2022, Pilot and Triangle had entered into a binding term sheet providing for the CHJV ownership re-structure. Since that date, as has been previously announced, Pilot has on the behalf of the CHJV, undertaken a feasibility study into the potential for carbon capture and storage centred around the Cliff Head oil field (located in WA-31-L) confirming the viability and suitability of the proposed CCS development as well as a significant CCS resource in the area of that licence.

Pilot and Triangle are finalising an application to the National Offshore Petroleum Titles Administrator (**NOPTA**) to declare a Greenhouse Gas storage formation (**Declaration**) and to pursue the CH CCS Project once economic oil production in the Cliff Head oil field has finished. Following a Declaration, the CHJV anticipates making an application to NOPTA for the grant of a Greenhouse Gas Injection Licence for the injection and permanent sequestration of a minimum of 500,000 tonnes of CO<sub>2</sub> per annum for permanent sequestration.

Completion of the sale and purchase deed is subsequently conditional upon the granting by NOPTA of the Declaration in accordance with the *Offshore Petroleum & Greenhouse Gas Storage Act 2006 (Cth)* (**OPGGSA**).

Upon the grant of the Declaration:

- Pilot and Triangle (via their wholly owned subsidiaries) will restructure their interests in the WA-31-L Cliff Head project resulting in Pilot holding a 60% direct participating interest in both the CHJV (oil project) and the CH CCS Project, and Triangle holding a direct 40% participating interest in both projects.
- Pilot increases its interest in the CH JV Operator, Triangle Energy (Operations) Pty Ltd, to 100% and will become the Operator of both the CHJV (oil project), as well as the CH CCS Project.
- Pilot and Triangle will co-operate and jointly participate in an application to NOPTA for a Greenhouse Gas Injection Licence under the OPGGSA.
- Following the granting of the Declaration TEG will have the option to participate in the CH CCS Project to the extent of its 40% participating interest or to withdraw (**Option**). If it elects to withdraw, TEG will surrender and Pilot will assume, TEG's 40% participating interest in the CH JV (oil field) and Pilot will hold 100% of the interests in the CH CCS Project.
- Upon approval and grant of the GHG Injection Licence, TEG will pay Pilot \$1,000,000.

Brad Lingo, Pilot's Executive Chair said: *"Formalising the restructure of the CHJV interest between Pilot and Triangle is a significant step in the development pathway for the first offshore CCS project in the Mid West WA and for the future re-tasking of the Cliff Head infrastructure. Declaration of the CCS resource is an important near term milestone for the development of the CH CCS project and will provide sufficient confidence to unlock further investment in the development project. Pilot is extremely excited to proceed with its clean energy development pathway and this arrangement with Triangle is a significant step in that direction."*

Conrad Todd, Triangle's Managing Director said *"We are pleased to have concluded this restructure of the JV arrangements which clearly sets the course for a CCS project with Pilot. It provides an exciting and profitable use for the Cliff Head facilities once the oil field reaches the end of its economic life. Our co-operative Joint Venture will both re-arrange Triangle's abandonment liability and re-task the existing facilities for at least the next 10-20 years. We are especially pleased that the CHJV will be making a significant contribution to the reduction to the Carbon Dioxide emissions in Western Australia."*

## **ENDS**

Approved for release by:

Mr Conrad Todd

Tony Strasser

Managing Director

Managing Director

**Triangle Energy (Global) Limited**

**Pilot Energy Limited**



### **About Triangle Energy (Global) Limited**

Triangle Energy (Global) Ltd (ASX:TEG) is an ASX listed oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant. Triangle also has a 100% interest of the Mt Horner L7 production licence and a 45% share of the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has an 100% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

#### **Enquiries**

Henko Vos, Company Secretary | [info@triangleenergy.com.au](mailto:info@triangleenergy.com.au) | [www.triangleenergy.com.au](http://www.triangleenergy.com.au)

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### **About Pilot Energy Limited**

Pilot is currently a junior oil and gas exploration and production company that is aggressively 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, 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.

#### **Enquiries**

Cate Friedlander, Company Secretary | [cfriedlander@pilotenergy.com.au](mailto:cfriedlander@pilotenergy.com.au) | [www.pilotenergy.com.au](http://www.pilotenergy.com.au)

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### **Cliff Head Joint Venture**

*The Cliff Head Oil Field is located 10km off the coast of Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km<sup>2</sup> and the oil field covers 6km<sup>2</sup>. It was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was A\$327 million with first oil production commencing in May 2006.*

*The Cliff Head facilities are the only offshore infrastructure in the Perth Basin and are therefore important for any development in the surrounding area. An unmanned platform with a 14km pipeline carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith, with a production capacity of 15,000 bopd.*

*Production is from five ESP production wells and produced water is reinjected into three injection wells. Produced crude oil is stored at the Arrowsmith facilities then trucked to a tanker at Geraldton for export to Asia.*

*The field has the capacity to produce approximately 1000 bopd from five production wells (3 horizontal and 2 deviated). The production from the field is supported by a water flood with 3 water injection wells (1 horizontal and 2 deviated). An additional unused well slot is available on the platform for future drilling activities.*