

Pilot Energy Limited

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Announcement to ASX

19 December 2018

Pilot to retain its interest in WA-503-P

- Sale of participating interest to Black Swan cancelled
- 3D seismic survey in area of the Permit about to commence

Pilot Energy Limited (ASX: PGY) (**Pilot Energy**) wishes to announce that it will not be proceeding with the sale of its beneficial interest in offshore exploration permit WA-503 P (the **Permit**) to Black Swan Resources Pty Ltd (**Black Swan**).

On 27 July 2018 Pilot Energy announced that it had entered into a binding agreement for the sale of its interest in the Permit to Black Swan. Completion of the transaction was subject to the satisfaction of certain conditions precedent, including approval of the transaction by the National Offshore Petroleum Titles Administrator (**NOPTA**). NOPTA has not approved the transfer of the interest to Black Swan. Consequently, on 18 December 2018, Black Swan advised Pilot Energy that it was terminating the sale agreement.

Pilot Energy and Black Swan will continue to work together as joint venture partners in the Permit.

Spokesman and CEO for Pilot Energy, Robert Gard, commented on the announcement:

“While the divestment of WA-503-P was consistent with our strategy of focusing on lower cost assets which can more quickly brought into production, we still see significant prospectivity in the Permit. The cancellation of the transaction also comes at a time when acquisition of a large, multi-client 3D seismic survey is about to commence in the area in and around the Permit. This activity is expected to raise interest in the region and assist in the process to find potential partners to join us in the Permit.”

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-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.