

## Pilot Energy Limited

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### Announcement to ASX

30 April 2025

31 MARCH 2025

## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

### HIGHLIGHTS

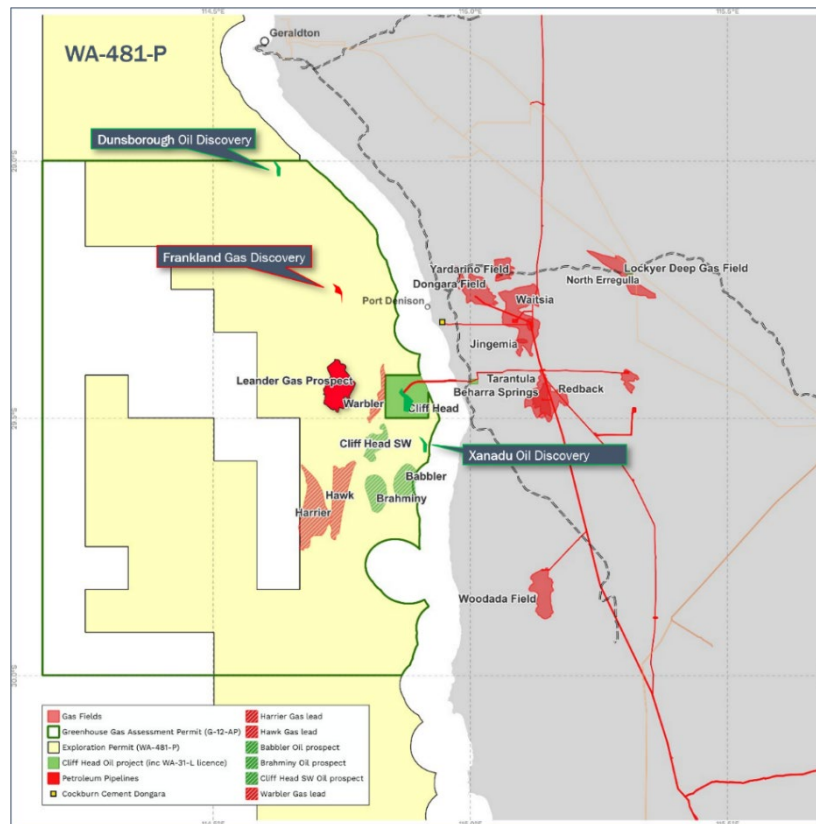
- **Board Renewal Completed** – with appointment of Greg Columbus as Non-Executive Chairman joining Brad Lingo as Managing Director and appointment of Alex Sundich and Natalie Wallace as Non-Executive Directors.
- **Major Increase in WA-481P Prospective Resources** – Leander prospect Prospective Resources increased to 1,116 Bcf (Gas) and 18 mmbbls (Condensate) mean estimate and separate oil prospective resources increased to 66 mmbbls.
- **Revised Cliff Head acquisition terms agreed with Triangle Energy** to acquire 100% of the Cliff Head Oil Joint Venture and assets through vendor financing arrangement
- **Completion of \$7.4 million capital raisings** – Pilot successfully raised additional capital via a \$5 million firm and conditional equity placement and the placement of \$2.4 million of convertible notes to institutional and sophisticated investors.
- **Proposal for Cliff Head Carbon Storage Project from Foreign State-owned Enterprise**  
The Company received a non-binding proposal from a Foreign State-owned Enterprise to acquire a meaningful minority interest in Cliff Head Carbon Storage Project on terms consistent with the Company's commercial expectations.

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 31 March 2025 (and post quarter events to date).

### DEVELOPMENT ACTIVITIES

#### Major Increase in WA-481P Prospective Resources to over 1.1 TCF (Mean) Gas

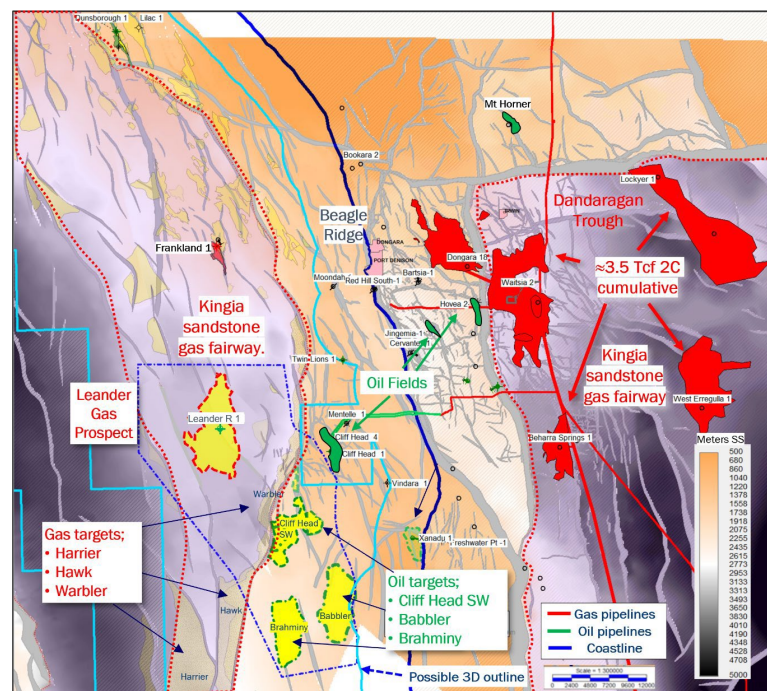
Pilot holds a 100% operated interest in the 8,605km<sup>2</sup> permit located in shallow waters of the northern Perth Basin, offshore Western Australia. WA-481-P encompasses the Dunsborough oil field, Frankland gas field and the Leander gas prospect identified by Pilot's technical team (**Figure 1**).



**Figure 1: WA-481-P Location Map**

The offshore petroleum system within WA-481-P shares many attributes with the prolific onshore Perth Basin gas discoveries (e.g. Waitisia, Erregulla and Locker Deep) providing an analogue. In Figure 2, the offshore area appears to mirror the Dandaragan Trough, separated by the Beagle Ridge high containing oil fields.

(Figure 2).



**Figure 2: Gas and oil fields and fairways of the North Perth Basin (Top Permian Structure Map)**

Subsequent to the end of the Quarter, Pilot announced to the market material upgrades to prospective resource estimates for the Leander gas prospect as well as the Cliff Head South, Brahminy and Babbler oil prospects (ASX: PGY 10 April 2025).

The prospective resource upgrade follows ongoing maturation of subsurface models by Pilot's technical team including re-mapping of reprocessed 2D seismic data and an extensive review of the offset well database from the onshore discoveries and Kingia play analogues which are now open-file.

The upgraded prospective resource estimate for the Leander gas prospect, located 15 km west of the existing Cliff Head oil platform, is now 1,116 Bcf (Mean Estimate). The Babbler, Brahminy and Cliff Head South-West oil prospects, which lie on the structural trend between the "oil mature kitchen" and the proximal Cliff Head oil field and Xanadu oil discovery, are now estimated to contain prospective oil resources of 66 million barrels (sum of mean estimate recoverable). 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 within WA-481-P<sup>1</sup>.

The upgraded Leander prospective gas resource estimate of 1,116 Bcf has the potential to provide Pilot with sufficient gas to self-supply at least 30 years of low-carbon ammonia production at the proposed Mid West Clean Energy Project. Future production from WA-481-P could leverage the existing Arrowsmith Stabilisation Plant (ASP) and the proposed Cliff Head Carbon Storage project infrastructure.

Maturing the Leander gas prospect and oil leads requires a 3D seismic survey and drilling of one exploration well. Planning is currently underway to acquire the Eureka 3D Marine Seismic Survey (minimum Work Commitment of 400 km<sup>2</sup>) which is expected to assist with further refinement of the Leander structure and identify preferred bottom hole locations for future wells.

Pilot is currently progressing the following exploration workstreams in WA-481-P:

- Environmental planning and stakeholder engagement activities as part of the Environment Plan ("EP") approval process;
- Addressing requests for further information from the Regulator with regard to the EP with planned resubmission in May 2025
- Continued technical assessment of the oil prospects and leads and gas prospects; and
- Formal farm out process to secure farm-in partner/s to fund the near-term exploration activities.

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<sup>1</sup> Refer to ASX:PGY 10 April 2025 for further information supporting the prospective resources and ASX:PGY 20 January 2017 for the contingent resources

## **Proposal for Cliff Head Carbon Storage Project from Foreign State-owned Enterprise**

Following the end of the quarter, the Company announced (refer ASX:PGY 16 April 2026) that, following a long period of engagement, site visits and due diligence with a number of different potential partners for the Mid West Clean Energy Project and its various parts, Pilot has received a confidential and incomplete non-binding, indicative proposal from a foreign state-owned enterprise with an investment grade rating of BBB+ to acquire a meaningful minority interest in the Cliff Head Carbon Storage Project. The proposal is consistent with the Company's commercial expectations regarding joint venture participation in this project. Pilot believes the proposal is well advanced and could be finalised. However, the Company acknowledges there is no certainty or assurance that any such proposal will result in a binding transaction. The Company is continuing to engage with the counter party and will provide further information to the market when appropriate under its continuous disclosure obligations.

## **CORPORATE ACTIVITIES**

### **Board Renewal Completed**

During the quarter the Company completed a Board renewal process previously announced in April 2024 (see ASX:PGY announcement of 17 April 2024 and 9 December 2024). On 9 February 2025, the Company announced that Mr. Alexander Sundich and Ms. Natalie Wallace have been appointed as non-executive directors. On 31 March 2025, the Company announced the appointment of Mr. Greg Columbus as Non-Executive Chairman, with immediate effect. Mr. Columbus succeeds Mr. Lingo as Chairman of the Company with Mr. Lingo continuing as Managing Director of the Company

Mr. Sundich is an investment banker with over 30 years of experience who had a 20-year career with the global investment banks Credit Suisse First Boston and Goldman Sachs in Sydney and New York, where he specialised in financing and M&A transactions in the energy and mining industries. Since 2013, Mr. Sundich has been a corporate advisor with Bridge Street Capital Partners, which he co-founded. Mr. Sundich was an early-stage investor and non-executive director of Eastern Star Gas, an oil and gas company that was acquired by Santos for \$924 million in 2011. Mr. Sundich is a long-term shareholder of Pilot and currently owns approximately 4.7% of the Company.

Ms. Wallace is an experienced energy executive, with a career spanning 30 years in the energy sector in a variety of roles in upstream oil and gas, wholesale energy and mid-stream energy project development. With an engineering background and a Masters of Business, Marketing, she brings to the Pilot Board a depth of experience in commercial problem solving and negotiation, while delivering on strategic objectives. During her diverse career, Ms. Wallace has held responsibilities for strategy, marketing, process engineering, supply chain, internal audit and emergency response with some of Australia's largest energy companies, include senior positions within Origin Energy for their APLNG project, Santos and Wesfarmers Chemicals.

Mr. Columbus brings over 30 years of experience in the energy and oil & gas sectors, having

held various technical, commercial, executive and non-executive roles. As an experienced company director, he has demonstrated expertise in corporate strategy, finance, and legal matters. Throughout his career, Mr. Columbus has successfully led large-scale energy and oil & gas projects and played a key role in numerous M&A transactions, including his recent tenure as Independent Non-Executive Chairman of Warrego Energy and Talon Energy.

### **Voluntary Suspension**

On 18 December 2024, the Company went into a trading halt. Subsequently, the Company initially requested an extension to its voluntary suspension from trading on 23 December 2024 which was extended during the quarter through to 16 April 2025. The voluntary suspension period was requested to allow the Company sufficient time to complete an orderly execution of its capital raising activities. Following the end of the quarter, the Company successfully completed its capital raising activities – see discussion below – raising a total of \$7,400,000 and resumed trading on 16 April 2025 (refer ASX:PGY announcement of 16 April 2025).

### **Revised Cliff Head Acquisition Terms Agreed with Triangle Energy**

During the quarter (refer ASX:PGY announcement of 28 March 2025), the Company announced that it had agreed with Triangle Energy (Global) Limited (ASX:TEG) (Triangle) to acquire 100% of the interests in the Cliff Head Oil Joint Venture (CHJV) and assets.

As previously agreed, the CHJV assets transfer 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 (NOPATA) 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.

Under the revised terms, Pilot will purchase the WA State based assets through a vendor financing arrangement pursuant to which Pilot will provide a secured note to Triangle in the amount of \$5,563,000. This note will have a maturity date of 30 September 2026 (or earlier in the event of a sale of a material interest in the CHJV by Pilot to a third party). The note will accrue interest from 30 June 2025 at 10% per annum which will be capitalised to maturity. Pilot will make a one-off cash payment to Triangle of \$167,000 on 31 August 2025 in recognition of the deferred interest accrual under the note. Details of the revised terms are set out in the ASX:PGY announcement of 28 March 2025.

### **Completion of \$7.4 million capital raisings**

In implementing the recapitalisation plan outlined in the Company's request for voluntary suspension discussed above, during and subsequent to the end of the quarter, the Company successfully raised additional capital via a \$5 million firm and conditional equity placement and the placement of \$2.4 million of convertible notes to institutional and sophisticated investors.

The equity capital placement comprised the issue of 500,000,000 Shares at A\$0.010 to raise A\$5.0 million. Pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and



7.1A under Tranche One (Tranche 1) of the transaction the Company will issue 324,415,003 shares. Under Tranche Two (Tranche 2) of the transaction the Company will issue 175,584,997 shares, subject to receiving shareholder approval at the Company's EGM. Settlement of Tranche 1 completed on Wednesday, 23rd April 2025. Settlement of Tranche 2 is expected to take place after Thursday 5th June 2025, following shareholder approval at the Company's AGM. Each participant in the Offer will receive an attaching listed ASX:PGYOA option (Attaching Options) with a strike price of \$0.033 on a 1-for-1 basis, subject to shareholder approval at the Company's EGM.

During the quarter, the Company also successfully completed a fund raising through the issuance of \$1,805,000 Convertible Notes to two institutional and sophisticated investors (ASX:PGY announcement 23 January 2025). Following the end of the quarter as announced on 15 April 2025 and 24 April 2025, the Company placed a further \$600,000 convertible notes under the \$3,000,000 Convertible Note Facility with the investor syndicate led by Discovery Investments Pty Ltd, as per the announcement of 11 November 2024.

## Share Capital

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

- 1,983,075,012 shares on issue
- 210,412,875 outstanding (listed) PGYO options (3.3c/Aug 2025 expiry)
- 137,091,607 outstanding (listed options PGYOA (3.3c /Dec 2026 expiry)
- 124,846,153 outstanding (unlisted options)
- Convertible Notes as described in section 7.6 of Appendix 5B.

## Reserves and Resources

### Carbon Storage Resource

The Company confirm there are no changes to the WA 31-L Licence Area Carbon Storage Resource and Prospective Resource previously announced to the market (ASX:PGY Cliff Head Carbon Storage Resource Upgrade 24 December 2024 and ASX:PGY Major increase to Cliff Head Carbon Storage Resource 1 July 2024) .

WA 31-L Carbon Storage Resources <sup>2</sup> (31 August 2024, 100% basis)					
SPE SRMS Classification	Structure	Reservoir	Storage Resource (Mt of CO <sub>2</sub> Equivalent)		
			1C   P90	2C   P50	3C   P10
Contingent Resource (Development Pending)	Cliff Head & Mentelle	IRCM & HCS	<b>34.2</b>	<b>72.2</b>	<b>110.2</b>
Prospective Resource (Lead)	Illawong	IRCM & HCS		<b>50.4</b>	

<sup>2</sup> 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.

## 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

The updated prospective resources are in addition to the existing Dunsborough and Frankland contingent gas resources above.

The Company confirms there are changes to the prospective gas and oil resources in WA-481-P previously presented to the market in the Company's ASX:PGY Announcement "**Material Gas Fairway Identified in WA-481-P**" (dated 9 March 2023). The revised resources are based on an internal assessment undertaken by Pilot on a probabilistic basis and contained in ASX:PGY Announcement "**Material Upgrade to WA-481-P Gas Resource – Leander Gas Prospect Now Targeting Over 1 TCF**" (dated 10 April 2025).

The updated WA-481-P Leander gas prospect prospective resources, along with the updated prospective oil resources, are summarized in the following table:

### WA-481-P Prospective Resources

Accumulation	Prospective Resource (Mean)
Leander (Gas)	1,116 Bcf
Leander (Condensate)	18 million bbls
Cliff Head SW (Oil)	18 million bbls
Babbler (Oil)	27 million bbls
Brahminy (Oil)	21 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	100%	100%
WA-31-L <sup>(i)</sup>	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 and carbon Storage prospective and contingent resources 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 holding 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.

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**Enquiries**

Cate Friedlander, Company Secretary, email: [cfriedlander@pilotenergy.com.au](mailto: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 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).

## 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 during 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 time 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

86 115 229 984

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	10
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(417)	(917)
	(e) administration and corporate costs	65	(739)
	(f) professional fees	(629)	(1,137)
1.3	Dividends received (See note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(194)	(407)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,527	1,527
1.8	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>353</b>	<b>(1,662)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,092)	(3,509)
	(d) exploration & feasibility expenditure (if capitalised)	-	-
	(e) investments	(150)	(300)
	(f) other non-current assets	-	(662)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12months) \$A'000</b>
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	(2,604)	(4,231)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,846)</b>	<b>(8,702)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,845
3.2	Proceeds from issue of convertible debt securities	4,205	4,205
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(110)	(347)
3.5	Proceeds from borrowings	-	2,586
3.6	Repayment of borrowings	(2,400)	(2,400)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,695</b>	<b>7,889</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,122	3,801
4.2	Net cash from / (used in) operating activities (item 1.9 above)	353	(1,662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,846)	(8,702)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,695	7,889

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

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	(14)	(16)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,310</b>	<b>1,310</b>

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	1,310	3,122
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,310</b>	<b>3,122</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

436

-

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

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

**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.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	12,891	10,491
7.4 <b>Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** 2,400

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.



Other financing facilities include the following:

**A. Convertible Notes on issue**

1. Convertible notes – Face Value \$3,000,000 – The convertible notes (**Notes**) were announced on ASX:PGY on 27 June 2023 and have been partially converted. The remaining balance is \$2,900,000. The Notes have a term of two years maturing in June 2025 and are convertible into ordinary shares of the Company at \$0.02 per share. The Notes carry a 12% per annum coupon which will be paid quarterly. The Notes are unsecured.
2. Convertible notes – Face Value \$3,500,000 – The convertible notes (**Notes**) were announced on ASX:PGY on 19 February 2024 and have been partially converted. The remaining balance is \$3,200,000. The Notes have a term of two years maturing in Feb 2026 and are convertible into ordinary shares of the Company at \$0.03 per share. The Notes carry a 12% per annum coupon which will be paid quarterly. The Notes are unsecured.
3. Convertible notes – Face Value \$3,000,000 – The convertible notes (**Notes**) were announced on ASX:PGY on 11 November 2024. The counterparties have been issued Notes for \$2,400,000 on 28 March 2025 with the remaining balance of the Face Value issued after quarter end. The Notes have a term of two years maturing in Dec 2026 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2026 to 31 December 2027, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.
4. Convertible notes – Face Value \$1,805,000 – The convertible notes (**Notes**) were announced on ASX:PGY on 23 January 2025. The Notes have a term of two years maturing in Feb 2027 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2026 to 31 December 2027, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.

**B. Convertible Notes agreed, yet to be issued.**

1. Convertible note – Face Value \$2,000,000 (**Note**) – Terms have been agreed for the issue of this Note (as announced on ASX:PGY on 11 December 2024) to a sophisticated investor. The counterparty has advanced funds in respect of the Note, in the amount of \$186,000 and convertible notes in this amount have been issued following approval of these issue of the notes at the AGM. The balance of the Face Value will be paid contemporaneously with the issue of the Note following the AGM.  
  
The Note has a term of two years maturing in Dec 2026 and is convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Note into a participating interest share in an 0.27% overriding royalty interest in the Cliff Head Carbon Storage Project and a right to subscribe for new shares to the same value as the Face Value of the Note the investor holds, at a subscription price of \$0.025 per share any time from the period 31

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

December 2026 to 31 December 2027, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.

The Note carries a 12% per annum coupon which will be paid quarterly. The Note is unsecured.

2. Convertible note – Face Value \$3,000,000 (**Note**) – See financing facilities section A3 above. The remaining \$600,000 Face Value was issued after quarter end.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	353
8.2	Capitalised exploration & feasibility expenditure (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	353
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,310
8.5	Unused finance facilities available at quarter end (Item 7.5)	2,400
8.6	Total available funding (Item 8.4 + Item 8.5)	3,710
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	N/A

- 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:

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:

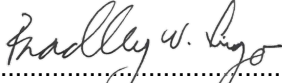
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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: 30 April 2025  
.....

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.