

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Pilot Energy Limited (PGY)
ABN	86 115 229 984

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Hui Xiong Xue
Date of appointment	27 June 2016

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Nil

+ See chapter 19 for defined terms.

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Part 2 – Director’s relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
<p>Note: Provide details of the circumstances giving rise to the relevant interest.</p> <p><u>PGY shares</u> As disclosed in the following documents previously released to the ASX:</p> <ul style="list-style-type: none"> • the ASIC Form 603 “Notice of initial substantial holder” in respect of PGY dated 29 April 2016 and released to the ASX on that date; and • the ASIC Form 603 “Notice of initial substantial holder” prepared by the Subscribers (see below) in respect of PGY dated 27 April 2016 (Subscriber Form 603) and released to the ASX on that date, <p>the circumstances giving rise to the relevant interest are as follows:</p> <ul style="list-style-type: none"> • Mr Xue is the sole director and joint controlling shareholder of Billion Power Capital Investment Limited, a company incorporated in Hong Kong under the Companies Ordinance (BPCI); • by the operation of sections 608(3)(a) and (b) of the Corporations Act 2001 (Cth) (Corporations Act) Mr Xue is taken to have a relevant interest in shares held by BPCI; • BPCI has a relevant interest in shares in PGY that are: <ul style="list-style-type: none"> ○ registered in its name, under section 608(1)(a) of the Corporations Act; and ○ held by each of Sunpex International Limited, GS Energy Pty Ltd and Austar Nominees Pty Ltd in its capacity as trustee for The Wang Family Trust (each of these entities and Sunpex is a Subscriber, and together “the Subscribers”), on the basis that under a co-operation agreement dated 27 April 2016 between each Subscriber, each Subscriber obtains a relevant interest under sections 608(1)(b) and 608(1)(c) of the Corporations Act, in each case as detailed in the Subscriber Form 603. <p><u>PGY options</u> As set out above, BPCI is a director-related entity.</p>	<p><u>PGY shares</u> 1,333,334,000 fully paid ordinary shares in aggregate, being:</p> <ul style="list-style-type: none"> • 370,380,000 fully paid ordinary shares (shares held by BPCI); and • 962,960,000 fully paid ordinary shares (shares held by the Subscribers other than BPCI in aggregate) <p><u>PGY options</u> 20,000,000 unlisted options issued to BPCI over unissued shares in PGY with an exercise price of \$0.004 per option and an expiry date of 31 December 2019 (PGY Options), pursuant to a shareholders resolution approved at PGY’s General Meeting held on 23 June 2016.</p>

Part 3 – Director’s interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

+ See chapter 19 for defined terms.

Detail of contract	Not applicable
Nature of interest	Not applicable
Name of registered holder (if issued securities)	Not applicable
No. and class of securities to which interest relates	Not applicable

+ See chapter 19 for defined terms.