

## **Announcement to ASX**

**31 October 2022**

# **SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT & APPENDIX 5B**

## **HIGHLIGHTS**

- In July 2022, Pilot received commitments for a placement to raise \$2.2 million via a two-tranche placement to new and sophisticated, institutional and professional investors.
- New oil sale and export arrangements via the Port of Geraldton, enable continued Cliff Head oil production and the opportunity for other Perth Basin producers to export through Cliff Head Joint Venture (CHJV) facilities.
- The CHJV completed three load-outs of oil from its refurbished and expanded storage tanks at the Arrowsmith Stabilisation Plant (ASP) facility onto its chartered tanker, the AB Paloma, at the Port of Geraldton.
- The Consortium comprising Pilot, APA Group (ASX: APA) (through its subsidiary APT Management Services Ltd), and Warrego Energy Limited (ASX:WGO) (collectively the "Consortium") completed a detailed Feasibility Study into the potential for a Blue Hydrogen and Carbon Capture and Storage ("CCS") project in the Mid West region of Western Australia (refer to 4 November 2021 ASX announcement). The Feasibility Study confirmed that the Mid West region is suitable for blue hydrogen production.

The Consortium has extended its existing arrangements to further evaluate the findings of the Feasibility Study and will consider a range of potential commercial arrangements, including future participation regarding the next stage of implementing and developing a project in the Mid West region.

- Post quarter end, the CHJV announced Pilot and Triangle had executed a binding sale and purchase deed formalising the restructure of the existing joint venture ownership arrangements for the Cliff Head Joint Venture (CHJV) and the proposed Cliff Head CCS Project (CH CCS Project) to occur upon the grant of the declaration of an identified Greenhouse Gas storage formation in relation to Cliff Head.

Pilot Energy Limited (ASX: PGY) (“Pilot” or “the Company”) is pleased to provide the following update on its operational and corporate activity for the quarter ended 30 September 2022 (and post quarter events to date).

## OPERATIONS REPORT

### Cliff Head Joint Venture

The Cliff Head Joint Venture is effectively held by the following group entities:

- Triangle Energy (Global) Limited (ASX: TEG) (“Triangle”): 78.75%
- Pilot Energy Limited: 21.25%\*\*\*

#### a. Operations

The key operational statistics for the quarter for the CHJV (100% basis) are set out in the table below.

1 July - 30 September 2022	CHJV (100%)	Pilot (21.25%)
Production (bbls)	53,711	11,414
Average daily production (bopd)	584	124
Sales revenue ( bbls)	50,756	10,786
Average oil price received \$ per bbl	139	139
Sales revenue (\$'000)	7,070	1,502
Oil Inventory (11,348 bbls) (\$'000)*	1,164	247
Routine operating costs (\$'000)	(2,779)	(591)
<b>Operating Margin (\$'000)</b>	<b>5,455</b>	<b>1,159</b>
Trucking, storage & handling (\$'000)	(3,788)	(805)
<b>Routine Profit (\$'000)</b>	<b>1,667</b>	<b>354</b>
Non-routine operating costs (\$'000)	(637)	(135)
<b>Gross Profit (before tax, \$'000)</b>	<b>1,030</b>	<b>219</b>

Notes:

\* Quarterly figures represent a movement in the value of the cumulative barrels stored.

\*\*Figures may differ immaterially to Triangles reported numbers due to the exchange rate applied to sales revenue (if applicable), methodology in valuing inventory and classification of non-routine costs.

\*\*\* Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in Triangle Energy (Operations) Pty Ltd (“TEO”) which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

## **b. Oil Sales and New Perth Basin oil export route established**

### **Cliff Head Operations**

As previously advised, the CHJV has completed arrangements for the new oil export route through the Port of Geraldton, which operates as follows:

- Produce up to 30,000 barrels of oil into the newly refurbished storage tanks at ASP.
- When the tanks reach storage capacity, the oil is trucked to the Port of Geraldton and loaded onto the tanker that has been chartered by the CHJV, which has a storage capacity of 80,000 barrels of oil.
- This tanker will then leave the port and stand by until a second load of oil is ready for onload.
- After the second onload, the tanker will sail to Asia and offload the oil for sale to a predetermined buyer.
- CHJV will receive the revenue from the buyer within 5 days from invoice.

On 14 July 2022, the CHJV completed the first load-out of oil from its recently refurbished and expanded storage tanks at the Arrowsmith Stabilisation Plant (ASP) facility onto a chartered tanker, the AB Paloma, at the Port of Geraldton. The AB Paloma travelled to a Singaporean refinery for the sale of the cargo of oil.

As announced on 17 August 2022, the CHJV completed the second load-out of oil from its storage tanks at the ASP facility onto the AB Paloma, at the Port of Geraldton. The AB Paloma travelled to a refinery in Thailand for the sale of the cargo of oil. Post quarter end, on 4 October 2022, the CHJV completed the third load-out of oil from its storage tanks at the ASP facility onto the AB Paloma, at the Port of Geraldton.

The CHJV (100%) received oil sales receipts of ~US\$4.6 million during the September 2022 quarter. This will be adjusted in October when final oil price confirmations have been incorporated. This equates to A\$6.8 million (with A\$1.4 million attributable to Pilot, with any adjustment to the sales price paid post September).

Oil production from the Cliff Head oil field, operated by the CHJV has now demonstrated a viable export route which enables the continuation of oil production in the Perth Basin for both the Cliff Head Oil Field and other Perth Basin producers and will facilitate the CHJV to continue to progress plans for the re-purposing of the Cliff Head Facilities.

### **CH-10 Workover**

As previously advised the CH-10 well has been shut-in since September 2021. Workover of the CH-10 well commenced on 9 June 2022 and was temporarily suspended pending the delivery of long lead equipment. It is expected that the well will be brought back on stream in the next quarter subject to weather conditions and availability of resources. The rehabilitation of CH-10 is expected to add over 100 barrels of oil per day to the CHJV production

**c. Completion of Cliff Head JV restructure agreement - provides clear pathway for CCS development project at Cliff Head**

On 6 October 2022, CHJV announced to the ASX that Pilot and Triangle had executed a sale and purchase deed formalising the restructure of the existing joint venture ownership arrangements for the CHJV and the proposed CH CCS Project.

Completion of the sale and purchase deed is conditional upon the granting by NOPTA of the Declaration of a Greenhouse Gas Storage Formation in accordance with the Offshore Petroleum & Greenhouse Gas Storage Act 2006 (Cth) (OPGGSA).

Upon the grant of the Declaration:

- Pilot and Triangle (via their wholly owned subsidiaries) will restructure their interests in the WA-31-L Cliff Head project resulting in Pilot holding a 60% direct operated participating interest in both the CHJV (oil project) and the CH CCS Project, and Triangle holding a direct 40% participating interest in both projects.
- Pilot increases its interest in the CH JV Operator, Triangle Energy (Operations) Pty Ltd, to 100% and will become the Operator of both the CHJV (oil project), as well as the CH CCS Project.
- Pilot and Triangle will co-operate and jointly participate in an application to NOPTA for a Greenhouse Gas Injection (GHG) Licence under the OPGGSA.
- Upon approval and grant of the GHG Injection Licence, TEG will pay Pilot \$1,000,000
- Following the granting of the Declaration TEG will have the option to participate in the CH CCS Project to the extent of its 40% participating interest or to withdraw (Option). If it elects to withdraw, TEG will surrender and Pilot will assume, TEG's 40% participating interest in the CH JV (oil field) and Pilot will hold 100% of the interests in the CH CCS Project.

The CH CCS project will be the first offshore CCS development in Mid West WA and one of the first offshore CCS projects to be implemented in Australia. Additionally, and of key importance, the implementation of the CH CCS Project will likely significantly extend the working life of substantially all the CH JV facilities and defer material decommissioning costs well into the future.

Pilot previously announced that the feasibility study results indicate that the Cliff Head oil field and associated wells and infrastructure were both capable of supporting and suitable for a CCS project. Additional discussion of these feasibility results is provided below.

## **WA 481 – P Exploration**

During the quarter, PSDM reprocessing of approximately 2,000 line km of vintage 2D seismic continued and is now approximately 70% completed. This work is being carried out by Velseis Processing (Brisbane) and is designed to provide better imaging of faults and stratigraphy which are contaminated by multiples and non-coherent noise on earlier rounds of processing. Lines chosen for the reprocessing are focused around the highly prospective eastern in-board, shallow water area of WA-481-P and leverage off 800 km of existing 2D reprocessing carried out in 2018.

Planning continued for 3D/2D seismic acquisition to satisfy the 3D/2D seismic acquisition commitment (Year 1 to 3 period of the current term consisting of 350 km<sup>2</sup> 3D, 200 km 2D). This planning includes technical design work as well as environmental and stakeholder approval and operational planning workstreams. Seismic acquisition is anticipated in 2023. Note that wherever possible, Pilot will seek to align geophysical survey activities for future clean energy projects (for example CCS and Offshore Wind) in parallel with oil and gas related surveys, thereby leveraging operational programs for technical and financial benefit across assets.

## **EP 416 & EP 480 Exploration**

The principal activity across these tenements related to the proposed geochemical survey. The survey objective is to establish the presence, distribution, and composition of hydrocarbons across the Leschenault structural feature which straddles EP 416 and EP 480, via seeps and microseeps and determine the probable hydrocarbon i.e. document the presence of a working petroleum system. A survey layout has been selected and the environmental planning progressed. This work has taken much longer than anticipated due to widespread land access issues with final survey locations proposed primarily on crown and reserve lands. Due to the additional time taking to finalise the survey location, Pilot is engaging with the regulator regarding the completion of the outstanding year 1 (EP 416) and year 3 (EP 480) geochemical survey work commitment.

Pilot continued interpretation of the approximately 310 line kms (25 lines) of reprocessed 2D seismic across the permits completed during Q1 2022 utilizing a PSDM workflow. This work is designed to reduce structural and stratigraphic risk by providing more coherent fault delineation and overall improved reflection information. The reprocessing represented part of work commitments for Year 1 in EP 416 and Year 3 in EP 480.

The approximately 60 km of 2D line data processed using AI inversion in Q1 2022 is being integrated into the interpretation of the previously mentioned PSDM reprocessing above. Key objectives of the inversion work are to establish reservoir and seal distribution across the area of coverage and forms part of work commitments for Year 1 in EP 416 and Year 3 in EP 480.

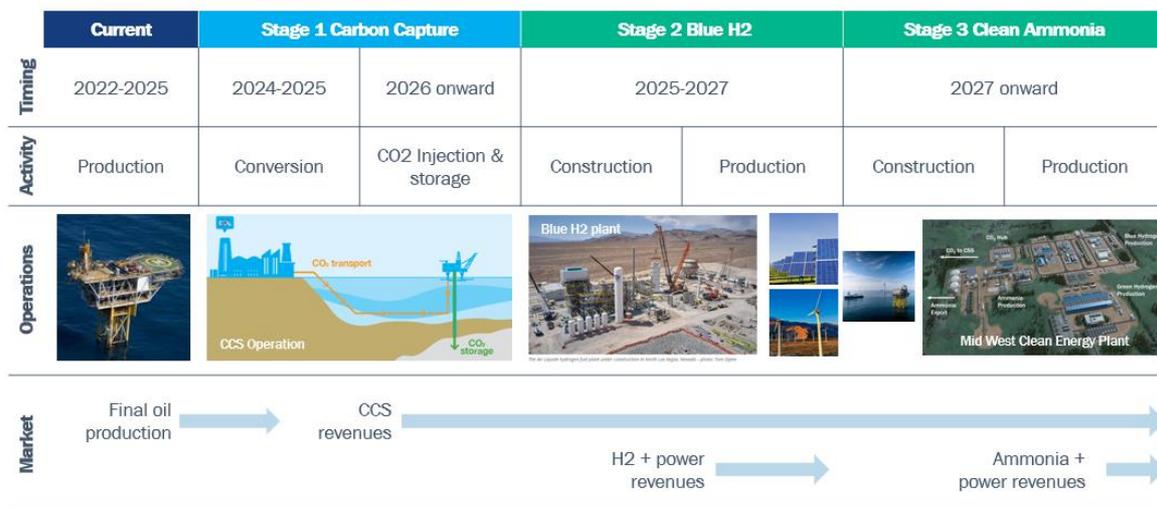
## Mid West Clean Energy Project

Pilot continued to progress the Mid West Clean Energy project (refer to the figure below) with a focus on the initial CCS regulatory approval, project partner and customer engagement (CCS and Ammonia) and engaging of key resources to execute the project.

CO2Tech (Pilot’s CO<sub>2</sub> storage technical adviser) and the CH JV technical teams finalised the reservoir and geo-mechanical modelling required to support the application to declare formations within the WA 31-L area as identified greenhouse gas formations. Technical analysis was presented to NOPTA during October 2022, ahead of submitting the formal application to declare an Identified Greenhouse Gas Storage Formation within the WA 31-L tenement. The CH JV expect to lodge the application during the December quarter.

The potential partners and customers range from strategic financial investors to companies interested in the capture and permanent storage of their industrial emissions, to energy industry participants. Pilot with the assistance of Miro Capital and New Electric Partners is engaging with partners and customers in parallel with a number of potential customers interested in CO<sub>2</sub>/Ammonia offtake and a project level equity interest.

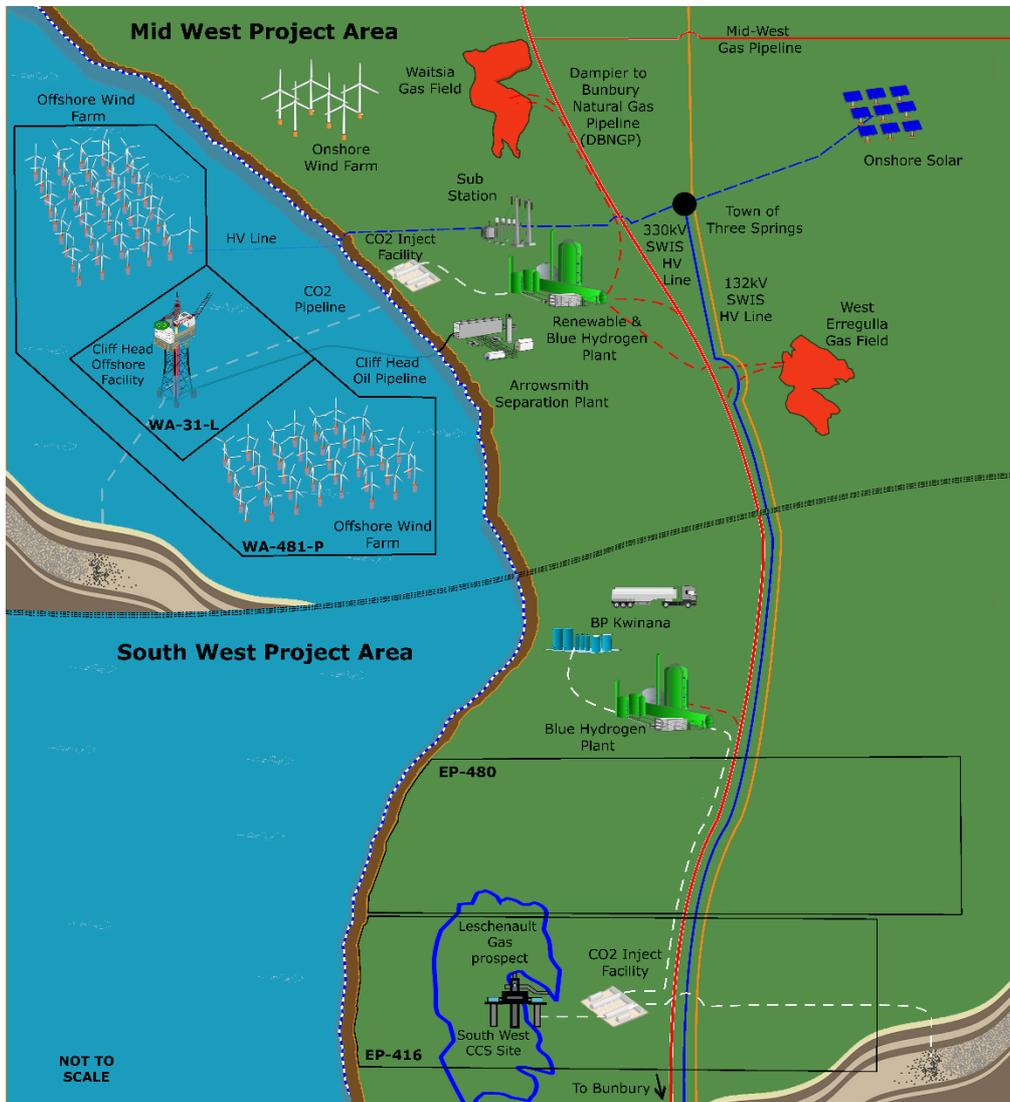
**Figure 1.** Pilot’s Mid West Clean Energy Project overview



## Feasibility studies

During the quarter Pilot, APA group and Warrego Energy limited announced the completion of the consortium’s Mid West Blue hydrogen study and Pilot progressed towards the conclusion the South West Carbon Management study. The key project areas are summarised in Figure 2.

## Pilot's Mid West and South West clean energy opportunity set



**Figure 2.** above depicts Pilot's projects and facilities together with infrastructure that Pilot proposes to develop subject to the results of the feasibility studies. Pilot's future projects anticipate leveraging its existing assets and resources to develop world class clean energy projects across the Mid West and South West regions of Western Australia. The future infrastructure projects may include, as shown above, a CO2 pipeline and injection facility, blue hydrogen plants, CCS sites, offshore and onshore wind, solar, renewable hydrogen plant, substation, transmission lines and hydrogen pipelines.

Pilot is well positioned to play a significant role in the energy transition through harnessing the world-class CCS and renewable energy resources of Western Australia which overlap the Company's existing assets and tenements.

The Mid West Blue Hydrogen study being progressed with APA Group and Warrego Energy confirmed that the Mid West region is suitable for blue hydrogen production and CCS. The Consortium has extended its existing arrangements to further evaluate the findings of the Feasibility Study and will consider a range of potential commercial arrangements, which may include further participation regarding the next stage of implementing and developing a project in the Mid West region.

The SW CCS study is assessing the opportunity to provide carbon management services to the industrial precincts of WA South West region in addition to storing the CO<sub>2</sub> associated with a potential blue hydrogen project. The SW CCS Study has developed technical solutions to aggregate and manage the regions flue gas emissions which include:

- permanently storing a CO<sub>2</sub> or flue gas stream at the SW Hub CCS site; or
- transporting the CO<sub>2</sub> stream to the Mid West as part of Pilots project planned for that region.

Feasibility reports are being reviewed by the Company, with the results and identified development projects expected to be announced during the December quarter.

## CORPORATE ACTIVITIES

### Cash on hand

Cash on hand at 30 September 2022, was \$2.0 million.

In addition to the cash on hand, it is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head JV. As at reporting date, TEO had a cash balance of \$3.6 million, (of which 50% is attributable to Pilot).

As per the Company's ASX announcement of 11 July 2022, the Company received commitments of \$2.2 million in a two-tranche placement with \$1.666 million received in July. The remaining funds are expected to be received by November 2022 following Pilot shareholders approving the issue at a General Meeting held on 19 August 2022.

### Share Capital

During the September 2022 quarter, there was the following movement in the share capital of the Company (shares and options):

- on 15 July 2022, 98 million shares were issued at an issue price of \$0.017, raising a total of \$1,666,000. (In addition, 49 million options were issued (expiring 19 August 2025, exercise price of \$0.033)
- on 24 August 2022, 7,047,538 shares were issued to consultants as part payment for services in lieu of cash
- on 25 August 2022, 2 million shares were issued to directors Strasser and Chen (one million each) at an issue price of \$0.017 as part of the capital raise announced on 11 July 2022. (In addition, one million options were issued (expiring 19 August 2025, exercise price of \$0.033)

At 30 September 2022, the Company had the following capital structure:

- 611,437,850 shares on issue
- 155,045,426 outstanding (unlisted) options

## **8 Rivers Capital MOU**

8 Rivers serves as Pilot's technical adviser on its clean hydrogen project. Over the past 12 months, Pilot, together with 8 Rivers, has assessed the feasibility of deploying the 8 Rivers' clean hydrogen technology (refer ASX 28 March 2022) and (as per the ASX announcement on 30 June 2022) concluded an MOU to extend the relationship into the development and execution of the Project. Implementation of the MOU (upon execution of definitive agreements) will align the parties for proceeding to development of this ground-breaking Western Australian CCS, clean hydrogen and ammonia production project. The finalisation of the definitive agreements is expected to be concluded in the coming weeks with completion anticipated in November 2022.

## **Contingent and Prospective resources**

### **(i) Oil & Gas**

The Company confirms, and as per the 2021 Annual Report, that there are no changes to the WA 31-L and WA 481-P Contingent Resource (Oil and Gas) information which was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021.

The Cliff Head Oil Field Contingent Resources have not been re-assessed since the estimate dated 31 March 2021. However, the Company notes that during the period 1 April 2021 through to 30 September 2022, 350,042 bbls of oil have been produced (Pilot's share: 74,383 bbls).

The Company confirms that there are no changes to the Contingent Resource estimates set out in 2021 Annual Report based on (1) the Cliff Head independent resources report prepared by RISC Advisory Pty Ltd (RISC) dated 16 April 2021; and (2) an Independent Technical Specialist Report prepared by RISC dated 28 January 2021 relating to the Company's Australian exploration assets.

### **(ii) Carbon Capture and Storage**

Pilot announced on 28 March 2022 the results of the Mid West Integrated Renewables and Hydrogen Project feasibility studies which included the WA 481P CCS Study undertaken by CO2Tech, the Company's principal feasibility consultant for CCS. The WA 481P CCS Study and the additional CCS feasibility study covering the Cliff Head Oil Field in the adjacent WA 31L production license area confirmed the CCS potential for both areas with the Contingent and Prospective Resources summarised below

### Greater Cliff Head & WA 481P CCS Storage Contingent & Prospective Resources\*

Contingent Storage Resource (million tonnes)	1C	2C	3C
WA 481P (Pilot share, 100% basis)	2.8	4.4	7.2
WA 31L (100 % basis)	1.0	6.4	15.8
Prospective Storage Resource (million tonnes)	1U	2U	3U
WA 481P (Pilot share, 100% basis)	46.2	80.4	144.2

\*Determined in accordance with the SPE SRMS Guidelines for estimating CO<sub>2</sub> storage resources

### Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

### Feasibility Study Reporting

During the Mid-West Wind and Solar renewables feasibility period (through to September 2022), the Company is required by the ASX to provide the following additional information on the allocation of expenditure between its oil and gas activities and Mid West Wind and Solar feasibility activities.

Expenditure Category	Quarterly Expenditure 1 July – 30 September 2022 (\$'000)	Proportion of total expenditure
<b>Oil &amp; Gas Activities</b>	<b>2,703</b>	<b>95%</b>
<ul style="list-style-type: none"> <li>• Cliff Head operations and capex*</li> </ul>	1,764	62%
<ul style="list-style-type: none"> <li>• Other exploration and feasibility expenditure</li> </ul>	939	33%
<b>Mid-West Wind and Solar</b>	<b>132</b>	<b>5%</b>
<b>Total</b>	<b>2,835</b>	<b>100%</b>

#### Notes:

\*Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in TEO which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis. As such Pilot's expenditures in the above table represent Pilot's proportionate share of operational/capex expenditure incurred by CHJV. The figures reported in the Appendix 5B sections 2.3, 3.5 & 3.6 reports only net cashflows to/from TEO.

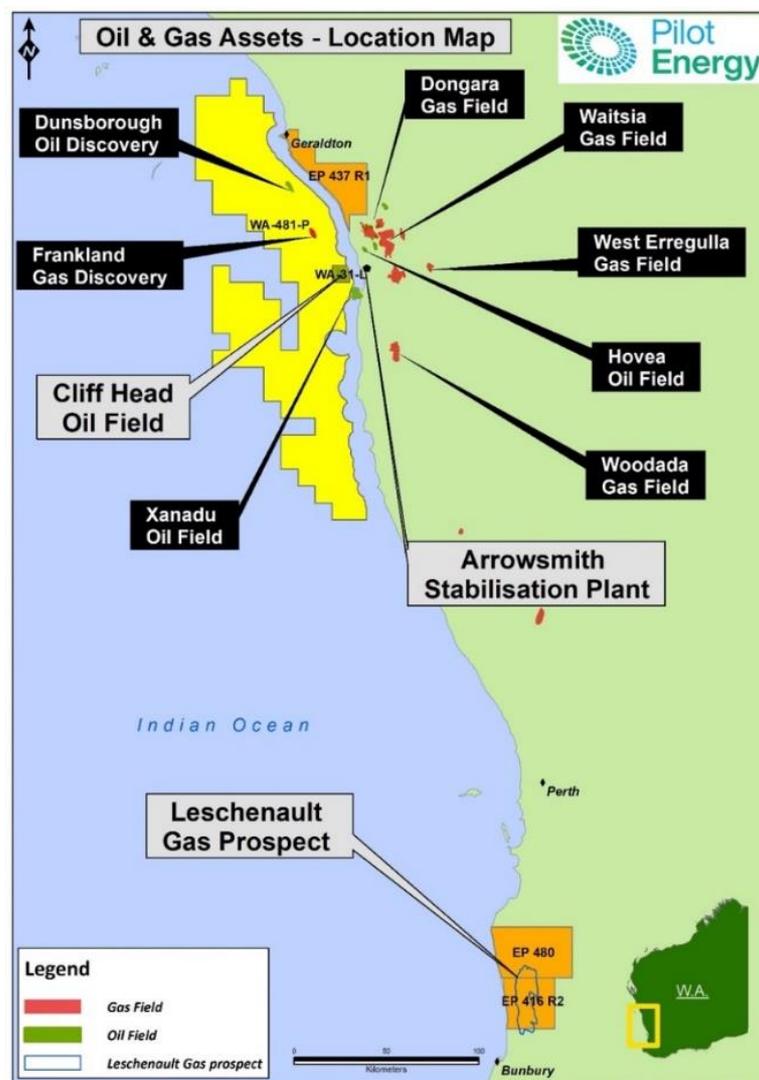
### ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot’s interest in its Oil and Gas tenements which are also presented on the map below.

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
WA-31-L <sup>(i)</sup>	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%
EP416	Western Australia – Onshore	100%	100%
EP480	Western Australia – Onshore	100%	100%

i) The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Subject to restructure as noted in this ASX announcement.

ii) On 20 April 2022, the Company concluded an agreement with Triangle Energy (Global) Limited (TEG) to transfer Pilot’s 13.058% participating interest in EP 437 to TEG. Under the agreement and subject to DMIRS approval TEG assumes all of Pilot’s obligations and liabilities in respect of the Permit, arising prior to and after the effective date



Pilot Oil and Gas asset map

**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 a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears. This announcement has been authorised for release to ASX by Bradley Lingo and Tony Strasser on behalf of the Board of Directors of Pilot Energy Limited.

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**Enquiries**

Cate Friedlander, Company Secretary, email: [cfriedlander@pilotenergy.com.au](mailto: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.

## **Annexure 1 Feasibility Study Reporting Conditions**

1. The Company must continue to spend funds on its existing and proposed oil and gas projects.
2. The Company must disclose in each quarterly activities report until September 2022, the proportion of expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
3. The Company must disclose as separate line items in each quarterly activities report until September 2022, expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
4. Proceeding beyond the feasibility study stage of the Project (or incurring expenditure in excess of the budgeted feasibility expenditure in relation to the Project) constitutes a change in the nature and scale of the Company's activities in terms of Listing Rule 11.1 and as such the Company will be required to comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds beyond the feasibility study or incurs expenditures in excess of the budgeted feasibility expenditure on the Project.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

30 Sep 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	88	520
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(247)	(1,399)
	(e) administration and corporate costs	(362)	(1,774)
1.3	Dividends received (See note 3)	-	-
1.4	Interest received	-	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(521)</b>	<b>(2,618)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & feasibility expenditure (if capitalised)	(1,071)	(3,175)
	(e) investments	-	-
	(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	571
2.4	Dividends received (see note 3)	-	-
2.5	Other (Consortium receipts)	-	203
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,071)</b>	<b>(2,401)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,700	1,700
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(107)	(121)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,593</b>	<b>1,579</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,014	5,455
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(2,618)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,071)	(2,401)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,593	1,579

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,015</b>	<b>2,015</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,015	2,014
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,015*</b>	<b>2,014</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1	213
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

\* It is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head JV. As at reporting date, TEO had a cash balance of \$3.6 million, of which 50% is attributable to Pilot. This amount is not included in the amount at 5.5 (Cash at end of quarter), as in accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(521)
8.2 Capitalised exploration & feasibility expenditure (Item 2.1(d))	(1,071)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,592)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,015
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,015
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.27
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: YES	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: YES, the Company is in advanced discussions with strategic investors to invest funds into company as well as its equity capital advisers regarding a capital raise in the short term. The Company expects to successfully raise funds either through a corporate initiative (ie farmin, direct investment) or through a private placement in the short term.	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: YES	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 OCTOBER 2022

Date: .....

BY THE BOARD

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.