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Announcement to ASX
ASX: PGY

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Pilot & Capture6 commence Direct Air Capture demonstration project

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) is pleased to announce that it has entered into a binding joint development agreement (**JDA**) with Capture6 Corp (**Capture6**) for the phased development of Capture6's direct air capture technology (**DAC**) at Pilot's Mid West Clean Energy Project (**MWCEP**).

The first activity under the JDA is a demonstration of Capture6's water processing and DAC technology which will be deployed in 2025 within the existing Arrowsmith site. Successful demonstration of the technology will potentially reduce the net cost to treat water from future MWCEP carbon storage operations and provide Pilot a potential future revenue stream from the sale of carbon removal credits.

Under the JDA, and with the support of the $6.5m Commonwealth Carbon Capture Technologies Program grant (**CCTP**), Pilot and Capture6 will initiate 'Project Wallaby' on a joint venture basis (20% Pilot, 80% Capture6). Project Wallaby includes four phases aligned with the development of Pilot's MWCEP. The Capture6 demonstration facility will be deployed at Pilot's Arrowsmith site. The existing Cliff Head operations team will assist with the project management, controls and onsite activities to prepare, construct and operate the facility.

- 2025: Phase 1 - Demonstration stage.
- 2026: Phase 1a – Expansion to facilitate revenue generation by targeting water sales, low carbon chemicals and high purity carbon dioxide sales.
- 2028/29: Phase 2 – Full scale deployment to manage approximately ~ 2 giga litres of water produced during carbon storage operations. Targeting up to 80,000 tonnes per annum DAC atmospheric carbon removal.
- +2030: Phase 3 – Expanded DAC targeting 350,000 tonnes per annum atmospheric carbon removal with further scaling potential.

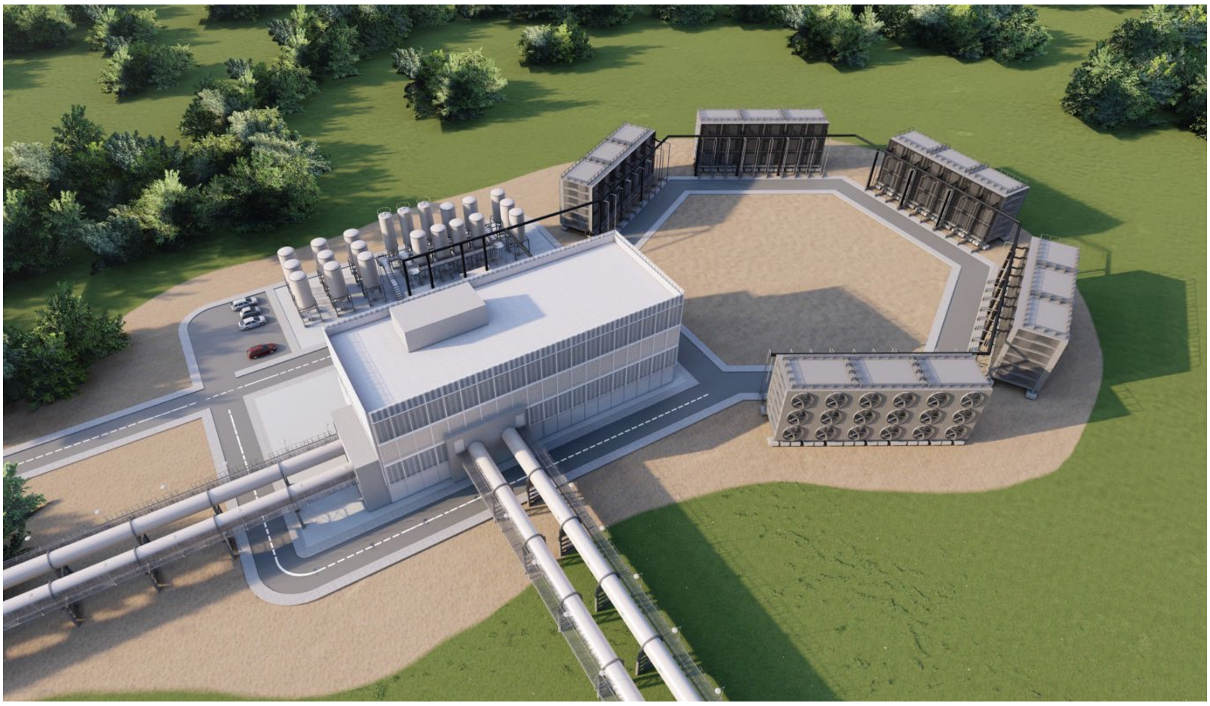
Figure 1 graphical representation of a Capture6 facility

The majority of the year 1 expenditure for Project Wallaby will be drawn from the initial $3m CCTP grant funds Pilot received in August 2024.

Separately, during the first year of grant funding, Pilot will complete feasibility studies on the carbon supply chain with emitters across Western Australia, encompassing the infrastructure from the source of emissions through to delivery at Cliff Head.

Pilot's chairman Brad Lingo said: "*The Joint Development Agreement marks an important step in our progress at the MWCEP enabling our pilot project with Capture6.*

The world-leading technology Capture6 can bring to the MWCEP can materially reduce the cost and environmental impact of the MWCEP's water handling system. It has also demonstrated the potential to generate revenue from the future sale of carbon removal credits and by-products, which may include hydrogen.

We're thrilled to be partnering with Capture6, which is working with large organisations across the globe to build viable carbon removal solutions at scale to support sustainable growth."

Ethan Cole Capture6' Co-Founder and CEO said *"Capture6 is excited to partner with Pilot Energy to scale carbon removal and wider decarbonization in Western Australia while also working to address increasing water insecurity in the region".*

ENDS

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo on behalf of the Board of Directors.

Enquiries
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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 for export to emerging APAC Clean Energy markets. 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 CO2 Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CO2 Storage 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 (increases to 100% on completion of the acquisition of Triangle Energy (Global) Pty Limited's interest), and a 100% working interest across all exploration tenements across the Offshore Perth Basin, Western Australia (Greenhouse gas assessment permit G-12-AP and petroleum exploration licence WA-481-P)

About Capture6: Capture6 is a climate technology and services company operating at the intersection of carbon removal, clean water, and green chemicals. The company develops and commercializes highly scalable approaches to remove CO2 from the atmosphere at the market's lowest carbon dioxide removal (CDR) prices, while simultaneously producing other climate positive, revenue-generating outputs such as clean water and critical minerals. Capture6 currently offers cost-effective, environmentally-friendly brine elimination solutions, implemented via joint ventures with desalination plants, water treatment facilities and other brine-producing processes. By utilizing existing, well-characterized technologies that already operate at scale, Capture6 mitigates technology and supply chain risk. Capture6's mission is to advance projects that result in multiple benefits including emissions reduction, climate adaptation and permanent carbon removal. To learn more about Capture6, visit http://www.capture6.org

APPENDIX A
Summary of JDA Key Terms

- The parties are entering into a JDA for the development of a multi-phase development project incorporating the Capture 6 technology to support the operation of the MWCEP (**Project Wallaby**).
- Capture 6 has developed brine reduction water recovery and carbon capture technology.
- As noted in Pilot's earlier announcement (ASX: PGY 23 July 2024), Pilot was successful in obtaining a Commonwealth grant in the amount of $6.5m (**Grant Funds**) from the Commonwealth Government Department of Climate Change, Energy, the Environment and Water.
- Under the JDA the parties will establish an incorporated joint venture entity to hold the assets of, and operate, Project Wallaby. Capture6 will hold an 80% interest and Pilot will hold a 20% interest (respectively, the **Participating Interests** of each party). The parties will negotiate and enter into additional definitive agreements in connection with Project Wallaby - namely a shareholder's agreement and a technology licence agreement.
- Under the arrangements agreed between the parties in relation to Project Wallaby:
  - all decisions will be unanimous
  - Capture 6 will be the operator of Project Wallaby subject to the direction of an operating committee which will be established to oversee the joint development
  - each of Capture 6 and Pilot will contribute specified specialist expertise to the development and operation of Project Wallaby.
- Funding for the joint development will be, in the first instance, via the application of Grant Funds (on a staged basis). Thereafter the parties will share the costs in proportion to their respective Participating Interests in Project Wallaby.