Annual Report 2025

YEAR ENDED 30 SEPTEMBER 2025

Pilot Energy

ASX:**PGY**

ABN: 86 115 229 984
AND CONTROLLED ENTITIES

Corporate Directory

Directors

Mr Bradley Lingo
Managing Director

Mr Greg Columbus
Non-Executive Chairman

Mr Alexander Sundich

Ms Natalie Wallace

Company Secretary

Cate Friedlander

Registered and Principal Office

Suite 2, 100 Havelock Street
West Perth WA 6005

Website: www.pilotenergy.com.au
Email: info@pilotenergy.com.au

Auditors

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
Perth WA 6000

Legal Adviser

Minter Ellison
Governor Macquarie Tower
Level 40, 1 Farrer Place
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

ASX Code

ASX: PGY

Legal Form of Entity

Public Company

Country of Incorporation and Domicile

Australia

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Letter from the Chairman

On behalf of the Board of Pilot Energy Limited (Pilot, or the Company), I am pleased to present the Annual Report for the 2025 Financial Year.

Our key primary focus remains on the Farm out of WA-481-P Gas prospect, the development of the Mid West Clean Energy Project (MWCEP), centered on the establishment of Australia's first offshore carbon storage operation at the Cliff Head Carbon Storage Project and the disposal of the Three Springs Solar Project. Every step taken this year was designed to advance this core strategy while building tangible value for our shareholders.

Strengthening Our Corporate and Asset Foundation

A significant milestone in FY2025 was the renewal of our Board. I was honoured to be appointed as your Non-Executive Chairman in March, and I am joined by new Non-Executive Directors Ms Natalie Wallace and Mr Alex Sundich. Together, we bring a wealth of commercial, energy, and financial expertise to support Mr Brad Lingo, who continues to drive our strategy as Managing Director.

We achieved a critical commercial objective by completing the first stage of the Cliff Head Oil Joint Venture (CHJV) acquisition. Pilot is now the 100% owner of the onshore assets, including the Arrowsmith Stabilisation Plant and associated freehold land. This 100% ownership is vital, simplifying the pathway for introducing strategic partners to the carbon storage project. The transfer of the remaining offshore interests is now progressing through the NOPTA regulatory process.

This was underpinned by robust financial management. We successfully secured over $14 million through equity placements and convertible note facilities during the period. Furthermore, we established a A$5.9 million multi-year debt facility with Finport Capital linked to the Cliff Head Petroleum Resource Rent Tax (PRRT) refund and subsequently received a A$3.9 million refund from the ATO, significantly strengthening our balance sheet. After the reporting period, we are applying for a $1.9m R&D tax incentive refund and secured a separate $1.52m debt facility to accelerate this refund.

Advancing Our Core Clean Energy Projects

Our team made tangible progress in advancing the Cliff Head Carbon Storage Project. During the year, our operations team successfully completed several marine and pipeline integrity campaigns, including Remotely Operated Vehicle (ROV), Autonomous Underwater Vehicle (AUV), and 'Intelligent PIG' surveys. These activities confirmed the excellent condition and integrity of the Cliff Head infrastructure, demonstrating its suitability for re-purposing for CO_2 injection and validating our low-cost development model.

We are now actively engaged with NOPTA to amend our Declaration of Storage Formation to reflect the project's significantly increased capacity, which now stands at a 2C contingent resource of 72.2 million tonnes[1].

Whilst the disposal of the Three Springs Solar project has been delayed, we are confident that this will occur in the short term and unlock further value for our Shareholders from a non-core asset.

In parallel, we worked to unlock the immense potential of our 100%-owned WA-481P exploration permit. A major technical review increased the Leander Gas Prospect to a mean prospective resource of 1,116 Bcf (Gas)[2]. To capitalise on this, we are at the finishing stages of a formal farmout process to secure a high-quality partner to fund the next phase of exploration. In addition to this, the project was further de-risked by securing the key NOPSEMA environmental approval for the Eureka 3D seismic survey over the prospect.

We also continued to advance our partnership with the Korean Consortium (K-Consortium), which is progressing an independent technical study for the MWCEP, funded by the Korea Export-Import Bank.

Unlocking Early-Stage Value

A strategic highlight post-period was the formation of a joint venture with Kala Data to develop the Mid West Data Centre at our Arrowsmith facility. This initiative is a clever monetisation of our existing assets, making use of the site's underutilised 4.4 MW power generation capacity to target early-stage, high-margin cash flows. This project is designed to provide a valuable new revenue stream as we continue to advance our large-scale carbon storage and clean ammonia ambitions.

Looking Ahead

As we move into FY2026, Pilot is in a strong position. Our priorities are focussed on finalising the WA-481P farmout, finalizing our partnership arrangements for the Cliff Head Carbon Storage Project, and working to deliver first cash flow from the Arrowsmith data centre. We are confident that these activities will drive significant shareholder value.

In closing, I extend my sincere gratitude to my fellow directors, our dedicated management and operations team, and our key partners. I would also like to thank our loyal shareholders for your continued support. We look forward to updating you on our progress throughout the coming year.

Yours sincerely,

Greg Columbus

Chairman
For and on behalf of the Board

1 ASX Announcement 24 December 2024 - Cliff Head Carbon Storage Resource Upgrade
2 ASX Announcement 10 April 2025 - Material Upgrade to WA 481 P Gas Resource - Clarification

Corporate & Operations Review

Corporate Activities

Board Renewal

During the financial year, the Company completed a Board renewal process. On 9 February 2025, the Company announced that Mr Alexander Sundich and Ms Natalie Wallace had been appointed as Non-Executive Directors[3]. On 31 March 2025, the Company announced the appointment of Mr Greg Columbus as Non-Executive Chairman[4], succeeding Mr Lingo as Chairman of the Company with Mr Lingo continuing as Managing Director and CEO of the Company[4].

Cliff Head Joint Venture Acquisition

On 11 October 2024, Pilot and Triangle Energy (Global) Limited (TEG) reached an agreement to vary the terms of the proposed acquisition by Pilot of TEG's remaining interests in the Cliff Head oil field joint venture[5].

Revised terms were subsequently agreed, under which Pilot agreed to purchase the WA State based assets through a vendor financing arrangement, providing a secured note to Triangle for $5,563,000[6].

The first stage of the acquisition was completed during the reporting period[7]. Pilot is now the owner of the Cliff Head Oil JV production assets and facilities under Western Australia State jurisdiction including the Arrowsmith Production Plant, the Arrowsmith freehold land, facilities, power generation plant and the offshore pipelines in WA State waters and infrastructure licences. The transfer of the remaining offshore JV interests under Commonwealth jurisdiction is pending NOPTA regulatory approval which will then provide Title to 100% of the assets.

Capital Raising

During the 2025 financial year, Pilot successfully secured significant capital to fund its operational activities and the progression of the Mid West Clean Energy Project.

Funding was primarily raised through placement of equity totaling $8.855 million and equity-linked convertible notes totaling $8.6 million to institutional and sophisticated investors. The Company also successfully renegotiated the terms of two series of convertible notes extending their maturity through to 31 December 2026.

With respect to the newly issued equity-linked convertible note facilities, the Company provided an innovative option to investors to provide the direct equity exposure to the successful development of the Cliff Head Carbon Storage Project (CHCSP). These convertible note securities provided investors the option to convert the principal amount of the note into a perpetual overriding royalty interest in the revenues generated by the Cliff Head Carbon Storage Project (the "Cliff Head ORRI") at the time the CHCSP reaches FID.

3 ASX Announcement 9 February 2025 - Changes to Pilot Board
4 ASX Announcement 31 March 2025 - Appointment of Non-Executive Chairman
5 ASX Announcement 14 October 2024 – Cliff Head Joint Venture Acquisition Update
6 ASX Announcement 28 March 2025 – Revised Cliff Head Acquisition Terms Agreed
7 ASX Announcement 24 June 2025 – Pilot Completes Cliff Head JV Acquisition

A key financial development involved leveraging the Cliff Head Oil Field's Petroleum Resource Rent Tax (PRRT) refund. The Company received a $3.9 million PRRT refund from the ATO in August 2025[8] against abandonment, decommissioning and rehabilitation expenditures (ADRE) made by the Company in the Cliff Head operation during the financial year. In advance of receiving this refund, the Company secured a $1.5 million debt note[9] to bring forward the receipt of this PRRT Refund to provide additional cashflow. In addition the Company also received after the end of the financial year a further PRRT Refund of $389,000

After the reporting period, the Company established a multi-year $5.9 million debt financing facility with Finport Capital[10]. This facility is structured to fund 40% of ongoing Cliff Head expenditures as they are incurred, financed against future PRRT tax refunds through FY2027.

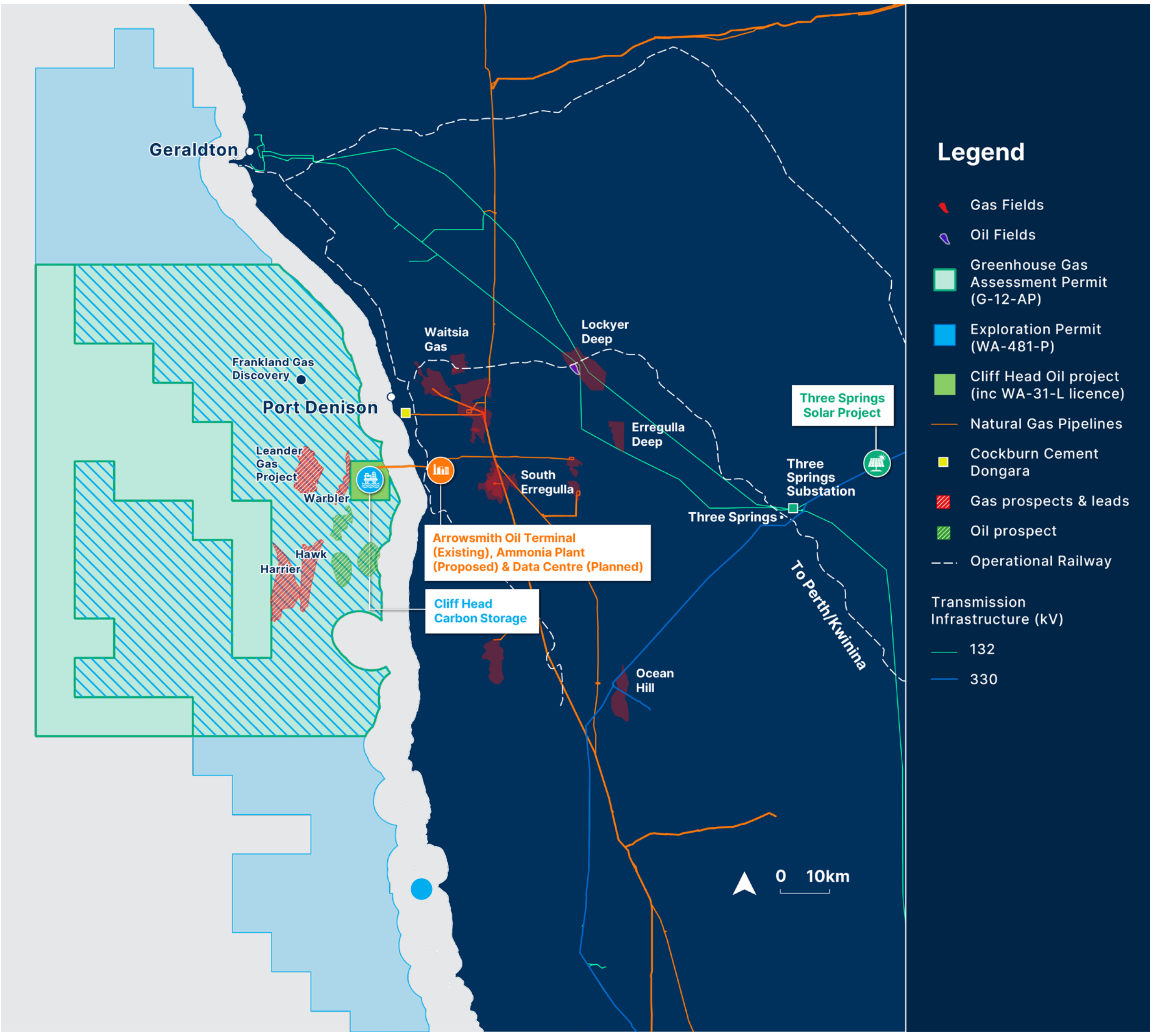

Figure 1: Overview of Pilot's Mid West operations

8 ASX Announcement 19 August 2025 - $3.9m PRRT tax refund received
9 ASX Announcement 31 July 2025 - Pilot-Secures Debt Note for $1.5 million
10 ASX Announcement 17 October 2025 - Pilot secures $5.9 million PRRT refund debt Financing

Environmental, Social and Corporate Governance (ESG)

Pilot is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. To progress the Company's commitment, Pilot has commenced a process which will facilitate the Company reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). By integrating ESG metrics into the Company's governance, business strategy, and performance management process, Pilot diligently considers all pertinent risks and opportunities in running its business.

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Review Of Operations

Mid West Clean Energy Project (MWCEP)

Pilot initiated the MWCEP to leverage the existing Mid West operational asset base (comprising the Cliff Head offshore oil production facility and onshore Arrowsmith stabilisation plant) into the production of clean energy. The Project includes a permanent Carbon Storage reservoir created from the conversion of the operating Cliff Head offshore oil field, which will be able to store carbon generated by third parties and from the clean Ammonia Project.

Commercialising the MWCEP

Korean Consortium Support

Korea Southern Power Co., Ltd. (KOSPO), as part of the K-Consortium (which also consists of Korea East-West Power, Samsung C&T), secured 2 billion Korean Won (approximately A$2.2 million) funding from Korea Export-Import Bank to support the Korean Consortium's study of the MWCEP (KEXIM Grant)[11].

Following the announcement of the KEXIM Grant, Pilot, KOSPO and Samsung C&T signed a non-binding Project Framework Agreement under which the Parties confirmed their intention to jointly develop the MWCEP.

The Company has been engaging extensively with the Korean Consortium in progressing the independent technical study (ITS) required in connection with seeking approval from the Korean Government to enter into binding equity investment and clean ammonia offtake arrangements. The ITS has progressed to an interim completion stage with final completion expected by the end of the first quarter CY2026.

Commercial and Infrastructure Partners

Pilot continued to engage with participants across the carbon supply chain to progress commercialising the MWCEP carbon storage capacity. Pilot commenced a feasibility study with a large-scale WA based emitter and is progressing the negotiation of two additional term sheets for industrial emitters from hard to abate sectors. Pilot also initiated a process to secure a partner to invest in the development of Clean Energy infrastructure in Western Australia.

On 16 April 2025, the Company announced that it had received a confidential and incomplete non-binding, indicative proposal from a foreign state-owned enterprise (SOE) with an investment grade rating of BBB+ to acquire a meaningful minority interest in the Cliff Head Carbon Storage Project[12]. On 21 May 2025, the SOE entered into a non-binding Heads of Agreement (HoA) with the Company to acquire a 20% joint venture equity working interest in the Cliff Head Carbon Storage Project.

Following the expiry of an agreed exclusivity period, the SOE advised that in light of diminishing oil reserves, shrinking profit margins and global challenges impacting its competitiveness, it would not be in a position to proceed with entering into binding arrangements. Final discussions with the SOE concluded late in the September 2025 quarter[13].

11 ASX Announcement 15 November 2024 - Korean-Consortium Partner receives funding support for MWCEP
12 ASX Announcement 16 April 2025 – Cleansing Prospectus
13 ASX Announcement 31 October 2025 - Quarterly Activities/Appendix 5B Cash Flow Report

Cliff Head Carbon Storage Project

Material Expansion of Carbon Storage Resource[14]

Technical assessments completed by the Company's subsurface consultant, CO2Tech, confirmed an additional 27 million tonnes of storage capacity in the Cliff Head Carbon Storage Project. The 2C contingent resource for WA 31-L licence area increased from 45.6 million tonnes to 72.2 million tonnes (100% basis). This revised Carbon Storage Resource Assessment was the result of technical analysis undertaken by the Company and CO2Tech to support the next phase of regulatory approvals.

Regulatory Approvals

The Company continued engagement with government stakeholders including key regulators regarding regulatory approval of the MWCEP, including the Department of Climate Change, Energy, Environment and Water (DCCEEW), the National Offshore Petroleum Titles Administrator (NOPTA), and the Department of Water and Environmental Regulation (DWER).

The Company has been undertaking extensive technical workshops and briefings with NOPTA in advance of lodging an application to amend the current approved Declaration of Storage Formation (DoSF). This application is seeking approval for the increased storage and injection capacity identified as part of the detailed pre-FEED. The Company anticipates lodging the detailed DoSF amendment application with NOPTA in Q1 2026.

In parallel, the Company's project regulatory team has also been engaging with the DCCEEW in connection with preparing the Company's referral and assessment of the Carbon Storage Project under the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act). The Company is well advanced to submit this referral to DCCEEW and expects to lodge the referral application in Q1 2026.

Direct Air Capture (DAC) Demonstration Project

Pilot and Capture6 entered into a joint development agreement (JDA) for the phased development of Capture6's DAC technology at Pilot's MWCEP[15]. The first activity is a demonstration of Capture6's water processing and DAC technology which will be deployed in Q1 2026.

Under the JDA, and with the support of the $6.5m Commonwealth Carbon Capture Technologies Program grant (CCTP Grant)[16], Pilot and Capture6 have initiated 'Project Wallaby' on a joint venture basis (20% Pilot, 80% Capture6). Project Wallaby includes four phases aligned with the development of Pilot's MWCEP:

2025: Phase 1 – Demonstration stage.

2026/27: Phase 1a – Potential expansion to facilitate early revenue generation.

2028/29: Phase 2 – Full scale deployment to manage approximately 2 giga-litres of water produced during carbon storage operations. Targeting up to 80,000 tonnes per annum DAC atmospheric carbon removal.

+2030: Phase 3 – Expanded DAC targeting 350,000 tonnes per annum atmospheric carbon removal with further scaling potential.

14 ASX Announcement 24 December 2024 - Cliff Head Carbon Storage Resource Upgrade
15 ASX Announcement 29 November 2024 - Pilot & Capture6 start Direct Air Capture Demo Project
16 ASX Announcement 23 July 2024 - $6.5m C/wealth Grant awarded for PGY MidWest CO2 Capture

Mid West Data Centre JV

After the reporting period, the Company announced that it has formed a strategic partnership with Kala Data FZCO (Kala) to install and operate a modular data centre at Pilot's Arrowsmith Stabilisation Plant (ASP)[17].

Given the Cliff Head operations minimal energy use during the transition to carbon storage, 90% of the installed ASP generating capacity is underutilized, opening the opportunity to establish data centre operations with Kala. The modular data centre will be powered using the existing gas-fired 4.4 MW generators and utilise the existing ASP operating team.

Figure 2: Photo of a Kala Data modular data centre installation, similar to the system proposed for Arrowsmith planned for Q1 2026.

Kala will lead the deployment, initially installing a 1 MW modular data centre at ASP in Q1 2026. Subject to satisfactory performance, Pilot and Kala intend to expand the data centre to 4 MW within 6 months of the initial installation. Kala will fund the initial capital cost, with Pilot's 50% share funded through the issue to Kala of approximately 38 million new Pilot Energy shares at 2.0 cents per share, which will be escrowed for one year. Net before tax cashflows (revenue net of gas costs and hardware upgrade reserving) will be distributed monthly on a 50:50 basis.

Once the 4 MW data centre is fully operational and depending on the operational and financial performance and outcome, Pilot and Kala aim to expand the data centre to approximately 30 MW either within the ASP facility or pursue a larger deployment at Pilot's Three Springs Solar Project or another Pilot location.

Pilot estimates that its share of profits from a 30 MW data centre operation could generate sufficient pre-tax cash flows to internally fund the Cliff Head operating costs while the Company transitions these operations to the Carbon Storage Project.

17 ASX Announcement 16 October 2025 – Pilot & Kala Data form Data Centre JV at Arrowsmith

Oil and Gas Operations

Cliff Head Operations and Transition

Throughout the financial year, the Cliff Head operations team focused on transitioning the asset to a non-production phase. A key deliverable achieved in the December 2024 quarter was the removal of hydrocarbons from the facilities to the satisfaction of the regulators, in particular General Direction 1947.

Under the transaction with Triangle Energy, Pilot has been solely funding 100% of the ongoing operational costs of the Cliff Head Oil Field operations and the implementation of the NOPSEMA-directed activities since 1 August 2024.

Directions 1, 2 & 5a - Activities to secure the wells, facilities and pipelines post-production have been completed, and NOPSEMA has formally confirmed these Directions are closed[18].

Directions 3, 4 & 5b - Activities related to ongoing risk management and environmental protection - remain ongoing[13].

During the year, significant integrity campaigns were completed:

- **Well Integrity:** Remediation works on the CH6 and CH7 wells were completed.
- **ROV Survey & Marine Growth Removal:** Pilot successfully completed a marine growth removal campaign at the Cliff Head Wellhead Platform.
- **Pipeline Integrity Management:** Three methodologies were recently run:
    - Smart Ball (Acoustic): Completed on 20 March 2025, showing no leaks.
    - In-line Inspection (Intelligent PIG): Completed on 26 and 27 March 2025.
    - AUV survey (Visual Scan): Completed from 7 to 10 April 2025.

PRRT Tax Refund

As a result of the cessation of oil production, the Company lodged its annual PRRT tax return for the 2025 financial year, claiming a refund for abandonment, decommissioning and rehabilitation expenditures (ADRE). In August 2025, the Company received a $3.887 million PRRT refund, representing the full amount claimed through the Cliff Head Oil Joint Venture operating company, Triangle Energy Operations Pty Ltd[19].

18 ASX Announcement 31 July 2025 - Quarterly Activities/Appendix 5B Cash Flow Report
19 ASX Announcement 19 August 2025 - $3.9 million PRRT refund received

Exploration Permit WA-481-P, Perth Basin

Major Increase in Prospective Resources[20]

Pilot announced material upgrades to prospective resource estimates. The upgraded prospective resource estimate for the Leander gas prospect is 1,116 Bcf (Gas) and 18mmbl (Condensate) mean estimate.

The Babbler, Brahminy and Cliff Head South oil prospects are now estimated to contain prospective oil resources of 66 million barrels (sum of mean estimate recoverable). This upgraded Leander prospective gas resource estimate of 1,116 Bcf has the potential to provide Pilot with sufficient gas to self-supply at least 30 years of low-carbon ammonia production.

20 ASX Announcement 1 April 2025 - WA-481-P material gas resource update

Farmout Process

Pilot commenced a formal farmout process seeking exploration joint venture partners for its extensive exploration holdings in the offshore North Perth Basin[21]. Pilot is the operator of and holds 100% ownership in WA-481P, which is Australia's largest off-shore exploration permit covering 8,605km^2 containing proven gas and oil exploration fairways of the Perth Basin along the Mid West coast of Western Australia.

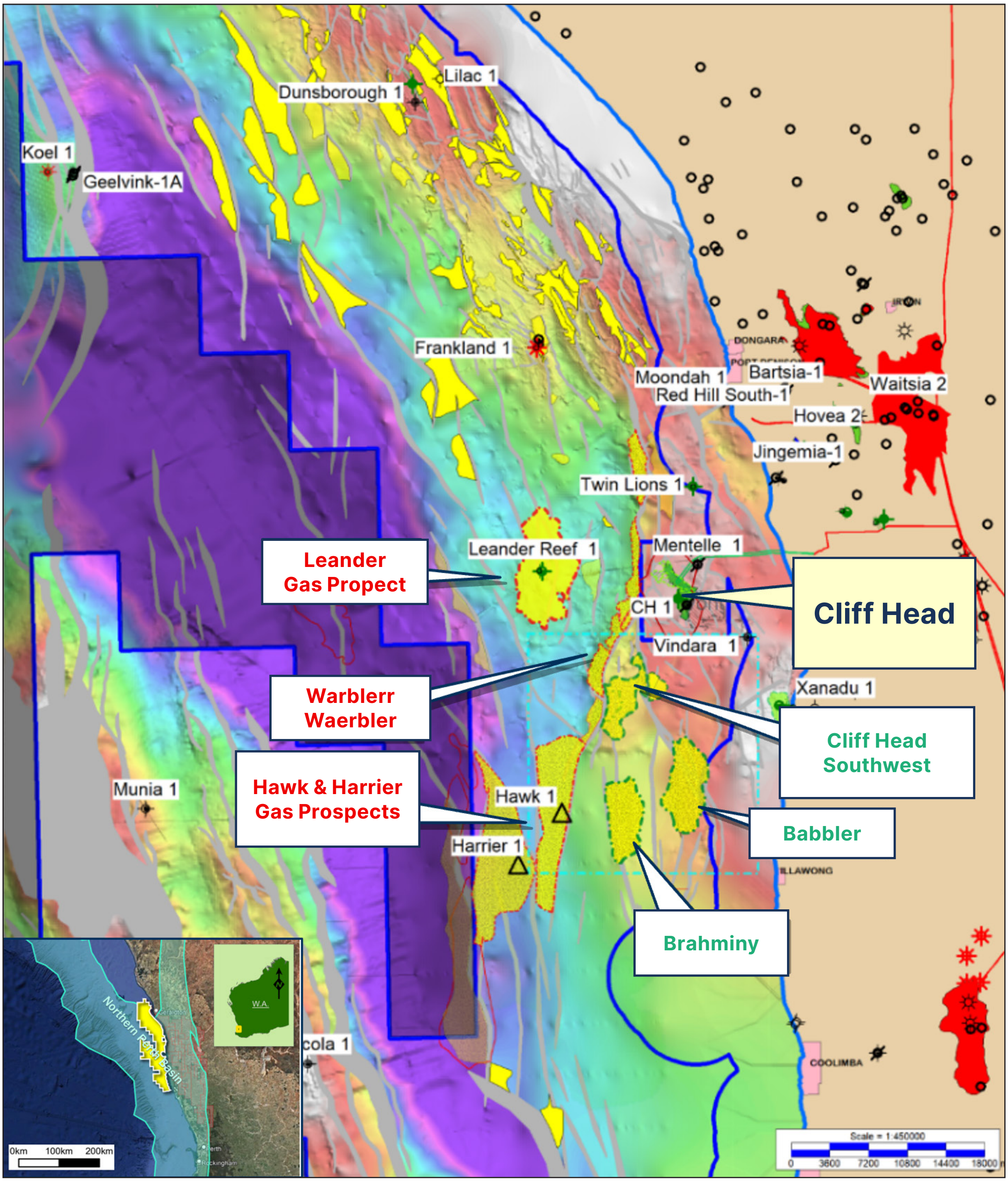

Figure 3: WA-481P Permit Area – Gas Prospects & Leads

21 ASX Announcement 23 July 2025 - Pilot commences Perth Basin exploration farmout

To execute the farmout process, the Company established a data room and dedicated resources to support this activity. The Company received many requests for the farmout teaser from qualified, interested parties. The Company is singularly focussed on bringing in a high-quality partner(s) with specific technical and/or commercial expertise to drill the Leander Gas Prospect to prove up the 1.1 TCF gas Prospective Resource (Mean) potential and to commercialise its development as well as to focus on the significant gas potential of the offshore Perth Basin.

The formal farmout process is now at an advanced stage, with a shortlist of interested parties having received management presentations and access to a detailed data room, and invited to submit indicative proposals to farmin to the licence. The Company aims to complete negotiations with one or more of these parties in early 2026.

Figure 4: Leander Conceptual Development Plan

Eureka 3D Seismic Survey (Environmental Approval)

A comprehensive Environmental Plan (EP) for the Eureka 3D seismic survey was lodged with NOPSEMA on 2 February 2024. Pilot received a request for further information on 3 September 2024 and planned for resubmission in May 2025.

After the reporting period, the Company was advised by NOPSEMA it had secured environmental approval to conduct the 400km^2 Eureka 3D seismic survey in WA-481-P[22]. Receipt of this key environmental approval follows nearly 3 years of regulatory engagement and extensive community and stakeholder engagement. This approval directly supports the farmout process and provides confidence to prospective farm-in partners that the 3D seismic program can proceed.

22 ASX Announcement 21 October 2025 - PGY receives Environmental Approval for Eureka 3D seismic

Three Springs Solar Project

On 9 October 2024, Pilot announced it received a non-binding offer to acquire 100% of the Three Springs Project 376MW solar farm development project[23]. During the financial year, the Company progressed the sale process and engaged with several parties. The Company is working to reach a binding sale agreement, which will enable the Company to realise significant capital from the Project over a series of upfront and subsequent milestone-related payments.

23 ASX Announcement 9 October 2024 - Pilot receives offer for Three Springs

Directors' Report

Directors' Report

30 September 2025

The Directors present their report, together with the financial statements of Pilot Energy Limited and its controlled entities (referred to as Pilot, the Company or the Group), for the financial year ended 30 September 2025.

1 Directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Name and independence status Directors - Current	Experience, qualifications, special responsibilities and other directorships
Gregory Columbus Non-Executive Chairman Appointed:31 March 2025	Greg brings over 30 years of experience in the energy and oil & gas sectors, having held various technical, commercial, executive and non-executive roles. As an experienced company director, he has demonstrated expertise in corporate strategy, finance, and legal matters. Throughout his career, Greg has successfully led large-scale energy and oil & gas projects and played a key role in numerous M&A transactions, including his recent tenure as Independent Non-Executive Chairman of Warrego Energy and Talon Energy. <u>Director's holdings as at date of report</u> (1) 2,000,000 ordinary shares 25,000,000 ordinary shares 5,000,000 options expiring 30 April 2026 25,000,000 options expiring 13 December 2026 $2,500,000 convertible notes <u>Other Directorships</u> • Nil
Bradley Lingo Managing Director Appointed:17 April 2024 Executive Chairman Appointed:12 May 2020 Ceased: 31 March 2025	Brad has extensive experience in developing and implementing business strategy to create and maximize value in the Australian and International oil, gas and energy markets. Throughout his over 30 year career, Brad has held a number of senior executive roles namely at Drillsearch, Commonwealth Bank of Australia, Sunshine Gas and Epic Energy – all focussed on developing and implementing focussed business development strategies aimed at growing and delivering shareholder value. <u>Director's holdings as at date of report</u> 500,000 ordinary shares 10,000,000 options expiring 4 November 2025 500,000 options expiring 13 December 2026 <u>Other Interests</u> 2% ORRI in respect of MWCEP. Granted to nominee, Greenslate Pty Ltd. <u>Other Directorships</u> • Triangle Energy (Operations) Pty Ltd – Appointed 11 April 2024

(1) Held in related entity Discovery Investments Pty Ltd (Rascol Super Fund A/C & Columbus Family A/C)

Directors - Current (continued)

Alexander Sundich
Non-executive Director
Appointed:4 February 2025

Alex is an investment banker with over 30 years of experience who had a 20 year career with the global investment banks Credit Suisse First Boston and Goldman Sachs in Sydney and New York, where he specialised in financing and M&A transactions in the energy and mining industries. Since 2013, Alex has been a corporate advisor with Bridge Street Capital Partners, which he cofounded. Alex was an early-stage investor and non-executive director of Eastern Star Gas, an oil and gas company that was acquired by Santos for $924 million in 2011.

Director's holdings as at date of report (2)
92,500,000 ordinary shares
8,000,000 options expiring 30 April 2026
15,000,000 options expiring 13 December 2026

Other Directorships
- Nil

Natalie Wallace
Non-executive Director
Appointed:4 February 2025

Natalie is an experienced energy executive, with a career spanning 30 years in the energy sector in a variety of roles in upstream oil and gas, wholesale energy and mid-stream energy project development. With an engineering background and a Masters of Business, Marketing, she brings to the Pilot Board a depth of experience in commercial problem solving and negotiation, while delivering on strategic objectives. During her diverse career, Ms. Wallace has held responsibilities for strategy, marketing, process engineering, supply chain, internal audit and emergency response with some of Australia's largest energy companies, include senior positions within Origin Energy for their APLNG project, Santos and Wesfarmers Chemicals.

Director's holdings as at date of report (3)
5,000,000 ordinary shares
5,000,000 options expiring 13 December 2026

Other Directorships
- Triangle Energy (Operations) Pty Ltd – Appointed 11 April 2024
- Australian Calisthenics Federation Limited

(2) Held in related entity Pine Street Pty Ltd (Pine Street A/C & Pine Street Super Fund A/C)

(3) Held in related entity NRW Superannuation Fund

Directors - Resigned

Bruce Gordon
Non-executive Director
Appointed:31 May 2021
Resigned 12 February 2025

Bruce is a corporate finance and corporate audit specialist with over 27 years' experience acting for, and advising, ASX and international and Asia/Pacific companies. He has extensive knowledge in public accounting, financial reporting and corporate governance. Previously Bruce held positions as the Lead Partner of the BDO National Corporate Finance Team and the BDO East Coast Partnership Corporate Finance Team, the Leader of the BDO East Coast Partnership Natural Resources Team, a member of BDO's National Natural Resources Team and the Business Development Team. Bruce is a Fellow of Chartered Accountants Australia and New Zealand and Fellow of The Australian Institute of Company Directors.

Director's holdings upon resignation (4)
6,500,000 ordinary shares
2,000,000 options expiring 18 March 2025
450,000 options expiring 25 August 2025
250,000 options expiring 30 April 2026

Daniel Chen
Non-executive Director
Appointed:15 September 2020
Resigned 19 March 2025

Daniel has over 20 years of business, project management and leadership experience, predominantly with Fortune Top 200 companies in port, maritime and logistic industries. He has led several global implementation projects in Asia, Europe and Oceania throughout his career thus far. Highlights include development of the world's first fully automated container terminal, regional procurement responsibilities for an annual spend of USD 200 million, and working with multiple global supply chain providers to reengineer existing processes to improve operational efficiency. Recently, Daniel has advised Orient Energy and Denison Gas in Australia on various corporate initiatives.

Director's holdings upon resignation (5)
8,600,000 ordinary shares
1,150,000 options expiring 25 August 2025
500,000 options expiring 30 April 2026

Other Directorships
- Triangle Energy (Operations) Pty Ltd – Appointed 11 April 2024
- PZE Limited (not listed)

(4) Held in related entity, PAD Pty Limited
(5) Held in related entities, DVAC Holding Pty Ltd and DVAC Super Fund Pty Ltd

2 Company Secretary

Cate Friedlander was appointed Company Secretary on 22 March 2021. As at the date of this report, she is the sole company secretary.

Directors' Report

30 September 2025

3 Director's Meetings

During the financial year, 20 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Full meetings of directors		Audit & Risk Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Greg Columbus (appointed 31/03/2025)	5	6	-	-
Bradley Lingo (appointed 12/05/2020)	12	12	-	-
Alexander Sundich (appointed 04/02/2025)	8	8	4	4
Natalie Wallace (appointed 04/02/2025)	8	8	4	4
Daniel Chen[(1)] (appointed 15/09/2020) (Resigned 19 March 2025)	5	5	4	4
Bruce Gordon (appointed 31/05/2021) (Resigned 12 February 2025)	4	4	4	4

- The audit & risk committee comprises Alexander Sundich (Chairman), Natalie Wallace and Greg Columbus. Prior to their resignation, Daniel Chen and Bruce Gordon were members of the audit & risk committee.
- All other functions including finance, remuneration, nomination, risk management and environmental functions are handled by the full Board of Directors of the Company.

4 Principal Activities

The principal activity of the Group during the course of the financial year was oil and gas production and exploration. Pilot is currently engaged in oil and gas production, development and exploration activities and is pursuing the diversification and transition to the development of carbon management projects, hydrogen and integrated renewable energy by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.

There were no significant changes in the nature of the Group's principal activities during the financial year.

5 Operating Results and Financial Review

Operating and financial review

Information on the operations and financial position of the Group and its strategies and prospects is set out in the Review of Operations at the beginning of this Annual Report.

The consolidated loss of the Group amounted to $7,149,591 (2024 Restated: loss of $8,884,719).

6 Significant Changes in State of Affairs

In the opinion of the Directors, there were no matters that significantly affected the state of affairs of the Group during the financial year, other than those matters referred to in the review of operations report.

7 Dividends

The Directors recommend that no dividend be provided for the year ended 30 September 2025 (2024: Nil).

8 Environmental Issues

The Group is subject to significant environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

9 Events After the Reporting Date

Refer to Note 36 to the Financial Statements.

10 Indemnification and Insurance of Officers and Auditors

During the financial year, the Company did not pay an insurance premium (2024: $43,960) to insure the Directors and key management of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Group has agreed to indemnify each of the Directors and the company secretary of the Company and its controlled entity, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and company secretary of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

No agreements have been entered into to indemnify the Group's auditors against any claims by third parties arising from their report on the Annual Financial Statements.

11 Likely Developments and Expected Results

The Group will continue to pursue its business plans as noted in section 4 above.

12 Capital Structure

(i) Ordinary shares

At the balance date of this report, total ordinary shares on issue total 2,158,660,009. Details of all share issues during the year are set out in Note 24 to the Financial Statements.

(ii) Unissued shares under options

At the balance date of this report, there are 761,937,760 unissued ordinary shares under option. Details of share options are set out in Note 24 to the Financial Statements

- All unissued shares are ordinary shares of the Company.
- These options do not entitle the holder to participate in any share issue of the Company.
- Further details in relation to the share-based payments to directors are included in the Remuneration Report.

Shares issued on exercise of options
During the year ended 30 September 2025, no shares were issued as a result of the exercise of options. (2024: 3,500,000)

Options expired
During the year ended 30 September 2025, 255,952,091 options expired (2024: 10,000,000)

13 Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

14 Remuneration Report - Audited

The Directors are pleased to present your Company's 2025 Remuneration Report prepared in accordance with the *Corporations Act 2001*. The Report sets out the detailed remuneration information for Pilot Energy's Non-executive Directors, Executive Directors and other Key Management Personnel (KMP) of the Group. The remuneration disclosures in this Report cover the following persons:

	Position	Date Appointed	Date Resigned
Greg Columbus	Non-executive Chairman	31 March 2025	-
Bradley Lingo	Executive Chairman*	12 May 2020	-
	Managing Director	17 April 2024	-
Alexander Sundich	Non-executive Director	4 February 2025	-
Natalie Wallace	Non-executive Director	4 February 2025	-
Daniel Chen	Non-executive Director	15 September 2020	19 March 2025
Bruce Gordon	Non-executive Director	31 May 2021	12 February 2025
Nick Watson	GM Corporate Development	1 July 2023	-
Anthony Strasser	Head of Corporate	17 April 2024	30 November 2024

* Mr B Lingo resigned as Executive Chairman on 31 March 2025 and continues as the Company's Managing Director.

The Report contains the following sections:

(a) Remuneration governance
(b) Executive remuneration strategy and framework
(c) Board and management changes
(d) Service contracts
(e) Non-executive director remuneration
(f) Key management personnel remuneration
(g) Other KMP disclosures

(a) Remuneration Governance

The remuneration of directors and key management is the responsibility of the full Board of Directors at this time.

14 Remuneration Report - Audited (continued)

(b) Executive remuneration strategy and framework

Remuneration is referred to as compensation in this report.

Compensation levels for key management personnel of the Group are set to attract, retain and motivate appropriately qualified and experienced Directors and Executives. As the Group's principal activities during the year were new ventures and exploration / evaluation, measurement of remuneration policies against financial performance is not considered relevant. The measurement of remuneration policies considered a range of factors including budget performance, delivery of results and timely completion of development programmes.

The objective of the Group's reward framework is to ensure that remuneration policies and structures are fair and competitive. The Board ensures that remuneration satisfies the following criteria for reward:

- competitiveness and reasonableness;
- transparency;
- attracts and retains high calibre executives; and
- rewards capability and experience.

Executive remuneration mix
The remuneration of the Managing Director and other KMP was structured as a mix of fixed remuneration and variable "at risk" remuneration through short-term and long-term incentive components.

Fixed compensation
Fixed compensation consists of base compensation plus employer contributions to superannuation funds (unless otherwise stated). Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group and compares compensation to ensure it is comparable and competitive within the market in which the Group operates.

Fixed compensation is not "at risk" but is appropriately benchmarked and set with reference to role, responsibilities, skills and experience.

Performance-linked compensation
Performance-linked compensation consists of both short-term and longer-term remuneration. Performance-linked remuneration is not based on specific financial indicators such as earnings or dividends as the Group is at the exploration and development stage. Vesting of long term incentives is based on the market conditions, which is considered an appropriate measure of the outcome of overall performance. There is no separate profit-share plan.

Short-term incentive
Short term incentives (STI) reward employees for their individual achievements and contributions to business success and organisation outcomes during the financial year. STI's are a variable reward and are not guaranteed.

Each year, the Board considers the appropriate targets and Key Performance Indicators (KPI's) to link the STI and the level of payout if targets are met. This includes capping the maximum payout under the STI scheme and determining the minimum levels of performance to trigger payment of the STI's. Depending upon the level of management, KPI's include the following:

- competitiveness and reasonableness;
- transparency;
- attracts and retains high calibre executives; and
- rewards capability and experience.

Long-term incentive
Long-term incentives (LTI) are comprised of share options and performance rights (PR), which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value. Options and rights are granted for no consideration and do not carry voting rights or dividend entitlements.

14 Remuneration Report – Audited (continued)

(b) Executive remuneration strategy and framework (continued)

The Company adopted an Employee Share Options Scheme (ESOS) effective 23 February 2010. Under the ESOS, the Company may grant options to Company eligible employees to acquire securities to a maximum of 10% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is estimated using the Black Scholes Option Pricing model.

During the year ended 30 September 2025, the Company did not use any remuneration consultants.

(i) Performance Rights

There were no new performance rights granted as remuneration to directors and key management during the reporting period.

(ii) New options

There were no options granted as remuneration to directors and key management during the reporting period.

(iii) Vested options

There were no options granted as remuneration to directors and key management that vested during the reporting period.

(iv) Expired options or forfeited

There were 8,500,000 options granted as remuneration to directors and key management that expired or were forfeited during the reporting period.

Consequences of performance on shareholder wealth
The overall level of key management personnel compensation takes into account the performance of the Group over a number of years, however as the Company is not a petroleum producer, does not specifically relate to financial performance.

Financial performance in respect of the current financial year and the previous four financial years is detailed below:

Shareholder returns	**2025**	**2024 (Restated)**	**2023 (Restated)**	**2022**	**2021**
Net (loss) attributable to equity holders ($)	(7,149,591)	(8,884,719)	(4,191,149)	(2,709,823)	(3,828,787)
Basic (loss) per share (cents)	(0.39)	(0.73)	(0.49)	(0.52)	(1.43)
Share price at year end ($)	0.0075	0.019	0.025	0.018	0.055
Market capitalisation ($)	16,189,950	27,129,878	25,938,940	11,005,881	27,588,094
Net tangible assets / (liabilities) (NTA) ($)(1)	(170,239)	48,864	4,236,948	10,202,006	11,958,456
NTA Backing (cents)	(0.001)	(0.000)	0.0041	0.016	0.024

(1) Net tangible assets comprise of net assets less intangible assets per the consolidated statement of financial position.

During the financial years noted above, there were no dividends paid or other returns of capital made by the Group to shareholders. The Group's financial performance is impacted by a number of factors.

(c) Board and management changes

Pilot underwent a renewal of the Board during the financial year ended 30 September 2025. On 31 March 2025, Greg Columbus was appointed as Non-executive Chairman succeeding Brad Lingo who has continued as Managing Director. On 4 February, Alex Sundich and Natalie Wallace were appointed as Non-executive Directors. Bruce Gordon retired effective 12 February 2025 and Daniel Chen retired effective 19 March 2025.

14 Remuneration Report – Audited (continued)

(d) Service contracts

On appointment to the Board, all non-executive directors enter into a consultancy agreement with the Group in the form of a contract of appointment. The contract summarises the Board's policies and terms, including compensation, relevant to the officer or director.

Executive remuneration and other terms of employment are formalised in service agreements. The service agreements outline the components of compensation paid to key management personnel (KMPs) but do not prescribe how compensation levels are modified year by year. Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performance by KMPs and any changes required to meet the principles of the compensation policy.

The major provisions of the agreements relating to remuneration are set out below:

Name	Term of agreement	KMP notice period	Company notice period	Base salary(1)	Termination Benefit(2)
Mr Greg Columbus	Ongoing from 31/03/25	-	-	$75,000	-
Mr Bradley Lingo(3)	Ongoing from 01/10/23	6 months	12 months	$500,000	12 months' base salary
Mr Alexander Sundich	Ongoing from 04/02/25	-	-	$50,000	-
Ms Natalie Wallace	Ongoing from 04/02/25	-	-	$50,000	-
Mr Nick Watson(4)	Ongoing from 01/07/23	3 months	3 months	$420,000	-
Mr Anthony Strasser(5)	Ongoing from 01/07/24	2 months	2 months	$414,000	-
Mr Daniel Chen	Ongoing from 01/01/24	1 month	1 month	$100,000	1 months' base salary
Mr Bruce Gordon	Ongoing from 01/01/24	1 month	1 month	$100,000	1 months' base salary

(1) The base salary figures do not include superannuation. Since joining the Board of the Company, Mr. Columbus, Mr. Sundich and Ms. Wallace have agreed to defer cash payment of their respective Base salary amounts until such time as the Company's cash position strengthens and as such no cash amount has been paid and the Base salary amount has been accrued and carried as a payable in the Company's accounts.

(2) Termination benefits are payable upon early termination by the Group, other than for gross misconduct.

(3) As part of Mr Lingo's employment services contract, there is an Over-Riding Royalty Interest (ORRI) over the anticipated clean energy projects. In September 2022, the Board approved the ORRI agreement which provides for a 2% royalty of the gross revenue from all Sale Agreements with Greenslate Energy Pty Ltd (a related entity of Mr Lingo) relating to the Mid-West Clean Energy project. Due to the uncertainty of these amounts, no value is included in the FY2025 and FY2024 remuneration.

(4) As part of Mr Watson's consulting agreement, there is an Over-Riding Royalty Interest (ORRI) over the anticipated clean energy projects. In December 2023, the Board approved the ORRI agreement which provides for a 0.5% royalty of the gross revenue from all Sale Agreements relating to the Mid-West Clean Energy project. Due to the uncertainty of these amounts, no value is included in the FY2025 and FY2024 remuneration.

(5) As part of Mr Strasser's employment services contract, there was an Over-Riding Royalty Interest (ORRI) over the anticipated clean energy projects. In December 2023, the Board approved the ORRI agreement which provides for a 1% royalty of the gross revenue from all Sale Agreements relating to the Mid-West Clean Energy project. Due to the uncertainty of these amounts, no value is included in the FY2025 and FY2024 remuneration. As continued employment was a requirement for the ORRI, this was cancelled as a result of Mr Strasser's resignation on 16 April 2024.

(e) Non-executive director remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed by the full Board of Directors at this time. The current base fees were last reviewed with effect from 1 January 2024. The fees approved by the Board are exclusive of the statutory superannuation amount.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $340,000 per annum and was approved by shareholders at the Annual General Meeting on 27 February 2015.

In addition to their base fees, non-executive directors may also receive payment for consultancy services at the lesser of $200 per hour or $1,500 per day plus any reimbursable expenses.

The Chairman's fees are determined independently to the fees paid to the non-executive directors, based on comparative roles in the external market.

14 Remuneration Report – Audited (continued)

(f) Key Management Personnel Remuneration -

Executive Directors	Year	Short-term benefits Salary and fees (A)	Short term incentive bonus (B)	Non-monetary Benefits (C)	Post Employment benefits Superannuation	Long-term benefits Long Service Leave	Share-based payments Shares (D)	Options (D)	Total	Fixed Remuneration %	Short Term Incentive – at Risk %
Bradley Lingo (appointed 15/05/20)	**2025**	**640,893**	**-**	**-**	**28,125**	**-**	**-**	**-**	**669,018**	**100%**	**-**
	2024	541,044*	150,000	-	31,645	-	-	-	722,689*	79%	21%
Anthony Strasser (resigned 16/04/24)	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	234,094	130,000(2)	-	16,971	-	-	-	381,065	66%	34%
Sub-total executive directors' remuneration	**2025**	**640,893**	**-**	**-**	**28,125**	**-**	**-**	**-**	**669,018**	**100%**	**-**
	2024	775,139	280,000	-	48,616	-	-	-	1,103,754	75%	25%
Non-Executive Directors											
Greg Columbus (appointed 31/03/25)	**2025**	**37,500**	**-**	**-**	**-**	**-**	**-**	**-**	**37,500**	**100%**	**-**
	2024	-	-	-	-	-	-	-	-	-	-
Alexander Sundich (appointed 04/02/25)	**2025**	**33,333**	**-**	**-**	**-**	**-**	**-**	**-**	**33,333**	**100%**	**-**
	2024	-	-	-	-	-	-	-	-	-	-
Natalie Wallace (appointed 04/02/25)	**2025**	**33,333**	**-**	**-**	**-**	**-**	**-**	**-**	**33,333**	**100%**	**-**
	2024	-	-	-	-	-	-	-	-	-	-
Daniel Chen (resigned 19/03/25)	**2025**	**71,667**	**-**	**-**	**8,242**	**-**	**-**	**-**	**79,908**	**100%**	**-**
	2024	112,500	30,000	-	15,800	-	-	-	158,300	81%	19%
Bruce Gordon (resigned 12/02/25)	**2025**	**67,105**	**-**	**-**	**-**	**-**	**-**	**-**	**67,105**	**100%**	**-**
	2024	139,216(1)	20,000	-	-	-	-	-	159,216	87%	13%
Sub-total non-executive directors' remuneration	**2025**	**242,938**	**-**	**-**	**8,242**	**-**	**-**	**-**	**251,180**	**100%**	**-**
	2024	251,716	50,000	-	15,800	-	-	-	317,516	84%	16%

(1) includes $30,000 relating to fees as Chairman of the Audit and Risk Committee for the 12 months ending 30 June for the years 2022 and 2023.

(2) includes $30,000 relating to 2022 bonus

Directors' Report

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14 Remuneration Report – Audited (continued)

(f) Key Management Personnel Remuneration (continued)

		Short-term benefits			Post Employment benefits	Long-term benefits	Share-based payments				
Other KMP	**Year**	**Salary and fees (A)**	**Short term incentive bonus**	**Non-monetary Benefits (C)**	**Super-annuation**	**Long Service Leave**	**Shares (D)**	**Options (D)**	**Total**	**Fixed Remun-eration %**	**Short Term Incentive – at Risk**
Nick Watson (appointed 01/07/23)	**2025**	**420,000**	**-**	**-**	**-**	**-**	**-**	**-**	**420,000**	**100%**	**-**
	2024	420,000	-	-	-	-	-	-	420,000	100%	-
Anthony Strasser (resigned 30/11/24)	**2025**	**68,951**	**-**	**-**	**7,935**	**-**	**-**	**-**	**76,886**	**100%**	**-**
	2024	228,105*	-	-	19,840	51,618*	-	-	299,562*	83%	-
Sub-total Other KMP	**2025**	**488,951**	**-**	**-**	**7,935**	**-**	**-**	**-**	**496,886**	**100%**	**-**
	2024	648,105	-	-	19,840	51,618	-	-	719,562	93%	-
Total Key Management Remuneration	**2025**	**1,372,783**	**-**	**-**	**44,302**	**-**	**-**	**-**	**1,417,084**	**100%**	**-**
	2024	1,674,959	330,000	-	84,256	51,618	-	-	2,140,832	82%	16%

*Restated – refer Note 4

Directors' Report

30 September 2025

14 Remuneration Report – Audited (continued)

(f) Key Management Personnel Remuneration (continued)

The proportion of cash bonus paid/payable or forfeited is as follows:

	Year	Maximum Bonus	Cash Bonus Paid/Payable		Bonus Forfeited	
Executive Directors		$	$	%	$	%
Bradley Lingo (appointed 15/05/20)	**2025**	**200,000**	**-**	**-**	**200,000**	**100%**
	2024	150,000	150,000	100%	-	-
Anthony Strasser (appointed 31/05/21) (resigned 16/04/24)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	100,000	130,000[1]	100%	-	-
Sub-total executive directors' remuneration	**2025**	**200,000**	**-**	**-**	**200,000**	**100%**
	2024	250,000	280,000	-	-	-
Greg Columbus (appointed 31/03/25)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	**N/A**	**-**	**-**	**-**	**-**
Alexander Sundich (appointed 04/02/25)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	**N/A**	**-**	**-**	**-**	**-**
Natalie Wallace (appointed 04/02/25)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	**N/A**	**-**	**-**	**-**	**-**
Daniel Chen (appointed 15/09/20) (resigned 19/03/25)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	30,000	30,000	100%	-	-
Bruce Gordon (appointed 31/05/21) (resigned 12/02/25)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	20,000	20,000	100%	-	-
Sub-total non-executive directors' remuneration	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	50,000	50,000	100%	-	-

(1) includes $30,000 relating to 2022 bonus

Directors' Report

30 September 2025

14 Remuneration Report – Audited (continued)

(f) Key Management Personnel Remuneration (continued)

	Year	Maximum Bonus	Cash Bonus Paid/Payable		Bonus Forfeited	
Other KMP		**$**	**$**	**%**	**$**	**%**
Nick Watson (appointed 01/07/23)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	N/A	-	-	-	-
Anthony Strasser (appointed 17/04/24) (resigned 30/11/24)	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	N/A	-	-	-	-
Sub-total Other KMP	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	N/A	-	-	-	-
Total Key Management Remuneration	**2025**	**N/A**	**-**	**-**	**-**	**-**
	2024	300,000	330,000	100%	-	-

Directors' Report
30 September 2025

14 Remuneration Report – Audited (continued)

(g) Other KMP disclosures
KMP option holdings

During the reporting period, no shares were issued on the exercise of options previously granted as compensation.

Executive directors	Held at 1 October 2024	Held on Appointment or (resignation)	Options Granted/ Acquired	Options expired	Held at 30 September 2025	Vested during the year	Vested and Exercisable at 30 September 2025
Greg Columbus	-	5,000,000	25,000,000	-	30,000,000	25,000,000	30,000,000
Bradley Lingo(5)	13,500,000	-	500,000	(3,500,000)	10,500,000	500,000	10,500,000
Non-executive directors							
Alexander Sundich	-	19,716,666	15,000,000	(11,716,666)	23,000,000	15,000,000	23,000,000
Natalie Wallace	-	-	5,000,000	-	5,000,000	5,000,000	5,000,000
Daniel Chen(2)	3,650,000	(1,650,000)		(2,000,000)	-	-	-
Bruce Gordon(3)	2,700,000	(2,700,000)		-	-	-	-
Other KMP							
Nick Watson(4)	3,000,000	-	-	(3,000,000)	-	-	-
Anthony Strasser(1)	5,375,000	(5,375,000)	-	-	-	-	-

KMP shareholdings

Executive directors	Held at 1 October 2024	Held on Appointment or (resignation)	Issued/ (Disposed)	Held at 30 September 2025
Greg Columbus	-	2,000,000	25,000,000	27,000,000
Bradley Lingo(5)	-	-	500,000	500,000
Non-executive directors				
Alexander Sundich	-	77,500,000	15,000,000	92,500,000
Natalie Wallace	-	-	5,000,000	5,000,000
Daniel Chen(2)	8,600,000	(8,600,000)	-	-
Bruce Gordon(3)	6,500,000	(6,500,000)	-	-
Other KMP				
Nick Watson(4)	14,032,542	-	-	14,032,542
Anthony Strasser(1)	26,766,136	(26,766,136)	-	-

(1) beneficially held in related entity. Mandaton Holdings Pty Ltd and Strassfamily Pty Ltd

(2) held in related entity, DVAC Holding Pty Ltd & DVAC Super Fund

(3) held in related entity PAD Pty Limited

(4) held in related entity Watsonno1 Pty Ltd and Castle Rock Energy Pty Ltd

(5) appointed Managing Director on 17 April 2024

THIS IS THE END OF THE REMUNERATION REPORT - AUDITED

15 Consolidated Entity Disclosure Statement

The information disclosed in the attached consolidated entity disclosure statement is true and correct.

16 Material Risk Factors

Introduction

As with any investment in Securities, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This Note identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should consult their professional adviser before deciding whether to acquire securities in the Company. Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company's future financial performance, financial position and prospects.

There can be no guarantee that the Company will achieve its stated objective or that forward-looking statements will be realised.

Specific risks

a) Additional requirements for capital

The funding of any further ongoing capital requirements will depend upon a number of factors, including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty. Any future additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop its projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

b) Exploration, operations and activities risk

There is no assurance that any exploration or feasibility assessment on current or future interests will result in the discovery of an economic energy project. Even if an apparently viable resource is identified, there is no guarantee that it can be economically developed. The future profitability of the Company and the value of its Securities are directly related to the results of exploration, development and production activities.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction or resource capture costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

c) Environmental matters

The Company's operations are subject to environmental risks that are inherent in the energy industry. The Company is subject to environmental laws and regulations in connection with any operations that it may pursue. The Company conducts all its activities in an environmentally responsible manner and in accordance with all relevant laws. However, accidents, breaches, non-compliance, unforeseen circumstances or changes to the laws and regulations could result in the Company facing penalties, revocation of permits or extensive liabilities for damages, clean-up costs and / or penalties relating to environmental damage.

16 Material Risk Factors (continued)

Specific risks (continued)

d) Commodity and currency price risks

The profitability of the Company's operations is directly related to the market price of the commodities. The demand for, and price of oil, gas and energy generally is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company.

International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil prices are unrest and political instability in countries that have increased concern over supply. As oil is principally sold throughout the world in US dollars, any significant and / or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar, could have a materially adverse effect on the Company's operations.

e) Reliance on key management

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise, or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.

f) Regulatory risk

The Company's project interests are governed by Commonwealth and Western Australian acts and regulations that apply to the oil, gas and energy industries, and are evidenced by the granting of approvals, licences or leases. If these approvals, licenses or leases are revoked, then the Company may be unable to fulfil its operational objectives which will likely have a material adverse effect.

There is also the risk that projects which the Company may undertake from to time do not have a legislative regime which provides operational and legal certainty for the Company in relation to the development of future projects.

The Company's licenses or leases may be subject to ongoing obligations to satisfy minimum activities and expenditure obligations. If these obligations are not satisfied, the relevant license or lease may expire or be forfeited, which would result in a loss of the reserves and resources that may be attributable to the Company's interest in the licenses or leases areas.

g) Project development

Production risks associated with marketability and commerciality of oil, gas and energy to be produced include but are not limited to, reservoir characteristics, market fluctuations, proximity and capacity of infrastructure and process equipment, government regulations and the market price of oil, gas and energy.

Decreases of production or stoppages may result from fluctuations in permeability and flowrates, impurities in the product, facility shut-downs, natural decline, mechanical and technical failures, subsurface complications or other unforeseeable events outside the control of the Company.

h) Government policy changes

The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Policy and legislation may affect the viability and profitability of the Company, and the value of its Shares. Amongst other things, taxation including carbon taxes, permitting and licenses, environmental laws, and labour laws are all affected by legislation and regulation and may have an adverse impact.

16 Material Risk Factors (continued)

General risks

a) Investment risk

The securities in the Company should be considered highly speculative. The issued shares in the capital of the Company carry no guarantee as to payment of dividends, return of capital or the market value. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

b) Share market

Share market conditions may affect the value of securities in the Company regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

i. general economic outlook in both Australia and internationally;

ii. introduction of tax reform or other new legislation, regulation, or policy;

iii. interest rates and inflation rates;

iv. changes in exchange rates, interest rates and inflation rates;

v. changes in investor sentiment toward particular market sectors;

vi. the demand for, and supply of, capital;

vii. the global security situation and the possibility of terrorist disturbances or other hostilities; and

viii. other factors beyond the control of the Company.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

c) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

i. general economic conditions in jurisdictions in which the Company operates;

ii. changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

iii. the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;

iv. movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

v. natural disasters, social upheaval or war in jurisdictions in which the Company operates.

d) Taxation

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities in the Company from a taxation point of view and generally.

16 Material Risk Factors (continued)

General risks (continued)

e) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

f) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may materially affect the financial performance of the Company and the value of securities in the Company.

The risks set out in this Note are not to be taken as an exhaustive list of the risk faced by the Company. There may be other risks of which the Directors are unaware as at the time of issuing this report which may impact on the Company and its operations, and on the valuation and performance of securities in the Company.

17 Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately following this report.

This report is made in accordance with a resolution of the Directors.

18 Corporate Governance Statement

The company's corporate governance practices and policies have been made publicly available on the company's website at https://www.pilotenergy.com.au/corporate-governance.

This report is made in accordance with a resolution of the Board of Directors.

Bradley W. Lingo

Bradley Lingo
Managing Director

Dated at West Perth, Western Australia this 31st December 2025.

RSM Australia Partners

Level 32 Exchange Tower,
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 (0) 8 9261 9100

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Pilot Energy Limited for the year ended 30 September 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA

Perth, WA
Dated: 31 December 2025

MATTHEW BEEVERS
Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 September 2025

	Note	2025 $	Restated 2024* $
Revenue	5	**458,575**	442,952
Other income – interest revenue		**993,371**	264,910
Grant Income	6	**1,711,506**	38,811
Loss on revaluation to fair value of derivatives	23	**(1,617,398)**	-
Administrative expenses		**(933,104)**	(1,236,527)
Amortisation	14	**(86,433)**	(86,433)
Employee benefits expense		**(1,847,128)**	(1,782,257)
Professional fees		**(1,667,539)**	(2,544,320)
Project feasibility related costs		**(1,500,000)**	-
Finance expenses	7	**(2,061,197)**	(639,877)
Share of loss of associate	9	**(85,764)**	(2,803,067)
Impairment	8	**(300,000)**	(28,393)
Share based payments expense	26	**(166,856)**	(496,543)
Foreign exchange losses		**(47,624)**	(13,975)
Loss before income tax		**(7,149,591)**	(8,884,719)
Income tax expense	10	**-**	-
Loss for the year		**(7,149,591)**	(8,884,719)
Total comprehensive loss for the year		**(7,149,591)**	(8,884,719)
Loss per share (cents per share)			
From continuing operations			
Basic and diluted	27	**(0.39)**	(0.73)

*Restated – refer Note 4.

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 September 2025

	Note	2025 $	Restated 2024* $	Restated 2023* $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	11	**1,309,107**	3,801,241	1,661,320
Trade and other receivables	12	**1,057,744**	803,482	208,783
Assets held for sale	13	**1,259,729**	-	-
TOTAL CURRENT ASSETS		**3,626,580**	4,604,723	1,870,103
NON-CURRENT ASSETS				
Trade and other receivables	12	**9,736,020**	2,248,139	744,439
Right-of-use-asset	14	**-**	86,433	172,866
Other non-current assets	16	**9,183,166**	819,158	-
Investment in associate	17	**-**	85,764	2,888,831
Intangible assets	18	**10,895,361**	9,238,137	6,105,942
Exploration and evaluation assets	19	**4,687,526**	3,717,222	2,513,012
TOTAL NON-CURRENT ASSETS		**34,502,073**	16,194,853	12,425,090
TOTAL ASSETS		**38,128,653**	20,799,576	14,295,193
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	20	**3,088,838**	2,132,111	541,740
Employee benefits	21	**299,236**	461,123	364,567
Deferred Income	22	**782,037**	3,049,580	-
Financial liabilities	23	**23,233,420**	2,851,230	97,072
TOTAL CURRENT LIABILITIES		**27,403,531**	8,494,044	1,003,379
NON-CURRENT LIABILITIES				
Financial liabilities	23	**-**	3,018,531	2,948,924
TOTAL NON-CURRENT LIABILITIES		**-**	3,018,531	2,948,924
TOTAL LIABILITIES		**27,403,531**	11,512,575	3,952,303
NET ASSETS		**10,725,122**	9,287,001	10,342,890
EQUITY				
Issued capital	24	**83,495,265**	75,093,553	67,840,072
Reserves	25	**886,820**	1,174,293	609,866
Accumulated losses		**(73,656,963)**	(66,980,845)	(58,107,048)
TOTAL EQUITY		**10,725,122**	9,287,001	10,342,890

*Restated – refer Note 4.

Consolidated Statement of Changes in Equity

For the Year Ended 30 September 2025

2025	Ordinary Shares $	Restated Accumulated Losses* $	Reserves $	Restated Total* $
Balance at 1 October 2024	**75,093,553**	**(66,980,845)**	**1,174,293**	**9,287,001**
Loss attributable to members of the parent entity	-	(7,149,591)	-	(7,149,591)
Total comprehensive loss	**-**	**(7,149,591)**	**-**	**(7,149,591)**
Transactions with owners in their capacity as owners				
Shares issued during the year	8,855,298	-	-	8,855,298
ATM Facility Shares issued during the year	146,856	-	-	146,856
Options expired during the year	-	473,473	(473,473)	-
Equity-settled amounts to consultants	197,500	-	-	197,500
Capital Raising Costs	(797,942)	-	186,000	(611,942)
Balance at 30 September 2025	**83,495,265**	**(73,656,963)**	**886,820**	**10,725,122**

2024	Ordinary Shares $	Restated Accumulated Losses* $	Reserves $	Restated Total* $
Balance at 1 October 2023	**67,840,072**	**(56,409,874)**	**609,866**	**12,040,064**
Net effect of correction adjustments	-	(1,697,174)	-	(1,697,174)
Restated balance at 1 October 2023	**67,840,072**	**(58,107,048)**	**609,866**	**10,342,890**
Loss attributable to members of the parent entity (restated)	-	(8,884,719)	-	(8,884,719)
Total comprehensive loss	**-**	**(8,884,719)**	**-**	**(8,884,719)**
Transactions with owners in their capacity as owners				
Shares issued during the year	6,424,000	-	-	6,424,000
ATM Facility Shares issued during the year	218,934	-	-	218,934
Options issued during the year	-	-	185,589	185,589
Options exercised during the year	70,000	-	(7,390)	62,610
Options expired during the year	-	10,922	(10,922)	-
Equity-based compensation	795,604	-	220,947	1,016,551
Convertible notes issued during the year	-	-	198,482	198,482
Convertible notes converted during the year	400,000	-	(22,279)	377,721
Capital Raising Costs	(655,057)	-	-	(655,057)
Balance at 30 September 2024	**75,093,553**	**(66,980,845)**	**1,174,293**	**9,287,001**

*Restated – refer Note 4.

Pilot Energy Limited and Controlled Entities

A.B.N 86 115 229 984

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2025

	Note	2025 $	Restated 2024* $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**-**	-
R&D Tax Incentive Received		**211,506**	38,811
Payments to suppliers and employees		**(4,919,475)**	(4,638,162)
Interest received		**1,124**	74,318
Interest paid		**(1,151,311)**	(641,612)
Net cash (used in) operating activities	35	**(5,858,156)**	(5,166,645)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for Exploration and Evaluation assets		**(4,542,607)**	(1,568,847)
R&D Tax Incentive Received		**1,315,713**	1,266,228
Payments for acquisition of investments		**(300,000)**	-
Deposits and other costs paid for non-current assets		**(2,971,794)**	(3,756,558)
Loans to other entities		**(6,619,092)**	(1,591,070)
Grants for carbon capture projects		**-**	3,049,580
Net cash (used in) investing activities		**(13,117,780)**	(2,600,667)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares and options		**8,855,298**	6,712,934
Proceeds from issue of convertible notes		**6,785,943**	3,500,000
Payments for capital raising		**(618,143)**	(295,590)
Proceeds from borrowings		**1,500,000**	-
Net cash provided by financing activities		**16,523,098**	9,917,344
Net increase/(decrease) in cash and cash equivalents held		**(2,452,838)**	2,150,032
Effect of exchange rate fluctuations on cash held		**(39,296)**	(10,111)
Cash and cash equivalents at beginning of year		**3,801,241**	1,661,320
Cash and cash equivalents at end of financial year	11	**1,309,107**	3,801,241

*Restated – refer Note 4.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

The financial report covers Pilot Energy Limited and its controlled entities ('the Group'). Pilot Energy Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepares their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 31st December 2025.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of Material Accounting policies

(a) Basis for Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.
Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

(b) Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates the realisation of assets and payment of liabilities in the normal course of business. Pilot has a working capital deficit of $23,776,951 (2024 Restated: deficit of $3,889,321); net cash outflow for the 30 September 2025 financial year of $2,452,838 (Restated 2024: inflow of $2,150,032); The Group incurred a loss for the year of $7,149,591 (Restated 2024: loss of $8,884,719) and has net operating cash outflow for the year of $5,858,156 (Restated 2024: outflow of $5,166,645). These factors indicate a material uncertainty which may cast significant doubt as to whether the group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts set out in the financial statements.

The Directors are aware that the Group's ability to continue as a going concern, and to fund its exploration, evaluation and development activities and project costs may require the Group securing further working capital sourced from one or more of the following alternatives in addition to its current cash reserves:

- Capital market raising such as:
  - Private placement
  - Convertible Notes
  - Entitlements issue
  - Share purchase plan
- Borrowings from related or third parties;
- Investments / partnership arrangements from strategic investors;
- Farming out assets to reduce future expenditure obligations.

2 Summary of Material Accounting policies (continued)

(b) Going Concern (continued)

Having completed both detailed feasibility studies and pre-FEED engineering for both the Cliff Head Carbon Storage Project and the MWCEP, the overall funding strategy to fund the business and the further development of these projects is to focus on sourcing additional development and operating capital from a combination of:

- PRRT refund financing to cover 40% on on-going Cliff Head ADRE and operating costs through CY2027;
- Selling down up to a 60% interest in the Cliff Head Carbon Storage Project and the MWCEP to JV development partners and customer off-takers;
- Implementing complimentary development projects that absorb project related transition costs – i.e., Capture 6 DAC project – or utilise existing infrastructure to generate positive operating cash flows – i.e., Kala data centre JV; and
- Commonwealth and WA Government grant funding .

The Directors have reviewed the Group's financial position and forecast cash flows and reasonably expect that the Group will be able to raise additional funds to meet future costs if necessary. The Directors are therefore of the opinion that the use of going concern basis is appropriate.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(c) New Accounting Standards and Interpretations

I. New and Amended Accounting Policies Adopted by the Group

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
  The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of "material accounting policy information" rather than significant accounting policies in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.
  The adoption of the amendment did not have a material impact on the financial statements.

- *AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*
  The Group adopted AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* for the financial year ending 30 September 2024. Previously, the Group applied the exemption in AASB 112 and did not recognise deferred taxes on its lease transactions where the right of use asset and lease liability were equal on initial recognition. However, the amendment subsequently clarified that this exemption does not apply to transactions for which entities recognise both an asset and a liability that give rise to equal taxable and deductible temporary differences, as may be the case for lease transactions.

- *AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
  AASB 2022-7 makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2. It also formally repeals the superseded and redundant Australian Accounting Standards set out in Schedules 1 and 2 of this standard.
  The adoption of the amendment did not have a material impact on the financial statements.

2 Summary of Material Accounting policies (continued)

(c) New Accounting Standards and Interpretations (continued)

II. New and Amended Accounting Policies Not Yet Adopted by the Group

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
  The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 September 2025 along with the adoption of AASB 2023-6. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2021-7c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
  AASB 2021-7c defers the application of AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.
  The Group plans on adopting the amendments for the reporting periods ending 30 September 2026. The impact of initial application is not yet known.

- *AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
  AASB 2022-6 amends AASB 101: *Presentation of Financial Statements* to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. The Group plans on adopting the amendment for the reporting period ending 30 September 2025. The amendment is not expected to have a material impact on the financial statements once adopted.

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(d) Critical accounting judgments and key source of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

(i) Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use or fair value less costs to dispose calculations which incorporate various key assumptions.

(ii) Exploration and evaluation assets

The Group capitalises expenditure relating to exploration, evaluation and development where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

(iii) *Cliff Head and other projects*

Pilot is also engaged in pursuing carbon management projects utilising the Cliff Head infrastructure, as well as the transition to the development of integrated renewable energy including hydrogen and other carbon management projects by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.
The Group is undertaking feasibility studies in relation to these projects and in this regard, all related expenditure will be capitalised where it is considered likely to be recoverable.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

2 Summary of Material Accounting policies (continued)

(d) Critical accounting judgments and key source of estimation uncertainty (continued)

(iv) *Financial instruments*

The fair value of financial instruments that do not trade in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that mainly based on market conditions existing at the end of each reporting periods. For details of key assumptions used and the impact of changes to these assumptions see note 23.

(v) *Share-based payment transactions*

The consolidated group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes valuation model taking into account the terms and conditions upon which the instruments were granted. The inputs to the Black-Scholes valuation model include the share price at grant date, exercise price, the term of the right, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The accounting estimates and assumptions relating to equity-settled share-based payments, most significantly the volatility assumption, would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(vi) *Significant influence assessment – Cliff Head Oil Field*

The group holds a 21.25% equity interest in the Cliff Head Oil Field through its interest in Triangle Energy (Operations) Pty Ltd. In determining whether this investment provides significant influence, management applied the requirements of AASB 128, which defines significant influence as the power to participate in the financial reporting and operating policy decisions of the investee, but not control or joint control.

(e) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(f) Grants

In accordance with AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance* - the Group recognises grants only when there is reasonable assurance that:

(i) the Group will comply or has complied, with any conditions attached to the grant.
(ii) the grant will be received

Grants are initially recognised as deferred income at fair value. Grants that compensate the group for past expenditure and are related to assets, shall be presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense. Grants that compensate the group for past expenses incurred are recognised directly in the consolidated statement of profit or loss.

2 Summary of Material Accounting policies (continued)

(g) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of goods and service tax (GST) except:

(ii) where the amount of GST incurred is not recoverable from the relevant taxation authority.
(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as operating cash flows.

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current assessments of the time value of money and, where appropriate, specific risks to the liability. Increases in the provision from the passage of time is recognised in finance costs.

(i) Joint Venture Interests

An interest in a joint venture operation is brought to account by including in the respective financial statement categories:

- the consolidated entity's share in each of the individual assets employed in the joint venture;
- liabilities incurred by the consolidated entity in relation to the joint venture including the economic entity's share of any liabilities for which the consolidated entity is jointly and/or severally liable; and
- the consolidated entity's share of expenses of the joint venture.

(j) Foreign Currency Transactions and Balances

Functional and Presentation Currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.
Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

2 Summary of Material Accounting policies (continued)

(k) Research and Development

Costs associated with maintaining research and development programs are recognised as an expense as incurred. Research and development costs that are directly attributable to the design and testing of identifiable and unique products and or processes controlled by the group are recognised as intangible assets where the following criteria are met:

- it is feasible to complete the research and development so that the end product or process will be available for use;
- management intends to complete the research and development and use or sell the product or process;
- there is an ability to use or sell the research and development expenditure;
- it can be demonstrated how the research and development of the product or process will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development expenditure are available; and
- the expenditure incurred during research and development can be reliably measured.

Directly attributable costs that are capitalised as part of the research and development include employee costs and an appropriate portion of relevant overheads.
Capitalised research and development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.
Research and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(l) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

3 Operating Segments

Identification of reportable operating segments

Pilot is organised into four operating segments based on different project areas:

- Oil and Gas Exploration & Evaluation
- Carbon Storage & Ammonia
- Renewables
- Corporate

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Unless otherwise stated, all amounts reported with respect to operating segments, are determined in accordance with *AASB 8 Operating Segments.*

The presentation of operating segments on the basis set above represents a material change from that disclosed in the last annual financial statements.

Operating segment information

30 September 2025

	Oil and Gas Exploration & Evaluation	Carbon Storage & Ammonia	Renewables	Corporate	Total
Revenue					
Operating revenue	-	458,575	-	-	458,575
R&D tax incentive	-	211,506	-	-	211,506
Grant Income	-	1,500,000	-	-	1,500,000
Total revenue	**-**	**2,170,081**	**-**	**-**	**2,170,081**
Interest income	**-**	-	-	993,371	993,371
Expenses	**-**	**(2,173,097)**	**-**	**(8,139,946)**	**(10,313,043)**
Loss after tax		(3,016)		(7,146,575)	(7,149,591)
Total comprehensive loss for the period	**-**	**(3,016)**	**-**	**(7,146,575)**	**(7,149,591)**
Material items include:					
Depreciation and amortisation	-	-	-	(86,433)	(86,433)
Share of associates	-	(85,764)	-	-	(85,764)
Impairment	-	-	-	(300,000)	(300,000)
Assets					
Segment assets	4,687,526	21,108,470	1,259,730	11,072,927	38,128,653
Total assets include:					
Acquisition of non-current assets	-	8,294,258	-	-	8,294,258
Liabilities					
Segment liabilities	140,898	2,892,698	-	24,369,935	27,403,531

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

3 Operating Segments (continued)

30 September 2024

	Oil and Gas Exploration & Evaluation	Carbon Storage & Ammonia	Renewables	Corporate	Restated* Total
Revenue					
Operating revenue	-	434,039	-	8,913	442,952
R&D tax incentive	-	38,811	-	-	38,811
Total revenue	**-**	**472,850**	**-**	**8,913**	**481,763**
Interest income	**-**	-	-	264,910	264,910
Expenses	**(28,393)**	**(3,483,558)**	**-**	**(6,119,441)**	**(9,631,392)**
Loss after tax	(28,393)	(3,010,708)	-	(5,845,618)	(8,884,719)
Total comprehensive loss for the period	**(28,393)**	**(3,010,708)**		**(5,845,618)**	**(8,884,719)**
Material items include:					
Depreciation and amortisation	-	-	-	(86,433)	(86,433)
Share of associates	-	(2,803,067)	-	-	(2,803,067)
Impairment	(28,393)	-	-	-	(28,393)
Assets					
Segment assets	3,717,222	8,770,034	1,942,858	6,369,462	20,799,576
Total assets include					
Acquisition of non-current assets	-	4,398,423	-	-	4,398,423
Liabilities					
Segment liabilities	46,760	3,848,368	-	7,617,447	11,512,575

*Restated – refer Note 4.

4 Restatement of comparative balances

During the year ended 30 September 2025, management identified the following corrections relating to prior periods which have been corrected in this financial report.

Investments in Associates

As part of the acquisition of Royal Energy Pty Ltd in 2021, the Group recognised (as well as others) two assets:

- an equity interest in Triangle Energy (Operations) Pty Ltd *(TEO)* ($841,355) and;
- the Cliff Head asset ($3,619,120).

The balance of Cliff Head should not have been recognised as a separate asset but instead should have been included in the equity interest of TEO upon acquisition. The balance on acquisition of the equity interest in TEO should be $4,460,475.

Research & Development Tax Incentive

Pilot recognises grants in accordance with AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance.* In 2023, Pilot received an R&D incentive of $1,101,113 for expenditure in 2022. The full amount was recognised in the consolidated statement of profit or loss and other comprehensive income. As the associated expenditures were a mixture of expensed and capitalised items, the R&D incentive should have been apportioned based on the recognition of the expenditures. In 2024, Pilot received an R&D incentive of $1,305,039 for expenditure in 2023. The full amount was recognised in the consolidated statement of profit or loss and other comprehensive income. As the associated expenditures were a mixture of expensed and capitalised items, the R&D incentive should have been apportioned based on the recognition of the expenditures.

Carbon Capture Technologies Grant

Pilot recognises grants in accordance with AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance.* In 2024, Pilot received a government grant of $3,049,580 to support necessary R&D for the Mid West Carbon Technology Project. The full amount was recognised in the consolidated statement of financial position as a reduction in carrying amount of the Mid West Clean Energy Project. As the Company had not yet used the funding for grant related expenditures, the Grant should have been recognised as deferred income and amortised as money is spent on grant related activity with a corresponding increase to intangibles.

As some of the errors were made in a reporting period prior to the comparative period, the Balance Sheet as at 1 October 2023 was restated as follows:

- Investments in associates increased by $2,888,831, being an increase of the adjusted value of $3,619,120 less share of loss for the period of $730,289
- Other non-current assets (previously disclosed as Cliff Head and Other Non-current Assets) decreased by $4,586,005
    - Cliff Head by $3,619,120
    - MWCEP by $629,383
    - Wind and Solar Feasibility by $337,502
- Accumulated losses increased by $1,697,174

As the errors remained uncorrected as at 30 September 2024, these errors resulted in the restatement of the following items for the year ended 30 September 2024:

- Investment in associates increased by $85,764

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

4 Restatement of comparative balances (continued)

- Intangible assets (previously disclosed as Cliff Head and Other Non-current Assets) decreased by $2,802,653
    - Cliff Head decreased by $3,619,120
    - MWCEP increased by $1,241,588
    - Wind and Solar Feasibility decreased by $425,121
- R&D Tax Incentive decreased by $1,266,228, with a corresponding decrease in intangible assets (previously disclosed as Cliff Head and Other Non-current Assets)
- Share of loss of associate increased by $2,803,067
- Decrease of property, plant and equipment by $819,158 and increase to other non-current assets of $819,158.
- Decrease of deferred income by $3,049,580

30 September 2024 Comparative year

	2024	Adjustment	Restated 2024
Consolidated statement of profit or loss and other comprehensive income (extract)			
R&D Tax Incentive	1,305,039	(1,266,228)	38,811
Share of loss of associate	-	(2,803,067)	(2,803,067)
Comprehensive loss for the period	(4,815,424)	(4,069,295)	(8,884,719)
Loss per share (cents per share)			
Basic and diluted from continuing operations	(0.39)	(0.34)	(0.73)
Basic and Diluted (cents per share)			

	2024	Adjustment	Restated 2024
Consolidated statement of cashflows (extract)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
R&D Tax Incentive	1,305,039	(1,266,228)	38,811
Finance costs	(5,933)	(635,679)	(641,612)
Net cash used in operating activities	(3,264,738)	(1,901,907)	(5,166,645)
CASHFLOWS FROM INVESTING ACTIVITIES:			
R&D Tax Incentive	-	1,266,228	1,266,228
Payments for property, plant and equipment	(564,647)	564,647	-
Payments for other non-current assets	(3,191,911)	(564,647)	(3,756,558)
Net cash used in investing activities	(3,866,895)	1,266,228	(2,600,667)
CASHFLOWS FROM FINANCING ACTIVITIES			
Payments for other (convertible note coupons)	(635,679)	635,679	-
Net cash used in financing activities	9,281,665	635,679	9,917,344

4 Restatement of comparative balances (continued)

30 September 2024 Comparative year

	2024	Adjustment	Restated 2024
Consolidated Statement of Financial Position (extract)			
NON-CURRENT ASSETS			
Property, plant and equipment	819,158	(819,158)	-
Other non-current assets	-	819,158	819,158
Investment in associates	-	85,764	85,764
Intangible assets	12,040,790	(2,802,653)	9,238,137
TOTAL NON-CURRENT ASSETS	18,911,742	(2,716,889)	16,194,853
TOTAL ASSETS	23,516,465	(2,716,889)	20,799,576
CURRENT LIABILITIES			
Deferred Income	-	3,049,580	3,049,580
TOTAL CURRENT LIABILITIES	5,444,464	3,049,580	8,494,044
TOTAL LIABILITIES	8,462,995	3,049,580	11,512,575
NET ASSETS	15,053,470	(5,766,469)	9,287,001
EQUITY			
Accumulated Losses	(61,214,376)	(5,766,469)	(66,980,845)
TOTAL EQUITY	15,053,470	(5,766,469)	9,287,001

1 October 2023 Comparative year opening balances

	2023	Adjustment	Restated 2023
Consolidated Statement of Financial Position (extract)			
NON-CURRENT ASSETS			
Investment in associates	-	2,888,831	2,888,831
Other non-current assets	10,691,947	(4,586,005)	6,105,942
TOTAL NON-CURRENT ASSETS	14,122,264	(1,697,174)	12,425,090
TOTAL ASSETS	15,992,367	(1,697,174)	14,295,193
NET ASSETS	12,040,064	(1,697,174)	10,342,890
EQUITY			
Accumulated Losses	(56,409,874)	(1,697,174)	(58,107,048)
TOTAL EQUITY	12,040,064	(1,697,174)	10,342,890

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

4 Restatement of comparative balances (continued)

Remuneration Report

During the year it was determined that accrued annual leave and long service leave was not disclosed correctly in FY2024 for two KMP which understated the total KMP Remuneration. During the FY2024, annual leave accrued for KMP was $30,513 and long service leave accrued was $51,618. As none of these were disclosed, the total KMP remuneration was understated by $82,131 in the Remuneration report.

Remuneration Report (extract)	**2024**	**Adjust-ment**	**Restated 2024**	**Fixed Remuneration %**	**Short-term Performance Remuneration %**
Executive Directors					
Brad Lingo – Short-term benefits	497,775	43,269	541,044	NA	NA
Brad Lingo – Total remuneration	679,420	43,269	722,689	79%	21%
Sub-total Executive Directors remuneration	1,060,485	43,269	1,103,754	75%	25%
Other KMP					
Anthony Strasser – Short-term benefits	240,861	(12,756)	228,105	NA	NA
Anthony Strasser – Long-term benefits	-	51,618	51,618	NA	NA
Anthony Strasser – Total remuneration	260,701	38,861	299,562	83%	-
Sub-total Other KMP	680,701	38,861	719,562	93%	-
All KMP Remuneration – Short-term benefits	1,974,446	30,513	2,004,959	NA	NA
All KMP Remuneration – Long-term benefits	-	51,618	51,618	NA	NA
Total KMP Remuneration – Total remuneration	2,058,702	82,131	2,140,832	82%	16%

5 Revenue

	2025 $	Restated 2024 $
Management fees from associate (refer note 34)	**458,575**	434,039
Other income	**-**	8,913
Total Revenue	**458,575**	442,952

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

6 Grants

	2025	Restated 2024
	$	$
R&D Tax Incentive(i)	**211,506**	38,811
Carbon Capture Technologies Grant(ii)	**1,500,000**	-
Total Revenue	**1,711,506**	38,811

(i) The R&D tax incentive program is a government grant for funding innovation and Research & Development (R&D) providing a benefit of up to 43.5% of eligible expenditure. Pilot's application for the Grant is based on activities conducted for the MWCEP, specifically Advanced Low-Carbon Hydrogen Production and Offshore Ammonia Export Systems as well as supporting activities.

(ii) The Carbon Capture Technologies Grant aims to accelerate the development of emerging priority CO2 capture technologies by providing a benefit of up to 45.95% of eligible expenditure. Pilot's application for the Grant is based on activities conducted for the Mid West Carbon Technology Project which sits under the MWCEP, specifically R&D to demonstrate the Carbon Capture Utilisation and Storage (CCUS) supply chain from source (emissions and Direct Air Capture) through to utilisation or storage.

7 Finance Expenses

	2025	Restated 2024
	$	$
Interest	**2,061,197**	639,877
Total finance expenses	**2,061,197**	639,877

8 Investments

Accounting Policy

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at fair value through profit and loss. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The loss allowance reduces the asset's carrying value with a corresponding expense through the profit and loss.

	2025	2024
	$	$
Investments at fair value through profit and loss		
Electriq Global Shares	**300,000**	-
	300,000	-
Impairment(i)	**(300,000)**	-
Total investments at fair value through profit and loss	**-**	-

(i) An impairment expense of $300,000 has been recorded with respect to the Group's investment reflecting the lack of liquidity and minority interest holding of the Group in this unlisted company.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

9 Share of Profit/(Loss) of Associate

Accounting Policy

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

The Group has a 21.25% equity interest in the Cliff Head Oil Field through its interest in Triangle Energy (Operations) Pty Ltd (TEO), the operator and owner of 42.5% joint venture interest in the Cliff Head Oil Field.

	2025		Restated 2024	
	TEO	**Pilot Energy Portion (50%)**	TEO	Pilot Energy Portion (50%)
	$	**$**	$	$
Total Share of Profit / (Loss) of Associate for the year	**(4,472,103)**	**(85,764)***	(5,606,134)	(2,803,067)

*Loss attributable to Pilot has been constrained to the remaining carrying value of this equity accounted investment. (refer Note 17)

10 Income Tax Expense

Accounting Policy

Income tax expense comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is based on tax rates enacted or substantively enacted at the balance sheet date.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax base used for calculating taxable profits. Deferred tax balances are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set-off.
Deferred Income Tax Assets relating to temporary differences, carry forward of unused tax assets and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilized.
Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which deductible temporary differences can be utilised.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on substantively enacted rates at the balance sheet date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(a) Amounts recognised in profit or loss:

	2025	2024
	$	$
Current tax benefit		
Current period	**-**	-
Deferred tax benefit		
Origination and reversal of temporary differences	**-**	-
Total income tax benefit	**-**	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

10 Income Tax Expense (continued)

(b) Reconciliation of effective tax rate

	2025	Restated 2024
	$	$
Loss for the period	**(7,149,591)**	(8,884,719)
Applicable Group domestic income tax rate	**25%**	25%
Loss excluding income tax	**(7,149,591)**	(8,884,719)
Add:		
Tax effect of:		
- Income tax using the Group's domestic tax rate of 25% (2024: 25%)	**(1,787,398)**	(2,221,180)
- non-deductible expenses	**-**	-
- Tax losses carried forward and other temporary differences not brought to account	**1,787,398**	2,221,180
Income tax expense	**-**	-

All unused tax losses were incurred by Australian entities.

Potential future income tax benefits up to $15,347,287 (Restated 2024: $13,599,889) attributed to tax losses have not been brought to account.

The benefit of these tax losses will only be obtained if:

i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
ii) the conditions for the deductibility imposed by tax legislation continue to be complied with;
iii) no changes in tax legislation adversely affect the Group in realising the benefit; and
iv) satisfaction of either the continuity of ownership or the same business.

(c) Unrecognised deferred tax assets:

Deferred tax assets have not been recognised in respect of the following items:

	2025	Restated 2024
	$	$
Deferred tax assets (DTAs)		
Share issue costs	**199,486**	163,764
Exploration expenditure	**971,815**	638,263
Carry forward tax losses	**15,347,287**	13,599,889
DTAs not brought to account	**16,518,587**	14,361,916

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

11 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

	2025	2024
	$	$
Cash at bank and in hand	**1,309,107**	3,801,241
	1,309,107	3,801,241

12 Trade and Other Receivables

Accounting Policy

Trade receivables are recognised initially at the value of the invoice sent to the counter-party and subsequently at the amounts considered recoverable (amortised cost). Where there is evidence that the receivable is not recoverable, it is impaired with a corresponding charge to the consolidated statement of profit or loss.

	2025	Restated 2024
Current	**$**	$
Trade Debtors	**1,055,445**	569,833
GST	**-**	204,052
Prepayments	**2,299**	29,597
Total current trade and other receivables	**1,057,744**	803,482
Non-Current		
Deposits	**-**	34,200
Loan to TEO (refer Note 33)[(i)]	**9,736,020**	2,213,939
Total non-current trade and other receivables	**9,736,020**	2,248,139

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.
The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(i) Interest is accrued at 15%p.a. compounded daily and has no fixed date for repayment.

13 Current assets – non-current assets classified as held for sale

	2025	2024
	$	$
Wind and Solar Feasibility Expenditure	**1,259,729**	-
	1,259,729	-

Pilot is actively seeking purchasers for the Three Springs Solar Project and is in negotiations with interested parties. Binding terms are expected to be finalised in the following months.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

14 Right-of-use Assets

Accounting Policy

AASB 16 requires a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model; and
- lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

The right of use asset and lease liability is recorded on the balance sheet in respect of the Group's portfolio of property leases, currently accounted for as operating leases.

	2025	2024
	$	$
Right-of-use asset		
Opening right-of-use asset	**86,433**	172,866
Amortisation charge for the year	**(86,433)**	(86,433)
Additions	**-**	-
Closing right-of-use asset	**-**	86,433

The Group recognises a right-of-use asset for the office premises in accordance with *AASB 16: Leases.* The current lease expires 30 September 2025.

15 Property, Plant and Equipment

Accounting Policy

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset

	2025	2024
	$	$
Office equipment at cost	**9,480**	9,480
Additions	**-**	-
Total Office equipment at cost	**9,480**	9,480
Accumulated depreciation	**(9,480)**	(9,480)
Depreciation charge for year	**-**	-
Total Office Equipment	**-**	-
Total Property, Plant and Equipment	**-**	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

16 Other Non-Current Assets

Accounting Policy

The Directors have assessed a change in accounting policy for the treatment of options to purchase land. Options and deposits to purchase land are stated on the consolidated statement of financial position at cost and will form part of the cost base of any resulting purchase of land.

	2025 $	Restated 2024 $
Amounts paid in relation to the option to acquire land(1)	**785,240**	-
Deposit and other costs paid for Arrowsmith Assets and Cliff Head Oil Joint Venture Acquisition(2)	**8,294,258**	-
Total deposit and other costs	**9,079,490**	-
Land and lease options(3)	**39,418**	283,133
Additions	**64,250**	536,025
Total land and lease options at cost	**103,668**	819,158
Total land and lease options	**103,668**	819,158
Total other non-current assets	**9,183,166**	819,158

(1) As at balance date, Pilot has exercised its option to purchase land in Western Australia and has extended the settlement date for the purchase of land. The option to acquire land was purchased in FY2024.

(2) Balance relates to a $400,000 non-refundable down payment for the Arrowsmith Assets, with the remaining balance of $7,294,257 relating to in-progress acquisition costs of Cliff Head Oil Joint Venture (CHJV).

(3) As at balance date, Pilot currently holds an option to lease land in Western Australia. The options are currently recognised on the consolidated statement of financial position at cost. As announced 10 December 2025, Pilot has sold its option to lease land in Western Australia for $700,000.

17 Investment in Associate

Accounting Policy

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

When the consolidated entity's share of losses in an associate, equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group has a 21.25% equity interest in the Cliff Head Oil Field through its interest in Triangle Energy (Operations) Pty Ltd (TEO), the operator and owner of 42.5% joint venture interest in the Cliff Head Oil Field.

Summarised aggregated financial information of the Group's share

	2025	Restated 2024
	$	$
Triangle Energy (Operations) Pty Ltd		
Opening carrying amount of the Group's Interest	**85,764**	2,888,831
Share of associate (loss) / profit for the year	**(85,764)**	(2,803,067)
Closing carrying amount of the Group's Interest	**-**	85,764

18 Intangible Assets

Accounting Policy

Expenditure incurred relating to the MWCEP (including feasibility costs and pre-FEED development costs) and the Wind and Solar Project is recognised in the Statement of Financial Position for each Project, or separately identifiable asset, when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably. The assessment of probability attaching to the flow of economic benefits is made on the basis of the evidence available when the expenditure is incurred.

Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection to a particular project.

Other intangible assets that are not yet held ready for use are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The fair value less costs of disposal is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs unless other fair value information is available.

18 Intangible Assets (continued)

	2025 $	Restated 2024 $
Mid-West Clean Energy Project (MWCEP)	**10,895,361**	8,114,437
Wind and Solar Feasibility Expenditure	**-**	1,123,700
Total intangible assets	**10,895,361**	9,238,137

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**Mid-West Clean Energy Project (MWCEP)** **$**	**Wind and Solar Feasibility Expenditure** **$**	**Total** **$**
Balance at 1 October 2023	**5,138,355**	**967,587**	**6,105,942**
Additions	2,976,082	156,113	3,132,165
Balance at 30 September 2024	**8,114,437**	**1,123,700**	**9,238,137**
Additions	3,548,467	136,029	3,684,496
Mid-West Carbon Technology Grant	(767,543)	-	(767,543)
Change in classification to asset held for sale (refer Note 13)	-	(1,259,729)*	(1,259,729)
Balance at 30 September 2025	**10,895,361**	**-**	**10,895,361**

* Pilot is actively seeking purchasers for the Three Springs Solar Project and is in negotiations with interested parties. Binding terms are expected to be finalised in the following months.

The above intangibles have been subject to impairment testing at 30 September 2025.

The recoverable amount of the consolidated entity's intangibles has been determined by a fair value less costs to dispose calculation. In the case of the MWCEP, a discounted cash flow model, based on a 36-year life model which estimates the project's future cash flows.

The following key assumptions were used in the discounted cash flow model:

- Discount real rate of 8.00%
- Australian Carbon Credit Unit (ACCU) prices
- Co2 Injection volumes and storage capacity
- Costs of disposal between 2.00%-3.00%

There were no reasonably possible changes in assumptions which could result in impairment.

In the case of the consolidated entity's Wind and Solar Project, fair value less costs to dispose has been estimated based on non-binding offers to acquire the assets.

19 Exploration and Evaluation Assets

Accounting Policy

Exploration, Evaluation and Development
Exploration, evaluation and development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration, evaluation and development costs in relation to separate areas of interest for which grants of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

	2025	2024
	$	$
Exploration and Evaluation Assets	**4,687,526**	3,717,222

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation $	Total $
Balance at 1 October 2023	**2,513,012**	**2,513,012**
Additions	1,232,603	1,232,603
Impairment	(28,393)	(28,393)
Balance at 30 September 2024	**3,717,222**	**3,717,222**
Additions	970,304	970,304
Balance at 30 September 2025	**4,687,526**	**4,687,526**

20 Trade and Other Payables

Accounting Policy

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid at the end of the month following date of recognition.

	2025	2024
	$	$
Trade payables	**2,995,106**	1,715,341
Payables to non-executive directors (refer Note 30)	**72,916**	-
GST	**-**	305,849
Other payables	**20,816**	110,921
	3,088,838	2,132,111

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

21 Employee Benefits

	2025	2024
	$	$
Current		
Provision for annual leave	**299,236**	409,505
Provision for long service leave	**-**	51,618
	299,236	461,123

22 Deferred income

	2025	2024
	$	$
Current		
Deferred income	**782,037**	3,049,580
	782,037	**3,049,580**

Deferred income primarily relates to government funding received for specific projects, where the funding is subject to performance conditions which have not been fulfilled at year end.

23 Financial Liabilities

Accounting Policy

Loans and borrowings are initially recognised at the face value of the consideration received, net of transaction costs. They are subsequently remeasured at amortised cost using the effective interest rate method.

Compound financial instruments issued by the Group comprise convertible notes denominated in dollars that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Hybrid financial instruments issued by the Group comprise convertible notes which contain both host debt and derivative liability features. The Group bifurcates the embedded derivative features from the host liability.

The embedded derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The host liability is initially recognised as the difference between the fair value of the hybrid financial instrument as a whole and the face value of the embedded derivative component. Subsequent to initial recognition, the host liability is measured as amortised cost using the effective interest method. The convertible note conversion feature is liability classified, the feature is convertible within twelve months, therefore the whole debt liability related to the feature is classified as current. If converted, no cash settlement is required to extinguish the liability.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

23 Financial Liabilities (continued)

	2025	2024
	$	$
Current		
Lease liabilities	**-**	103,949
Borrowings(i)	**8,718,573**	-
Debt liability for convertible notes(ii)(iii)	**11,013,928**	2,747,281
Derivative liability for convertible notes(iii)	**3,500,919**	-
	23,233,420	2,851,230
Non-Current		
Debt liability for convertible notes	**-**	3,018,531
	-	3,018,531

(i) Borrowings Comprise:

- Borrowings from a syndicate of private investors for a total facility amount of $1.5 million. The facility amount bears interest at 15%p.a. and incurred an establishment fee of 6%, capitalised to the loan. The facility matures on 31 January 2026 or earlier in certain circumstances.
- Borrowings from Capture6 Corp with the balance at 30 September 2025 of $1,386,364 with the amount due to be paid in full on or before 31 December 2025. The borrowings are subject to the simple interest rate to be applied to the outstanding balance at the rate of 15%p.a.
- Promissory note provided by Triangle Energy (Global) Limited of $5,563,000 due in full on 30 September 2026 or earlier in certain circumstances. The promissory note attracts interest at a rate of 10% p.a, capitalised quarterly and added to the outstanding balance.

(ii) The Group has the following convertible notes on issue which satisfy the fixed for fixed test at the end of the financial year with the following terms:

Issue Date	27/06/23	19/02/24
Maturity Date	27/06/25*	19/02/26**
Exercise Price	$0.020	$0.030
Remaining Face Value	2,900,000	3,200,000

*On 20 October 2025, were modified to have an expiry date of 31 December 2026 and an exercise price of $0.015.

**On 20 October 2025, were modified to have an expiry date of 31 December 2026 and an exercise price of $0.015. The terms of the remaining $300,000 convertible note remain unmodified.

<u>Interest</u>

The Notes accrue interest at a rate of 12.0% per annum, compounding quarterly. Interest is payable at the end of each calendar quarter, and in the event the Notes were issued following the commencement of a calendar quarter, the interest is calculated on a pro-rata basis

<u>Conversion</u>

On the Maturity Date, the investor may elect to redeem the Notes in one of the following forms:

a) Cash: A cash payment in the same currency as the original investment. The amount payable will be equal to the face value of the Notes plus any accrued but unpaid interest.

b) Shares: The number of shares to be issued will be calculated by dividing the face value of the Notes by the conversion price.

Notes to the Consolidated Financial Statements
For the Year Ended 30 September 2025

23 Financial Liabilities (continued)

(iii) The Group issued the following convertible notes throughout the financial year with the following terms:

Issue Date	17/02/25	28/03/25	14/04/25	23/04/25	24/07/25	27/06/25	11/07/25	01/08/25
Maturity Date	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/27	31/12/27	31/12/27
Extended Maturity Date	31/12/27	31/12/27	31/12/27	31/12/27	31/12/27	31/12/28	31/12/28	31/12/28
Face Value	1,805,000	2,400,000	300,000	300,000	180,943	600,000	700,000	500,000
At Inception								
Host Liability	1,598,841	2,123,764	142,281	137,053	81,093	296,178	292,092	231,120
Embedded Derivative	206,159	276,236	157,719	162,947	99,850	303,822	407,908	268,880
	1,805,000	2,400,000	300,000	300,000	180,943	600,000	700,000	500,000
At year end								
Embedded Derivative	932,214	1,237,914	154,739	154,739	92,878	309,478	359,859	259,098
Fair Value loss/(gain)	726,055	961,678	(2,980)	(8,208)	(6,972)	5,656	(48,049)	(9,782)

Interest

The Notes accrue interest at a rate of 12.0% per annum, compounding quarterly. Interest is payable at the end of each calendar quarter, and in the event the Notes were issued following the commencement of a calendar quarter, the interest is calculated on a pro-rata basis

Conversion

On the Initial Term Maturity Date, the investor may elect to redeem the Notes in one of the following forms:

a) Cash: A cash payment in the same currency as the original investment. The amount payable will be equal to the face value of the Notes plus any accrued but unpaid interest.

b) Shares: The number of shares to be issued will be calculated by dividing the face value of the Notes by the conversion price of $0.020 per share.

c) Overriding royalty interest (‘ORRI’) & right to subscribe (i) A participating interest share in the ORRI of the gross project revenue stream generated from the Cliff Head Carbon Storage Project (‘**CHCSP**’). This interest will be proportional to the value of the Notes held by the Investor relative to the total value of all Notes issued, being $7.5 million.

Valuation methodology:

The fair value of the embedded derivatives were estimated by assessing the value of the following two components:

- The participating interest in the ORRI, which includes the stream of future royalty payments discounted at the weighted average cost of capital (‘**WACC**’),
- The right to subscribe for shares in Pilot (‘**Rights**’), which has been valued using a Black-Scholes option pricing model based on assumptions including the value of an underlying share, risk-free interest rate, dividend yield, share price volatility and remaining life of the Notes.

Valuation:

1. **The participating interest in the ORRI**

In valuing the participating interests in the ORRI attached to each tranche of the notes, the following was determined:

- The participating interest percentage in the ORRI attached to each tranche of the Notes,
- The future stream of royalty payments, being tied to revenue generated from the CHCSP.
- An appropriate discount rate to convert the future royalty payments into their present value.

Key inputs and assumptions (at inception):

- The participating interests in the ORRI have been valued on a risk-adjusted basis, incorporating a probability weighting of 33.3%
- Discount rate: 12%
- Forecast ACCU from 2025 until 2025+ range from $40 to $106.

Key inputs and assumptions (at 30 September 2025):

- The participating interests in the ORRI have been valued on a risk-adjusted basis, incorporating a probability weighting of 33.3%
- Discount rate: 12%
- Forecast ACCU from 2025 until 2025+ range from $40 to $106.

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

23 Financial Liabilities (continued)

2. The Rights

Upon conversion, the noteholders will have the right to subscribe for new shares up to the value of the Notes held, for a subscription price of $0.025 per share. The Rights have been valued using the following assumptions:

Key inputs and assumptions (at inception):

- Value of underlying share at date of inception range from $0.005 to $0.010
- Exercise price: $0.025
- Volatility: 110%
- Risk-free rate: 3.487%
- Dividend yield: Nil

Key inputs and assumptions (at 30 September 2025):

- Value of underlying share at year end $0.008
- Exercise price: $0.025
- Volatility: 110%
- Risk-free rate: 3.487%
- Dividend yield: Nil

A change in fair value (loss) for the above derivatives in the period from inception to 30 September 2025 of $1,617,398 has been recorded in the profit and loss.

24 Issued Capital

Accounting Policy

Issued and paid-up capital is recognised as the fair value of the consideration received by the Group. The shares issued do not have a par value and there is no limit on the authorised share capital of the Group. Fully paid ordinary shares carry one vote per share, which entitles the holder to participate in the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

Any transaction costs arising on the issue of ordinary shares that would not have been incurred had ordinary shares not been issued are recognised directly in equity as a reduction of the share proceeds received.

The Group may issue shares to contractors at its discretion in exchange for services rendered. The cost of these issued shares is measured by reference to the fair value at the date at which they were granted.

	2025	2024
	$	$
Ordinary shares	**83,495,265**	75,093,553
Total	**83,495,265**	75,093,553

(a) Ordinary shares

	Shares	
	No.	**$**
At 1 October 2024	**1,427,888,318**	**75,093,553**
Additions		
Placement of fully paid ordinary shares at 1.8 cents each	214,183,247	3,855,298
Issue of fully paid ordinary shares to consultants	12,500,000	137,500
Issue of fully paid ordinary shares to consultants	4,088,444	60,000
Placement of fully paid ordinary shares at 1.0 cents each	500,000,000	5,000,000
Dolphin Capital Investments ATM Facility security shares	-	146,856
Capital Raising costs	-	(797,343)
At 30 September 2025	**2,158,660,009**	**83,495,265**

Notes to the Consolidated Financial Statements

For the Year Ended 30 September 2025

24 Issued Capital (continued)

(a) Ordinary Shares

	Shares	
	No.	**$**
At 1 October 2023	**1,037,557,606**	**67,840,072**
Additions		
Conversion of convertible notes to shares at 2.0 cents each	5,000,000	100,000
Conversion of convertible notes to shares at 3.0 cents each	10,000,000	300,000
Exercise of options to fully paid ordinary shares at 2.0 cents each	3,500,000	70,000
Placement of fully paid ordinary shares at 2.0 cents each	121,200,000	2,424,000
Issue of fully paid ordinary shares to consultants	36,250,739	795,604
Placement of fully paid ordinary shares at 2.2 cents each	181,818,182	4,000,000
Dolphin Capital Investments ATM Facility security shares	32,561,791	-
Dolphin Capital Investments ATM Facility proceeds received	-	218,934
Capital raising costs	-	(655,057)
At 30 September 2024	**1,427,888,318**	**75,093,553**

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its shares.

Notes to the Financial Statements

For the Year Ended 30 September 2025

24 Issued Capital (continued)

(b) Options

At 30 September 2025, a summary of the Company options issued and not exercised are as follows:

Grant Date	Vesting Date	Expiry Date	Exercise price (cents)	Balance at the start of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at the end of the year
21 Dec 2020	21 Dec 2020	4 Nov 2025	7.0	10,000,000	-	-	-	10,000,000	10,000,000
12 Nov 2021	12 Nov 2021	2 Nov 2024	8.0	13,333,334	-	(13,333,334)	-	-	-
18 Mar 2022	18 Mar 2022	18 Mar 2025	10.0	17,500,000	-	(17,500,000)	-	-	-
19 Aug 2022	19 Aug 2022	25 Aug 2025	3.3	49,999,992	-	(49,999,992)	-	-	-
15 Nov 2022	15 Nov 2022	7 Nov 2024	3.3	14,705,882	-	(14,705,882)	-	-	-
15 Feb 2023	15 Feb 2023	25 Aug 2025	3.3	74,658,334	-	(74,658,334)	-	-	-
21 Jun 2023	21 Jun 2023	30 Apr 2026	2.0	88,846,153	-	-	-	88,846,153	88,846,153
7 Feb 2024	7 Feb 2024	1 Nov 2026	5.0	6,000,000	-	-	-	6,000,000	6,000,000
7 Feb 2024	7 Feb 2024	25 Aug 2025	3.3	30,300,004	-	(30,300,004)	-	-	-
7 Feb 2024	7 Feb 2024	7 Feb 2027	4.05	20,000,000	-	-	-	20,000,000	20,000,000
7 Feb 2024	7 Feb 2024	25 Aug 2025	3.3	55,454,545	-	(55,454,545)	-	-	-
23 Dec 2024	23 Dec 2024	13 Dec 2026	3.3	-	107,091,607	-	-	107,091,607	107,091,607
23 Dec 2024	23 Dec 2024	13 Dec 2026	3.3	-	30,000,000	-	-	30,000,000	30,000,000
11 Jun 2025	11 Jun 2025	13 Dec 2026	3.3	-	500,000,000	-	-	500,000,000	500,000,000
				380,798,244	**637,091,607**	**(255,952,091)**	**-**	**761,937,760**	**761,937,760**

During the year ended 30 September 2025, 255,952,091 options expired, no options were exercised and no options were modified (2024: 10,000,000 options expired, 3,500,000 options exercised, no options modified).

Notes to the Financial Statements

For the Year Ended 30 September 2025

24 Issued Capital (continued)

(b) Options (continued)

At 30 September 2024, a summary of the Company options issued and not exercised are as follows:

Grant Date	Vesting Date	Expiry Date	Exercise price (cents)	Balance at the start of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at the end of the year
21 Dec 2020	21 Dec 2020	4 Nov 2025	7.0	10,000,000	-	-	-	10,000,000	10,000,000
12 Nov 2021	12 Nov 2021	2 Nov 2024	8.0	13,333,334	-	-	-	13,333,334	13,333,334
1 Feb 2022	1 Feb 2022	1 Feb 2024	10.0	10,000,000	-	(10,000,000)	-	-	-
18 Mar 2022	18 Mar 2022	18 Mar 2025	10.0	17,500,000	-	-	-	17,500,000	17,500,000
19 Aug 2022	19 Aug 2022	25 Aug 2025	3.3	49,999,992	-	-	-	49,999,992	49,999,992
15 Nov 2022	15 Nov 2022	7 Nov 2024	3.3	14,705,882	-	-	-	14,705,882	14,705,882
15 Feb 2023	15 Feb 2023	25 Aug 2025	3.3	74,658,334	-	-	-	74,658,334	74,658,334
21 Jun 2023	21 Jun 2023	30 Apr 2026	2.0	92,346,153	-	-	(3,500,000)	88,846,153	88,846,153
7 Feb 2024	7 Feb 2024	1 Nov 2026	5.0	-	6,000,000	-	-	6,000,000	6,000,000
7 Feb 2024	7 Feb 2024	25 Aug 2025	3.3	-	30,300,004	-	-	30,300,004	30,300,004
7 Feb 2024	7 Feb 2024	7 Feb 2027	4.05	-	20,000,000	-	-	20,000,000	20,000,000
7 Feb 2024	7 Feb 2024	25 Aug 2025	3.3	-	55,454,545	-	-	55,454,545	55,454,545
				282,543,695	**111,754,549**	**(10,000,000)**	**(3,500,000)**	**380,798,244**	**380,798,244**

During the year ended 30 September 2024, 10,000,000 options expired, 3,500,000 options were exercised and no options were modified (2023: 54,212,092 options expired, 17,653,847 options exercised, no options modified).

Notes to the Financial Statements

For the Year Ended 30 September 2025

25 Reserves

Accounting Policy

Nature and purpose of reserves

Share-based payment reserve

This reserve is used to record the cumulative assessed value of equity benefits provided to employees, contractors and Executive Directors as part of their remuneration.

Options reserve

This reserve is used to record the cumulative assessed value of options outstanding to shareholders.

Convertible notes reserve

This reserve is used to record the equity portion of issued convertible notes.

(a) Reserves

	2025	2024
	$	$
Share Based Payments Reserve(i)	**417,821**	378,853
Options Reserve(ii)	**134,811**	461,252
Convertible Notes Reserve(iii)	**334,188**	334,188
Total	**886,820**	1,174,293

(i) Share Based Payments Reserve

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	$
Balance at 1 October 2023	**204,186**
Options issued	185,589
Options expired	(10,922)
Balance at 30 September 2024	**378,853**
Options issued	186,000
Options expired	(147,032)
Balance at 30 September 2025	**417,821**

(ii) Options Reserve

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	$
Balance at 1 October 2023	**247,695**
Options issued	220,947
Options expired	(7,390)
Balance at 30 September 2024	**461,252**
Options expired	(326,441)
Balance at 30 September 2025	**134,811**

25 Reserves (continued)

(iii) Convertible Notes Reserve

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	$
Balance at 1 October 2023	**157,985**
Convertible notes issued	198,482
Convertible notes exercised	(22,279)
Balance at 30 September 2024	**334,188**
Balance at 30 September 2025	**334,188**

26 Share-based Payments

Accounting Policy

The Group may issue shares to contractors at its discretion in exchange for services rendered. The Group measures the goods or services received, and the corresponding increase in equity, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Where the fair value of an employee share option has been recognised as a share-based payment and the option lapses on expiry, the total amount of the share-based payment expense is transferred from the share-based payment reserve to accumulated losses.

(a) The share-based payment expense included within the consolidated statement of comprehensive profit or loss can be broken down as follows:

	2025	2024
	$	$
Shares		
Shares issued to company secretary	**-**	50,954
Shares issued to consultants	**166,856**	260,000
Total shares issued	**166,856**	310,954
Options		
Options issued to consultants	**-**	185,589
Total options issued	**-**	185,589
Total share-based payments	**166,856**	496,543

Notes to the Financial Statements

For the Year Ended 30 September 2025

26 Share-based Payments (continued)

(b) Share-based payments to settle expenditure included within the consolidated statement of financial position can be broken down as follows:

	2025	2024
	$	$
Shares		
Shares issued for development of intangible assets	**177,500**	104,000
Shares issued for exploration and evaluation assets	**-**	237,250
Shares issued for capital raising costs	**-**	143,400
Total shares issued	**177,500**	484,650
Options		
Options issued for capital rising costs	**186,000**	-
Total options issued	**186,000**	-
Total share-based payments	**363,500**	484,650

27 Loss per Share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2025	Restated 2024
As the Group is in a loss position, there is no diluted EPS calculated.	**$**	$
(a) Earnings used to calculate overall earnings per share		
Net (loss) after income tax	**(7,149,591)**	(8,884,719)

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	**1,841,130,404**	1,223,790,058
(c) Basic & diluted (loss) per share (cents)	**(0.39)**	(0.73)

Notes to the Financial Statements

For the Year Ended 30 September 2025

28 Capital and Other Commitments

In relation to Pilot's in-progress acquisition of 100% of the interest in the Cliff Head Oil Joint Venture (CHJV) and assets, Pilot has entered into a vendor financing arrangement to acquire the WA assets with Triangle Energy (Global) Limited. Refer Note 23.

Exploration expenditure commitments
In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the requirements specified by the respective State Government. These obligations are subject to negotiation when application for a petroleum exploration lease is made and at other times. These commitments are not provided for in the financial report and are payable as follows:

	From 1 Oct 2025	From 1 Oct 2026
	1 Year (net to Pilot)	**2 to 5 Years (net to Pilot)**
G&G	483,333	2,750,000
Seismic (planning, acquisition and processing)	-	14,300,000
Injection Well	-	20,000,000
Drilling of one well (planning and drilling)	-	29,300,000
	483,333	**66,350,000**

Notes:

WA-481-P	A significant component of the work programme was a commitment to acquire 400 km2 of 3D seismic (estimated to cost $14.3 million) in 2025 and drill an exploration well (estimated to cost in the order of $29 million) in 2026/27. Due to unforeseen delays to Environmental Plan approval for 3D seismic, the company is seeking a 12 month suspension/extension for WA-481-P from NOPTA which will see seismic activities and drilling delayed until 2027 and 2028/2029 respectively. The Company is in discussions with parties regarding farmout arrangements for the permit and the associated work programme.
G-12-AP	The work programme is underpinned by G & G studies through to 2029 (total estimated cost of $3 million) with an injection test well (estimated to cost in the order of $20 million) in 2029/30.
WA31-L	This table above does not include Pilot's share of Cliff Head's decommissioning expenditure due to the uncertainty of timing of such expenditure which is not expected to occur within 5 years given the Group's business plans.

29 Financial Risk Management

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group‘s overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk
- Borrowings, including derivatives

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group’s financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Mitigation strategies for specific risks faced are described below:

Liquidity Risk

Liquidity risk arises from the Group’s management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group’s policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

Notes to the Financial Statements

For the Year Ended 30 September 2025

29 Financial Risk Management (continued)

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Consolidated - 2025	_Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Trade and other payables		3,870,875	-	-	-	-
Employee benefits		299,236	-	-	-	-
						-
Interest-bearing - fixed rate						
Loan facilities	11.73%	8,299,926	-	-	-	-
Convertible notes payable	12.00%	12,885,943	-	-	-	-
Total non-derivatives		**25,355,980**	**-**	**-**	**-**	**-**
Derivatives						
Convertible note derivative		3,500,919	-	-	-	-
Total derivatives		**3,500,919**	**-**	**-**	**-**	**-**

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Trade payables		5,181,691	-	-	-	-
Employee benefits		461,123	-	-	-	-
Interest-bearing - fixed rate						
Convertible notes payable	12.00%	2,900,000	3,200,000	-	-	-
Total non-derivatives		**8,542,814**	**3,200,000**	**-**	**-**	**-**

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and a loan to TEO.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Notes to the Financial Statements

For the Year Ended 30 September 2025

29 Financial Risk Management (continued)

Credit Risk (continued)

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than:

- amounts with Australian financial institutions with acceptable credit ratings; and
- a loan to TEO (refer Note 12) of $9,736,020 for which management is comfortable with the Group's credit risk exposure.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group has no material exposure to foreign exchange risk.

Fair value of financial instruments

Unless otherwise stated, the carrying amount of financial instruments materially reflect their fair value.

30 Key Management Personnel Remuneration

Accounting Policy

Short-term benefits

Short-term benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term benefits is the amount of the future benefit that employees and other key management personnel have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:	**2025**	2024*
	$	$
Short-term benefits	**1,372,783**	1,974,446
Post employment benefits	**44,302**	84,256
Long term benefits	**-**	51,618
Total key management personnel remuneration	**1,417,084**	2,140,832

As at 30 September 2025, remuneration compensation due to non-executive directors but not settled amounted to $72,916 (2024: $nil).

* Restated – refer note 4

Notes to the Financial Statements
For the Year Ended 30 September 2025

31 Auditor's Remuneration

RSM Australia Partners were appointed as auditors of the Company on 12 February 2025. The Company's predecessor auditor was MNSA Pty Ltd.

	2025
RSM Australia Partners	**$**
Audit services	
Audit and review of financial reports	**52,500**
Total remuneration	**52,500**

	2024
MNSA Pty Ltd	
Audit services	$
Audit and review of financial reports(i)	39,690
Total remuneration	39,690

(i) During the FY2025, MNSA Pty Ltd received additional fees of $14,907 in connection with the FY2024 financial year audit.

32 Subsidiaries

Wholly owned subsidiaries of Pilot are set out below.

Name of subsidiary	Principal activity	Place of incorporation and operation	Financial year end	Proportion of ownership interest and voting power held by the Group	
				2025 %	2024 %
Royal Energy Pty Ltd	Oil & Gas	Australia	30 June	100	100
Pilot Energy (CH CCUS) Pty Ltd	Oil & Gas	Australia	30 September	100	100
Pilot Energy (CH WSP) Pty Ltd	Dormant	Australia	30 September	100	100
Pilot Energy (SW CCS) Pty Ltd	Dormant	Australia	30 September	100	100
Royal Energy (Cooper Basin) Pty Ltd	Dormant	Australia	30 June	100	100
Spring River Resources	Dormant	USA	31 December	100	100
Rampart Alaska LLC	Dormant	USA	31 December	100	100

33 Contingent Liabilities

In relation to Pilot's in-progress acquisition of 100% of the interest in the Cliff Head Oil Joint Venture (CHJV) and assets, Pilot will also be requested to pay a royalty to Triangle of 2% of third-party revenues associated with the proposed Cliff Head Carbon Storage project, subject to an aggregate of $7.5 million. Pilot also continues to pay the operating costs for the Cliff Head Facilities. Due to the uncertainty of timing, the Director's are unable to accurately value these transactions.

As part of Mr Lingo's employment services contract, there is an Over-Riding Royalty Interest (ORRI) over the anticipated clean energy projects. In September 2022, the Board approved the ORRI agreement which provides for a 2% royalty of the gross revenue from all Sale Agreements with Greenslate Energy Pty Ltd (a related entity of Mr Lingo) relating to the Mid-West Clean Energy project. Due to the uncertainty of these amounts, no value is included in the FY2025 and FY2024 remuneration.

As part of Mr Watson's consulting agreement, there is an Over-Riding Royalty Interest (ORRI) over the anticipated clean energy projects. In December 2023, the Board approved the ORRI agreement which provides for a 0.5% royalty of the gross revenue from all Sale Agreements relating to the Mid-West Clean Energy project. Due to the uncertainty of these amounts, no value is included in the FY2025 and FY2024 remuneration.

In the opinion of the Directors, the Company does not have any other contingent Liabilities at 30 September 2025.

34 Related Parties

Transactions with related parties:

The following transactions occurred with related parties:

- Throughout the financial year, a net total of $7,522,081 (2024: $1,780,433) has been loaned to Triangle Energy (Operations) Pty Ltd for working capital for the Cliff Head Joint Venture under a loan agreement. At balance date, and in accordance with the Loan Agreement, a total amount of $9,736,020 (2024: $2,213,939) remains outstanding.
- Throughout the financial year, a total of $458,575 (2024: $434,039) has been charged to Triangle Energy (Operations) Pty Ltd for the provision of services.
- Throughout the financial year, a total of $241,076 (2024: $6,492) has been charged by Triangle Energy (Operations) Pty Ltd for the provision of services.
- Greg Columbus participated in a placement of shares on 4 June 2025 for 25,000,000 shares at $0.01 per share each with 1 free attaching option.
- Brad Lingo participated in a placement of shares on 4 June 2025 for 500,000 shares at $0.01 per share each with 1 free attaching option.
- Alexander Sundich participated in a placement of shares on 4 June 2025 for 15,000,000 shares at $0.01 per share each with 1 free attaching option.
- Natalie Wallace participated in a placement of shares on 4 June 2025 for 5,000,000 shares at $0.01 per share each with 1 free attaching option.
- At 30 September 2025, amounts due to non-executive Directors in connection with FY2025 remuneration totalled $72,916 (2024: $Nil)
- During the year ended 30 September 2025, Mr Greg Columbus participated in convertible note agreements with the Group. The face value of outstanding amounts held totals $2.5M
- During the year ended 30 September 2025, Mr Greg Columbus provided an unsecured loan to the company of $250,000.

Notes to the Financial Statements

For the Year Ended 30 September 2025

35 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2025	Restated 2024*
	$	$
Loss for the year	**(7,149,591)**	(8,884,719)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in loss:		
- accrued interest income	**(992,247)**	(263,155)
- accrued interest expense	**909,886**	-
- foreign exchange	**47,624**	13,975
- amortisation	**86,433**	86,433
- share based payments	**166,856**	496,543
- share of profit/loss of associate	**85,764**	2,803,067
- impairment	**300,000**	28,393
- change in fair value of derivatives	**1,617,398**	-
- non-operating receivables & payables	**-**	(442,338)
- convertible note coupons	**-**	635,679
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(254,261)**	(594,699)
- increase/(decrease) in trade and other payables	**(514,131)**	1,590,371
- increase/(decrease) in financial liabilities	**-**	(97,072)
- increase/(decrease) in employee benefits	**(161,887)**	96,556
Cash flows (used in) operations	**(5,858,156)**	(5,166,645)

*Restated – refer Note 4

36 Events Occurring After the Reporting Date

As announced on 16 October 2025, Pilot & Kala Data has formed a joint venture at the Arrowsmith Production Facility to install and operate a modular data centre. Pilot estimates that it's share of profits the operation could generate sufficient pre-tax cash flows to internally fund the Cliff Head operating costs while the Company transitions these operations to the Carbon Storage Project.

An announced 17 October 2025, Pilot has secured a $5.9M PRRT refund debt financing facility which will fund 40% of ongoing ADRE expenditure as incurred. Further to this announcement, initial funds of $957,000 were received on 29 October 2025.

On 20 October 2025, $2.9M of convertible notes initially issued in June 2023 and with an expiry date of 27 June 2025 and an exercise price of $0.02 were modified to have an expiry date of 31 December 2026 and an exercise price of $0.015.

On 20 October 2025, $2.9M of convertible notes initially issued in February 2024 and with an expiry date of 19 February 2026 and an exercise price of $0.03 were modified to have an expiry date of 31 December 2026 and an exercise price of $0.015. The terms of the remaining $300,000 convertible note remains unmodified.

Notes to the Financial Statements
For the Year Ended 30 September 2025

36 Events Occurring After the Reporting Date (continued)

As announced 21 October 2025, Pilot has received key environmental approval to conduct Eureka 3D seismic survey in offshore Perth basin which supports the current WA-481P advanced farmout process.

A parcel of 10,000,000 unlisted options expired on 4 November 2025.

As announced 10 December 2025, Pilot has sold it’s option to lease, with first right of refusal to purchase, an area of land earmarked for renewable solar development site to Strike Energy (ASX:STX) for $700,000.

As announced 11 December 2025, Pilot has received R&D incentive refund debt facility of $1.5M to accelerate the receipt of the FY2025 R&D Tax Incentive refund. Under the facility, Radium Capital Pty Ltd will provide 85% of the estimated $1.8M R&D Tax incentive refund to be claimed.

Notes to the Financial Statements

For the Year Ended 30 September 2025

37 Parent Entity

The following information has been extracted from the books and records of the parent, Pilot Energy Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Pilot Energy Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Statement of Financial Position	**2025**	2024 Restated
Assets	**$**	$
Current assets	**2,364,660**	4,396,064
Non-current assets	**30,094,920**	13,180,492
Total Assets	**32,459,580**	17,516,556
Liabilities		
Current liabilities	**21,704,458**	5,271,024
Non-current liabilities	**-**	3,018,530
Total Liabilities	**21,704,458**	8,289,555
Equity		
Issued capital	**83,495,265**	75,093,553
Reserves	**886,820**	1,174,293
Accumulated losses	**(73,656,962)**	(66,950,845)
Total Equity	**10,725,122**	9,287,001
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(6,676,118)**	(9,969,508)
Total comprehensive loss	**(6,676,118)**	(9,969,508)

Contingent liabilities
See note 33

Contractual commitments
The parent entity did not have any material commitments as at 30 September 2025 not disclosed in the financial report (2024: Nil).

Consolidated Entity Disclosure Statement
For the Year Ended 30 September 2025

Entity Name	Body Corporate, partnership or trust	Place of Incorporation	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax Resident (for tax purposes)	Jurisdiction for Foreign tax resident
Pilot Energy Limited	Body corporate	Australia	-	Australia	N/A
Royal Energy Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Pilot Energy (CH CCUS) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Pilot Energy (CH WSP) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Pilot Energy (SW CCS) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Royal Energy (Cooper Basin) Pty Ltd	Body corporate	Australia	100%	Australia	N/A
Spring River Resources	Body corporate	US	100%	US	US

Key assumptions and judgements

Determination of Tax Residency
Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the Income *Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.
In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' Declaration

In accordance with a resolution of the Directors of Pilot Energy Limited and its controlled entities, the Directors of the Company declare that:

1. the financial statements and notes for the year ended 30 September 2025 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the consolidated group;

2. the Managing Director has given the declarations required by Section 295A that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, the attached Consolidated Entity Disclosure Statement required by s 295(3A) of the *Corporations Act 2001* is true and correct;

4. in the Directors' opinion and having regard to Note 2 in the financial statements, and specifically in continuing to secure future working capital sourced from equity capital raisings, borrowings and farmouts, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Bradley Lingo
Managing Director

Dated at West Perth, Western Australia this 31st December 2025.

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Pilot Energy Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Pilot Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 September 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the, consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 September 2025 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that Group incurred a net loss of $7,149,591 during the year ended 30 September 2025 and, as of that date, the Group's current liabilities exceeded its current assets by $23,776,951. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – Restatement of comparative figures

We draw attention to Note 4 of the financial report which states that the amounts reported in the previously issued 30 September 2024 financial report have been restated and disclosed as comparatives in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Impairment assessment (Intangible Assets) Refer to Note 18 in the financial statements	
At 30 September 2025 the Group has recorded an intangible asset with respect to its Mid West Clean Energy Project (MWCEP) with a carrying value of $10,895,361. The MWCEP is an intangible asset not yet available for use and therefore is subject to an annual impairment test. We determined this to be a key audit matter because of the materiality of this intangible asset. In addition, significant management judgments and estimates are involved in estimating the recoverable amount of this intangible asset. .	Our audit procedures included: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Considering the appropriateness of the fair value less cost to dispose model applied by the Group to assess the carrying value of the MWCEP. This included evaluating the work performed by management's expert and assessing the competency and objectivity of the expert; • Challenging the Group's forecast cash flows, including assumptions relating to Australian Carbon Credit Unit (ACCU) prices, Co2 Injection volumes and storage capacity, operating costs and costs of disposal; • Working with our RSM Corporate Finance Specialists, we developed a discount rate range considered comparable using publicly available market data for comparable entities to assess the discount rate used by management and its expert and assessed the integrity of the fair value less costs to dispose model used; and • Assessing the adequacy of disclosures included in the financial statements.

Key Audit Matter	How our audit addressed this matter
Impairment assessment (Exploration and Evaluation Assets) Refer to note 19 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $4,687,526 as at 30 September 2025. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Agreeing the Group's right of tenure for its exploration license to supporting documentation; • On a sample basis, assessing whether costs capitalised during the year are in accordance with the Group's accounting policy and agreeing these to supporting documentation such as invoices; • Assessing and evaluating management's assessment of whether indicators of impairment existed as at 30 September 2025; • Where indicators of impairment were not identified, assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; • Enquiring with management and reading budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and • Assessing the adequacy of disclosures included in the financial statements.

Key Audit Matter	How our audit addressed this matter
Accounting for Convertible Notes Refer to Note 23 in the financial statements	
During the current and previous financial years, the Group has issued convertible notes which, amongst other features, include various conversion features. At 30 September 2025, the Group has recorded a debt liability for convertible notes of $11,013,928 and a derivative liability for convertible notes of $3,500,919. Accounting for convertible notes has been considered a key audit matter due to the complexity of the accounting treatment required under Australian Accounting Standards and the significant management judgments and estimates involved in estimating the fair value of the components of the convertible notes at the relevant dates.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Reading the convertible notes agreements to understand their terms and evaluating the classification of the conversion features of the convertible notes against the criteria contained within Australian Accounting Standards; • Vouching the proceeds from the issue of the convertible notes to bank statements and other supporting documentation; • Through the use of RSM Corporate Finance Specialists, assessing fair value of the host debt and embedded derivative components at contract inception, including challenging the reasonableness of methods, assumptions and key inputs used by management to determine fair value. This included evaluating the work performed by management's expert and assessing the competency and objectivity of the expert; • Through the use of RSM Corporate Finance Specialists assessing fair value of the embedded derivative components at 30 September 2025, including challenging the reasonableness of methods, assumptions and key inputs used by management to determine fair value. This included evaluating the work performed by management's expert and assessing the competency and objectivity of the expert; • Checking the mathematical accuracy of the change in fair value of the embedded derivatives recorded in the profit or loss during year; • Checking the mathematical accuracy at 30 September 2025 of the remeasured host debt liability measured at amortised cost using the effective interest rate method; and • Assessing the adequacy of disclosures included in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 September 2025 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.This description forms part of our auditor's report.

RSM

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in within the Directors' Report for the year ended 30 September 2025.

In our opinion, the Remuneration Report of Pilot Energy Limited for the year ended 30 September 2025, complies with section 300A of the Corporations Act 2001.

Emphasis of matter – Restatement of comparative figures

We draw attention to Note 4 of the financial report which states that the amounts reported in the previously issued 30 September 2024 remuneration report have been restated and disclosed as comparatives in the Remuneration Report. Our opinion is not modified in respect of this matter.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 31 December 2025

Additional Information for Listed Public Companies
30 September 2025

The shareholder information set out below was applicable as at 10 December 2025.

Distribution of ordinary shares

Range	Total holders	Ordinary shares	% of issued capital
1 – 1,000	198	25,509	0.000
1,001 – 5,000	56	171,471	0.010
5,001 – 10,000	141	1,156,938	0.050
10,001 – 100,000	806	37,649,768	1.740
100,001 and over	936	2,119,656,323	98.190
Total	**2,137**	**2,158,660,009**	**100.000**

There were 1,242 holders of less than marketable parcel of ordinary shares.

Substantial shareholders

There were no substantial shareholders at 10 December 2025.

Voting rights

Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options and rights

No voting rights.

Additional Information for Listed Public Companies

30 September 2025

Twenty Largest Shareholders

Shareholders	Ordinary Shares Number Held	% of issued shares
Group - PINE STREET PTY LTD <PINE STREET A/C>	**92,500,000**	**4.285%**
- PINE STREET PTY LTD	53,500,000	2.478%
- PINE STREET PTY LTD	39,000,000	1.807%
CITICORP NOMINEES PTY LIMITED	**77,297,205**	**3.581%**
BNP PARIBAS NOMS PTY LTD	**76,058,991**	**3.523%**
ZERO DEGREES INTERNATIONAL INC	**55,055,487**	**2.550%**
SPRING STREET HOLDINGS PTY LTD	**47,655,000**	**2.208%**
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	**44,453,013**	**2.059%**
JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAM A/C>	**37,500,001**	**1.737%**
KARYGROUP PTY LTD	**37,500,000**	**1.737%**
VIDOG CAPITAL PTY LTD	**36,000,000**	**1.668%**
Group – DISCOVERY INVESTMENTS PTY LTD	**27,000,000**	**1.251%**
- DISCOVERY INVESTMENTS PTY LTD	25,000,000	1.158%
- DISCOVERY INVESTMENTS PTY LTD	2,000,000	0.093%
BREAKOUT HOLDINGS PTY LTD <WAY SUPER FUND A/C>	**25,934,494**	**1.201%**
DISCOVERY INVESTMENTS PTY LTD <RASCOL FAMILY SUPER FUND A/C>	**25,000,000**	**1.158%**
NEW ENERGY TECHNOLOGY LTD	**23,422,486**	**1.085%**
VARS ENTERPRISES PTY LTD <VARS NO 2 A/C>	**22,999,516**	**1.065%**
SLH SHARE TRADING PTY LTD	**21,100,000**	**0.977%**
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	**20,488,042**	**0.949%**
ALAN FLETCHER	**20,000,000**	**0.927%**
YELLOW EXPRESS TAXI TRUCKS PTY LTD	**20,000,000**	**0.927%**
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	**18,074,470**	**0.837%**
REEBAZ PTY LTD	**18,000,000**	**0.834%**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	**16,761,126**	**0.776%**
Total Securities of Top 20 Holdings	**737,799,831**	**34.179%**
Total Securities	**2,158,660,009**	**100.00%**

Pilot Energy

ASX:**PGY**

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