

30 November 2022

Announcement to ASX

ASX:PGY

Pilot Energy Raises \$2.0 million

Highlights

- Pilot was approached by sophisticated and institutional investors and commitments have been received for a placement of \$2.0 million (before costs).
- Pilot funded to complete regulatory approval for Cliff Head CCS Project as well as commencing hydrogen pre-FEED for the Mid West Clean Energy Project in Western Australia.
- On 29 November 2022, the Cliff Head Joint Venture (CHJV) submitted to NOPTA an application for the declaration of an identified greenhouse gas storage formation across WA-31-L (Declaration).
- Grant of the Declaration will trigger the restructure of the CHJV, resulting in Pilot holding a 60% direct operated participating interest in both the CHJV (oil project) and the CH CCS Project, and Triangle Energy (Global) Limited (Triangle) holding a 40% direct participating interest in both projects.
- Following the grant of the Declaration, the CHJV will complete all steps to enable a final investment decision (FID) to be taken on the Cliff Head CCS Project, including all regulatory submissions and FEED.

Overview

Pilot Energy Limited (Pilot or Company) (ASX:PGY) is pleased to announce that it has been approached by a group of investors to commit \$2.0 million (before costs) in a placement to sophisticated, institutional and professional investors (Placement). Strong investor interest was shown in the placement along with support for the Company's strategic focus on developing the Mid West Clean Energy Project (including the Cliff Head CCS Project) in Western Australia.

Placement Terms

Under the terms of the Placement, the Company will issue 133,333,333 fully paid ordinary shares (Shares) to sophisticated and professional investors at an issue price of \$0.015 per Share to raise \$2.0 million (before costs).

As part of the Placement, the Company will issue one new unlisted option (Options) for every two new Shares issued to investors, resulting in a total of 66,666,667 new unlisted Options being issued. The Options will be unlisted, will expire on 25 August 2025 and have an exercise price of \$0.033. The Options are subject to approval from Pilot's shareholders at the Company's Annual General Meeting (AGM), which will be held in February 2023 on a date

yet to be advised.

The Company notes that the Directors have elected to participate in the Placement. The issue of these shares will also be subject to shareholder approval at the Company's AGM.

The issue price of \$0.015 per share represents a 12% discount to the last closing price of \$0.017 per Share and a 12% discount to the 5-day VWAP.

Whairo Capital Pty Ltd was the Lead Manager of the Placement. Under the terms of its engagement, the Lead Manager will be paid a management fee of 2% and a placement fee of 4% of the total funds raised under the Placement. Pilot will also issue 8 million options (on the same terms as the Placement Options) to the Lead Manager, subject to shareholder approval at the AGM.

The key dates for the issue under the Placement are as set out in the table below.

Event	Date*
<ul style="list-style-type: none"> Company announces placement details Appendix 3B ASX lifts trading halt 	Wednesday 30 th November
Placement Shares Settlement Date <ul style="list-style-type: none"> Allotment Date t+1 Appendix 2A Lodge cleansing statement 	Wednesday 7 th December
Placement Options and Broker Options To be issued subject to shareholder approval at AGM	10 th February 2023

*This timetable is indicative and subject to variation.

CCS Project Update

As announced by the CHJV earlier today, on 29 November 2022 the CHJV lodged with the National Offshore Petroleum Titles Authority (NOPTA), an application to Declare formations within WA-31-L as identified Greenhouse Gas Storage Formations.

Following completion of the Placement, Pilot is now funded to complete the next steps to progress the Cliff Head CCS Project to final investment decision. The key steps to be undertaken to enable the CHJV to make a final investment decision in respect of the Cliff Head CCS Project are outlined in the CHJV announcement made as at today's date.

ENDS

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

Enquiries

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About Pilot: Pilot is currently a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, hydrogen and integrated renewable energy 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 and Cliff Head Infrastructure, 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.