

9 March 2023

Announcement to ASX
ASX: PGY

MATERIAL GAS FAIRWAY IDENTIFIED IN WA-481-P AS POTENTIAL EXTENSION TO ONSHORE PERTH BASIN KINGIA AND HIGH CLIFF SANDSTONE GAS FAIRWAYS

Highlights

- **Pilot's internal technical review has identified an extension of the onshore Perth Basin Kingia and High Cliff Sandstone gas play fairway in WA-481-P, including the identification of several large structures**
- **WA-481-P is one the largest offshore exploration permits in Australia with 450 Bcf Prospective Gas Resource at the Leander Complex. The offshore petroleum system shares many attributes with the Dandaragan Trough, and is potentially a mirror of, and analogous to, the prolific onshore Perth Basin gas discoveries**
- **The Leander Complex gas prospect has potential to provide Pilot with sufficient gas to self-support over 10 years of blue ammonia production at Pilot's Mid West Clean Energy Project**
- **Pilot to conduct 3D seismic survey to further de-risk the Leander Complex play and the additional Harrier and Hawk gas prospects, and to potentially increase the Prospective Gas Resources significantly**
- **Planning for the 3D seismic survey is well progressed with the environmental permit application to be submitted to NOPSEMA by Q3 2023**
- **Advanced farm-out process underway to secure partner(s) to fund upcoming seismic survey.**

Overview

Pilot Energy Limited ('Pilot' or 'the Company') is pleased to announce the completion of an extensive review of the WA-481-P technical data set, including reprocessing of existing seismic survey data and legacy aeromagnetic datasets. Pilot holds a 100% operated interest in the 8,605km² permit located in shallow waters offshore Western Australia encompassing the Dunsborough oil fields, and Frankland gas field.

The offshore petroleum system within WA-481-P shares many attributes with the Dandaragan Trough, and is potentially a mirror of, and analogous to, the prolific onshore Perth Basin gas discoveries (e.g. Waitsia, Erregulla and Lockyer Deep).

Initial results of the technical data set review have focussed on the large Leander Complex gas prospect located 15km west of the Cliff Head oil platform and three oil prospects south of

Cliff Head. Within the gas fairway, Pilot is also progressing a review of the gas resource potential of the Harrier and Hawk prospects. Pilot’s internally assessed prospective resources include the Leander Complex gas resource of 450 Bcf and the Babbler, Brahminy and Cliff Head SW oil resources of 41 million barrels. These are in addition to the discovered Dunsborough contingent oil resource (2C) of 6 million barrels, and Frankland contingent gas resource (2C) of 42 Bcf gas¹ also within WA-481-P.

The resulting prospective gas resource estimate of 450 Bcf could provide Pilot with sufficient gas to self-supply over 10 years of blue ammonia production at the Mid West Clean Energy Project. Future production from WA 481P could leverage the proposed Cliff Head CCS operations infrastructure to lower the economic volumes required to support incremental oil and gas developments.

Pilot has advanced its farm-out process to secure a partner(s) for the upcoming WA-481-P seismic and future drilling campaigns.

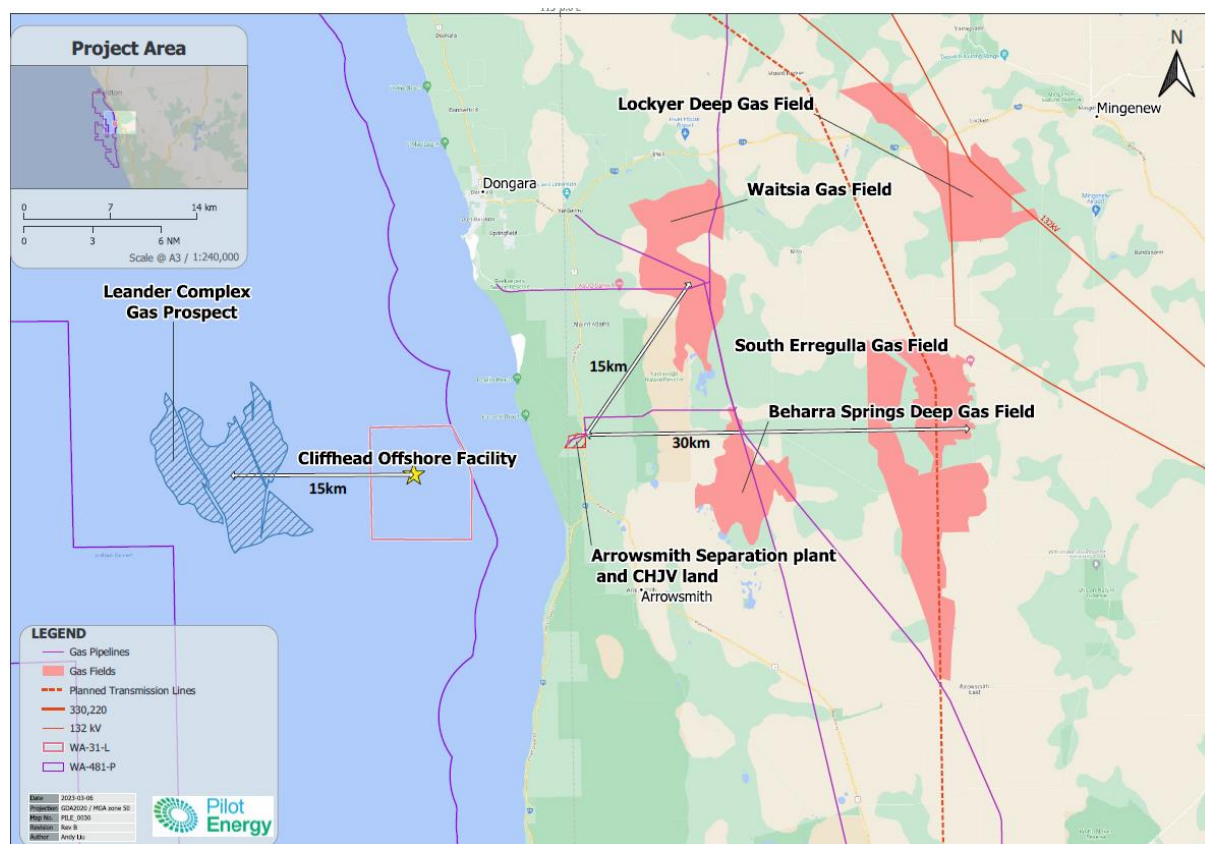


Figure 1: Overview of Mid West

WA-481-P Gas and Oil Resource

Pilot holds a 100% operated interest in the 8,605 km² permit located in shallow waters adjacent to the onshore Perth Basin gas discoveries and is currently preparing to conduct up to a 550km 3D seismic survey. Environmental planning and stakeholder engagement activities are underway with submission of the environmental permit application expected by Q3 2023 and the seismic survey to be conducted in Q1 2024.

Pilot’s internal technical team has completed an extensive review of the WA-481-P technical data set which comprises well data, 3100 km² of 3D seismic data, 12,000 km of 2D seismic

¹ Refer to RISC January 2021 report attached to the Royal Energy acquisition Independent Experts Report

including 2,000 km of reprocessing, and reprocessing of merged legacy aeromagnetic data.

This technical review focussed on the southern region of the permit adjacent to the Cliff Head oil field, and in particular on the Leander Complex which was identified by Diamond Shamrock Oil Company (Australia) Pty Ltd (Diamond) in the early 1980's. Diamond drilled the Leander Reef 1 well, however operations ceased prior to intersecting the deeper targets.

The High Cliff and Kingia sandstone are pervasive throughout the basin, the latter having previously been named offshore as the "K sand" at the base of the Irwin River Coal Measures. A review of palynological age dating and correlation to onshore gas discoveries in the Kingia sandstone at the Waitsia and Hovea gas fields, confirms the offshore K sand is the time equivalent of the onshore Kingia sandstone. The more recent discovery of the Kingia gas play in the onshore Perth Basin and re-interpretation of the WA-481-P technical data set has identified the significant Leander Complex gas resource, and at least two additional similar size gas prospects (Harrier and Hawk) in the Kingia and High Cliff sandstones (refer to

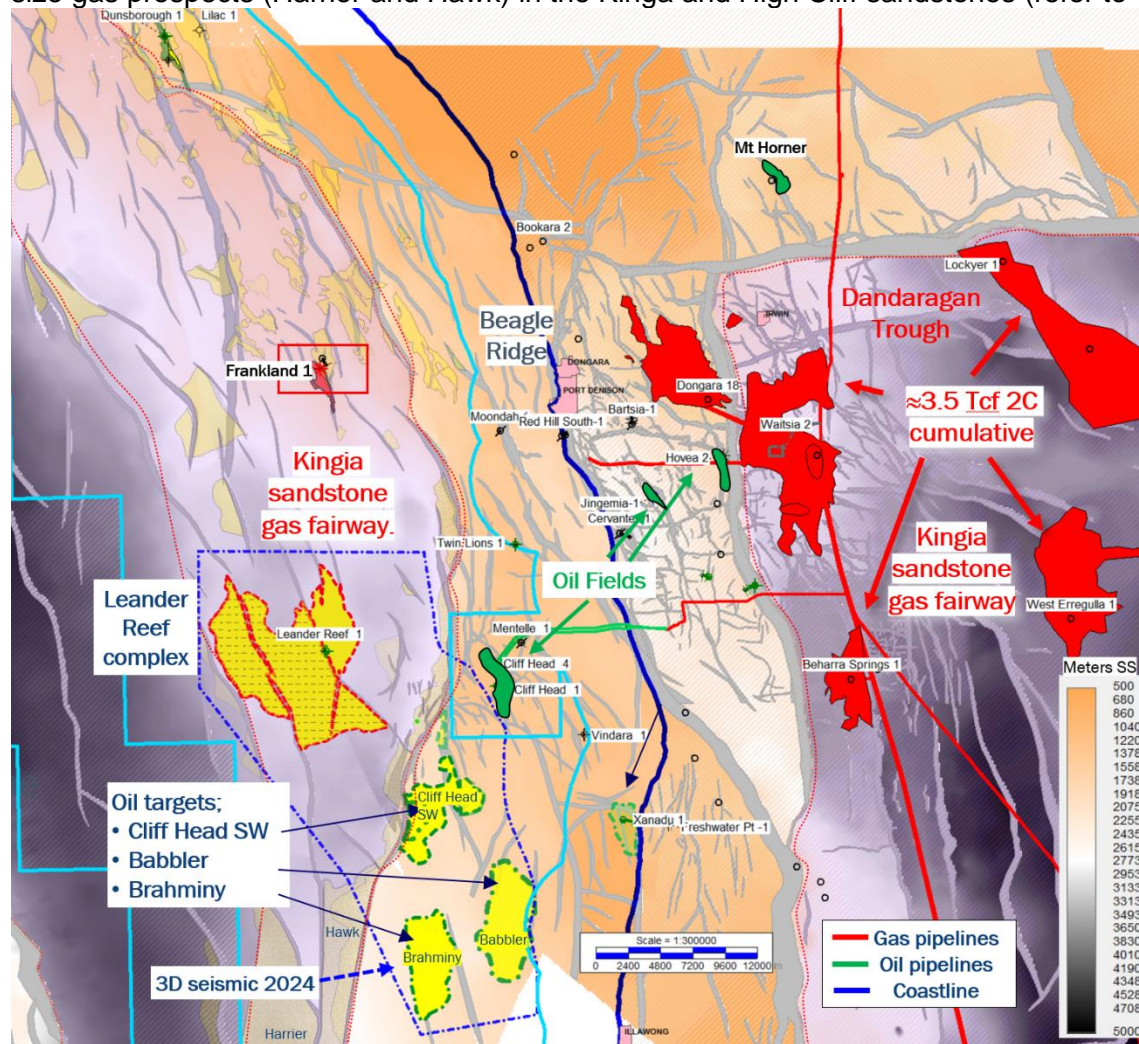


Figure 2 and Figure 3).

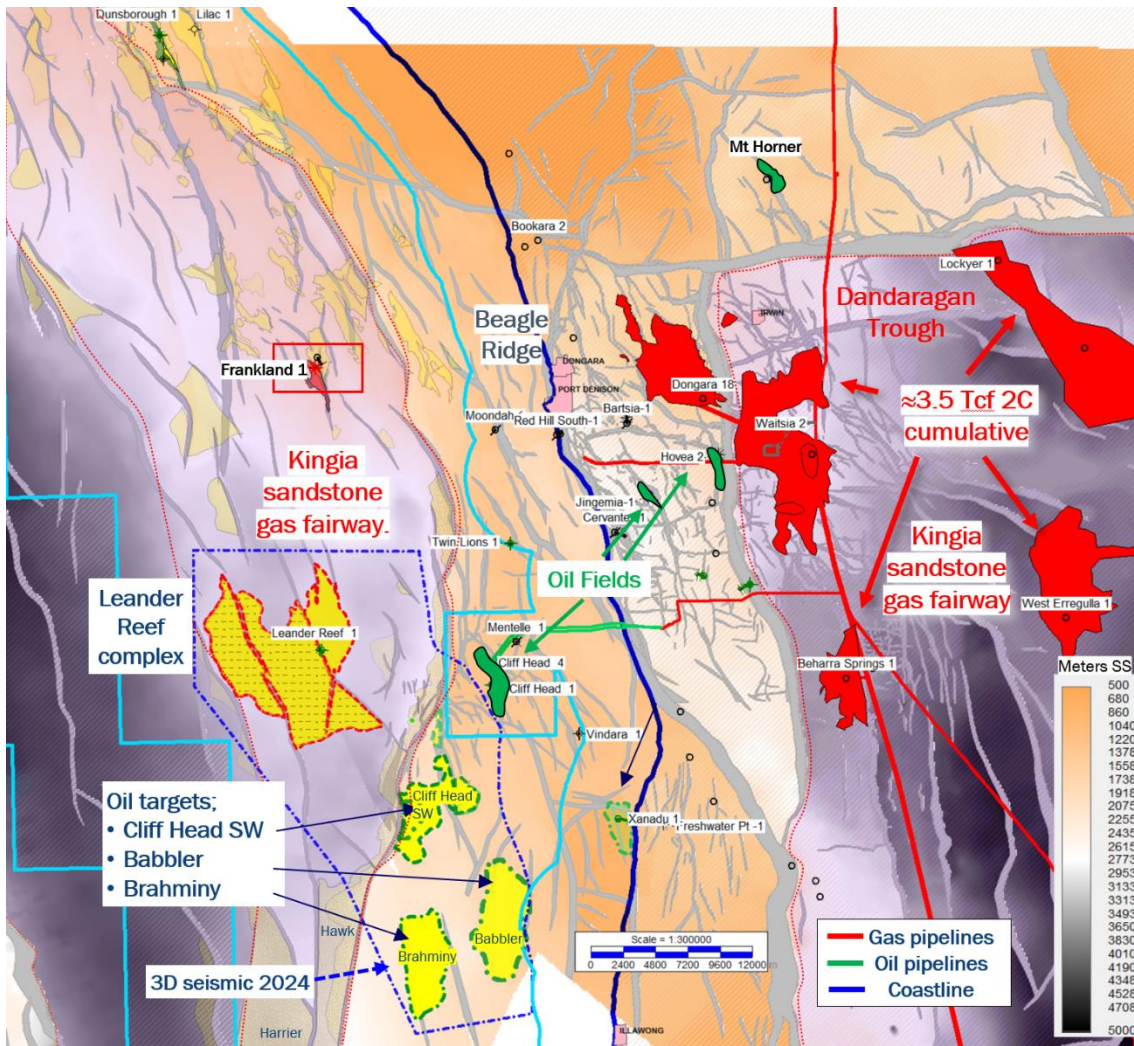


Figure 2: Gas and oil fairways of the North Perth Basin

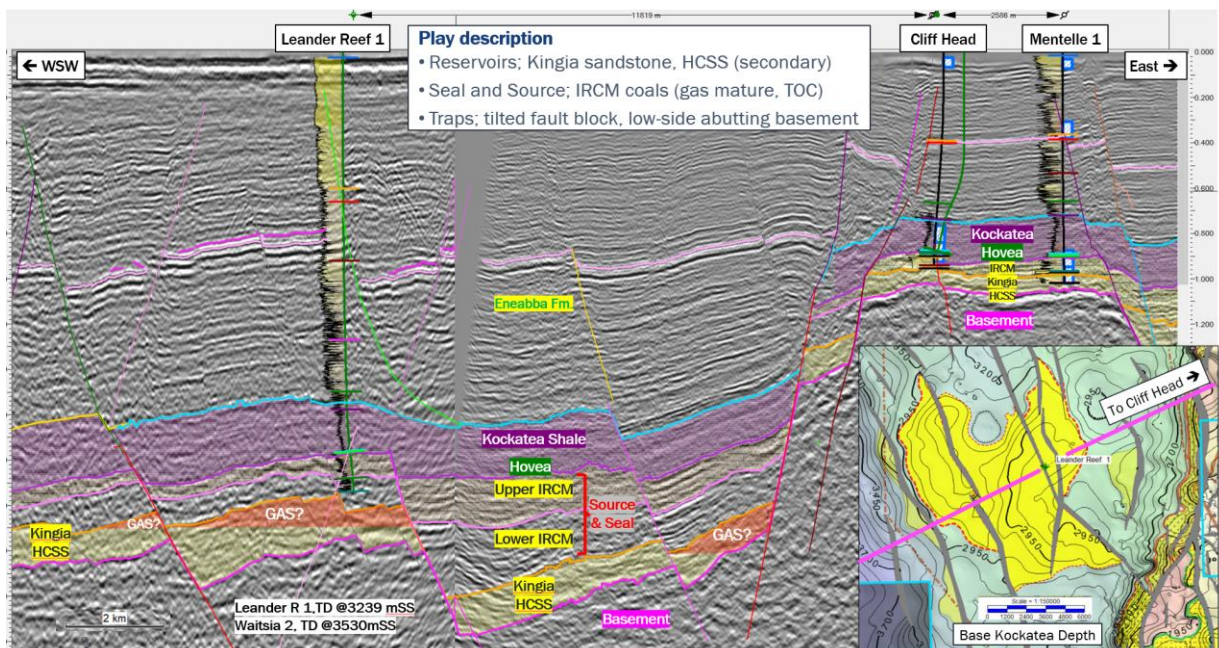


Figure 3: Seismic section through Leander Reef 1 to the Cliff Head Oil Field, with interpreted reservoirs and source/seals

Pilot's technical review has confirmed that the two key petroleum systems which are proven across the onshore and offshore North Perth Basin are present across WA-481-P:

- Petroleum system #1: The prolific onshore Perth Basin discoveries at Waitsia, West Erregulla, Locker Deep and Beharra Springs Deep have demonstrated that coaly material in the Irwin River Coal Measures is gas prone and charges the underlying Kingia sandstone and High Cliff sandstone. Pilot's recent technical review has demonstrated this same configuration occurs in the Leander Reef to Frankland area (refer to Figure 3). The gas discovery in the Irwin River Coal Measures reservoirs at Frankland 1 also proves gas charge.
- Petroleum system #2: The oil-prone Hovea member at the base of the Kockatea Shale charges directly underlying reservoirs such as at Cliff Head Oil Field, where Irwin River Coal Measures and Kingia sandstones sub crop the Late Permian unconformity. The oil leads – Brahminy, Babbler and Cliff Head SW - are analogous to Cliff Head. Charge via top-loading into the Dongara sandstone occurs in WA-481-P at Dunsborough and Frankland, and onshore at Jingemia, Hovea, Eremia and Dongara Oil Fields.

Pilot has internally assessed the prospective gas and oil resources associated in WA-481-P which are in addition to the existing Dunsborough contingent oil resource (2C) of 6 million barrels and Frankland contingent gas resource (2C) of 42 Bcf gas².

WA-48-P Prospective Resources

	Prospective Resource (Best)
Leander Complex (Gas)	450 Bcf
Cliff Head SW (Oil)	13 million bbls
Babbler (Oil)	19 million bbls
Brahminy (Oil)	9 million bbls

The next steps for WA-481-P include:

- Continued technical assessment of the remaining gas prospects
- Progress stakeholder holder engagement and regulatory approval for 3D seismic survey
- Secure farm-in partner/s

ENDS

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo and Managing Director, Tony Strasser.

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,

² Refer to RISC January 2021 report attached to the Royal Energy acquisition Independent Experts Report

hydrogen and integrated renewable energy by leveraging its existing oil and gas operations and infrastructure to cornerstone these developments. Pilot is proposing to develop Australia's first offshore CCS Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CCS as part of the Mid West Clean Energy Project which aims to produce Blue, Green and Teal Clean Ammonia for export from Western Australia to emerging APAC Clean Energy markets.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, material working interests in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia, which form foundation assets for the potential development of clean energy projects in Western Australia.

Competent Person Statement: This announcement contains information on Prospective Resources (Gas, Oil and CO₂ Storage) which are based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master in Petroleum Engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

The estimates of Prospective Resources included in the announcement have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System ("PRMS") as revised in June 2018 by the Society of Petroleum Engineers. The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

All Prospective Resources indicated presented in this announcement are calculated for a Gross 100% interest in WA-481-P.

The evaluation date for the Prospective Resources stated within this document is 9 March 2023.