

Pilot Energy Limited

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19 November 2020

Security Purchase Plan Fully Underwritten

Pilot Energy Limited (ASX: PGY) (**Pilot** or the **Company**) is pleased to announce that the security purchase plan announced on 7 October 2020 (**SPP**) is now fully underwritten by Bridge Street Capital Partners Pty Ltd (**Bridge Street**) pursuant to an underwriting agreement dated 18 November 2020 (**UWA**).

This means that Bridge Street will underwrite the SPP up to \$500,000 (**Underwritten Amount**) by subscribing for all the remaining shares not otherwise subscribed by existing shareholders under the SPP (**Shortfall**). Under the UWA, Bridge Street may appoint any sub-underwriters for the Shortfall. The terms and conditions of the SPP remain unchanged (as defined in the SPP offer document announced on 7 October 2020).

As the issue of the Shortfall to an underwriter under a security purchase plan does not fall into an exception as set out in Listing Rule 7.2, and the Company does not have any remaining placement capacity under Listing Rule 7.1 / 7.1A, shareholder approval is required prior to the issue of the Shortfall shares. The Company expects that Shareholder approval for the issue of the Shortfall (amongst other things) will be sought at the next general meeting.

In consideration of underwriting the SPP, Bridge Street will be entitled to a fee of 6% (exclusive of GST) of the Underwritten Amount. The UWA between Bridge Street and the Company contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by Bridge Street. Specifically, Bridge Street may terminate the UWA if certain events occur prior to the issue of the Shortfall including (but not limited to):

- (a) **(failure to lodge documents)** the Company fails to lodge any relevant document required to be lodged with ASX;
- (b) **(documents to not comply)** any other document required to be lodged with ASX in relation to the SPP does not comply with the Corporations Act, the Listing Rules or any other applicable law;
- (c) **(change in prospects of the Company)** any adverse change occurs in the condition, financial position or prospects of the Company that is, in Bridge Street's reasonable opinion, material;
- (d) **breach of Constitution:** the Company breaches its constitution;
- (e) **breach of law or regulation:** the Company (or its officers) contravenes any provision of the Corporations Act, the Listing Rules or any other legislation of the Commonwealth of Australia or any

State or Territory of Australia which, in Bridge Street's reasonable opinion, would materially and adversely affect the Company or the SPP;

- (f) **(insolvency)** an insolvency event in respect of the Company occurs;
- (g) **(material breach)** the Company breaches a material provision of the UWA;
- (h) **(no quotation)** approval for the quotation of all of the New Shares on the ASX is refused;
- (i) **(conviction of Officers)** any officer of the Company is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
- (j) **(unapproved alteration of capital)** the Company alters, or announces an intention to alter, its capital structure or its constitution;
- (k) **(withdrawal of Offer)** the Company withdraws the SPP;
- (l) **(significant change to management or board)** there is a significant change to the composition of the senior executives of the Company or of its board of directors; and
- (m) **(EGM)** the Company failing, by 15 January 2021, to obtain the approval of shareholders to allow the Company to issue the Shortfall shares to Bridge Street.

As previously announced, it is intended that funds raised under the SPP will be used by Pilot to fund the feasibility study in relation to the Mid-West Wind and Solar Project, production enhancement activities at the Cliff Head project and provide sufficient working capital to cover corporate costs.

The SPP offer opened at 9.00am (Sydney time) on Wednesday, 7 October 2020 and is expected to close at 5.00pm (Sydney time) on Friday, 20 November 2020 (unless otherwise extended) and the indicative timeline is as follows:

Record date of SPP	7:00pm (Sydney time) on Thursday, 24 September 2020
Opening date of SPP	9:00am (Sydney time) on Wednesday, 7 October 2020
Closing date of SPP	5:00pm (Sydney time) on Friday, 20 November 2020
SPP results announced	Wednesday, 25 November 2020
Issue date (SPP shares)	Friday, 27 November 2020
Commencement of trading (SPP shares)	Monday, 30 November 2020
Issue date (Shortfall shares)	Monday, 14 December 2020
Commencement of trading (Shortfall shares)	Tuesday, 15 December 2020

This notice and its release on the ASX has been authorised by the Board of Directors of the Company.

Lisa Dadswell
Company Secretary