

Pilot Energy Limited

1/85 Elizabeth Street Paddington, NSW 2021

P: +61-2-9290-9600

E: info@pilotenergy.com.au

www.pilotenergy.com.au



Announcement to ASX

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ASX: PGY

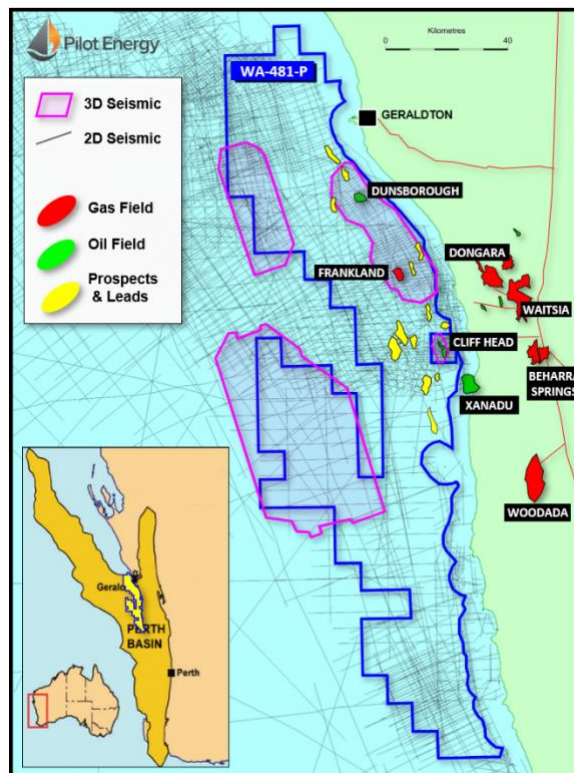
WA-481-P OPERATIONAL UPDATE

Highlights

- Proposed sale of majority interest and operatorship of WA-481-P exploration permit to Triangle Energy remains pending regulatory approval with NOPTA
- Under the terms of the sale agreement, Triangle Energy to free carry Pilot for the first 3 years of the work program from completion of the transaction, which includes acquisition and processing of extensive 2D and 3D seismic surveys
- To assure permit compliance following uncertainty concerning regulatory approval of the sale agreement and associated documents, Pilot will progress the WA-481-P work programme independently of Triangle

Pilot Energy Limited (ASX: PGY) (“Pilot” or “The Company”) is pleased to provide this operational update on the WA-481-P offshore exploration permit (see map below) work programme.

Figure 1: WA-481-P Seismic and Prospects and Leads



The 5-year work programme commitments for the WA-481-P exploration license are as follows:

Offshore Exploration Permit WA-481-P				
Minimum Work Program (100%)				
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

Under the terms of the sale agreement, as consideration for the transfer to Triangle of the 78.75% interest in WA-481-P and operatorship, Triangle is obligated to (1) pay Pilot \$300,000 in cash; and (2) 100% free carry Pilot through the completion of the Year 3 \$5.75 million minimum work program (see table above).

Given that the transfer of the majority interest and operatorship in WA-481-P is still being assessed by NOPTA, Pilot has advised NOPTA that it will commence execution of the work programme activities to assure full permit compliance.

Pilot is well advanced with executing these activities in terms of the 2D seismic reprocessing and commencement of the environmental studies and planning for the execution of the additional seismic acquisition. The Company also intends to ensure that these environmental studies and planning also support the Company's proposed CCS project and the offshore wind projects.

Pilot continues to work with Triangle and NOPTA to progress the completion of transfer of the interest as per the sale agreement. In the event the transfer is ultimately approved, under the terms of the sale agreement, Pilot will recover reimbursement of the expenditures that are subject of the free carry commitments.

ENDS

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

Enquiries

Cate Friedlander, Company Secretary, email: cfriedlander@pilotenergy.com.au

About Pilot: Pilot is currently a junior oil and gas exploration and production company that is aggressively pursuing the diversification and transition to the development of integrated renewable energy, hydrogen, and carbon management projects by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.

Pilot holds a 21.25% interest in the Cliff Head Oil field, 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.