

Announcement to ASX
31 October 2023

30 SEPTEMBER 2023
QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

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 2023 (and post quarter events to date).

HIGHLIGHTS

Samsung C&T joins Pilot as Joint Development Partner in the Mid West Clean Energy Project as announced on the ASX platform, on 31 October 2023.

- Pilot Energy ('Pilot' or 'the Company') and Samsung C&T Corporation Engineering & Construction Group ('Samsung') have entered into a non-binding conditional Memorandum of Understanding ('MOU') in relation to the development of the Cliff Head CCS Project and the Clean Energy Ammonia Project (collectively known as the Mid West Clean Energy Project, MWCEP or the Project).
- Samsung and Pilot will jointly progress and fund the development of the Mid West Clean Energy Project, on the basis of each Party's respective participating interest.
- Subject to key conditions being satisfied, Samsung C&T will acquire a 20% participation interest in the MWCEP; has rights to act as the EPC contractor for the Clean Ammonia Project; and do its best endeavours to arrange for clean ammonia offtake for export to Korea.
- Consideration of circa \$67 million will be paid to Pilot by CHCCS Co (a new to be incorporated joint venture project entity) at financial close which is based on historical construction costs of the Cliff Head oil project which forms the foundation assets for the MWCEP. This consideration is subject to a minimum forecast IRR for the CH CCS Project to be agreed between the parties.
- The sole conditions to completion of the MOU are the following:
 - National Offshore Petroleum Titles Administrator ("NOPTA") declaring a Greenhouse Gas Storage Formation over the WA-31-P area;
 - completion of the integrated project pre-FEED study; and
 - each party's final board approval.

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. Operating Results

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

1 July - 30 September 2023	CHJV (100%)	Pilot (21.25%)
Production (bbls)	50,148	10,656
Average daily production (bopd)	545	116
Sales revenue (bbls)	52,606	11,179
Average oil price received \$ per bbl	132	132
Sales revenue (\$'000)	6,962	1,478
Oil Inventory (29,470 bbls) (\$'000)*	350	74
Routine operating costs (\$'000)	(2,903)	(617)
Operating Margin (\$'000)	4,409	936
Trucking, storage & handling (\$'000)	(3,394)	(721)
Routine Profit (\$'000)	1,015	215
Non-routine operating costs (\$'000)	(707)	(150)
Gross Loss (before tax, \$'000)	308	65

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. Operations

Oil Sales

The CHJV completed two load-outs of oil from its expanded storage tanks at ASP facility onto its chartered tanker, the AB Paloma, at the Port of Geraldton during the quarter for delivery to Asian refineries. Funds of US\$4.4 million from (100% JV) oil sale proceeds were received on 5 September 2023.

Oil production from the Cliff Head oil field, operated by the CHJV continues to demonstrate the Geraldton export route as a viable commercialisation pathway which enables 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 for future CO₂ storage operations.

CH-10 Workover

The Cliff Head 10 (CH-10) well has been shut-in since the failure of the downhole electric submersible pump (ESP) in September 2021. The ESP is required to be operational in order for the well to produce oil from the target reservoir. A workover was planned to recover a deep-set bridge plug and access a previously untargeted horizon to production, prior to replacing the ESP. Workover activities commenced in June 2022 which identified a small section of damage of the 5-1/2" production tubing string in the lower section of the well. Operations were temporarily suspended to enable sourcing of a tubing 'patch' to isolate this damage which was successfully installed in June 2023.

Activities planned to retrieve a deep-set bridge plug encountered issues, and the plug was unable to be recovered from the well. The Joint Venture decided to discontinue the workover operations and suspend the well to minimise further expenditure. Temporary suspension activities were successfully completed in September 2023 and the well will remain suspended, pending a further well-use review upon change of operatorship.

c. Acquisition of Triangle Interest in CHJV

As announced on 27 July 2023, Pilot and Triangle Energy (Global) Limited had revised its existing Sale and Purchase Agreement with Pilot to acquire Triangle's interest in the Cliff Head Joint Venture.

The revised agreement results in Pilot acquiring the remaining 78.75% interest that it does not already hold in the Cliff Head JV via the purchase of Triangle subsidiaries including Triangle Energy (Operations) Pty Ltd (TEO), which is the operator of the Cliff Head Field. The transaction is expected to complete by early in 2024. This agreement supersedes the arrangements under which Pilot was to increase its interest in the Cliff Head Oil Field JV to 60% and become full operator upon receiving National Offshore Petroleum Titles Administrator (NOPTA) approval of a Declaration of Greenhouse Gas Storage Formation covering WA-31L previously announced (see ASX announcement of 6 October 2022).

Existing employees of TEO will continue to work on the Cliff Head field as it transitions from oil production to the CCS project.

The consideration to be paid by Pilot to Triangle will be staged as follows:

1. \$3.0 million cash when NOPTA issues Declaration of Greenhouse Gas Storage Formation (that the Cliff Head reservoir is technically suitable for CO₂ injection);
2. \$4.5 million cash when NOPTA issues a Greenhouse Gas Injection License; and

3. Up to \$7.5 million in royalties from the CO₂ sequestration project (2% Revenue Royalty from third party carbon management services)

Completion of the revised agreement is subject to the following conditions precedent:

1. NOPTA issuing the Declaration of a Greenhouse Gas Storage Formation
2. Pilot securing sufficient financial security to satisfy NOPTA and Triangle that it can assume the full abandonment liability for the Cliff Head oilfield in accordance with the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

WA 481 – P Exploration

Pilot holds a 100% operated interest in the 8,605km² permit located in shallow waters offshore Western Australia encompassing the Dunsborough oil fields, and Frankland gas field and the Leander complex gas target identified by Pilots technical team.

The offshore petroleum system within WA-481-P shares many attributes with the Dandaragan Trough, and is potentially a mirror of, and analogous to, the prolific onshore Perth Basin gas discoveries (e.g. Waitsia, Erregulla and Lockyer Deep).

Results of recent technical data set review have focussed on the large Leander Complex gas prospect located 15km west of the Cliff Head oil platform and three oil prospects south of Cliff Head. Within the gas fairway, Pilot is also progressing a review of the resource potential of Harrier, Hawk and other prospects identified on sparse 2D seismic. These have large GIP potential and represent significant follow-up potential to possible future drilling success at Leander. 3D seismic will be required to further de-risk these opportunities prior to drilling.

Pilot's internally assessed prospective resources to date include the Leander Complex gas resource of 450 Bcf and the Babbler, Brahminy and Cliff Head SW oil resources of 41 million barrels. These are in addition to the discovered Dunsborough contingent oil resource (2C) of 6 million barrels, and Frankland contingent gas resource (2C) of 42 Bcf gas also within WA-481-P.

The resulting prospective gas resource estimate of 450 Bcf could provide Pilot with sufficient gas to self-supply over 10 years of blue ammonia production at the Mid West Clean Energy Project. Future production from WA 481P could leverage the proposed Cliff Head CO₂ storage operations infrastructure to lower the economic volumes required to support incremental oil and gas developments.

Current workstreams being progressed in WA-481-P include:

- Continued technical assessment of other gas (and oil) prospects in the permit, particularly large gas prospects in the vicinity of the Leander Complex.
- Further progressing stakeholder holder engagement and regulatory approval for Eureka 3D marine seismic survey. A comprehensive Environmental Plan (EP) for the survey is being prepared with lodgement with NOPSEMA now anticipated for January 2024.

- Ongoing farm-out process to secure farm-in partner(s) for the upcoming WA-481-P seismic and future drilling campaigns
- Application to the Regulator has been made for a variation to the work commitment for the permit (400km² of new 3D seismic with PSDM processing to replace current program of 350km² of 3D seismic and 200km of new 2D seismic, both with PSDM processing). A suspension/extension for the permit was also requested as part of the application to allow sufficient time to acquire the 3D seismic program. At the end of the reporting period, Pilot was awaiting a decision from NOPTA for the application.

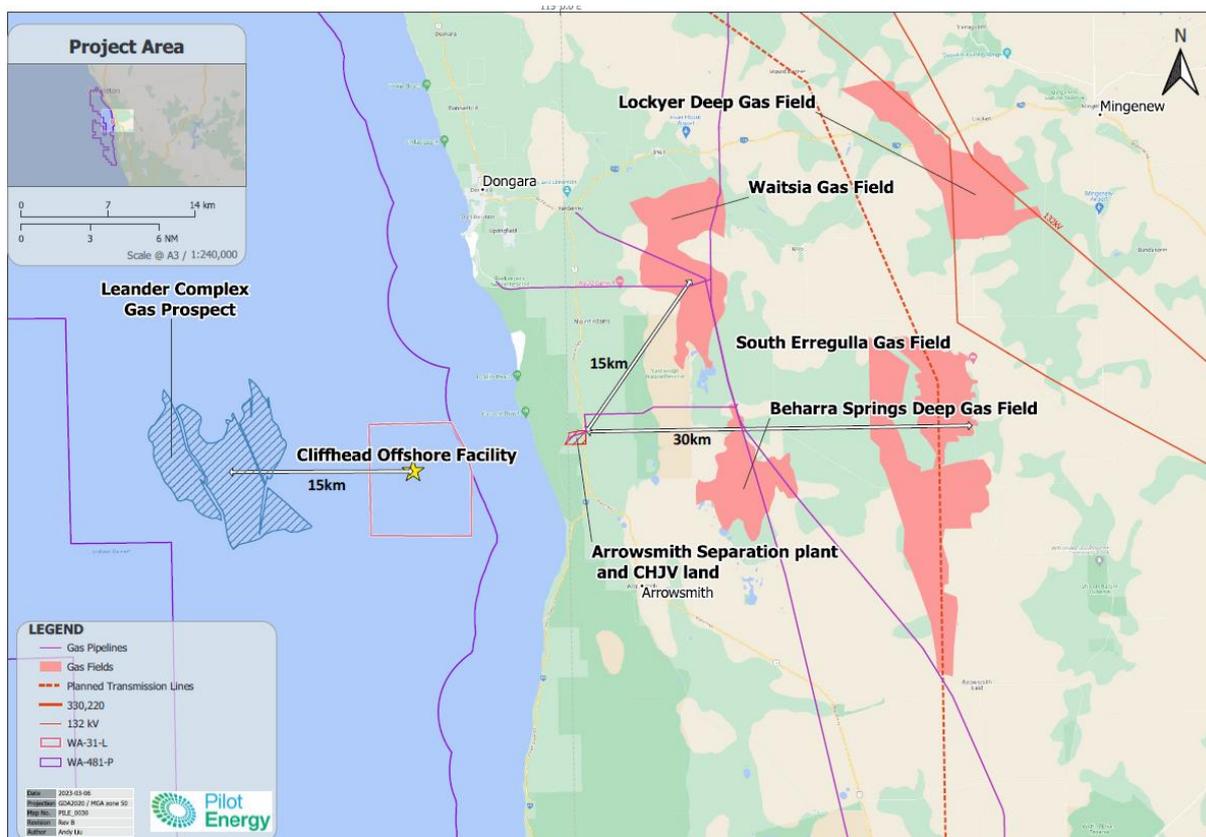


Figure 1: Overview of Pilot's Mid West operations

Mid West Clean Energy Project (MWCEP)

During the quarter Pilot continued development activities for the MWCEP (refer to the Figure 2 below) with the project team progressing foundational elements, including 1) obtaining key regulatory and environmental approvals (continued engagement with NOPTA, Commonwealth and WA governments), 2) preparing for MWCEP FEED entry targeted Q1 2024) and 3) engaging with potential equity participants and offtake customers.

Pilot initiated the MWCEP to leverage the existing Mid West operational asset base

(comprising the Cliff Head offshore oil production facility and onshore Arrowsmith separation plant) into the production of clean energy. The Project includes a fully integrated CO₂ Storage operation through the conversion of the operating Cliff Head offshore oil field which will enable the production of blue hydrogen, green hydrogen, and ammonia.

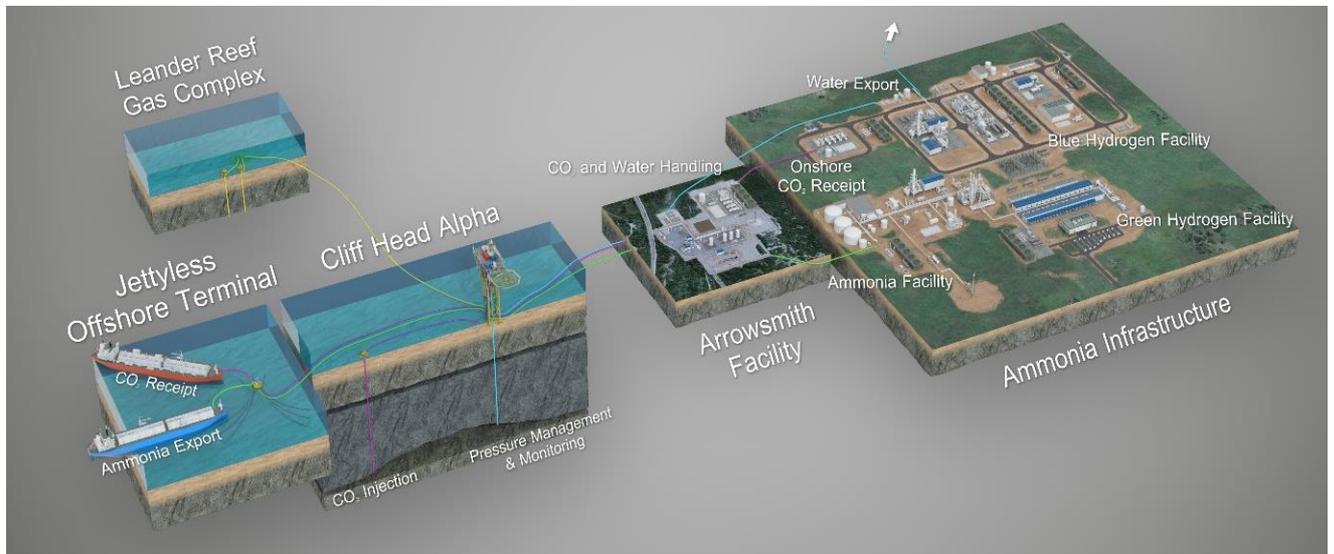


Figure 2. Pilot’s MWCEP overview schematic – includes potential gas supply from Leander Complex (subject to ongoing exploration and appraisal success)

The table below shows the status of the key activities currently in progress.

<p>1. MWCEP Engineering</p>	<ul style="list-style-type: none"> • Owner’s engineer (Genesis Energies) completed a review of project status and outstanding activities to enable the entire MWCEP to enter FEED. Pilot will shortly commence a 4-month engineering work program to close out the MWCEP Pre-FEED assessment and position both the CO₂ project and Ammonia project to enter FEED in Q1 2024. This workstream will be undertaken by Pilot and Samsung under the arrangements announced on 30 October 2023. • 8 Rivers completed design basis and execution plan for the projects blue hydrogen production system and CO₂Tech is finalising the permit wide CO₂ storage contingent resource assessment Pilot is currently incorporating the outputs of these studies into the project design and assessing the potential to increase the scale of CO₂ Storage and ammonia production. MWCEP overall design and key project metric accounting for the potential increases in project scale, are expected to be confirmed prior to commencing the Pre-FEED close out activities. • RISC Advisory has identified a draft integrated field development plan to supply gas from the Leander Complex and Frankland
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	(subject to exploration and appraisal success) in to the MWCEP. Pilot is currently reviewing the draft plan.
2. Regulatory and environmental approvals	<ul style="list-style-type: none"> • Following the application to the Commonwealth offshore regulator NOPTA for the Declaration of a Greenhouse Gas Storage formation in November 2022, there continues to be active engagement with NOPTA. • Continued engagement with WA State & Commonwealth governments on the execution and regulatory approval of the project. • Continued development of the MWCEP approvals strategy
3. Project partnering & offtake	<ul style="list-style-type: none"> • Pilot is now in advanced discussions with several strategic and financial parties to partner in the MWCEP. In this regard, various agreements (including with Samsung C & T as detailed below) have been entered into with North Asian strategic and financial partners and customers to set the framework for participation in the project. Interested parties include those with capacity to participate as an equity participant, ammonia and or CO₂ storage offtake and to act as the project engineering, procurement, and construction contractor. • On 31 October 2023, Pilot announced the entry of Samsung C&T into the MWCEP as a partner across the CO₂ Storage and Ammonia aspects of the project. Under the Samsung arrangement, Pilot and Samsung are undertaking an initial work programme to position the project to enter FEED in Q1 2024. Details of the arrangements are set out on the front page of this Report.
4. MWCEP Governance framework	<ul style="list-style-type: none"> • Developing and implementing governance and project management framework based on the Project Management Institute (PMI) principles. Framework includes management plans addressing risks, cost control, schedule, change management, stakeholders, communications, and procurement strategy. • The governance framework will be employed throughout the full project lifecycle providing a comprehensive roadmap guiding the project team and stakeholders.

Table 1 MWCEP key activity status

Carbon Management Services

Pilot's feasibility studies and ongoing market engagement highlight the significant opportunity to provide carbon management services to domestic and international emitters. Following the entry into arrangements with the two CO₂ capture technology partners, Svante and KC8 and international CO₂ marine transportation and storage solution provider KNCC

Pilot has led engagement with a number of emitters focusing on industries operating in the Mid West and Kwinana regions of Western Australia. Engagement activities include direct engagement with emitters, Kwinana Industries Council and Pilot presenting to the Kwinana Major Projects conference (August 2023) on the Kwinana to Cliff Head Seaborne CO₂ export and permanent offshore storage opportunity (refer to Kwinana Major Projects Conference - Kwinana to Cliff Head presentation dated 21 August 2023 – pilotenergy.com.au/presentations). The Pilot, KNCC and Svante teams also participated in the Gastech 2023 conference in Singapore broadening the potential scope of customers for the project's carbon management service.

CORPORATE ACTIVITIES

Cash on hand

Cash on hand at 30 September 2023, was \$1.6 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 (of which 50% is attributable to Pilot). US\$4.4 million (100% JV) oil sale proceeds were received on 5 September 2023. Next oil delivery is scheduled for November 2023 with sale proceeds anticipated to be received in December 2023 in the amount of ~US\$1.9 million (100% TEO).

Share Capital

As at the date of this Report, the Company had the following capital structure:

- 1,037,557,606 shares on issue
- 282,543,703 outstanding (unlisted) options

Contingent and Prospective resources

(i) Oil & Gas

The Company refers to the 2022 Cliff Head Oil Field Reserves assessment as noted in the 2022 Annual Report. The Company notes that during the period 1 July 2022 through to 30 September 2023, 270,210 bbls (Pilot share 57,420 bbls) of oil have been produced.

Pilot has internally assessed the prospective gas and oil resources associated in WA-481-P which are in addition to the existing Dunsborough contingent oil resource (2C) of 6 million barrels and Frankland contingent gas resource (2C) of 42 Bcf gas¹.

¹ Refer to RISC January 2021 report attached to the Royal Energy acquisition Independent Experts Report

WA-481-P Prospective Resources

	Prospective Resource (Best)
Leander Complex (Gas)	450 Bcf
Cliff Head SW (Oil)	13 million bbls
Babbler (Oil)	19 million bbls
Brahminy (Oil)	9 million bbls

(ii) Carbon Capture and Storage

As reported in the Company's 2022 Annual Report, the CHJV technical teams, along with CO2Tech during 2022, have undertaken a full technical assessment of the CO₂ storage potential across the WA 31-L tenement area. This work stream expanded key technical models to cover the entire WA 31-L and adjacent area (expanding into Pilot's 100% held WA 481-P exploration licence). Set out below are the results of the Resource Assessment. CO2tech review of the CO₂ Storage resources is expected to be finalised during the quarter ending December 2023.

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)	7	9.7	13.4
Prospective Storage Resource (million tonnes)	1U	2U	3U
WA 481P (Pilot share, 100% basis)	46.2	80.4	144.2

*Based on Resource Assessment by CO2Tech, prepared in accordance with the SPE SRMS Guidelines for estimating CO₂ 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.

ASX Reporting

As agreed with the ASX, the Company will continue to provide the following additional information on the allocation of expenditure between its oil and gas activities and Mid West Wind and Solar expenditures.

Expenditure Category	Quarterly Expenditure 1 July – 30 September 2023 (\$'000)	Proportion of total expenditure
Oil & Gas Activities	3,244	99%
<ul style="list-style-type: none"> Cliff Head operations and capex* 	2,361	72%
<ul style="list-style-type: none"> Other exploration and evaluation expenditure 	883	27%
Mid-West Wind and Solar	38	1%
Total	3,282	100%

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 Reconciliation

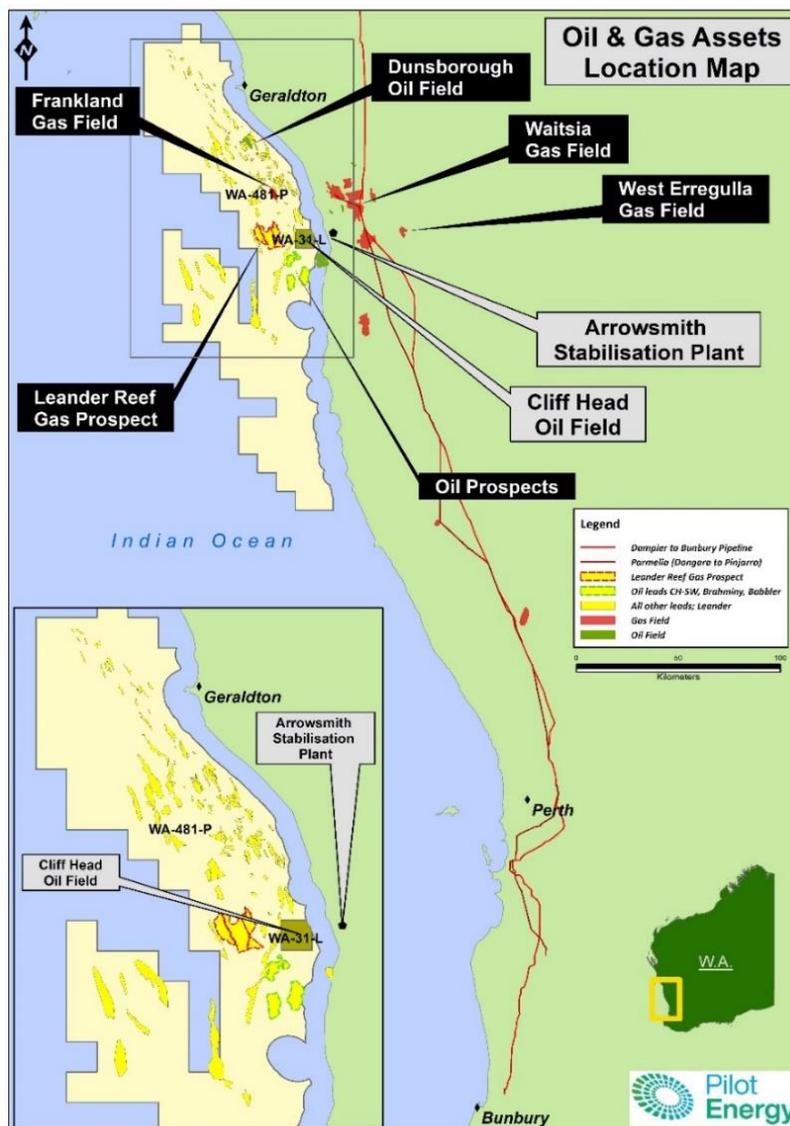
The Company continues to engage with the ASX in respect of this issue and the requirement to comply with Chapters 11, 1 and 2 of the Listing Rules. In October 2022, ASX agreed to a variation to the limitation it previously placed on expenditure by the Company relating to preliminary activities connected to renewable energy to allow for further expenditure on such activities of an additional \$1.5 million over the next 12 months before ASX would consider such activities to constitute a change in nature and scale of Pilot's activities in terms of Listing Rules Chapter 11.

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 ⁽ⁱ⁾	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%

i) The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Participating interest is subject to completion of the Triangle restructure as noted in ASX announcement dated 27 July 2023 and summarised in the body of this Report, as well as the transaction with Samsung C&T as detailed in this Report, which would ultimately result in an 80% direct interest in the permit.



Pilot Oil and Gas asset map

Competent Person Statement

This announcement contains information on conventional petroleum resources and CO₂ Storage 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's degree 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.

END

This announcement has been authorised for release to ASX by Bradley Lingo, Chairman and Tony Strasser, Managing Director on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

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

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 CCS Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CCS 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 in exploration permit WA-481-P, located offshore Western Australia.

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 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	303
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(299)	(1,496)
(e) administration and corporate costs	(493)	(1,826)
(f) professional fees – project costs	(367)	(712)
1.3 Dividends received (See note 3)	-	-
1.4 Interest received	15	25
1.5 Interest and other costs of finance paid	(2)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,101
1.8 Other		
1.9 Net cash from / (used in) operating activities	(1,146)	(2,613)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & feasibility expenditure (if capitalised)	(921)	(4,130)
(e) investments	-	-
(f) other non-current assets	-	(225)

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	(432)	(432)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(1,353)	(4,787)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,074
3.2	Proceeds from issue of convertible debt securities	-	3,000
3.3	Proceeds from exercise of options	353	353
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(150)	(282)
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 (Convertible Note Coupons)	(92)	(92)
3.10	Net cash from / (used in) financing activities	111	7,053

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,053	2,015
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,146)	(2,613)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,353)	(4,787)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	111	7,053

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
4.5	Effect of movement in exchange rates on cash held	(4)	(7)
4.6	Cash and cash equivalents at end of period	1,661	1,661

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,661	4,053
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,661	4,053

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

Current quarter \$A'000
271
-

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,146)
8.2 Capitalised exploration & feasibility expenditure (Item 2.1(d))	(921)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,067)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,661
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,661
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.80

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: Future net operating expenditures over the next two quarters are expected to reduce and will be managed in line with available cash resources. Work is continuing in relation to CHCCS FEED and spend is discretionary.

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 investor(s) to invest funds into company in the short term as well as its equity capital advisers regarding ongoing capital funding initiatives.

Furthermore, as previously announced, the Company is continuing its advanced discussions with potential partners to participate/farmin/invest in the Company's Mid West Clean Energy Projects.

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, on the basis described above.

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.

Date: 31/10/2023.....

Authorised by: BY THE BOARD

.....
(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.