

Announcement to ASX

16 June 2017

WA-503-P EXTENSION APPROVED BY NOPTA

Pilot Energy Ltd (the **Company**, ASX: PGY) is pleased to announce that the National Offshore Petroleum Titles Administrator (NOPTA) has approved the Company's application for an extension of the primary term of exploration permit WA-503-P, with a suspension of the associated work commitments until 12 May 2018.

An 80km² 3D broadband seismic survey was required to be completed before 12 May 2017, however this has not been possible due to the absence of a suitable seismic vessel within Australian waters. While Pilot Energy has a low-cost contract in place to complete the survey on a multi-client basis, the survey's small size does not justify mobilising a vessel from overseas. Pilot Energy considered various alternative solutions, including acquiring the survey on a proprietary basis with other vessels that are currently located overseas, however the cost of mobilisation and demobilisation is prohibitive.

The seismic contractor has advised that a vessel is scheduled to mobilise in Q4 2017, and on this basis NOPTA has granted the twelve-month extension to the permit's primary term.

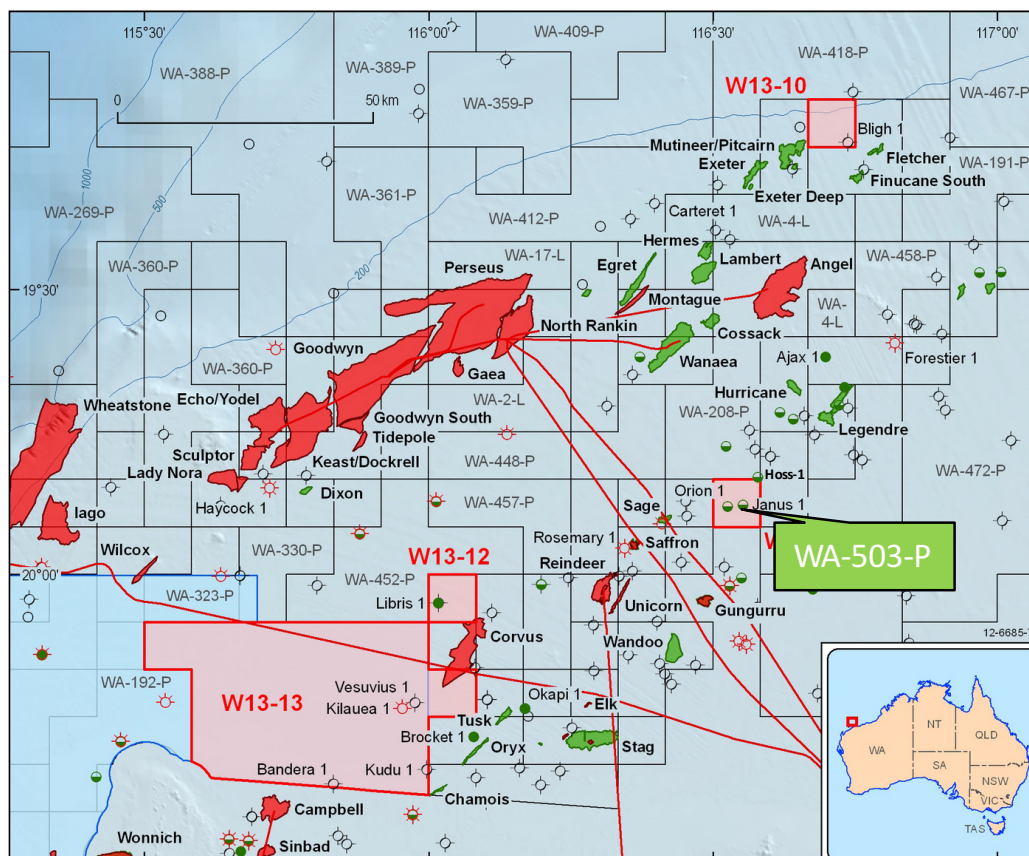


Figure: WA-503-P Location Map

Permit Summary

The primary exploration focus in WA-503-P are the Lower Cretaceous to Upper Jurassic sandstone reservoirs within the oil rich Legendre Trend, situated along the eastern flank of the Lewis Trough. Existing exploration wells within and adjacent to the block confirm the presence of a working oil system, having encountered oil shows and, in one case, a 4 metre oil column. The decommissioned Legendre field is situated some 20km to the northeast of the block, and produced over 42 MMbbls of oil from

excellent quality sandstone reservoirs. The most recent discovery in the area, Hurricane, is believed to contain over 100 MMbbls of oil in place (plus associated gas and condensate) within a structural/stratigraphic combination trap.

As announced on 3 March 2016, Gaffney, Cline & Associates (GCA) has confirmed significant prospective resources for the three exploration leads identified by Pilot Energy on the existing 3D seismic data, each of which offer multiple reservoir targets and on aggregate, gross Prospective Resources (High Case) in the range of 14.0 MMbbls to 72.8 MMbbls.

The leading prospect, *Updip Orion*, hosts on-block best case prospective resources of 29.1 MMbbls. A discovery of this size would very likely be economic to develop at current oil prices, given the shallow water depth.

Pilot Energy looks forward to providing further updates regarding acquisition of the seismic data, in due course.

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 reduce the Company's upfront cash investment.