

7 November 2023

**Sam Dorland, Adviser**  
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**BY EMAIL:** [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

sam.dorland@asx.com.au

**(ASX: PGY)**

Dear Sam and Listings Compliance, Perth

**PILOT ENERGY LIMITED – “AWARE” QUERY – REQUEST FOR INFORMATION**

We refer to your letter dated 6 November 2023 (**RFI**) and now respond to your questions as follows.

- 1. Does PGY consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is “no”, please advise the basis for that view.**

Not applicable

- 3. When did PGY first become aware of the Information?**

On 2 November 2023. Please see response to Q4 below detailing PGY's decision to undertake a capital raising.

- 4. If the answer to question 1 is “yes” and PGY first became aware of the Information before the relevant date, did PGY make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe PGY was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PGY took to ensure that the information was released promptly and without delay.**

The Company entered into an engagement with the managing broker on 2 November 2023 after market close, for the purpose of facilitating a capital raising. The decision to proceed with the capital raising on the following day (3 November 2023) was taken by the Board of

Directors after the close of the market on 2 November 2023 (via circular emails) following the advice of the broker that he had sophisticated investors who would be interested to take up stock in the Company but only at a discount to the trading price. As indicated in the capital raising announcement lodged on 6 November 2023, the issue price of \$0.02 represents a 4.8% discount to the closing price of \$0.21 per share on 2 November 2023 (being the last trading day prior to the Company entering into a trading halt on 3 November) and a 25% discount to the 5-day VWAP.

The Company applied for a trading halt prior to the market opening the day the raise was to proceed (3 November 2023) in order to ensure that the capital raise proceeded in an orderly market.

- 5. When was PGY first approached by any of the ‘sophisticated and institutional investors’ in relation to the Capital Raise? In answering this question, please specify a date and time.**

Sophisticated investor approached PGY via the broker on 2 November 2023 after market close at circa 4.35pm. PGY considered the expression of interest from the investors via the broker as the first step of an incomplete negotiation which was insufficiently definite and did not warrant immediate disclosure under Listing Rule 3.1.

- 6. Please confirm that PGY is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is complying with the Listing Rules and, in particular, with Listing Rule 3.1.

- 7. Please confirm that PGY’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.**

Pilot confirms its responses to the above questions have been authorised and approved for release by Tony Strasser, Managing Director of Pilot under his delegated authority from the Board.

Yours faithfully

*Cate Friedlander*

Cate Friedlander  
Company Secretary  
**Pilot Energy Limited**



6 November 2023

Reference: 84007

Ms Cate Friedlander  
Company Secretary  
Pilot Energy Limited

By email

Dear Ms Friedlander

**Pilot Energy Limited ('PGY'): General – Aware Query**

ASX refers to the following:

- A. ASX's letter of 1 November 2023 to PGY noting the decrease in the price of PGY's securities from a high of \$0.03 to a low of \$0.023 on 1 November 2023 ('Relevant Period') as well as the significant increase in the volume of PGY's securities traded during the same period ('Price Query Letter').
- B. PGY's response to the Price Query Letter ('PGY Response') which included the following responses to questions 1 and 3 of the Price Query Letter:

*Q1 - Is PGY aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?*

***PGY Response – "As at the date of this letter, PGY is not aware of any information concerning it that has not been announced to the market."***

*Q3 – If the answer to question 1 is "no", is there any other explanation that PGY may have for the recent trading in its securities?*

***PGY Response – "No"***

- C. On 3 November 2023, prior to the commencement of trading, PGY requested and was granted a trading halt in its securities 'pending a capital raising that the Company is proposing to execute' ('Trading Halt').
- D. PGY's announcement entitled "Pilot completes capital raising" lodged on the ASX Market Announcements Platform and released at 6:46 AM WST, today 6 November 2023 ('Capital Raise Announcement'). The Capital Raise Announcement disclosed the following:
- (i) details of PGY's \$2.4 million capital raise, by way of a placement to sophisticated and institutional investors, priced at \$0.02 per share, together with one new unlisted option for every four new shares issued ('Capital Raise'); and
  - (ii) with regard to the capital raise, that PGY 'was approached by a small group of sophisticated and institutional investors in Australia' (together, the 'Information').
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4*

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*in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information.”*

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

- H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

### **Request for information**

Having regard to the above, ASX asks PGY to respond separately to each of the following questions and requests for information:

1. Does PGY consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did PGY first become aware of the Information?
4. If the answer to question 1 is “yes” and PGY first became aware of the Information before the relevant date, did PGY make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe PGY was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PGY took to ensure that the information was released promptly and without delay.
5. When was PGY first approached by any of the ‘*sophisticated and institutional investors*’ in relation to the Capital Raise? In answering this question, please specify a date and time.
6. Please confirm that PGY is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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7. Please confirm that PGY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Wednesday, 8 November 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PGY's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PGY to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PGY's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PGY's securities under Listing Rule 17.3.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to PGY's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PGY's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

#### **Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

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## Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

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**Sam Dorland**  
Adviser, Listings Compliance