

Announcement to ASX

18 December 2020

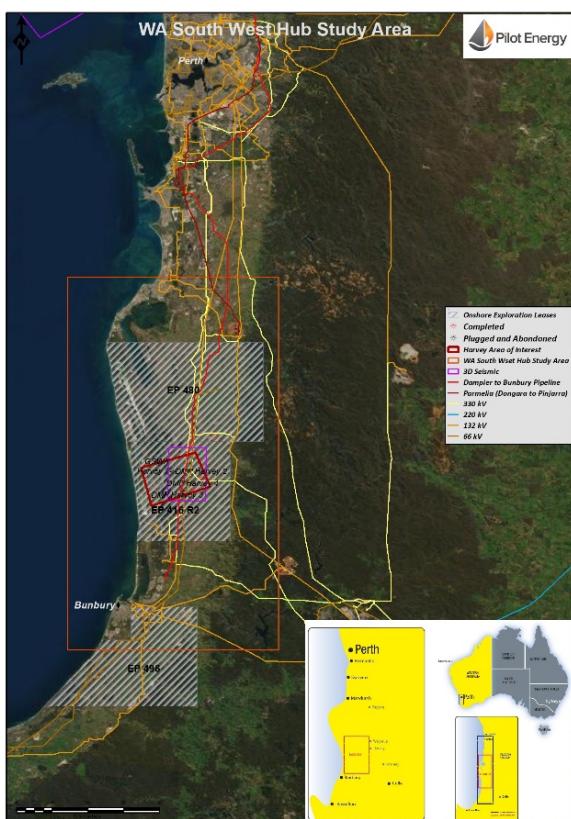
ACQUISITION OF ADDITIONAL INTEREST IN SOUTH PERTH BASIN EXPLORATION LICENSES

Pilot Energy Limited (ASX: PGY) (**Pilot Energy**, or the **Company**) is pleased to announce that Pilot Energy and Energy Resources Limited (**EnRes**) have agreed to rationalise the ownership of two South Perth Basin onshore petroleum exploration permits with Pilot Energy acquiring the 40% interest held by EnRes in both – EP 416 and EP 480 (the **SPB Permits** - (see map below)).

Highlights

- **Pilot Energy becomes 100% owner/operator of SPB Permits**
- **SPB Permits cover the area for the WA Government proposed SW Hub CCS Project**
- **Acquisition provides foundation for focus on the South West Blue Hydrogen and CCS Project**

South West Blue Hydrogen and CCS Project Focus Area

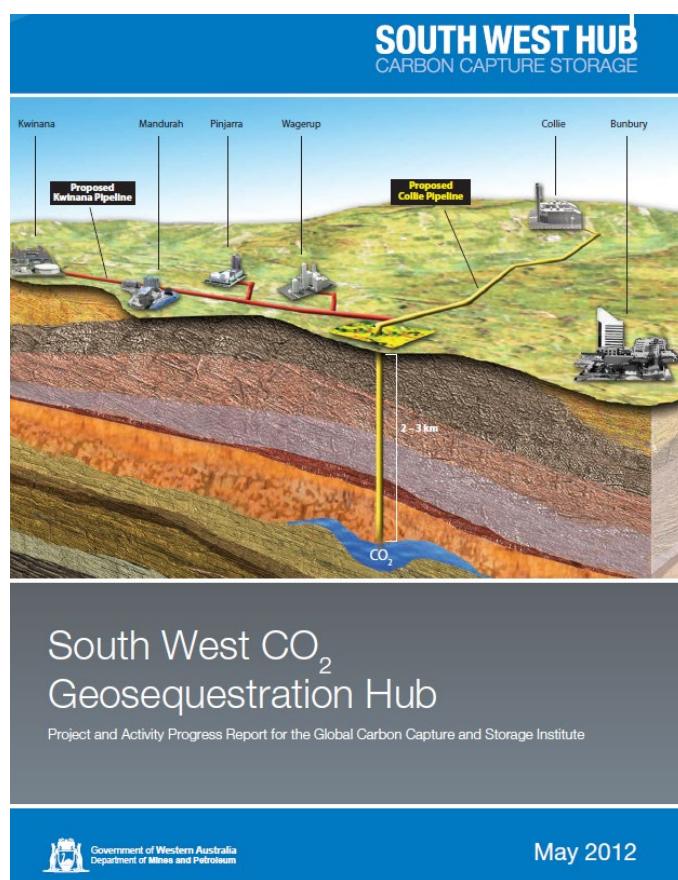


As the majority owner (60%) and operator of the SPB Permits, Pilot Energy moves to 100% ownership of two large onshore petroleum exploration permits covering an extensive area between Kwinana and Bunbury in South West Western Australia.

As consideration for the acquisition, Pilot Energy has paid EnRes nominal consideration of \$1 for each of the SPB Permits and assumes any liabilities, covenants, agreements and obligations under the SPB Permits JOA, relevant law or otherwise in relation to the SPB Permits.

The SPB Permits cover and incorporate the area under assessment for the development of the South West CO₂ Geosequestration Hub project (the South West Hub), a government industry partnership led by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS).

The South West Hub is Western Australia's first on-shore Carbon Capture and Storage (CCS) trial project. CCS is part of a portfolio of solutions to combat climate change and will contribute towards the Australian Government's goal of reducing CO₂ emissions by 60 per cent (of year 2000 levels) by 2050.



Pilot's Chairman, Brad Lingo, said "The Company sees the consolidation of the ownership of SPB Permits as providing the Company with the foundation for pursuing the development of the South West Blue Hydrogen and CCS Project - an integrated blue hydrogen production and carbon capture and storage project in Western Australia Kwinana industrial centre. Both the Western Australia Government and CSIRO have invested considerable amount of effort already in assessing the SW Hub CCS Project having already drilled four petroleum exploration wells to appraise the suitability of the

area for CO₂ gas injection and geosequestration with very positive results. With full ownership of the SPB Permits, the Company is focused on using this foundation to pursue the transition from being an oil and gas explorer into a green energy project developer leveraging existing oil and gas assets and knowledge and experience into integrated green energy production.”

“As the Company previously announced, we believe that the Company has the unique opportunity to bring together and integrate three critical platforms essential to the successful delivery of the energy transition.”

“Focussing on bringing these elements together around the South West Blue Hydrogen and CCS Project provides the opportunity to deliver strong growth and significant shareholder value”.

This announcement has been authorised for release to ASX by the Board of Directors of Pilot Energy.

Enquiries

Lisa Dadswell, Company Secretary, email: lisa.dadswell@boardroomlimited.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, gas and energy assets. The Company’s aggressive new ventures program has resulted in the proposed Mid West Wind and Solar project and material working interests in 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.