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Announcement to ASX

ASX: PGY

15 November 2024

Korean Consortium Partner receives funding support for MWCEP

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) is pleased to announce that a partner of the previously announced Korean Consortium (**K-Consortium**) (refer ASX:PGY on 17 July 2024) has received funding support for the Mid West Clean Energy Project (**MWCEP**).

Korea Southern Power Co., Ltd. (**KOSPO**), as part of the K-Consortium (which also consists of Korea East-West Power, Samsung C&T and Approtium), has secured 2 billion Korean Won (approximately A\$2.2 million) funding from Korea Export-Import Bank to support their feasibility study of the MWCEP.

A copy of the Korean announcement made by KOSPO is attached along with the English translated version.

ENDS

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 across all exploration tenements across the Offshore Perth Basin, Western Australia (Greenhouse gas assessment permit G-12-AP and petroleum exploration licence WA-481-P)

Attachment #1 KOSPO Announcement

날짜 2024. 11. 13.(수)

한국남부발전, ‘무탄소 에너지 청정수소 분야’ 수출입은행 타당성조사 지원사업 선정

- ‘호주 중서부 청정암모니아 개발사업’ 타당성 조사 추진에 20억원 확보
- 대규모 청정 암모니아 생산도입으로 무탄소 에너지 전환에 선도적 역할 기대

- 한국남부발전(주)(사장 김준동, 이하 ‘남부발전’)은 지난 9월 12일 한국 수출입은행에서 공모한 ‘2024년 사업타당성 조사지원’에 응모하여 최종 사업자로 선정, 약 20억원 규모의 타당성 조사 지원 자금을 확보했다고 13일 밝혔다.
- 해당 사업은 ‘호주 중서부 청정암모니아 개발사업’으로 남부발전은 정부의 글로벌 최초 CHPS 입찰시장 대응 및 안정적·경제적 청정연료 공급망 확보를 위해 지난 8월부터 Pre-F/S를 추진중에 있고, 금번 타당성 조사 지원 자금 확보를 통해 시장, 기술, 재무, 법률 분야의 본 타당성 조사를 실시할 예정이라고 밝혔다.
- 서호주 Arrowsmith 지역의 기존 해상유전 인프라를 활용하여 연간 약 100만톤의 청정암모니아를 생산·도입하는 해당 사업은 남부발전을 주관으로 한국동서발전, 삼성물산, 어프로티움이 Team Korea를 구축하여 호주 현지 개발사인 Pilot Energy와 협업중에 있다.
- 천연가스를 개질하는 방식으로 수소를 생산하는 본 프로젝트는 수소 생산 과정에서 발생하는 이산화탄소를 포집하고, 포집된 이산화탄소는 2026년 고갈 예정인 Cliff Head 해상유전의 기존 인프라 설비인 Reservoir, Pipe line 등을 활용하여 저장함으로써 사업성을 확보할 계획이다.

- 본 프로젝트는 2024년 6월, 호주 연방정부로부터 호주 최초 해상 CCS (Carbon Capture and Storage) 인허가를 승인받음으로써 확실한 사업개발 추진동력을 확보했다.
- 한편, 2026년까지 모든 인허가를 완료하고, 2027년 착공을 계획하고 있는 남부발전은 본 프로젝트로부터 2029년 청정 암모니아 생산·도입을 통해 석탄화력 혼소발전을 위한 청정연료를 안정적·경제적으로 확보함으로써,
- 글로벌 최초 청정수소 발전 입찰시장(CHPS)을 개설한 정부 정책을 에너지 공기업으로서 적극 이행하고, 무탄소 에너지 시대의 First Mover로서 2030 국가 온실가스 감축목표 및 2050 탄소중립 달성에도 기여하여 무탄소 에너지 영토를 개척해 나갈 것이라고 밝혔다.



- Cliff Head 해상유전 플랫폼 -

Attachment #2 KOSPO Announcement _ English Translation

Korea Southern Power Co., Ltd. Selected for Korea Eximbank's Feasibility Study Support Program in the 'Carbon-Free Energy Clean Hydrogen Sector'

- Secures 2 billion KRW for feasibility study of the 'Mid West Clean Energy Project'
- Expected to play a leading role in the transition to carbon-free energy through large-scale clean ammonia production and utilisation.

□ Korea Southern Power Co., Ltd. (CEO Kim Jun-dong, hereinafter 'KOSPO') announced on the 13th that it was selected as one of the final winners for the "2024 Feasibility Study Support Program" organized by the Korea Eximbank, securing feasibility study support funds worth approximately 2 billion Korean Won.

□ The project is Australia's 'Mid West Clean Ammonia Project,' and KOSPO has been conducting a Pre-F/S since August to respond to the government's global-first CHPS bidding market and secure a stable and economical clean fuel supply chain. With this support, KOSPO plans to carry out a comprehensive feasibility study covering market, technology, finance, and legal aspects.

□ The project aims to produce and introduce approximately 1 million tons of clean ammonia annually by utilizing existing offshore oil field infrastructure in the Arrowsmith region of Western Australia. KOSPO has formed a Team Korea, which consists of Korea East-West Power, Samsung C&T, and Approtium, and has been collaborating with the local Australian developer, Pilot Energy.

□ The project, which produces hydrogen through the reforming of natural gas, plans to capture the carbon dioxide generated during the hydrogen production process. The captured carbon dioxide will be stored by utilizing the existing infrastructure of the Cliff Head offshore oil field, including the reservoir and pipeline, which is expected to be depleted by 2026, thereby ensuring the project's commercial viability.

□ The project gained strong momentum for development by receiving the Declaration of Greenhouse Gas Storage Formation from the Australian federal government in June 2024, marking the first approval of Australia's offshore CCS (Carbon Capture and Storage) project.

□ Meanwhile, KOSPO, which plans to complete all relevant permits by 2026 and begin construction in 2027, aims to secure stable and economical clean fuel for hydrogen co-firing in coal-fired power plants through the production and introduction of clean ammonia by 2029.

□ KOSPO also stated that, as a government owned Energy company, it will actively implement the government's policy to open the world's first clean hydrogen bidding market in alignment with the Clean Hydrogen Portfolio Standard (CHPS). The company also aims to establish itself as a First Mover in the carbon-free energy era and to contribute to the achievement of the 2030 national greenhouse gas reduction target and the 2050 carbon neutrality goal while pioneering the frontier of carbon-free energy.