

Announcement to ASX

ASX: PGY

23 July 2024

Cliff Head joint venture acquisition update

Pilot Energy Limited (**ASX: PGY**) ('Pilot' or the 'Company') is pleased to provide an update to its earlier announcement to the market on 23 July 2023 regarding the sale and purchase arrangements it has entered into with Triangle Energy (Global) Limited (**ASX: TEG**) (**Triangle**), under which Pilot is to acquire a 100% interest in the Cliff Head Joint Venture (**CHJV**).

Pilot and Triangle have agreed to amend the existing Sale and Purchase Deed in order to provide the parties sufficient time to complete the necessary Commonwealth regulatory approval process for the acquisition and ensure Pilot can continue progressing the proposed Cliff Head Carbon Storage project, which is a key component of the broader Mid West Clean Energy Project (**MWCEP**).

The amended arrangements result in the CHJV assets transferring to Pilot over two stages. Initially, ownership of the WA State based assets (Arrowsmith freehold land and facilities and infrastructure licences) will transfer to Pilot. Subject to the National Offshore Petroleum Titles Administrator (**NOPTA**) approving the transfer of the remaining CHJV assets and licences located in offshore Commonwealth waters (**Condition Precedent**), Triangle will transfer these remaining assets to Pilot at a later date.

Key amendments to the existing agreement (as announced on 23 July 2023) are:

- Triangle will sell and transfer its interests in the Arrowsmith freehold land and facilities to Pilot for cash consideration of \$4.5 million plus reimbursement of Triangle's share of operating costs from 1 August 2024, to be paid in staged payments between mid-October and 31 December 2024;
- Subject to satisfaction of the Conditions Precedent described above, Triangle will sell and transfer its remaining interests in the CHJV for cash consideration of \$4.0 million (payable when the Cliff Head Carbon Storage project is awarded an injection licence)

As previously announced in relation to the 23 July 2023 agreement, Pilot will also pay a royalty (subject to an aggregate cap of \$7.5 million) to Triangle in respect of third party revenues associated with the proposed Cliff Head Carbon Storage project.

Pilot's chairman Brad Lingo said: *"With the recent receipt of the Commonwealth Government approval of the Declaration of Storage Formation covering the CH JV Production License area as suitable for safe and permanent carbon storage, the amended Sale and Purchase arrangements with Triangle allow for an orderly transition of the current Cliff Head oil production operation into the proposed conversion to a permanent carbon storage facility. The orderly and systematic transition of these operations will enable Pilot to provide Western Australian major carbon emitters with a concrete, proven carbon abatement option that is both safe and permanent."*

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo on behalf of the Board of Directors.

Enquiries

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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 CO2 Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CO2 Storage 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.