

Fax**Form 603: Notice of initial substantial holder
In Pilot Energy Limited (ACN 115 229 984)**

From Natalie Lonergan 28 April 2016
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Pages 6 including cover sheet

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Please see attached.

Form 603
Corporations Act 2001
Section 671B

Notice of Initial substantial holder

To Company Name/Scheme Pilot Energy Limited (PGY)

ACN/ARSN 116 229 984

1. Details of substantial holder (1)

Name Lu Chen

ACN/ARSN (if applicable) n/a

The holder became a substantial holder on 26/04/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	400,000,000	400,000,000	18.95% (based on 2,005,476,834 ordinary shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Lu Chen	Deemed relevant interest in those ordinary shares of PGY in which GSE (see Annexure A) holds a relevant interest, being those shares that are: <ul style="list-style-type: none"> registered in GSE's name, under section 608(1)(a) of the Corporations Act; and held by each other Subscriber (see Annexure A) under sections 608(1)(b) and 608(1)(c) of the Corporations Act, as the sole director of GSE under sections 608(1) and 608(3)(b) of the Corporations Act 2001 (Cth) (Corporations Act), as described further in the ASIC Form 603 "Notice of Initial substantial holder" in respect of PGY dated 27 April 2016 and released to the ASX on that date (Subscribers Form 603). The relevant section of the Subscribers Form 603 is extracted at Part 1 of Annexure B.	400,000,000 fully paid ordinary shares
Lu Chen	Deemed relevant interest in those ordinary shares of PGY in which GSE holds a relevant interest, being those shares that are: <ul style="list-style-type: none"> registered in GSE's name, under section 608(1)(a) of the Corporations Act; and held by each other Subscriber under sections 608(1)(b) and 608(1)(c) of the Corporations Act, as the sole shareholder of GSE under sections 608(1) and 608(3)(a) of the Corporations Act, as described further in the Subscribers Form 603 (see Part 1 of Annexure B).	400,000,000 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Lu Chen	BPCI (see Annexure A)	BPCI	111,120,000 ordinary shares
	Sunpex (see Annexure A)	Sunpex	55,560,000 ordinary shares
	GSE	GSE	222,240,000 ordinary shares
	Austar (see Annexure A) in its capacity as trustee of The Wang Family Trust	Austar in its capacity as trustee of The Wang Family Trust	11,060,000 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Lu Chen	28/04/2016	NIL ¹	N/A	400,000,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

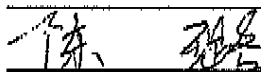
Name	Address
Lu Chen	Care of: Suite 71, Level 4, 89-97 Jones Street, Ultimo NSW 2007

Signature

print name Lu Chen

capacity N/A

sign here



date 28/04/2016

DIRECTIONS


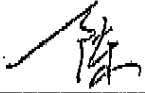
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 606 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

¹ Note: each Subscriber (see Annexure A) paid cash consideration of \$0.002 per ordinary share on the date the Subscribers acquired these shares, as disclosed in the Subscribers Form 603. The relevant section of the Subscribers Form 603 is extracted at Part 2 of Annexure B.

ANNEXURE A

THIS IS ANNEXURE A OF 1 PAGE REFERRED TO IN FORM 603 (NOTICE OF INITIAL SUBSTANTIAL HOLDER) IN RESPECT OF PILOT ENERGY LIMITED ACN 115 229 984 SIGNED BY ME AND DATED 28 APRIL 2016



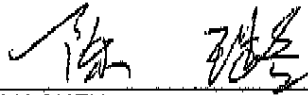
LU CHEN

SUBSCRIBERS

ENTITY	JURISDICTION REGISTERED IN	ACN
BILLION POWER CAPITAL INVESTMENT LIMITED (BPCI)	HONG KONG	N/A
SUNPEX INTERNATIONAL LIMITED (SUNPEX)	HONG KONG	N/A
GS ENERGY PTY LTD (GSE)	AUSTRALIA	607 871 876
AUSTAR NOMINEES PTY LTD (AUSTAR) IN ITS CAPACITY AS TRUSTEE OF THE WANG FAMILY TRUST	AUSTRALIA	600 830 028

ANNEXURE B

THIS IS ANNEXURE B OF 2 PAGES REFERRED TO IN FORM 603 (NOTICE OF INITIAL SUBSTANTIAL HOLDER) IN RESPECT OF PILOT ENERGY LIMITED ACN 115 229 984 SIGNED BY ME AND DATED 28 APRIL 2016



LU CHEN

EXTRACTS FROM SUBSCRIBERS FORM 603, DATED 27 APRIL 2016 AND RELEASED TO THE ASX ON THAT DATE

PART 1 – NATURE OF RELEVANT INTEREST IN SHARES OF PGY HELD BY THE SUBSCRIBERS

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
The Subscribers	<p>Each of the Subscribers obtains a relevant interest in the ordinary shares by way of the following:</p> <ul style="list-style-type: none"> • each of the Subscribers obtains a relevant interest, under section 608(1)(a) of the <i>Corporations Act 2001</i> (<i>Corporations Act</i>), as each Subscriber is the registered holder and controller of that number of ordinary shares which they subscribed for pursuant to a Subscription Agreement, dated 30/03/2016 (Subscription Agreement) between PGY and the Subscribers which is annexed and marked Annexure "A". • additionally, each Subscriber obtains a relevant interest in the shares held by each other Subscriber pursuant to a Co-operation Agreement, dated 27/04/2016 between the Subscribers (Co-operation Agreement) which is annexed and marked Annexure "B", on the basis that under the Co-operation Agreement each Subscriber obtains a relevant interest under: <ul style="list-style-type: none"> ◦ section 608(1)(b) of the <i>Corporations Act</i>, being a relevant interest through the right to control the exercise of votes attached to the shares which are collectively held by the Subscribers; and ◦ section 608(1)(c) of the <i>Corporations Act</i>, being a relevant interest through the right to control the exercise of a power to dispose of the shares which are collectively held by the Subscribers. 	400,000,000 ordinary shares

PART 2 – CONSIDERATION PAID BY EACH SUBSCRIBER ON DATE OF ITS ACQUISITION OF SHARES OF PGY

Holder of relevant interest	Date of acquisition	Consideration (\$)		Class and number of securities
		Cash	Non-cash	
BPCI	26/04/2016	\$222,240 (at \$0.002 per share)	N/A	111,120,000 ordinary shares
Sunpex	26/04/2016	\$111,120 (at \$0.002 per share)	N/A	55,560,000 ordinary shares
GSE	26/04/2016	\$444,480 (at \$0.002 per share)	N/A	222,240,000 ordinary shares
Austar in its capacity as trustee of The Wang Family Trust	26/04/2016	\$22,160 (at \$0.002 per share)	N/A	11,060,000 ordinary shares