

**Announcement to ASX**  
**ASX: PGY**

23 January 2025

**PILOT SECURES ADDITIONAL CONVERTIBLE NOTE FUNDING TO RAISE \$1.8 M**

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) is pleased to announce that it has placed a further \$1,630,000 and \$175,000 in convertible notes to two sophisticated investors to raise a total of \$1,805,000 million. The placement of these notes was arranged by Powerhouse Advisory Australia Pty Ltd (**PVL**). Funds from the placement of these convertible notes have been received.

Each of the convertible notes are on identical terms to the previous convertible note issues announced by the Company on ASX: PGY on 11 November 2024 and 11 December 2024.

The issue of the Notes is subject to and conditional upon the Company having refreshed capacity to issue the Notes under ASX Listing Rule 7.1 following the Annual General Meeting of the Company scheduled to be held on 12 February 2025.

The funding received pursuant to these convertible notes provides part of the funding for the Company to go towards the ongoing funding of the Cliff Head Oil Field operations as they are transitioned into the carbon storage operations as a key component of the Company's flagship Mid West Clean Energy Project (MWCEP).

**ENDS**

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo on behalf of the Board of Directors.

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**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 CO2 Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CO2 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).

## APPENDIX A

<b>Total Investment Amount</b>	\$1,805,000
<b>Condition Precedent</b>	The issue of the Notes is conditional upon the Company having available capacity under ASX Listing Rule 7.1 or shareholders approving the issuance of the Notes.
<b>Term</b>	31 December 2027, subject to the Initial Term Redemption Option, exercisable on 31 December 2026.
<b>Coupon Rate</b>	<ul style="list-style-type: none"> <li>- interest will be payable in respect of the Notes at the rate of 12% compounding, payable quarterly.</li> <li>- Interest in respect of the Notes will be calculated from the date on which the face value of those convertible notes is received by the Company and will be paid in cash quarterly in the first 2 quarters of the Term; thereafter the Investor may elect to receive this payment in cash or via an issue of Shares for value equivalent to the value of the Coupon Rate.</li> </ul>
<b>Conversion Price</b>	\$0.02
<b>Conversion</b>	<ul style="list-style-type: none"> <li>- The Notes may not be converted during the six-month period commencing on the date of issue. Thereafter the Investors may convert the Notes at any time during the Term.</li> <li>- If converted prior to the end of the Term, each Note will convert into that number of ordinary, fully paid shares in the capital of the Company (<b>Shares</b>) as is determined by dividing the face value of the applicable convertible note by the Conversion Price.</li> <li>- Conversion on the expiry of the Term may be (at the Investor's election) by any of the following options: <ul style="list-style-type: none"> <li>(a) cash in the amount of the face value of the Notes; or</li> <li>(b) Shares (in the manner noted above); or</li> <li>(c) (i) a participating interest share in an 0.24% overriding royalty interest in the Cliff Head Carbon Storage Project*; and <ul style="list-style-type: none"> <li>(ii) a right, subject to shareholder approval in accordance with ASX Listing Rule 7.1, to subscribe for new Shares up to the value of the Notes held by the Investor, for a price of \$0.025 per Share (<b>Subscription Price</b>) at any time during the period commencing on 31 December 2026 and expiring on 31 December 2027.</li> </ul> </li> </ul> </li> </ul> <p>* If an Investor elects (per (c)(i) above) to convert a Note to</p>

	acquire the ORRI, the participating interest share in the ORRI that the Investor will receive will be equivalent to the percentage that the value of the Notes held by that Investor represents as a percentage of the value of both of the Notes issued.
<b>Other terms</b>	<ul style="list-style-type: none"> <li>- Each of the Notes are unsecured.</li> <li>- The Notes will not be quoted on ASX.</li> <li>- On conversion, the Company will apply to have the Shares quoted on ASX.</li> <li>- Each of the Convertible Note Agreements contain customary investor protections.</li> </ul>