

Pilot Energy Limited

ABN 86 115229 984
Level 12, 225 George Street
Sydney, NSW 2000
T: +61 8 9480 0470
F: +61 9321 0320

**Announcement to ASX****14 August 2020****GRANT OF OFFSHORE PERTH BASIN EXPLORATION LICENSE RENEWAL**

Pilot Energy Limited (ASX: PGY) (**Pilot Energy**, or the **Company**) is pleased to announce that the Australian Government National Offshore Petroleum Titles Administrator (NOPATA) on behalf of the Delegates of the Commonwealth-Western Australia Offshore Petroleum Joint Authority has advised the Company that Petroleum Exploration Permit WA-418-P has been renewed for a term of five years.

Pilot Energy is the majority owner (60%) and operator of WA-481-P (see attached map) covers 130 graticular blocks and is the largest offshore exploration permit covering most of the offshore portion of the North Perth Basin extending from North of Oakajee, Western Australia to south of Cervantes, Western Australia covering approximately 200 km of the offshore Western Australian coast.

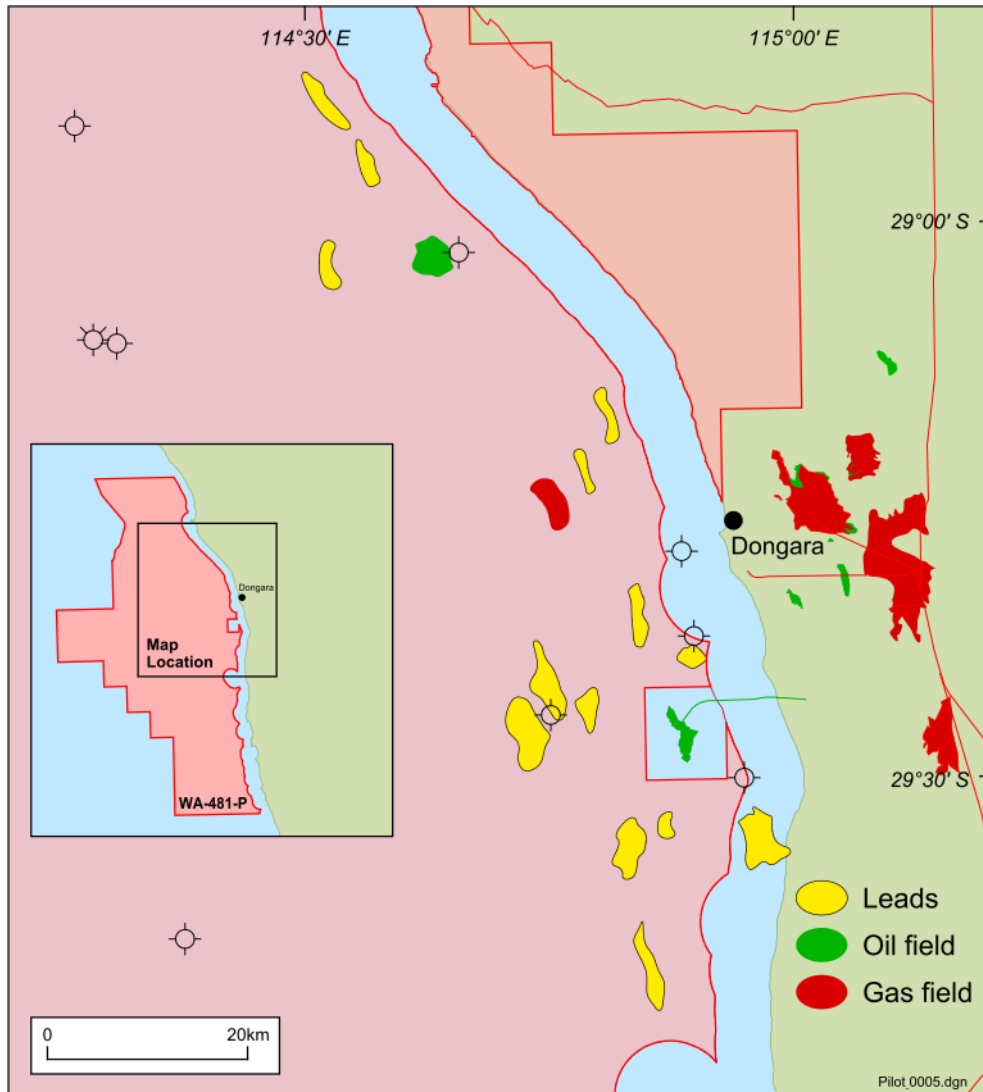
Renewal of WA-481-P comes with a moderate 5-year work program as set out in Attachment 1 with geological and geophysical studies, 2D seismic reprocessing and 2D and 3D seismic acquisition in Permit Years 1 through 3 for a total expenditure of \$5.75 million (Pilot Energy share \$3.45 million) and one exploration well in Permit Year 5.

WA-481-P covers a very large area over the offshore extension of the Northern Perth Basin, on trend with numerous oil and gas discoveries. The primary petroleum plays are for oil and/or gas within the Dongara Sandstone and the Irwin River Coal Measures. Both oil and gas are proven within the permit, with the Frankland gas and the Dunsborough oil discoveries representing 2C contingent resources of 39 Bcf gas and 5.4 MMBbls oil respectively.

WA-481-P is well covered by both 3D and 2D seismic data, which confirms the presence of fourteen structural prospects across a variety of geological plays, three of which have been identified as priority targets for future exploration.

The Frankland gas play lies on trend with the Frankland-1 gas discovery, which has estimated 2C contingent resources of 39 Bcf gas. Three further structures are located to the northeast of Frankland-1, offering the potential to increase the resource base. Importantly this play has been largely de-risked by the Frankland-1 well, and the Company will consider conducting a seismic inversion study in order to further de-risk the prospects. In the event of future exploration success, commercialisation of two or more fields could occur as a hub, tied back to the onshore Dongara gas facility, located some 20km to the east.

The Cliff Head South play incorporates two structural prospects, both of which lie to the south and west of the Cliff Head oil field. These prospects are of a comparable size to Cliff Head itself and are situated between Cliff Head and the hydrocarbon source kitchen to the west. The oil within Cliff Head would have migrated directly through this area, resulting in a high probability for oil charge into the prospects. While the prospects are large, even a small discovery could likely be developed, by tying back to the Cliff Head offshore facility approximately 10km to the northeast. (see leads and prospects map below).



Finally, the Leander Reef area offers potential for very large accumulations of oil. Three large structures exist to the west of Cliff Head, each of which is expected to offer potential in the region of 100 MMBbls oil. While the Leander Reef-1 well was drilled in the area in 1983, the structures remain untested. This is due to the fact that the well intersected a fault at a location where the Dongara reservoir target has been “faulted out” - i.e. reservoir was absent due to movement on the fault. However, oil and gas shows were encountered by the well, and while currently higher risk than the Frankland and Cliff Head plays, the Leander Reef area warrants further study as a possible future drilling target due to the huge upside potential.

Pilot's Chairman, Brad Lingo, said "The Company sees the renewal of WA-481-P as highly complementary to the Company's strategy to focus on gas, storage and renewables. With the very large conventional gas discoveries made in the North Perth Basin over the last 3 years in onshore areas of the North Perth Basin and historical oil and gas discoveries made immediately adjacent to the permit this is leading to a reinvigorated focus on the overall potential of the North Perth Basin."

"The permit also is very favourably located within an area with significant renewable energy potential and Pilot's existing footprint and operatorship of WA-481-P and shareholder and experience base provides a unique opportunity to participate in the energy transition focussing on both the gas potential within WA-481-P but also to combine this with a focus on the renewable energy potential of the area," Mr. Lingo added.

"As the Company previously announced, we believe that the Company has the unique opportunity to bring together and integrate three critical platforms to execute the necessary energy firming solutions essential to the successful delivery of the energy transition".

"Focussing on the energy transition provides the opportunity to deliver strong growth and significant shareholder value".

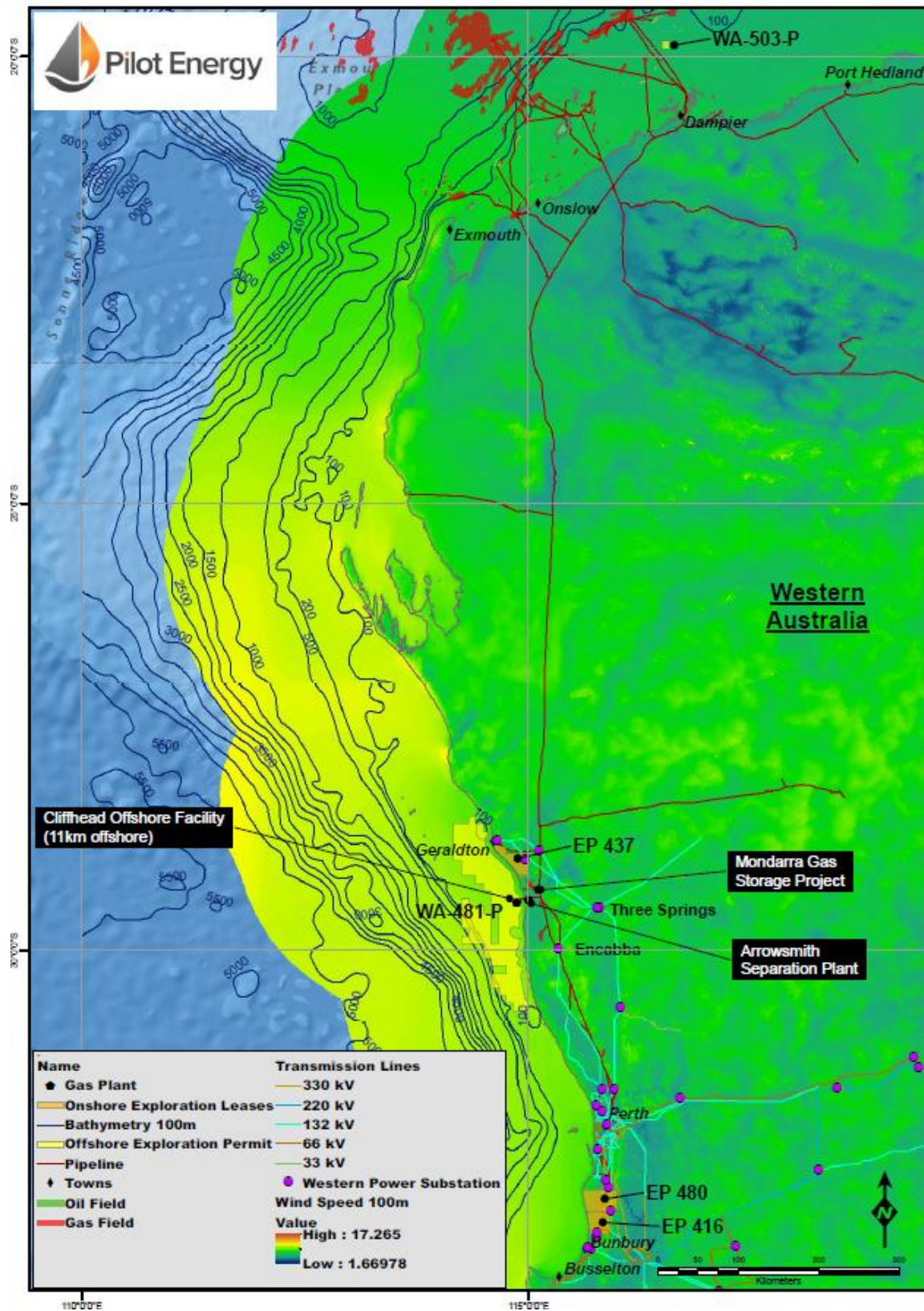
This announcement has been authorised for release to ASX by the Board of Directors of Pilot Energy.

Enquiries

Lisa Dadswell, Company Secretary, email: lisa.dadswell@boardroomlimited.com.au

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.

Offshore Exploration Permit WA-481-P Pilot Energy Limited (60%) and Operator



Attachment 1

Offshore Exploration Permit WA-481-P

Minimum Work Program

Year	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Indicative Expenditure \$A
1-3	13/08/2020	12/08/2023	2000 km 2D PSDM reprocessing	200,000
			Geological and geophysical studies	150,000
			350 km ² new 3D seismic acquisition and PSDM processing	5,000,000
			200 km new 3D seismic acquisition and PSDM processing	400,000
4	13/08/2023	12/08/2024	Geological and geophysical studies	150,000
			Well planning	300,000
5	13/08/2024	12/08/2025	Drill one exploration well	15,000,000