



ANNOUNCEMENT TO ASX

PILOT ENERGY AND KOSPO JOINT ANNOUNCEMENT

ASX: PGY

16 January 2025

KOREA CONSORTIUM AGREES PROJECT FRAMEWORK AGREEMENT WITH PILOT ENERGY FOR MID WEST CLEAN ENERGY PROJECT

Korea Southern Power Co., Ltd. (**KOSPO**) and Pilot Energy Limited (**ASX: PGY**) (**Pilot**) are pleased to provide this update on the engagement of the Korea Consortium with the Mid West Clean Energy Project (**MWCEP**).

Following the announcement of the award of funding from Korea Export-Import Bank (see announcement 15 November 2024) (**KEXIM Grant**), KOSPO is pleased to confirm that the Korea Consortium is actively engaged with Pilot in seeking to enter into a project development agreement (**PDA**) to secure equity participation in, and offtake from, the MWCEP.

As a pathway to this, the Parties have signed a non-binding Project Framework Agreement under which the Parties confirm their intention to jointly develop the MWCEP and agree the following:

- (a) Pilot will conduct market testing by providing a FEED Request for Proposal (**RFP**) to market-leading contractors. The FEED RFP will require the FEED contractors to provide ATR or SMR solutions for blue hydrogen production that are optimised to balance cost and carbon intensity. The FEED RFP package will be provided to contractors by **15 January 2025** with responses required by **15 March 2025**.
- (b) The Korea Consortium will conduct an Independent Technical Study by engaging an independent engineering advisor funded by the KEXIM Grant. The ITS will recommend the preferred technology and Project FEED/EPC contractor.
- (c) The parties will make efforts to execute the PDA by **30 June 2025** subject to obtaining all Korean governmental approvals, including, but not limited to, the Korean Ministry of Trade, Industry and Energy. Under the PDA, the parties will endeavor to fund FEED, MWCEP ownership and ammonia offtake participation as well as to set out the terms for FID.
- (d) The parties will make every effort to commence FEED by **1 August 2025 subject to execution of PDA**.

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KOSPO and other Korea Consortium members are looking to the MWCEP as a source of long-term, economical low carbon ammonia supply for hydrogen co-firing in coal-fired power plants in Korea and other industrial uses through the production and introduction of clean ammonia by 2030.

ENDS

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

Enquiries

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About KOSPO: Korea Southern Power Co., Ltd (KOSPO) (www.kospo.co.kr) is one of six wholly state owned power generation companies, the largest electric utility group in Korea. KOSPO owns and operates 12,135MW of installed capacity in Korea. Utilizing its domestic experience as a core strength, KOSPO has an active overseas IPP businesses as well which includes a total of 2,645MW of IPPs in the U.S, Chile, and Jordan developed, invested and operated by KOSPO.



Samcheok Thermal Power Site

KOSPO owns and operates the Samcheok 2,044 MW Thermal Power Plant, located on the east coast of Korea in the Province of Gangwon-Do, which is the World largest eco-friendly high efficiency coal thermal power site adopting the supercritical pressure circulating fluidized bed combustion. As part of reducing carbon emissions from the Samcheok Power Plant, KOSPO plans to burn a mix of 20% ammonia and 80% coal and has recently awarded a 140bn-won contract to Samsung C&T to build facilities for unloading, stirring and transporting ammonia at the Samcheok coal-fired power plant.



Rendering of Samsung C&T's forthcoming ammonia-handling infrastructure at the Samcheok Thermal Power Plant (Photo: Samsung C&T)

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.