

Pilot Energy Ltd

ABN 86 115229 984

Level 3, 1060 Hay Street, West Perth
WA 6005

T: +61 8 9480 0470

F: +61 8 9321 0320



Announcement to ASX

13 June 2017

PROPOSED 1 FOR 50 SHARE CONSOLIDATION

Pilot Energy Ltd (**Pilot** or **Company**, ASX: PGY) announces that the Company proposes to implement a 1 for 50 share consolidation, subject to shareholder approval.

The Company presently has approximately 2.9 billion shares on issue, which will increase to approximately 3.2 billion shares on issue upon shareholders approving the issue of 240 million shares to Giant Rainbow Investments Limited, pursuant to the Share Subscription Agreement as announced on 24 April 2017.

For a company of Pilot Energy's market capitalisation this is a large number of securities to have on issue, and the Board considers it appropriate to address this matter for the following reasons:

- (a) The Board is of the opinion that an excessive number of Shares on issue is detrimental to the future growth of the Company. Post consolidation, there will be approximately 64 million shares on issue, which will be more consistent with the capital structures of many of Pilot Energy's peers;
- (b) The Board believes that issuing new Shares from a lower share base will reflect a more accurate value to both existing and new Shareholders; and
- (c) The Consolidation will serve to reduce share registry costs.

In accordance with Section 245H of the Corporations Act, a resolution is being put to shareholders at the General Meeting of the Company to be held on 12 July 2017. If the resolution is passed, the number of ordinary shares and options on issue, and the exercise price of the options, will be adjusted in accordance with the ASX Listing Rules.

Further information is provided in the Notice of Meeting and accompanying explanatory statement for the General Meeting, which will be dispatched to shareholders later today.

Enquiries

Iain Smith, Managing Director, Tel: +61 412 638019, email: ismith@pilotenergy.com.au

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.