

April 21, 2023

Amended Announcement to ASX

ASX: PGY

Pilot and Svante Announce Collaboration to Offer Full-Service Carbon Capture & Storage Solutions to Industrial Emitters

- Pilot Energy Limited, and Canadian carbon capture & removal solutions provider, Svante Technologies Inc, have signed a Memorandum of Understanding (MoU) to collaborate on offering a one-stop-shop solution for carbon capture, transportation, and storage to industrial businesses with hard-to-avoid CO₂ emissions.
- Pilot Energy and Svante to initially target the decarbonization of ~8-million tonnes per annum of CO₂ emissions¹ from the Western Australian Kwinana Industrial Area².
- Svante's novel solid sorbent carbon capture and removal filter technology is an "ideal solution" to capture Kwinana Industrial Area's CO₂ emissions.

Pilot Energy Limited ('**Pilot**' or '**the Company**') and Svante Technologies Inc ('**Svante**') have entered into MoU to target integration of Svante's market-leading solid sorbent-based post-combustion carbon capture technology with Pilot's Cliff Head CO₂ storage project. The objective is to accelerate the commercial deployment of emissions reduction solutions, targeting Australia's top greenhouse gas emitters.

Pilot's CO₂ storage project is an integral component of its Mid West Clean Energy project ('**MWCEP**'). The MWCEP leverages Pilot's existing operational asset base (comprising the Cliff Head offshore oil production facility and onshore Arrowsmith separation plant) into the production of clean energy. The project includes a fully integrated carbon capture and storage operation through the conversion of the operating Cliff Head offshore oil field (**CHCCS**), which will enable the permanent storage of CO₂ and the production of blue hydrogen, green hydrogen, and ammonia. Svante's carbon capture filter technology is intended to be deployed to capture CO₂ from industrial flue gas stacks on the sites of emitters.

"Svante's innovative solid sorbent carbon capture technology is an ideal solution to efficiently capture the Kwinana Industrial Area's hard-to-avoid CO₂ emissions, and we're enthusiastic about this new collaboration." said Brad Lingo, Pilot's Chairman.

Based in Greater Vancouver, BC, Canada, Svante is a leading carbon capture and removal

¹ https://kic.org.au/wp-content/uploads/2022/06/CRKIA-Phase-One-Adopted-Report_RS_June-2021.pdf

² <https://kic.org.au/about/>

solutions provider. The company manufactures novel solid sorbent-based nanoengineered filters that capture and remove carbon dioxide, a greenhouse gas that largely contributes to climate change, from the source of post-combustion industrial emissions before it can reach the atmosphere. The company has been listed on the Global Cleantech 100 list since 2019 and has made several other recent announcements related to new collaborations and formal fundraising agreements, including a new collaboration with General Electric (GE) Gas Power and a formal announcement of an investment made by United Airlines as part of Svante's record-setting US\$318-million Series E fundraising round.

Under the MoU, Pilot and Svante will collaborate to evaluate and deploy full-service carbon management solutions from the point of CO₂ capture, transportation, and permanent storage at Cliff Head. The parties will initially target the decarbonization of ~8-million tonnes per annum of CO₂ emissions³ from the Western Australian Kwinana Industrial Area⁴ as reported by the Kwinana Industries Council. The CHCCS project has the potential to provide a carbon management solution for 15 – 25% of the Kwinana Industries Council members reported scope 1 emissions. **Refer to Attachment 1 for further information on the terms of the MoU.**

“We are pleased to be collaborating with Pilot Energy to offer full-service, turnkey carbon management solutions to heavy industries,” said Matt Stevenson, Svante's Chief Revenue Officer & Acting CFO. *“An important feature of our business model is the ecosystem of partnerships we're building globally across the value chain of carbon capture, utilization, and storage (CCUS). We're excited about the opportunity to help Australia's emitters decarbonize one of the country's largest CO₂ emitting regions.”*

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Attachment 1 Svante Pilot MoU further information

³ https://kic.org.au/wp-content/uploads/2022/06/CRKIA-Phase-One-Adopted-Report_RS_June-2021.pdf

⁴ <https://kic.org.au/about/>

Attachment 1

Pilot refers to a request received from ASX on 20 April 2023 (**Request**) in relation to the announcement released yesterday (19 April 2023) entitled “*MOU with Svante for Carbon Capture and Storage Solutions*” (**Announcement**).

In response to the Request for further information in relation to the Announcement, PGY advises the following further information regarding the Announcement.

1. **Term of MOU:** one year from 10 April 2023

2. **Significance of MOU to PGY:**

Svante Technologies Inc (Svante) is the developer of a proprietary, market-leading solid sorbent-based, post-combustion carbon capture and removal technology.

Svante has been listed on the Global Cleantech 100 list since 2019 and collaborates with entities such as General Electric (GE) Gas Power, in the field of offering carbon capture and management solutions to heavy industries.

Pilot undertook the South West Carbon Capture and Storage (SW CCS) feasibility study, which included an assessment of the opportunity to provide carbon management services to the industrial precincts of WA South West region as potential customers for its Cliff Head CCS Project (**CHCCS Project**) (refer to June 2022 and September 2022 Quarterly Reports). In Pilot’s December 2022 Quarterly Report we noted “*The Company is working with potential partners to jointly pursue a carbon management solution that provides customers with the carbon capture, transportation and CO₂ storage solution.*” The Svante technology would enable the capture of CO₂ from industrial flue gas stacks on the sites of the heavy emitters, which would then be transported to the CHCCS Project.

It is considered that this combination of the Svante technology and the carbon storage solution being developed by Pilot will accelerate the commercial deployment of emissions reduction solutions.

3. **Material terms of MOU:**

- Creates a relationship between Pilot and Svante, whereby they work together to identify and evaluate commercial scale projects with carbon capture requirements which would benefit from the combination of the Svante technology and the Pilot carbon storage facility.
- If, during the term of this MOU, the parties determine there are such commercial scale projects, Pilot and Svante will move to enter into a joint development agreement which would create a longer-term working relationship for the development and supply of fully integrated carbon capture, removal and storage solutions in Australia.
- Provides for the sharing of confidential, proprietary information and technology and ownership of any jointly created proprietary information.
- To the extent there are any costs to be incurred, each party will bear its own costs.
- The MOU can be terminated by either party by written notice, although given this

arrangement is intended to facilitate collaborative exploration of an area of urgent requirements and novel technology neither party considers that early termination of the MOU is likely.

In connection with the Announcement, Pilot also notes that it was a joint announcement and was made by Svante in Canada contemporaneously with the release of Pilot's announcement

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

About Svante

Svante offers companies with hard-to-avoid emissions a commercially viable way to capture large-scale CO2 emissions from existing infrastructure, either for safe storage or to be used for further industrial use in a closed loop. With the ability to capture CO2 from industrial sources and directly from the atmosphere in an environmentally sustainable way, Svante makes industrial-scale carbon capture and removal a reality. The company is on the *2023 Global Cleantech 100*, and was ranked second among private companies in the Corporate Knights *Future 50 Fastest-Growing Sustainable Companies in Canada*. Svante's Board of Directors includes Nobel Laureate and former Secretary of Energy, Steven Chu. To learn more about Svante, [click here](#) or visit Svante's website at www.svanteinc.com, or follow Svante on [LinkedIn](#) or [Twitter @svantesolutions](#).

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 (blue, green, and teal) for export to emerging APAC Clean Energy markets and integrated renewable energy. 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 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.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, and a 100% working interest in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia.