

Announcement to ASX

3 May 2017

UPDATE ON LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY

Pilot Energy Ltd (**Pilot** or **Company**, ASX: PGY) is pleased to provide an update on the Less Than Marketable Parcel share sale facility ("**Facility**"), as announced on 10 March 2017.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be a "Less Than Marketable Parcel". The Record Date for the purpose of establishing holders of Less Than Marketable Parcels was set at 5pm (WST) on 9 March, 2017, with a sale price offered of 0.2 cents per share.

The Closing Date for receipt of Share Retention Forms was 28 April 2017, and of the 1,090 shareholders who held Less Than Marketable Parcels at the Record Date, Share Retention Forms have been received from 144 shareholders holding a combined 10,398,650 shares.

834 holders of Less Than Marketable Parcels hold a combined total of 33,443,652 shares, which have been sold to a third party for a total consideration of \$66,887.30 (being 0.2 cents per share). Those shareholders will receive payment via Computershare, on or around 12 May 2017.

Having completed the Less Than Marketable Share Sale Facility, the number of Pilot Energy shareholders will reduce from some 1,729 to approximately 895, resulting in future administrative cost savings for the Company.

Enquiries

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About Pilot Energy: Pilot Energy Ltd is an emerging junior oil and 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-481-P, WA-507-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 reduce the Company's upfront cash investment.