

**Announcement to ASX**  
**ASX: PGY**

30 October 2024

**Pilot approved as Clean Ammonia supplier for Korean CHPS scheme**

Pilot Energy Limited (**ASX:PGY**) (**Pilot** or the **Company**) is pleased to announce that it has been approved as a clean ammonia supplier by the Korean Energy Economics Institute (KEEI) under the Korean Clean Hydrogen certification scheme.

Pilot is targeting to supply a consortium of Korean companies (see ASX announcement of 17 July 2024) with approximately 1 million tonnes per annum of clean ammonia from its Mid West Clean Energy Project for co-firing in existing coal-fired power plants and industrial consumption to substantially reduce Korean domestic CO<sub>2</sub> emissions.

To facilitate existing power generators using clean ammonia to reduce emissions, the Korean Government has implemented the Korean Government's **Clean Hydrogen Production Standard (CHPS) scheme**. For further information on the CHPS Scheme, please see the Korean Government Ministry of Trade, Industry and Energy press release announcing the scheme at [Press Releases < PRESS CENTER - Ministry of Trade, industry and Energy](#)<sup>1</sup>.

The CHPS scheme is a subsidy programme to offset the energy cost difference between clean hydrogen and ammonia versus the cost of thermal coal and other fossil fuels. The CHPS scheme includes financial subsidies to encourage the use of cleaner inputs for industries such as power generation, transportation and industrial sections (steel, petrochemicals etc). The CHPS scheme provides successful applicants with financial support defraying the energy cost differential for 15-years.

Under the CHPS scheme, the Korean Government requires that a set amount of electricity be generated using clean hydrogen or clean hydrogen derivatives, such as ammonia, each year. Power generation companies must submit applications under the CHPS scheme and compete in the auction, with 6,500 GWh of electricity up for bid this year.

Existing power generators seeking subsidy support under the CHPS must submit proposals and documentation in early November. It is expected that the CHPS will continue with annual auctions to facilitate an increasing supply of clean ammonia into the power generation sector.

The KEEI is the key regulator under the CHPS scheme and manages the certification process for ammonia supply and meeting the required qualifications as an approved clean energy fuel source under the CHPS scheme. Power generators bidding in the CHPS scheme auction are required to secure access to supply from a project that has pre-qualified under the CHPS hydrogen certification scheme.

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<sup>1</sup> <https://english.motie.go.kr/eng/article/EATCLdfa319ada/1859/view?pageIndex=1&bbsCdN=2>

After an extensive submission and assessment process by KEEI, Pilot has pre-qualified as a clean ammonia supplier for the CHPS scheme, which the Korean Consortium and other bidders can rely on in making their applications for financial support from the Korean Government.

## **ENDS**

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo of the Company.

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### **Enquiries**

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### **About Pilot:**

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 services and integrated clean energy (hydrogen / ammonia) projects, 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 100% interest in WA-481-P exploration permit both located offshore Western Australia, which form foundation assets for the potential development of clean energy projects in Western Australia.