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Announcement to ASX
31 October 2024

30 SEPTEMBER 2024
QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

HIGHLIGHTS

- **Major expansion of Cliff Head Carbon Storage Project area** – Pilot awarded Greenhouse Gas Assessment Licence G-12-AP and now holds 100% interest across all exploration tenements across the Offshore Perth Basin. G-12-AP is immediately adjacent to the Declared Greenhouse Gas Storage Formation (**Declaration**) issued over the WA-31-L licence area and overlaps Pilot's WA 481-P gas exploration licence. Pilot's greenhouse gas acreage has now expanded significantly from 72km^2 (**WA 31-L**) to a combined 7432km^2.
- **Offer received to acquire Three Springs Solar Project -** received a non-binding offer to acquire a 100% of the 376MW solar farm development project (**Three Springs Project**) located in Three Springs, Western for $11.5 million (to be finalised after due diligence and documented in the Asset Sale Agreement).
- **Cliff Head Joint Venture Acquisition Update** - Pilot and Triangle Energy (Global) Limited (**Triangle**) reached an agreement to further vary the terms of the transaction for Pilot to complete the acquisition of a 100% interest in the Cliff Head Joint Venture (**CHJV**) (the **Transaction**) by year end.
- **Commonwealth CCS Grant –** Pilot received $3 million as part of the $6.5 million grant to support the Mid West Clean Energy Project (MWCEP) providing carbon capture services under the Carbon Capture Technologies Program.
- **Korean Consortium support for MWCEP –** Continued engagement with the consortium of Korean companies comprising Korea's major power generation and energy companies seeking equity participation in the MWCEP to progress towards the execution of a project development agreement the by year end.
- **At-The-Market Subscription Agreement -** the Company entered into an At-The-Market Subscription Agreement (**ATM**) with Dolphin Corporate Investments. The ATM provides Pilot with access to up to $7,500,000 of standby equity capital over the next 3 years.
- **Successful completion of equity capital raise –** equity placement raised $3.86 million (before costs) to sophisticated and professional investors.

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 2024 (and post quarter events to date).

DEVELOPMENT ACTIVITIES

Offer received to acquire Three Springs Solar Project

On 9 October, Pilot announced it received a non-binding offer to acquire 100% of the Three Springs Project 376MW solar farm development project being developed by Pilot, located in Three Springs, Western Australia. Pilot has been progressing the Three Springs Project to support the delivery of low carbon ammonia from the MWCEP.

Pilot's MWCEP Project team has identified opportunities to source renewable generation closer to the proposed ammonia project site. Divesting the Three Springs Project at this time allows the Company to recycle capital into the newly identified locations and to continue progressing the MWCEP.

The non-binding offer from EDP Renewables APAC (https://www.edpr.com/en), remains subject to satisfaction of conditions precedent. The Company anticipates completion of the transaction will occur prior to the close of the calendar year. The key terms of the non-binding offer are:

- Acquisition Price: $11.5 million over a series of staged payments (to be finalised after due diligence and documented in the Asset Sale Agreement); and
- Conditions Precedent:
  - Parties entering into a definitive Asset Sale Agreement;
  - Completion of due diligence;
  - Buyer internal approval; and
  - FIRB Approval (if required).

Cliff Head Joint Venture Acquisition Update

On 11 October, Pilot and Triangle reached an agreement to further vary the terms of the transaction to complete Pilot's acquisition of a 100% interest in the Cliff Head Joint Venture.

As previously announced (refer ASX:PGY on 23 July 2024), the first stage of the Transaction comprises the transfer of the Arrowsmith freehold land and facilities (**Arrowsmith Assets**) and the reimbursement of Triangle's share of the CHJV operating costs from 1 August 2024 (together, the **First Stage**). The completion date for the First Stage has now been extended to 29 November 2024.

The payment of the consideration for the First Stage has now been revised as follows:

- on 18 October 2024, Pilot paid to Triangle the amount of $400,000 as a non-refundable down payment for the Arrowsmith Assets and $2,000,000 (plus interest at 15% from 1 August 2024 to 18 October 2024) as reimbursement of the past operating costs of the CHJV;
- on 29 November 2024, Pilot will pay to Triangle the amounts of $1,600,000 (plus interest calculated at 15% from 1 August 2024 to 29 November 2024 and $2,500,000 in respect of the transfer of the Arrowsmith Assets; and

- upon completion of the purchase of the Arrowsmith Assets on 29 November 2024, Pilot will have paid Triangle total purchase consideration of $4,500,000 (excluding accrued interest). This purchase price remains unchanged from the price originally agreed and as was previously announced by the Company on ASX:PGY 27 July 2023 and 23 July 2024.

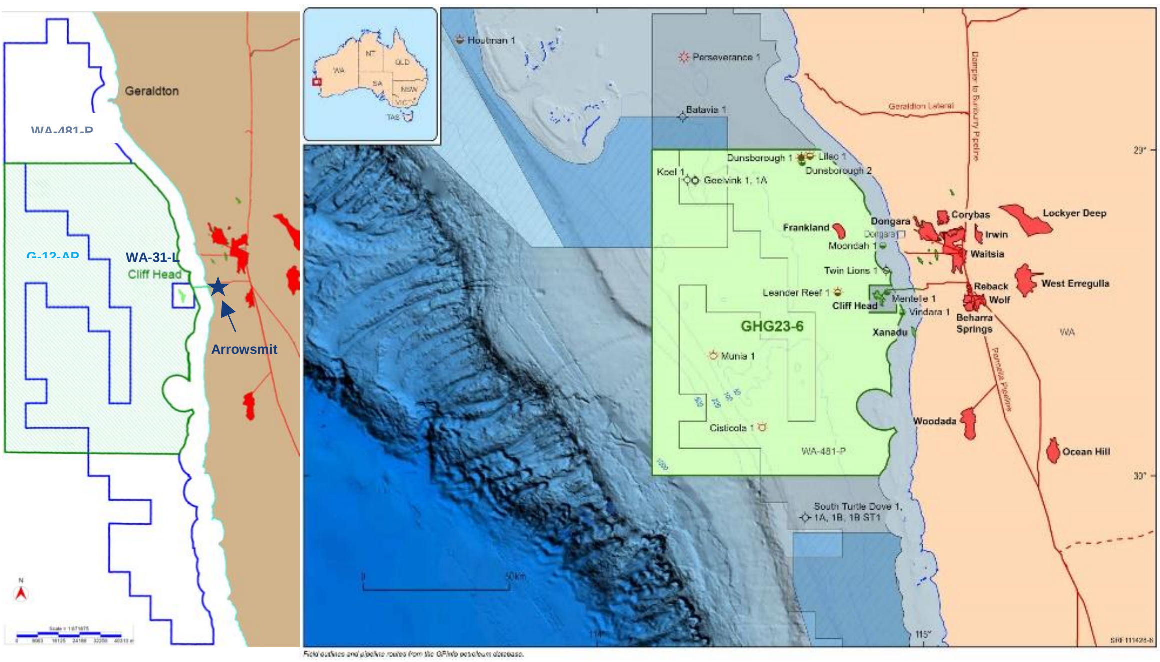
Following the payment of the amounts due to Triangle on 18 October 2024, Pilot has assumed responsibility for 100% of the running costs of the CHJV from that date and has appointed an additional director to the Board of Triangle Energy (Operations) Limited – the operator of the CHJV.

Cliff Head Carbon Storage Project – Award of 7,360km^2 G-12-AP GHG assessment licence

During the quarter, the Company announced it had been awarded a large Greenhouse Gas Assessment (**GHG)** Licence G-12-AP located in the Offshore Perth Basin. G-12-AP is immediately adjacent to Pilot's recently announced Declared Greenhouse Gas Storage Formation (**Declaration**) issued over the WA-31-L licence area and overlaps Pilot's WA 481-P gas exploration licence.

The area within the Declaration area and the area the subject of G-12-AP combined provide Pilot a commanding and contiguous acreage position on a 100% basis (subject to completing the WA-31-L Transaction) across the highly prospective Offshore Perth Basin. G-12-AP substantially expands Pilot's greenhouse gas acreage **from 72km^2 (WA 31-L) to a combined 7432km^2**.

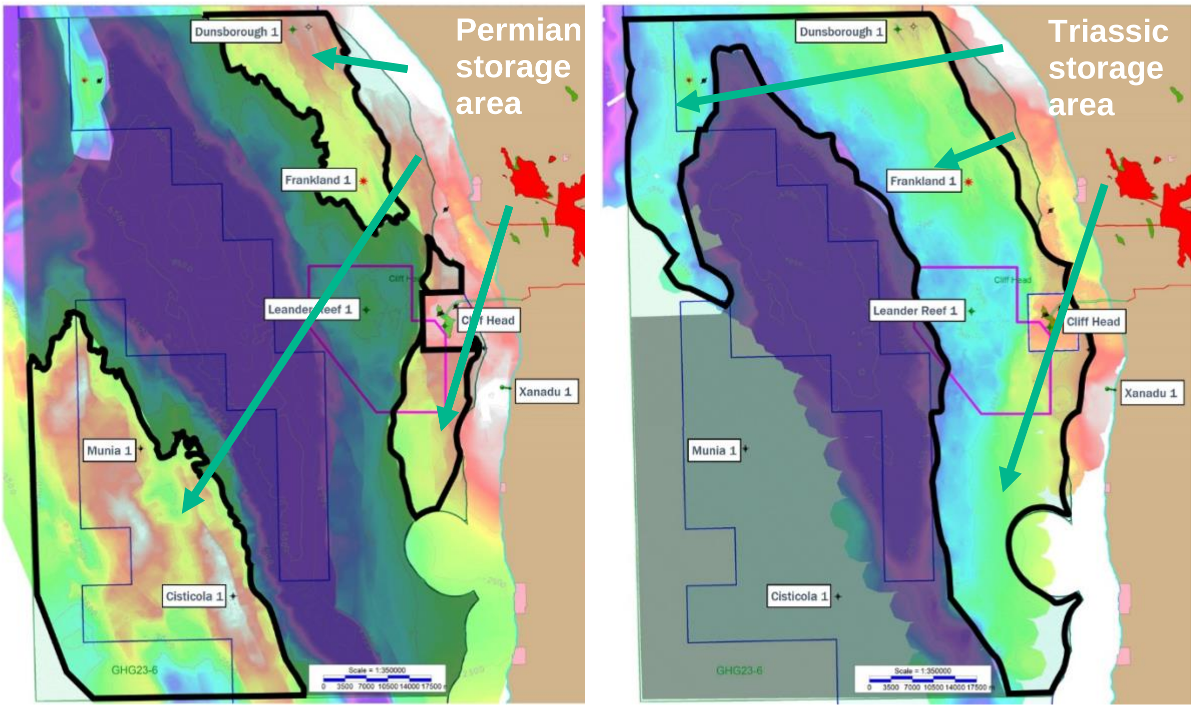
Figure 1 Pilot Energy Offshore Perth Basin tenements



Pilot's offshore gas and carbon exploration tenements and associated work programs are complementary and provide Pilot flexibility as it explores and appraises the regions material gas and greenhouse storage targets. Under the complimentary licences, Pilot can undertake exploration activities targeting both gas and carbon storage opportunities. By way of example, the planned 3D seismic survey over the Leander gas prospect (450bcf prospective resource – refer ASX:PGY on 9 March 2023) and potential follow-on gas appraisal well, can also appraise the greenhouse gas storage resources.

Pilot is playing a leading role in developing Australia's offshore carbon storage industry, having been granted Australia's first Declaration over the Cliff Head project WA-31-L licence area (refer ASX:PGY on 14 June 2024). The technical data set and subsurface models which supported the granting of this approval, provide Pilot with the blueprint to explore and appraise the wider offshore Perth Basin region. Pilot's initial assessment of the carbon storage potential has highlighted significant carbon storage expansion potential across a majority of the G-12-AP licence with Permian and Triassic potential greenhouse gas storage target areas already identified (see Figure 2 below).

Figure 2 Permian and Triassic target carbon storage area



Subject to the successful exploration and appraisal of new carbon storage formations, the expanded licence area has the potential to provide a series of permanent carbon storage locations with a similar scale to the over 100 million tonne carbon storage resources identified in the WA 31-L licence area[1]. Pilot is focussed on progressing this expanded offshore Perth Basin position into a world class carbon storage operation, providing Western Australian and international emitters a permanent and safe solution to materially reduce industrial emissions. Water depths across G-12-AP range from 10 metres in the inboard shallow water portion in the east, down to approximately 1200 metres in the southwest.

Based on preliminary technical assessment, priority GHG target areas across G-12-AP have been identified within Permian and Triassic-Jurassic reservoirs. Potential GHG plays in these areas will be matured via G & G studies which make up the six year work program and are

[1] Refer to 1 July 2024 ASX:PGY - Major increase to Cliff Head Carbon Storage Resource

focused on relevant attributes including, but not limited to, the following:

- Reservoir presence, depth, and prognosed thickness and properties, through integrated well and seismic stratigraphic studies
- Overlying seal presence and configuration
- Geomechanical studies of faults and their throw in relation to seals and stress field orientation
- Trapping mechanisms
- Potential risks to containment
- Storage volume potential
- Access to existing or new infrastructure

These activities are directed at identifying storage prospects and assembling these into a seriatim of GHG ready to drill exploration and appraisal opportunities across the full acreage area.

There are significant synergies and efficiencies to expedite the GHG exploration program in G-12-AP through access to results of firm work activity in underlying WA-481-P, namely 400 km^2 of new 3D seismic acquisition and drilling of one exploration well.

Cliff Head Carbon Storage Project – Material Carbon Storage Resource Upgrade

Following receipt of the Declaration, the Company announced a material carbon storage resource upgrade (refer ASX:PGY on 1 July 2024). While the Declaration application process was pending, the Company continued to progress the definition of the carbon storage resource potential and development plan for the Cliff Head Carbon Storage Project. Based on this on-going work, the Company's independent technical consultant completed an updated resource assessment resulting in a material 370% upgrade to the Carbon Storage Resources across the WA-31-L licence area.

The 2C contingent resource for WA-31-L licence area has increased from 9.7 million tonnes[2] to 45.6 million tonnes (100% basis) with the assessment completed in accordance with Society of Petroleum Engineers Storage Resource Management System. With the Declaration approved, the Contingent Storage Resource has been classified as Development Pending, the highest level of maturity for a contingent resource.

[2] Refer to ASX:PGY "CHJV Update – Storage Resource Upgrade & NOPTA Submission" dated 30 November 2022.

Table 1 WA 31-L Carbon Storage Resources[3]

WA 31L Carbon Storage Resources (31 March 2024, 100% basis)					
Classification	Structure	Reservoir	Storage Resource (Mt of CO_2 Equivalent)		
			1C | P90	2C | P50	3C | P10
Contingent Resource (Development Pending)	Cliff Head & Mentelle	IRCM & HCS	**24.2**	**45.6**	**67.0**
				2U | Best Estimate	
Prospective Resource (Lead)	Illawong	IRCM & HCS		**50.4**	

Cliff Head Carbon Storage Project - Commonwealth CCS Grant

During the Quarter, the Company announced it had been awarded a $6.5 million grant to support the MWCEP, providing carbon capture services to the Mid West Region of Western Australia (refer ASX:PGY on 23 July 2024). To date, the Company has received $3 million under this grant.

The grant was awarded to Pilot under the Commonwealth Department of Climate Change, Energy, the Environment and Water ('DCCEEW') - Carbon Capture Technologies Program. The grant funding enables Pilot to progress engineering and technology demonstration activities across three sources of carbon with the initial potential to capture 200,000 – 300,000 tonnes of carbon per annum. This volume represents approximately 50% of the estimated volume required to support Pilot's Cliff Head Carbon Storage Project.

Activities under the grant program commenced during the quarter with a focus on commercial arrangements with emitters and technical engineering firms. Pilot and Capture6 are progressing a joint development agreement to facilitate the deployment of the demonstration unit at the Arrowsmith site. Members of the Cliff Head operations team will be assisting with the grant activities including project management, controls and onsite activities to prepare, construct and operate the Capture6 demonstration facility.

In parallel with the core grant activities, Pilot and Capture6 are exploring potential revenue opportunities. Expansion of the front-end water processing may create an opportunity to supply industrial water from the existing Cliff Head plant site to local industries. Within the Arrowsmith site, raw water can be supplied from an onshore water well or by re-starting one

[3] Following completion of the acquisition of the remaining Cliff Head interests from Triangle Energy (Global) Limited, Pilot will hold a 100% interest in the Cliff Head oil project and proposed Cliff Head Carbon Storage project. Prior to completion, Pilot holds a 21.25% interest in the projects and the Storage Resources.

or more of the existing offshore wells (subject to regulatory approvals for raw water supply and sale of industrial water). There may also be an option to bring forward direct air capture to initiate carbon capture. Early carbon volumes may assist with initial commissioning of the carbon storage project prior to full operations.

Korean Consortium support for Mid West Clean Energy Project

The Company also announced that following the Declaration for the Cliff Head Carbon Storage Project, support had been secured from a consortium of Korean companies for the MWCEP (refer ASX:PGY on 17 July 2024). The consortium, which is comprised of Korea's major power generation companies and energy companies (**K-Consortium**), has been formed to review equity participation in the MWCEP, currently being solely developed by the Company. As advised in the above referred PGY ASX announcement, the K-Consortium has expressed a deep interest in the MWCEP and wishes to respond to the Korean hydrogen power generation auction market[4] by securing ammonia offtake from the MWCEP.

The K-Consortium has formally appointed technical, market, financial and legal advisors and intends to conduct detailed due diligence on the proposed Project. Pilot and the K-Consortium will concurrently commence negotiating the key terms of the Joint Development Agreement **(JDA**) and will jointly fund the commencement of FEED based on the results of the due diligence. The K-Consortium intends to secure a major stake in the MWCEP.

During the Quarter, Pilot and the K Consortium teams held a number of workshops in Australia and Korea to progress due diligence and commercial negotiations to progress towards the execution of a project development agreement the by year end. Collectively, the teams agreed to finalise due diligence on a basis of a preferred hydrogen production technology. Pilot and Genesis Energies (**Owners Engineer**) in collaboration with a leading hydrogen technology provider, completed an accelerated review of Steam Methane Reforming (**SMR**) and Auto Thermal Reforming (**ATR)** technologies.

The technical and economic analysis indicated SMR and ATR technologies could both achieve the Project targets of cost competitive low carbon intensity ammonia. Carbon intensity was identified as a key differentiating factor. Accounting for the potential economic uplift from Australia's proposed hydrogen production tax incentive (**HPTI**) and international markets focus on carbon intensity, ATR was selected as the preferred technology platform as it provides a range of options to optimise carbon intensity and was assessed as being likely to achieve 0.6kg CO_2/Kg H_2.

Australia's Treasury HPTI consultation paper indicates a technology agnostic approach to determining which hydrogen production projects are eligible for the $2/kg incentive. Although the paper references renewable hydrogen, the details of the incentive refer to eligible hydrogen, with the payments available to new hydrogen projects that satisfy:

- Carbon intensity at the production gate of less than or equal to 0.6kg CO_2 /kg H_2;

4 https://english.motie.go.kr/eng/article/EATCLdfa319ada/1859/view?pageIndex=1&bbsCdN=2

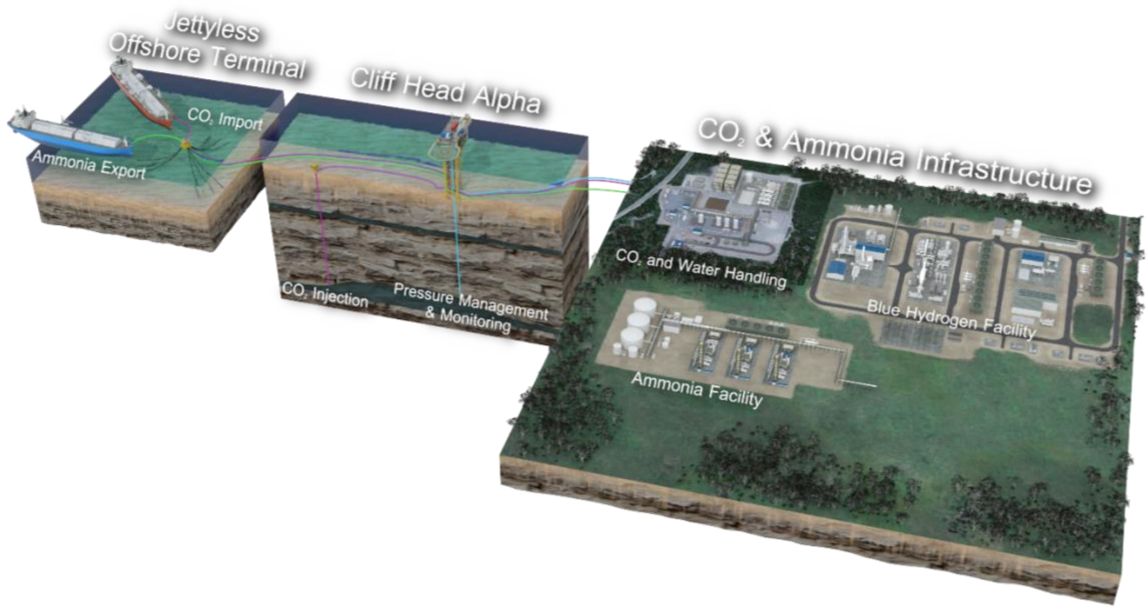
- FID on or before 30 June 2030; and
- The relevant production facility to have a minimum capacity at least equivalent to a 10 MW electrolyser.

Therefore, on the basis of the consultation paper, and subject to satisfying these criteria, it appears that the MWCEP may be able to receive payments under the HPTI scheme where it satisfies the eligibility criteria as set out above. At the current proposed scale of MWCEP ammonia production, the project will produce ~ 165,000 tonnes per annum hydrogen that may be eligible for the $2/kg incentive payment.

MWCEP technical development

During the Quarter, Pilot continued development activities for the MWCEP (refer to the figure below) with a continued focus on the Project's foundational elements, including 1) securing key regulatory and environmental approvals, 2) concluding technology assessment and preparing for FEED award, and 3) continued engagement with potential equity participants and offtake customers for both Clean Ammonia and Carbon Storage.

Figure 3 Pilot's MWCEP overview schematic



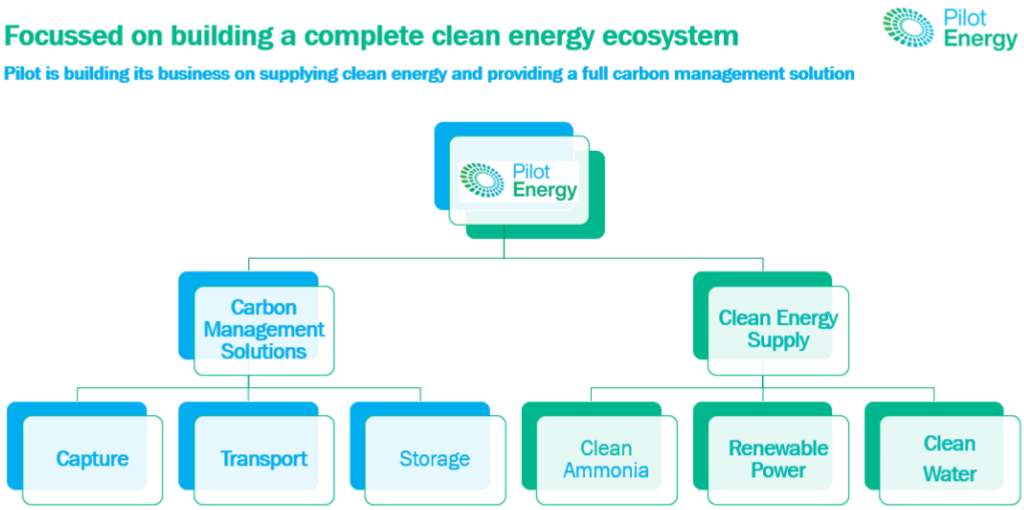
Pilot initiated the MWCEP to leverage the existing Mid West operational asset base (comprising the Cliff Head offshore oil production facility and onshore Arrowsmith separation plant) into the production of clean energy. The Project includes a permanent Carbon Storage reservoir created from the conversion of the operating Cliff Head offshore oil field, which will be able to store carbon generated by third parties and from the clean Ammonia Project.

During the quarter, the technical team focussed on the hydrogen production technology review (noted above) and preparing the necessary basis of design and FEED tender documents. Pilot expects to commence tendering for FEED later in Q4 2024.

MWCEP commercial development – ammonia offtake and carbon management

The MWCEP product marketing covers the Project's clean energy ecosystem and is seeking customers across both the carbon management solutions and clean energy supply streams. Throughout the September quarter, Pilot has continued active market engagement to secure firm commercial arrangements for offtake for both clean ammonia production and providing carbon management and storage service.

Figure 4 Pilot's MWCEP clean energy ecosystem



Ammonia marketing is currently managed as part of the MWCEP partnering process. The MWCEP Ammonia offtake strategy allows project partners to secure a priority right to their participating interest share of ammonia.

Significant progress has been made in securing firm commercial offtake arrangements for clean ammonia production through direct equity participation in the MWCEP with the recent confirmation of the K-Consortium's support for the MWCEP. Pilot has also continued its broad engagement outside of the K-Consortium with a focus on partners and customers for the Carbon Storage Project.

Separately, the team are actively engaging with Australian and international emitters on a range of carbon management solutions. Pilot has finalised a carbon storage management terms sheet with a major emitter south of Perth. Pilot is continuing to progress a second terms sheet to undertake an initial assessment of the opportunity to capture and store carbon from a confidential Mid West emitter supported by the recent Commonwealth $6.5millon grant.

MWCEP regulatory approvals

During the Quarter, the Company continued engagement with key government stakeholders and regulators. Specifically aligning schedule and approach to the environmental approvals with relevant state and federal regulators.

In order to meet the critical timeline on the environmental approvals, a flora and fauna survey was procured during the quarter, ready to be executed beginning of next quarter. The consultants selected to execute the surveys will be supported by rangers from Yamatji Southern Regional Corporation as part of an educational capability development, which Pilot is proud to support.

Upstream Gas-focused Exploration – WA-481–P

Pilot holds a 100% operated interest in the 8,605km^2 permit located in shallow waters offshore Western Australia encompassing the Dunsborough oil field, Frankland gas field and the Leander Complex gas target identified by Pilot's technical team.

The offshore petroleum system within WA-481-P shares many attributes with the onshore 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).

Ongoing technical work by Pilot is focussed on the large Leander Complex gas prospect located approximately 15km west of the Cliff Head oil platform and three oil prospects (Babbler, Brahminy and Cliff Head SW) in close proximity to Cliff Head. Within the Leander gas play fairway, Pilot has also identified significant resource potential at Harrier, Hawk and other prospects identified on sparse 2D seismic. These have large gas in place (**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 include the Leander Complex gas resource of 450 Bcf (Best Estimate) and the Babbler, Brahminy and Cliff Head SW oil resources of 41 million barrels (Best Estimate). 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 located within WA-481-P.

The Leander Complex prospective gas resource estimate of 450 Bcf (Best Estimate) 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-481-P could leverage the proposed Cliff Head carbon 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 hydrocarbon prospectivity in the permit.
- Ongoing stakeholder and regulatory work for the Eureka 3D marine seismic survey which represents part of the current permit year work commitment of a minimum 400km^2 of new 3D acquisition and processing.
- A comprehensive Environmental Plan (**EP)** for the Eureka 3D seismic survey was lodged with NOPSEMA for assessment on 2 February 2024. The EP was available for Public Comment from 21 February 2024 until 22 March 2024. Responses by Pilot to public comments were captured in a revised EP and subsequently submitted to NOPSEMA on 24 June 2024 as part of the EP assessment process. Pilot received a Request for Further Written Information request in relation to the EP submission on 3 September 2024.

Pilot is currently working through the request with a view to resubmitting a revised EP to NOPSEMA in November 2024.

- An ongoing farm-out process to secure domestic and/or international farm-in partner(s) for the upcoming WA-481-P seismic and future drilling campaigns.

PRODUCTION ACTIVITIES

Cliff Head Joint Venture Operation Report

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

Table 2 Cliff Head Joint Venture operational statistics

1 July - 30 September 2024	CHJV (100%)	Pilot (21.25%) **
Production (bbls)	11,223	2,385
Average daily production (bopd)	122	26
Sales revenue (bbls)	44,022	9,355
Average oil price received $ per bbl	121	121
Sales revenue ($'000)	5,328	1,132
Oil Inventory (0 bbls) ($'000)*	(5,608)	(1,192)
Routine operating costs ($'000) **	(2,497)	(1,750)
Operating Margin ($'000)	**(2,777)**	**(1,809)**
Trucking, storage & handling ($'000)**	(1,473)	(313)
Routine Profit ($'000)	**(4,250)**	**(2,122)**
Non-routine operating costs ($'000) **	(844)	(633)
Gross Loss (before tax, $'000)	**(5,094)**	**(2,756)**

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

** As per Sale and Purchase Deed with TEG, Pilot pays 100% operating costs from 1 August 2024. Trucking costs are paid by each JV participant in their respective participating interest. 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. Cliff Head commenced a Non Production Phase from 1 August. Production is suspended. Pilot currently (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.

CORPORATE ACTIVITIES

At-The-Market Subscription Agreement

On 8 August 2024 the Company announced it has entered into an At-The-Market Subscription Agreement (**ATM**) with Dolphin Corporate Investments (**DCI**). The ATM provides Pilot with up to $7,500,0000 of standby equity capital over the next 3 years. It also provides the Company with a cost effective and flexible funding option. A key advantage for Pilot utilising the ATM is the ability to control the timing of capital issuances with minimal dilution. There are no additional options, attaching options or rights, that are common in traditional equity placements.

To date, the Company has utilised the ATM over a request / option exercise period commencing on 21 August 2024 and ending on 20 December 2024 (**Valuation Period**). Upon expiry of the Valuation Period the Company will announce the final issue price of the Shares and the total amount raised. As at the date of this Report the Company has received a gross equity of $229,000 ($218,933 after fees).

Equity capital raise

As per ASX:PGY on 14 October 2024, the Company received commitments of $3.855 million (before costs) in a placement to sophisticated and institutional investors (**Placement**).

Under the terms of the Placement, the Company issued 214.2 million fully paid ordinary shares to sophisticated and professional investors at an issue price of $0.018 per Share to raise $3.855 million (before costs).

Participants in the Placement will also receive one (1) attaching listed option for every two (2) Shares allocated under the Placement, which will be exercisable at $0.033 each and have an expiry date two years from the date of issue (**Attaching Options**). These Attaching Options will be subject to shareholder approval to be sought at an EGM to be held before calendar year end. The Company will seek quotation of the Attaching Options on the ASX following receiving shareholder approval at the EGM.

Directors and Key Management Personnel have also participated in the Placement for a total of 2,461,111 Placement Shares and 1,030,556 Attaching Options. The issue of these Shares and Attaching Options is subject to shareholder approval at a general meeting of the Company scheduled to be held prior to the end of the calendar year (date to be confirmed).

Pilot will also issue thirty million (30,000,000) options, to be split equally between the Joint Lead Managers, on the same terms as the Attaching Options.

The funds from the Placement will be used to advance the Transaction with Triangle (refer ASX:PGY of 23 July 2024), which will allow Pilot to take 100% ownership and consolidate the Company's offshore Perth Basin position. Remaining funds will be used for Carbon Storage expenditure over the coming 12 months and for general working capital.

Share Capital

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

- 1,642,071,566 shares on issue
- 210,412,875 outstanding (listed) options (3.3c/Aug 2025 expiry)
- 170,385,369 outstanding (unlisted options)
- $3.0 million Convertible Notes convertible at 2.0 cps June 2025
- $3.2 million Convertible Notes convertible at 3.0 cps Feb 2026

Reserves and resources

Carbon Storage Resource

As announced on 1 July 2024 and noted above, following the recent Declaration, the Company's technical sub surface consultant completed an updated resource assessment resulting in a material 370% upgrade to the Carbon Storage Resources across the WA-31-L licence area.

The 2C contingent resource for WA-31-L licence area has increased from 9.7 million tonnes to 45.6 million tonnes (100% basis) with the assessment completed in accordance with Society of Petroleum Engineers Storage Resource Management System. With the Declaration approved, the Contingent Storage Resource has been classified as Development Pending, the highest level of maturity for a contingent resource. See discussion and table provided above for detailed table of the carbon storage resources for the Cliff Head Carbon Storage Project.

Oil & Gas

The Company confirms there are no changes to WA-481-P Contingent Resource information which was previously presented to the market in the Company's ASX:PGY "Resources Update" dated 23 April 2021. The Contingent Resource estimates set out in the following tables are based on the Independent Technical Specialist Report prepared by RISC dated 28 January 2021 relating to the Company's Australian exploration assets.

WA-481-P Contingent Resources - Pilot interest: 100%

WA-481-P Contingent Oil Resources (MMbbl)

Accumulation		1C	2C	3C
Dunsborough	Gross (100%)	3.3	6	9.8

WA-481-P Contingent Gas Resources (Bcf)

Accumulation		1C	2C	3C
Frankland	Gross (100%)	29.4	41.6	58.9

Sources: RISC Technical Specialist Report January 2021

Pilot has internally assessed the prospective gas and oil resources associated in WA-481-P which are in addition to the existing Dunsborough and Frankland contingent gas resources above.

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

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.

Environmental, Social and Corporate Governance (ESG)

Pilot is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. To progress the Company's commitment, Pilot has commenced a process which will facilitate the Company reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). By integrating ESG metrics into the Company's governance, business strategy, and performance management process, Pilot diligently considers all pertinent risks and opportunities in running its business.

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
G-12-AP	Western Australia – Offshore Commonwealth Waters	0%	100%
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 currently holds a 50% interest in TEO which has a 42.5% direct interest in WA-31-L. Participating interest is subject to completion of the Triangle restructure as noted in this Report.

Material Risks

The material risks that could adversely affect the achievement of the financial prospects of the Company as required by sections 296 and 297 of the *Corporations Act* 2001 (Cth) and ASIC Regulatory Guide 247, are as set out in Annexure 1.

Competent Person Statement

This announcement contains information on conventional petroleum resources and CO_2 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 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 carbon storage project through the conversion of the Cliff Head Oil field and associated infrastructure 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.

Annexure 1

1. MATERIAL RISK FACTORS

1.1 Introduction

As with any investment in Securities, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This **Note** identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should consult their professional adviser before deciding whether to acquire securities in the Company.

Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company's future financial performance, financial position and prospects.

There can be no guarantee that the Company will achieve its stated objective or that forward-looking statements will be realised.

1.2 Specific risks

(a) **Additional requirements for capital**

The funding of any further ongoing capital requirements will depend upon a number of factors, including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty. Any future additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop its projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

(b) **Exploration, operations and activities risk**

There is no assurance that any exploration or feasibility assessment on current or future interests will result in the discovery of an economic energy project. Even if an apparently viable resource is identified, there is no guarantee that it can be economically developed. The future profitability of the Company and the value of its Securities are directly related to the results of exploration, development and production activities.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction or resource capture costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

(c) **Environmental matters**

The Company's operations are subject to environmental risks that are inherent in the energy industry. The Company is subject to environmental laws and regulations in connection with any operations that it may pursue. The Company conducts all its activities in an environmentally responsible manner and in accordance with all relevant laws. However, accidents, breaches, non-compliance, unforeseen circumstances or changes to the laws and regulations could result in the Company facing penalties, revocation of permits or extensive liabilities for damages, clean-up costs and / or penalties relating to environmental damage.

(d) **Commodity and currency price risks**

The profitability of the Company's operations is directly related to the market price of the commodities. The demand for, and price of oil, gas and energy generally is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company.

International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil prices are unrest and political instability in countries that have increased concern over supply. As oil is principally sold throughout the world in US dollars, any significant and / or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar, could have a materially adverse effect on the Company's operations.

(e) **Reliance on key management**

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise, or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.

(f) **Regulatory risk**

The Company's project interests are governed by Commonwealth and Western Australian acts and regulations that apply to the oil, gas and energy industries, and are evidenced by the granting of approvals, licences or leases. If these approvals, licenses or leases are revoked, then the Company may be unable to fulfil its operational objectives which will likely have a material adverse effect.

There is also the risk that projects which the Company may undertake from to time do not have a legislative regime which provides operational and legal certainty for the Company in relation to the development of future projects.

The Company's licenses or leases may be subject to ongoing obligations to satisfy minimum activities and expenditure obligations. If these obligations are not satisfied, the relevant license or lease may expire or be forfeited, which would result in a loss of the reserves and resources that may be attributable to the Company's interest in the licenses or leases areas.

(g) **Project development**

Production risks associated with marketability and commerciality of oil, gas and energy to be produced include but are not limited to, reservoir characteristics, market fluctuations, proximity and capacity of infrastructure and process equipment, government regulations and the market price of oil, gas and energy.

Decreases of production or stoppages may result from fluctuations in permeability and flowrates, impurities in the product, facility shut-downs, natural decline, mechanical and technical failures, subsurface complications or other unforeseeable events outside the control of the Company.

(h) **Government policy changes**

The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Policy and legislation may affect the viability and profitability of the Company, and the value of its Shares. Amongst other things, taxation including carbon taxes, permitting and licenses, environmental laws, and labour laws are all affected by legislation and regulation and may have an adverse impact.

1.3 General risks

(a) **Investment risk**

The securities in the Company should be considered highly speculative. The issued shares in the capital of the Company carry no guarantee as to payment of dividends, return of capital or the market value. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of securities in the Company regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

(i) general economic outlook in both Australia and internationally;

(ii) introduction of tax reform or other new legislation, regulation, or policy;

(iii) interest rates and inflation rates;

(iv) changes in exchange rates, interest rates and inflation rates;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital;

(vii) the global security situation and the possibility of terrorist disturbances or other hostilities; and

(viii) other factors beyond the control of the Company.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

(i) general economic conditions in jurisdictions in which the Company operates;

(ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;

(iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

(v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities in the Company from a taxation point of view and generally.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may materially affect the financial performance of the Company and the value of securities in the Company.

The risks set out in this **Note** are not to be taken as an exhaustive list of the risk faced by the Company. There may be other risks of which the Directors are unaware as at the time of issuing this report which may impact on the Company and its operations, and on the valuation and performance of securities in the Company.

Appendix 5B

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

Name of entity	
PILOT ENERGY LIMITED	
ABN	**Quarter ended ("current quarter")**
86 115 229 984	30 September 2024

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	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(404)	(1,687)
	(e) administration and corporate costs	(719)	(2,162)
	(f) professional fees	(374)	(1,576)
1.3	Dividends received (See note 3)	-	-
1.4	Interest received	-	75
1.5	Interest and other costs of finance paid	(1)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3,355	4,660
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**1,857**	**(696)**

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)	(1,336)	(4,278)
	(e) investments	-	-
	(f) other non-current assets	(3)	(565)

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	80	(1,591)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,259)**	**(6,434)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,424
3.2	Proceeds from issue of convertible debt securities	-	3,500
3.3	Proceeds from exercise of options	219	289
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(25)	(296)
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)	(195)	(636)
3.10	**Net cash from / (used in) financing activities**	**(1)**	**9,281**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,208	1,661
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,857	(696)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,259)	(6,434)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	9,281

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)	(11)
4.6	**Cash and cash equivalents at end of period**	**3,801**	**3,801**

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	3,801	1,940
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)**	**3,801**	**1,940**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	492
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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.	

*Note to Items 7.3 (above)

The Company established an "At-The-Market" (ATM) Facility with Dolphin Corporate Investments (DCI) announced to the market on the 8th August 2024.

The facility is equity based and limited to $7.5m. The actual facility capacity is a function of share price and available capacity over a request and option exercise period. The actual facility capacity will change up or down over time. The Company may not sell shares through the facility to DCI above the maximum AUD$7.5m which operates as a cap on the facility.

The Company cannot request DCI to exercise its option to buy shares at or above the Company's nominated floor price (the Company has discretion). DCI has the right to decline an option request or may only partially exercise its option to buy shares (it is DCI's decision to buy once Pilot Energy Limited has made the request).

Whilst an ATM is a "facility" it is also a "sold contingent option", contingent on the company activating the option and DCI exercising that option, and the Appendix 5B does not properly cater for the cashflow from options, or potential future placements that are subject to prevailing placement capacity that may or may not require shareholder approval which may not be obtained.

The Company has not reported the facility in item 7.3 as the facility has outstanding conditions precedent to the funding being obtained to exercise the facility.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,857
8.2	Capitalised exploration & feasibility expenditure (Item 2.1(d))	(1,336)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2) *less grants received	(2,834)*
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,801
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,801
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.34

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 operating expenditures over the next two quarters are expected to remain consistent with the current quarter and will be managed in line with available cash resources.

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 notes the following;

a. The Company is in advanced discussions with potential partners regarding participation/investment in the Mid West Clean Energy Project and associated infrastructure. Securing this participation is expected to provide a significant contribution to the on-going development costs of the project and to provide the Company with recovery of project development costs incurred by the Company to date.

b. As previously announced on 9 October 2024, the Company received a non-binding offer from a major European power utility, EDP Renewables to purchase the Three Springs Solar Project for total consideration of $11,500,000. The Company is in advanced stages of finalizing a binding purchase and sale agreement. As part of the sale, the Company will also retain an option for this renewable energy development to provide power supply to the Mid West Clean Energy Project.

c. Following the success of selling the Three Springs Solar Project, the Company is also initiating a programme of engagement with other major renewable energy project development and operating companies to secure partners for the development of other renewable energy development sites that it has secured rights to with the objective of selling down additional interests along similar lines to the Three Springs Solar Project sale.

d. It is considering various conventional capital raising initiatives.

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: ....

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.