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Announcement to ASX

11 May 2021

WA-481-P AND CLIFF HEAD WIND AND SOLAR JV TRANSACTION UPDATE

HIGHLIGHTS

- Pilot and Triangle have executed the joint venture agreements and access deeds formalising the WA-481-P upstream joint venture and the Cliff Head Wind and Solar joint venture, the signing of which were conditions precedent under the WA-481-P Sale.
- Under the WA-481-P Sale, Triangle acquires a 78.75% interest and is appointed as operator and Pilot retains a 21.25% interest in the tenement in return for a \$300,000 cash payment and a free carrying Pilot over the next 3 years, which includes acquisition and processing of extensive 2D and 3D seismic surveys
- Under the Cliff Head Wind and Solar joint venture Pilot will hold a 80% interest and is appointed as operator and Triangle a 20% interest and Pilot is free carrying Triangle on a renewables feasibility study.
- Transaction creates alignment across the oil and gas exploration project (WA-481-P), the adjacent oil production project (Cliff Head Oil project) and the renewables joint venture.
- The principle outstanding condition to completion of Pilot's sale of the interest in WA-481-P and transfer of operatorship relate to final regulatory approvals including in relation to the transfer of Key Petroleum's interest in WA-481-P to Pilot – once these approvals are received Pilot will receive the \$300,000 cash payment to Pilot and the work programme free carry will commence.

Pilot Energy Limited (ASX: PGY) ('Pilot' or 'the Company') and **Triangle Energy (Global) Limited (ASX:TEG)** ('Triangle') are pleased to provide the following update with regard to the WA-481-P transaction and Cliff Head Wind and Solar Joint Venture, previously announced to the market on 9 November 2021.

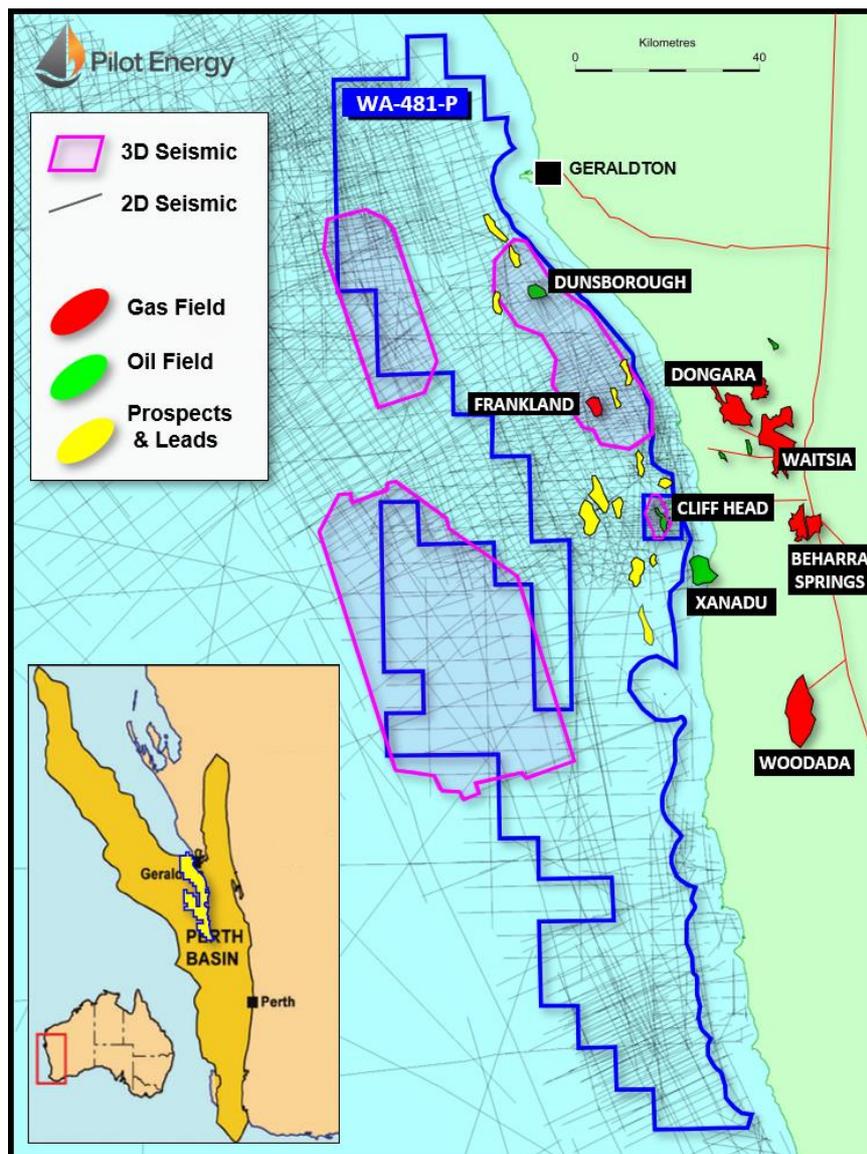
TRANSACTION OVERVIEW

WA-481-P SALE

As previously announced (see ASX announcement 9 November 2020), Triangle is acquiring a 78.75% interest in the offshore Perth Basin exploration permit WA-481-P and is appointed as operator. WA-481-P is located immediately adjacent to, contiguous with and surrounds the Triangle-operated offshore Cliff Head Oil Field. In a separate transaction, Pilot has also entered into definitive agreement to acquire Royal Energy Pty Ltd which holds a 50% interest in Triangle Energy Operations Pty Ltd, the operator of the Cliff Head Oil Field and an effective 21.25% interest in the Cliff Head Oil Field (the "Royal Energy Acquisition").

On completion of the Royal Energy Acquisition, Pilot will hold a 21.25% interest in the Cliff Head Oil Field. Completion of the Royal Energy Acquisition is pending approval by Pilot shareholders at the Pilot meeting of shareholders to be held on 28 May 2021. Refer to Figure 1 for the location of the two projects.

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



Under the terms of the acquisition agreement, as consideration for the transfer to Triangle of the 78.75% interest in WA-481-P and operatorship, Triangle will:

- Pay Pilot \$300,000 in cash; and
- 100% free carry Pilot through the completion of the Year 3 \$5.75 million minimum work programme (see table below) with a value of \$1.23 million to Pilot's work programme share.

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

Having entered into the WA-481-P joint venture agreement, the Cliff Head Wind and Solar joint venture agreement, Cliff Head access deed and Cliff Head Wind and Solar access deed the remaining conditions to be satisfied before the transaction completes relate to the regulatory approval including in relation to the transfer of Key Petroleum's interest in WA-481-P to Pilot and Murphy Oil's consent to the transfer (holder of a Net Profit Interest over WA-481-P).

Cliff Head Wind and Solar Joint Venture

In addition to and in parallel with the WA-481-P transaction, Pilot and Triangle also agreed to form the Cliff Head Wind and Solar Project Joint Venture to initially assess the feasibility of the development of an offshore wind and onshore wind and solar power project centred around the Cliff Head Offshore Oil Field production facilities, Cliff Head Alpha and the onshore Arrowsmith Separation and Processing Facilities.

Under the Cliff Head Wind and Solar joint venture agreement, Pilot holds an 80% operating interest and will free carry Triangle, which holds a 20% interest, during the initial feasibility study period. This feasibility study will be conducted as part of Pilot's Mid West feasibility study which is expected to commence in June 2021.

Pilot's Chairman, Brad Lingo, said "This is a great achievement to be able to bring WA-481-P and the Cliff Head Oil Field back together and to bring both Pilot and Triangle to jointly assess the feasibility of integrating and anchoring the wind and solar renewable energy potential in the Mid West Region of Western Australia with the Cliff Head Oil Field offshore and onshore facilities. Successfully putting these two elements together has the tremendous potential to create a really meaningful new energy project servicing the Mid-West."

Triangle's Managing Director, Robert Towner, said "The consolidation of WA-481-P combined with the partnership at the Cliff Head Oil Field marks a new era for the Mid-West energy sector and Perth Basin. The Cliff Head Alpha Platform, Arrowsmith Stabilisation Plant and pipeline shoreline crossing provides significant infrastructure value to the region should the joint venture prove up additional conventional oil prospects and leads. The initiation of studies into wind and solar renewable energy is globally recognised to be complimentary for existing oil and gas infrastructure".

This announcement has been authorised for release to ASX by Bradley Lingo and Michael Lonergan on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

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About Pilot Energy: Pilot Energy Ltd is a junior oil and gas exploration company that is aggressively pursuing the transition from oil and gas exploration and production to the development of integrated renewable energy, hydrogen and carbon management projects leveraging existing oil and gas assets to cornerstone these developments. The Company's focus on the energy transition has resulted in the company undertaking the acquisition of Royal Energy Pty Ltd as the holder of a 50% interest in the operator of the Cliff Head Oil Field and commencing detailed feasibility studies for the development of the Mid-West Wind and Solar Project and the South West Blue Hydrogen and CCS Project. The Company holds 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 the Mid-West Wind and Solar and the South West Blue Hydrogen and CCS Projects.

About Triangle Energy (Global): Triangle Energy (Global) Ltd is an ASX listed (ASX:TEG) oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant. Triangle also has a 50% share of the Mt Horner L7 production licence and a 45% equity interest in the Xanadu-1 Joint Venture located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has an 100% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.