

Announcement to ASX
ASX: PGY

27 August 2024

Pilot Energy receives initial Commonwealth grant funding of \$3m

Pilot Energy Limited (ASX: PGY) ('Pilot' or the 'Company') is pleased to announce it has received initial Commonwealth grant funding of \$3 million to progress Carbon Capture for the Mid West Region of Western Australia. This initial funding forms part of the total grant funding of \$6.5 million announced 23 July 2024.

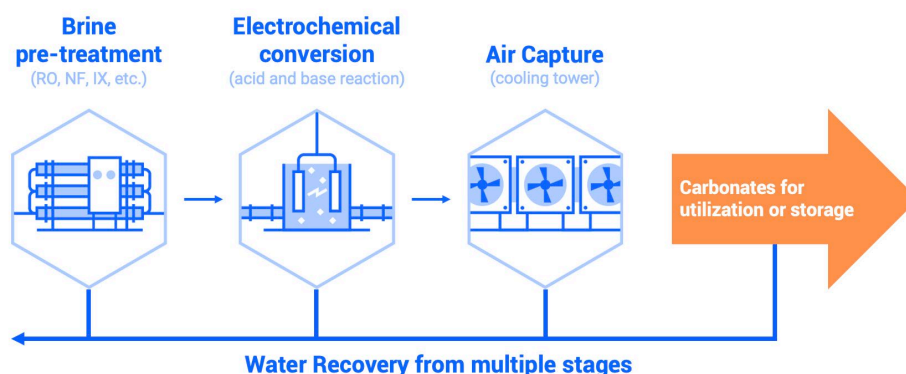
The \$6.5m grant enables Pilot to accelerate planned activities at the Mid West Clean Energy Project ('MWCEP'), which are aimed at providing carbon capture services to the Mid West Region of Western Australia. The grant was awarded to Pilot under the Commonwealth Department of Climate Change, Energy, the Environment and Water ('DCCEEW') - Carbon Capture Technologies Program.

Under the program, Pilot will progress engineering and technology demonstration activities across three carbon capture facilities with the initial potential to capture 200,000 – 300,000 tonnes of carbon per annum. This volume represents approximately 50% of the estimated volume required to support Pilot's Cliff Head Carbon Storage Project.

The total grant funding of \$6.5 million will be completed over a 4-year period, with the remaining \$3.5m to be made available to Pilot via annual instalments each September, subject to satisfaction of agreed milestones. The following activities will be undertaken over the next 12-months under the Grant project:

- Capture6 integrated water processing and Direct Air Capture (DAC) Demonstration plant: FEED and Investment decision
- Hard to Abate emitter carbon supply chain: Pre-FEED
- Direct Air Capture technology pre-deployment desktop analysis

Capture 6: initial water processing and DAC demonstration facility



The Capture6 technology presents an exciting and potentially valuable opportunity for the MWCEP. Successful demonstration of the technology may lead to a material reduction in the capital and operating cost of the MWCEP ammonia production facility and reduced environmental impact.

During the FEED study Capture6 and Pilot will investigate a potential early revenue opportunity involving the commercialisation of water produced during the demonstration phase.

The carbon supply chain pre-FEED study (noted above) will assess a carbon management service for a confidential Mid West emitter's facility, from the point source of emissions through to delivery to the MWCEP. Subject to the outcomes of the study, this assessment will provide the parties with a platform to progress commercial negotiations on a carbon management agreement.

Pilot's chairman Brad Lingo said: *"We are grateful to receive the support of the Commonwealth Government enabling Pilot to accelerate activities at our MWCEP."*

"The Carbon Capture and Storage Project at Cliff Head provides the foundation for the MWCEP. We are working with leading global technology providers to ensure we employ the best carbon abatement solutions to deliver value for our shareholders."

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo on behalf of the Board of Directors.

Enquiries

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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 CO2 Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CO2 Storage 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.