

Pilot Energy Limited

ABN 86 115 229 984

Suite 301, 35 Spring Street, Bondi Junction,
NSW 2022

www.pilotenergy.com.au



Announcement to ASX

(ASX: PGY)

24 June 2024

Cleansing Notice – Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

This notice is given by Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) under section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**).

On 24 June 2024, Pilot issued 181,818,182 fully paid ordinary shares (**Shares**) together with 45,454,545 free, attaching Options issued on a 1:4 basis (**Placement Options**) without disclosure to investors under Part 6D.2 of the Corporations Act. The Placement Options will be listed under the ASX code 'PGYO', will expire on 25 August 2025 and have an exercise price of \$0.033.

Pilot also issued 10,000,000 Options to Whairo Capital Pty Ltd, placement Lead Manager, under the terms of its engagement (**Broker Options**) without disclosure to investors under Part 6D.2 of the Corporations Act. The Broker Options will be listed under the ASX code 'PGYO', will expire on 25 August 2025 and have an exercise price of \$0.033.

Notice under Section 708A(5)(e) of the Corporations Act.

The Company hereby gives notice that:

1. the Company issued all of the Shares referred to above without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708A(5)(e) of the Act;
3. as at the date of this notice the Company has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. sections 674 and 674A of the Corporations Act; and
4. as at the date of this notice, other than as set out below, there is no information that is "excluded information" within the meaning of sections 708A(7) and 708A(8) of the Corporations Act.

Pilot Energy Update

Pilot is progressing the development of the Mid West Clean Energy Project (**MWCEP**) which involves the conversion of the offshore Cliff Head oil project into a carbon storage project (**Cliff Head Carbon Storage Project**). The Cliff Head Carbon Storage Project will provide carbon management storage services for third parties in addition to storing carbon generated by the MWCEP as a byproduct of the future blue ammonia production process.

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The Company notes its ASX Announcement dated 14 June 2024 which advised the market of Pilot's receipt of approval of the Declaration of Storage Formation (**Declaration**) in relation to the MWCEP and the Cliff Head Carbon Storage Project.

The Company is active across a number of workstreams required to support the development of the MWCEP. The following provides an update across corporate and project activities underway but not yet complete:

a. Acquisition of Triangle Energy Limited interest in Cliff Head oil project

The Company notes the Sales and Purchase agreement (**Sales and Purchase Agreement**) entered into with Triangle Energy (Global) Limited (ASX: TEG) (**Triangle**) in relation to the consolidation of ownership arrangements for the Cliff Head oil project and the proposed Cliff Head Carbon Storage Project previously disclosed to the market. Pilot and Triangle, are currently negotiating an extension to the completion sunset date and, although incomplete, Pilot and Triangle are negotiating additional amendments to the Sales and Purchase Agreement to manage the transition of operations prior to completion.

Recent natural decline of the oil well production rates in addition to annual well integrity testing required by National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) has resulted in a number of production wells being taken offline and reduced production rates. The Company along with Triangle, is reviewing, the options for the oil project during its transition to the Cliff Head Carbon Storage Project. This period may involve continued production or an initial production shut-in while the Cliff Head operation transitions to the Cliff Head Carbon Storage Project.

b. Project Development funding and Partnering

The Company has continued to pursue a number of funding initiatives to support the MWCEP during the development phase, including engagement with partners, Commonwealth and Western Australian State-grant funding, pre FID debt funding arrangements and equity funding mechanisms. The Company is actively engaged with potential partners, as noted in recent ASX announcements regarding Korean partner site visits, financiers and WA State and Federal Government grant initiatives.

Partner discussions continue with parties interested in the entire MWCEP through to parties with a specific interest in specific parts of the MWCEP, for example the Cliff Head Carbon Storage Project or the development and supply of renewable energy to the MWCEP. MWCEP partner due diligence reviews are expected to rely on the pre-FEED reports. Pilot is actively reviewing options to accelerate partnering options to provide significant funding support to the continued development of the MWCEP.

Pilot remains actively engaged across several grant funding opportunities with a particular focus on the supply of third-party carbon for storage in the MWCEP and the progression of key engineering workstreams.

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c. MWCEP Pre FEED

The Company and the MWCEP Pre-FEED contractor Genesis are finalising the Pre-FEED workstreams. Underlying technical assessments are largely complete with the project cost estimation the main outstanding activity. Pilot expects to receive all the material reports and cost estimates by the end of June 2024. On receipt of the final reports a Pre-FEED report will be finalised and key results released to the market. Completion of these Pre-FEED reports also forms the basis for the on-going due diligence activities for a number of prospective Korean parties seeking to secure direct partner equity interest in the MWCEP and significant commercial clean ammonia off-take for the project.

d. Potential dual listing on AIM

The Company refers to its previous ASX disclosure on 10 August 2023 in relation to a potential dual listing on the AIM segment of the London Stock Exchange and potentially an associated capital raise with new and existing UK and European investors. The Company advises that it is continuing its contemplation of a proposed AIM admission, however this proposal remains incomplete. The Company is working through key details in connection with the admission, including timing and pricing, both of which are yet to be determined. As disclosed in its previous announcement, any potential listing would be conditional on Board and shareholder approval, as well as suitable market conditions. Consequently there can be no certainty that the AIM admission will eventuate. The Company will provide further updates in accordance with its continuous disclosure obligations.

This notice and its release on the ASX platform has been authorised by Brad Lingo, Chairman on behalf of the Board of Directors of the Company.

A handwritten signature in black ink, appearing to read "Bradley W. Lingo".

Brad Lingo
Chairman and Managing Director