

**Pilot Energy Limited**

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

11 December 2024

**PILOT SECURES ADDITIONAL CONVERTIBLE NOTE FUNDING RAISING \$2M**

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) is pleased to announce that it has secured binding commitments for \$2 million in convertible notes with sophisticated investors (**Notes**). The placement of these Notes was arranged by Powerhouse Advisory Australia Pty Ltd (**PVL**).

The issue of the Notes is subject to and conditional upon the Company having refreshed capacity to issue the Notes under ASX Listing Rule 7.1 following the General Meeting the Company has scheduled on 12 December 2024. It is proposed that the Notes will be issued in a single tranche, on or before 15 February 2025.

The funds the subject of the Notes will be provided on or before 24 December 2024 in advance of the Notes being issued. The key terms are consistent with the convertible note facility the Company recently entered into with the Discovery Investment Pty Ltd syndicate (PGY:ASX announcement 11 November 2024) and are summarised in the attached Appendix A.

The funding received pursuant to these Notes provides part of the funding for the Company to go towards completing the acquisition of the Cliff Head Oil Field ownership interests from Triangle Energy Group Limited and to support the ongoing funding of these operations as they are transitioned into the carbon storage operations as a key component of the Company's flagship Mid West Clean Energy Project (MWCEP).

**ENDS**

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

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**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)

## APPENDIX A

<b>Investment Amount</b>	\$2 million to be paid to the Company on or before 24 December 2024
<b>Condition Precedent</b>	The issue of the Notes is conditional upon the Company having available capacity under ASX Listing Rule 7.1 or shareholders approving the issuance of the Notes. Subject to placement capacity under ASX Listing Rule 7.1 being refreshed following a general meeting of shareholders to be held on 12 December 2024 ( <b>GM</b> ), the Company anticipates issuing the Notes. To the extent that available capacity under ASX Listing Rule 7.1 is not available following this GM, the Company will seek shareholder approval for the issue of the Notes at the Company's annual general meeting to be held in February 2025 on a date to be confirmed or to issue the Notes under its available capacity under ASX Listing Rule 7.1 following that meeting.
<b>Investor Syndicate</b>	Each of these Notes are being subscribed for by sophisticated investors in satisfaction of the Corporations Act 2001 ( <i>Cth</i> ).
<b>Payment of face value of convertible notes and issue of convertible notes</b>	<ul style="list-style-type: none"> <li>- Following execution of the Convertible Note Agreement, the Investors will pay to the Company the face value of their respective convertible notes (<b>Notes</b>) by no later than 24 December 2024.</li> <li>- Subject to the Company receiving payment from each Investor of the face value of their respective Notes and the Condition being satisfied, the Company will issue the Notes to the Investors, as applicable.</li> </ul>
<b>Term</b>	31 December 2027, subject to the Initial Term Redemption Option, exercisable on 31 December 2026.
<b>Coupon Rate</b>	Interest will be payable in respect of the Notes at the rate of 12% compounding and payable quarterly.
<b>Conversion Price</b>	\$0.02
<b>Conversion</b>	<p>The Notes may not be converted during the six month period commencing on the date of issue. Thereafter the Investors may convert the Notes at any time during the Term.</p> <ul style="list-style-type: none"> <li>- If converted prior to the end of the Term, each Note will convert into that number of ordinary, fully paid shares in the capital of the Company (<b>Shares</b>) as is determined by dividing the face</li> </ul>

	<p>value of the applicable convertible note by the Conversion Price.</p> <ul style="list-style-type: none"> <li>- Conversion on the expiry of the Term may be (at the Investor's election) by any of the following options: <ul style="list-style-type: none"> <li>(a) cash in the amount of the face value of the Notes; or</li> <li>(b) Shares (in the manner noted above); or</li> <li>(c)(i) a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project*; and</li> <li>(ii) a right, subject to shareholder approval in accordance with ASX Listing Rule 7.1, to subscribe for new Shares up to the value of the Notes held by the Investor, for a price of \$0.025 per Share (<b>Subscription Price</b>) at any time during the period commencing on 31 December 2026 and expiring on 31 December 2027.</li> </ul> </li> </ul> <p>* If the Investor elects (per (c)(i) above) to convert the Notes to acquire the ORRI, the participating interest share in the ORRI that the Investor will receive will be equivalent to the percentage that the value of the Notes held by the Investor represents as a percentage of the value of all Notes issued under the Facility.</p>
<b>Other terms</b>	<ul style="list-style-type: none"> <li>- The Notes are unsecured.</li> <li>- The Notes will not be quoted on ASX.</li> <li>- On conversion the Company will apply to have the Shares quoted on ASX.</li> <li>- The Convertible Note Agreement contains customary investor protections.</li> </ul>