

**ASX Announcement**

**16 November 2016**

## **WA-481-P Joint Venture Assigned \$65 Million PRRT Credit**

### **Highlights**

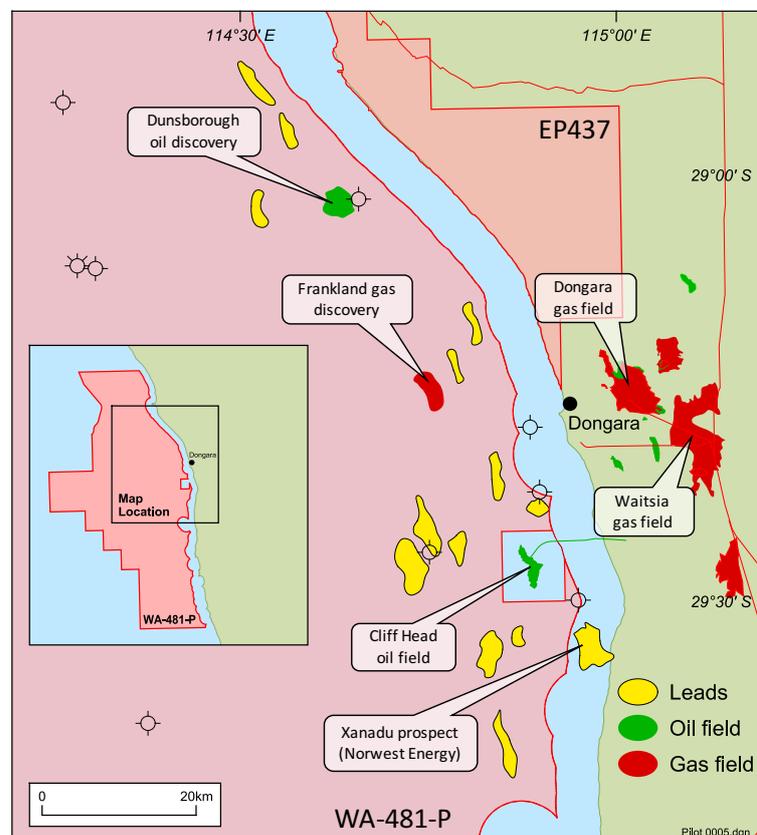
- **Transfer of \$65 million PRRT credits to WA-481-P joint venture**
- **Reduces PRRT liability on future developments by > \$75 million**
- **Preliminary seismic interpretation confirms numerous inboard leads, on trend with Cliff Head oil field**

Pilot Energy Ltd (the **Company**, ASX: PGY) is pleased to announce that it has received a transfer of Petroleum Resource Rent Tax (PRRT) credits, as the final step in completion of the acquisition of exploration permit WA-481-P.

The undeducted exploration expenditure of \$65,518,292 represents the previous titleholder's net exploration cost during the primary term, including three exploration wells in the outboard area. Pilot Energy will now assign 40% of this sum to joint venture partner, Key Petroleum Limited (ASX: KEY).

The effect of the PRRT credit is to greatly increase the value of any commercial discovery, due to the fact that the undeducted expenditure is uplifted on an annual basis and available as a deduction against assessable petroleum sales income for PRRT.

With PRRT levied at a rate of 40%, the PRRT liability associated with development of future discoveries in WA-481-P will be reduced by more than \$75 million, significantly enhancing the value of the permit and its prospects.



Pilot Energy is currently finalising its preliminary interpretation of the available 2D and 3D seismic data, and has mapped numerous leads along an inboard oil & gas play, on trend with the Cliff Head oil field (see figure).

The Company will provide a prospectivity summary, and its internal estimate of prospective resources, by year-end.

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### **Enquiries**

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**About Pilot Energy:** Pilot Energy is an emerging junior oil & gas exploration company that is implementing a low-cost, counter-cyclical strategy to develop a portfolio of high quality oil and gas exploration assets. The Company's aggressive new ventures program has rapidly resulted in acquisition of material working interests in the WA-507-P, WA-481-P, WA-503-P and EP416/480 exploration permits, located offshore and onshore Western Australia, in addition to a minor working interest in the EP437 permit. Key to Pilot Energy's strategy is minimisation of project entry cost and work commitments, while allowing sufficient time to add value through desktop studies prior to seeking farming partners to fund seismic and/or drilling. Pilot Energy works closely with industry partners such as seismic contractors in order to develop creative pricing models for services that help to minimise the Company's upfront cash investment.