

**Pilot Energy Ltd**

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Announcement to ASX

14 June, 2017

**INDEPENDENT EXPERT'S VALUATION****Highlights**

- Independent expert BDO values Pilot Energy shares at between 0.43 cents and 0.79 cents
- Post consolidation value range 21 cents to 40 cents
- Pilot Energy's exploration portfolio valued at up to c. \$30 million

Pilot Energy Ltd (ASX: PGY) (**Pilot Energy**, or the **Company**) is pleased to announce the findings of an Independent Expert's Report, prepared by BDO Corporate Finance (WA) Pty Ltd (**BDO**) in association with independent technical specialist RISC Operations Pty Ltd (**RISC**). The report values Pilot Energy's shares, in order to inform shareholders whether the proposed share placement to Giant Rainbow Investments Ltd (the **Transaction**) is fair and reasonable.

As announced on 24 April 2017, Pilot Energy has entered in to a Share Subscription Agreement with Giant Rainbow Investments Ltd to raise \$720,000 by issuing 240 million shares at 0.3 cents per share (15 cents post-consolidation).

BDO have determined the value of Pilot Energy's shares, post the Transaction, as follows:

	Low Value per share	Preferred Value per share	High Value per share
Value of Pilot Energy share (pre-consolidation)	0.43 cents	0.60 cents	0.79 cents
Value of Pilot Energy share (post 50:1 consolidation)	21 cents	30 cents	40 cents

BDO note that different methodologies are appropriate in valuing companies, based on the individual circumstances of the company and available information. In its assessment of the value of Pilot Energy shares BDO chose to employ Net Asset Value, on a going concern basis, as the primary valuation methodology, and instructed RISC to provide an independent market valuation of the Company's exploration assets.

RISC determined that, on a portfolio basis, the range of values for the Company's exploration assets is between A\$16.5 million and A\$29.6million, with a midpoint value of A\$23.0 million.\*

**Relative to the Company's current market capitalisation, the Board of Pilot Energy regards the BDO/RISC valuation as reflective of the considerable upside that shareholders are exposed to.**

RISC's full Independent Technical Specialist Report provides significant detail regarding Pilot Energy's projects, and RISC's valuation thereof, and is included in full within the BDO Independent Experts Report as appended to the Notice of Meeting dispatched to shareholders yesterday.

\* Assumes USD/AUD exchange rate = 1.31, as quoted by BDO in the Independent Expert's Report.

**Enquiries**

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**About Pilot Energy:** Pilot Energy Ltd is an emerging junior oil and gas exploration company that is implementing a low-cost, counter-cyclical strategy to develop a portfolio of high quality oil and gas exploration assets. The Company's aggressive new ventures program has rapidly resulted in acquisition of material working interests in the WA-481-P, WA-507-P WA-503-P and EP416/480 exploration permits, located offshore and onshore Western Australia, in addition to a minor working

interest in the EP437 permit. Key to Pilot Energy's strategy is minimisation of project entry cost and work commitments, while allowing sufficient time to add value through desktop studies prior to seeking farming partners to fund seismic and/or drilling. Pilot Energy works closely with industry partners such as seismic contractors in order to develop creative pricing models for services that help to minimise the Company's upfront cash investment.