

18 February 2025

Announcement to ASX

ASX: PGY

Cliff Head and Corporate Funding Update

Highlights

- Pilot is in discussions with Triangle Energy to restructure the current Cliff Head Oil Field asset acquisition arrangements
- Pilot's key focus is to ensure good standing and full compliance with Commonwealth non-production phase requirements
- Pilot continues to fully fund Cliff Head Oil Field operation transition to ensure the Cliff Head Oil Field assets remain in operational good standing
- To date, Pilot has provided approximately a total of \$5.7 million for the Cliff Head Oil Field operation since 1 August 2024
- Pilot's recapitalisation plan discussions continue but are not yet complete.

Pilot Energy ("Pilot" or the "Company") is pleased to provide the following update.

As previously advised (refer ASX:PGY announcements dated 18 and 27 December 2024 and 31 January 2025), the Company has not been in a position to make certain acquisition payments to Triangle Energy (Global) Limited (ASX:TEG) relating to the proposed acquisition of TEG's interests in the Cliff Head Oil Field.

The existing acquisition arrangements provide for the Company to assume 100% of the funding of the Cliff Head operation from 1 August 2024 and to make a series of cash payments to acquire TEG's interest in the Cliff Head assets and operations. To date the Company has funded a total of approximately \$5.7 million since 1 August 2024, covering 100% of the running and decommissioning transition costs for the Cliff Head operation. This funding includes approximately \$1.5 million in funding since 1 January 2025. In addition, Pilot has paid TEG \$400,000 in acquisition consideration for the Cliff Head assets.

Pilot remains focussed on transitioning the Cliff Head operation from an end-of-life oil production asset into a carbon storage operation. Since the cessation of oil production, Pilot has prioritized investment in the Cliff Head asset to meet the requirements of the Commonwealth Government regulators to ensure the facility is safe and to preserve the ability to make this transition.

Pilot is in discussions with TEG to restructure the current Cliff Head funding arrangements with a view to the Company putting in place arrangements that will enable the Cliff Head operations to be fully funded and remain in good standing with Commonwealth and Western Australian regulators, with a view to securing approval to convert the Cliff Head operation into a permanent carbon injection and storage facility as well as to facilitate the completion of the acquisition of the Cliff Head assets and operations for this purpose.

In parallel with these discussions regarding the Cliff Head operation, and as announced on ASX:PGY 5 February 2025, the Company is in active discussions with capital providers to put in place a recapitalisation plan to cover the requirements for CY2025 and progress the necessary approvals to implement the permanent carbon storage operation project.

Reaching an agreement on arrangements for the transfer of the Cliff Head assets and operations to Pilot that enables these objectives to be met is a key element of securing and implementing the proposed recapitalisation plan. Whilst ongoing discussions with TEG are constructive, to date they have not resulted in agreed new arrangements.

As such Pilot's recapitalisation plan discussions continue but remain incomplete. The Company is focussed on a capitalisation plan to enable the Company to come out of suspension and resume trading on the ASX with sustainable arrangements in place for maintaining the good standing and transitioning the Cliff Head operation

END

This announcement has been authorised for release to ASX by the Board of Pilot Energy Limited.

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 Carbon Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to Carbon 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 across all exploration tenements across the Offshore Perth Basin, Western Australia (Greenhouse gas assessment permit G-12-AP and petroleum exploration licence WA-481-P)