Pilot Energy

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Announcement to ASX

19 October 2017

WA-507-P Update and Commencement of Sale Process

HIGHLIGHTS

- **The WA 507 P Joint Venture (Pilot Energy 80%; Black Swan 20%) has decided to market for sale the unencumbered joint (100%) interest in the permit.**
- **Three very large leads have been identified on high-quality 3D seismic.**
- **A combined best case Prospective Resource of 1.6 billion barrels (Bbbl) of oil or 10 Trillion cubic feet (Tcf) of gas on-block has been independently verified by Gaffney Cline and Associates.**
- **Partner Black Swan Resources has agreed to manage the sale process on behalf of the JV.**

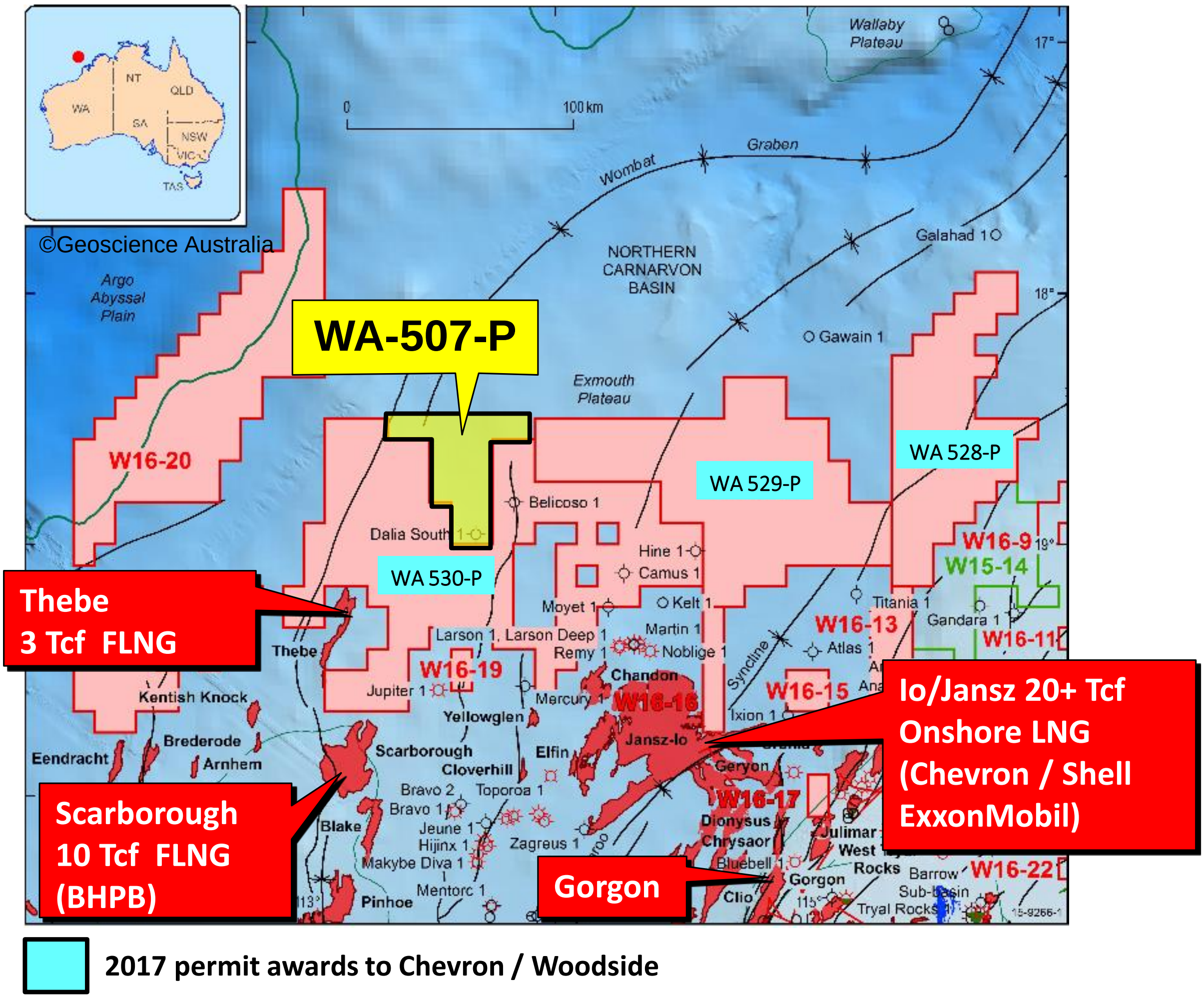

Figure 1: Location Map of WA-507-P on the Exmouth Plateau.

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Pilot Energy is pleased to announce that the WA-507-P Joint Venture (Pilot Energy 80%) has resolved to market for sale an unencumbered 100% interest in the permit. The sale will allow Pilot to focus on its Perth Basin interests. The highly prospective permit covers 1,622 km^2 of the Exmouth Plateau, near the Thebe, Scarborough and Jupiter gas fields and is surrounded by recently awarded WA-530-P and WA-529-P permits (Figure 1).

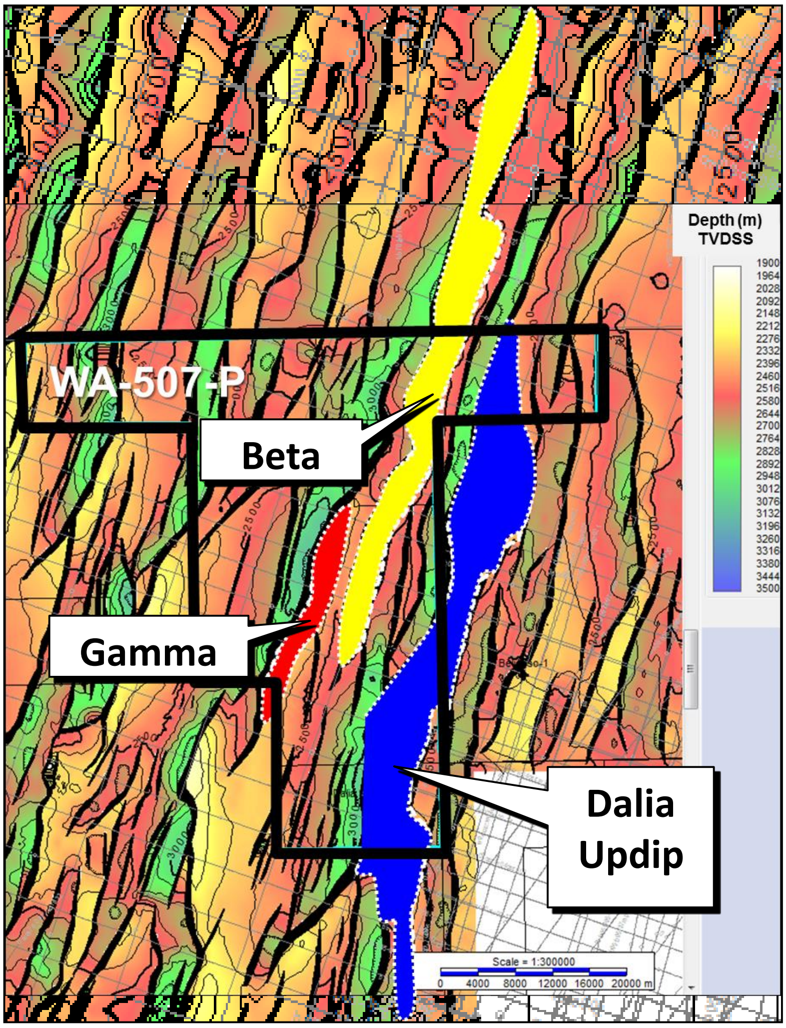

Figure 2: Top Mungaroo Structure Map showing the large Dalia Updip, Beta and Gamma prospects.

The WA-507-P permit is covered by a high-quality 3D seismic dataset, acquired and processed by the geophysical company TGS in 2010. From this data the Joint Venture mapped three very large prospects at the Mungaroo reservoir level (Figure 2). The Dalia Updip, Beta and Gamma prospects were subsequently the subject of an independent estimate of Prospective Resources by Gaffney Cline and Associates (GCA), as announced 20 October 2015. Further geological and geophysical studies matured the prospects.

Pilot's partner, Black Swan, have agreed to manage the dataroom and sale process on behalf of the Joint Venture. Interested parties should contact:
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Doug Gillies: dgillies@blackswanresources.com.au

Competent Person Statement: This announcement contains information on conventional petroleum resources which is 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 an Executive Director of Pilot Energy Ltd, and has consented to the inclusion of this information in the form and context to which it appears.

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