



**PILOT ENERGY LIMITED**  
**ABN 86 115 229 984**

**NOTICE OF ANNUAL GENERAL MEETING,  
EXPLANATORY MEMORANDUM  
AND  
PROXY FORM**

**Date of Meeting:** Friday 10th February 2023

**Time of Meeting:** 11:00am (AEDT)

**Place of Meeting:** the offices of A.D. Danieli at  
Level 1, 261 George St, Sydney, NSW, 2000

**PILOT ENERGY LIMITED**  
**ABN 86 115 229 984**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Pilot Energy Limited ("**Company**") will be held at 11.00am (AEDT) on Friday 10<sup>th</sup> February 2023 at the offices of A.D. Danieli, Level 1, 261 George St, Sydney, NSW, 2000.

In order to determine voting entitlements, the register of Shareholders will be closed at 7:00pm (AEDT) on Wednesday 8<sup>th</sup> February 2023.

An Explanatory Memorandum containing information in relation to each of the Resolutions to be put to the Meeting accompanies this Notice.

**AGENDA**

**ORDINARY BUSINESS**

**FINANCIAL STATEMENTS AND REPORTS**

TO RECEIVE AND CONSIDER the annual financial report for the Company for the financial year ended 30 September 2022 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

**RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report contained within the Company's annual financial report for the financial year ended 30 September 2022."*

**Note 1:** The vote on this resolution is advisory only and does not bind the Directors of the Company.

**Note 2:** If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all the Company's Directors (other than the Managing Director) must stand for re-election.

**Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

- (b) an associate or Closely Related Party of a member of the Key Management Personnel.

However, this does not apply to a vote cast on Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **RESOLUTION 2: RE - ELECTION OF DIRECTOR – MR BRADLEY LINGO**

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That in accordance with Rule 3.6 of the Constitution, ASX Listing Rule 14.5 (pursuant to which an election of a director must occur at each annual general meeting of the Company) and for all other purposes, Mr Bradley Lingo retires as a director of the Company with effect on and from the close of this Meeting and being eligible and available, is hereby re-elected as a director.”*

### **RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 3 by, or on behalf of, any person who, if the Resolution is passed, is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Important note:** The proposed recipients of any Equity Securities under the 10% Placement Capacity are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

#### **RESOLUTION 4: RATIFICATION OF PRIOR ISSUES OF SHARES TO CONSULTANTS IN LIEU OF PART OR FULL PAYMENT OF FEES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the following issues of fully paid Shares under Listing Rule 7.1 to the consultants of the Company detailed in the Explanatory Memorandum:*

- (i) 7,047,538 Shares on 25 August 2022; and
- (ii) 9,827,801 Shares on 24 November 2022.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

#### **Voting Exclusion Statement:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution 4 by:

- (a) a person who participated in the issue being approved by the Resolution; and
- (b) any associate of those recipients.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTIONS 5A & 5B: RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

To consider and, if thought fit, pass with or without amendment, the following resolutions as **ordinary**

resolutions:

**Resolution 5A – under Listing Rule 7.1**

*“That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 78,194,973 Placement Shares under Listing Rule 7.1 at \$0.015 per Share, on the terms and conditions set out in the Explanatory Memorandum.”*

**Resolution 5B – under Listing Rule 7.1A**

*“That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 52,471,694 Placement Shares under Listing Rule 7.1A at \$0.015 per Share, on the terms and conditions set out in the Explanatory Memorandum.”*

See the Explanatory Memorandum accompanying this Notice for further information about these Resolutions.

**Voting Exclusion Statement (Resolutions 5A & 5B):**

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of these resolutions by:

- (a) a person who is participated in the issue being approved by the applicable Resolution; and
- (b) any associate of those recipients.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with a direction given to the Chair to vote on each resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the relevant resolution; and
  - (ii) the holder votes on the relevant resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**RESOLUTION 6: APPROVAL OF FUTURE ISSUE OF FREE ATTACHING PLACEMENT OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the future issue of up to 65,333,334 free, unlisted Placement Options attaching to the Placement Shares on a 2:1 basis, exercisable before the Option Expiry Date, on the terms and conditions set out in the Explanatory Memorandum.”*

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

**Voting Exclusion Statement:**

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 6 by:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 7: APPROVAL OF FUTURE ISSUE OF PLACEMENT SHARES AND FREE ATTACHING OPTIONS TO MR TONY STRASSER – MANAGING DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the future issue of 1,000,000 Placement Shares at \$0.015 each, together with 500,000 free, attaching Placement Options, to Mr Tony Strasser (and or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

#### **Voting Exclusion Statement:**

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 7 by:

- (a) Mr. Strasser (or his nominee) or any associate of Mr. Strasser (or his nominee) and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a Shareholder); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**RESOLUTION 8: APPROVAL OF FUTURE ISSUE OF PLACEMENT SHARES AND FREE ATTACHING PLACEMENT OPTIONS TO MR. DANIEL CHEN – NON-EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the future issue of 1,000,000 Placement Shares at \$0.015 each together with 500,000 Attached Placement Options, to Mr Daniel Chen (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.*

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

**Voting Exclusion Statement:**

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 8 by:

- (a) Mr. Chen (or his nominee) or any associate of Mr. Chen (or his nominee) and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a Shareholder); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the relevant Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**RESOLUTION 9: APPROVAL OF FUTURE ISSUE OF PLACEMENT SHARES AND FREE ATTACHING PLACEMENT OPTIONS TO MR. BRUCE GORDON – NON- EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 650,000 Placement Shares at \$0.015 each together with 325,000 free,*

*attaching Placement Options, to Mr. Bruce Gordon (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

In accordance with Listing Rule 10.11 the Company will disregard any votes cast in favour of this Resolution 9 by:

- (a) Mr. Gordon (or his nominee) or any associate of Mr. Gordon (or his nominee) and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a Shareholder); and
- (b) those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**RESOLUTION 10: APPROVAL OF FUTURE ISSUE OF BROKER OPTIONS TO WHAIRO CAPITAL PTY LTD.**

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue 8,000,000 unlisted Options with an exercise price of \$0.033 to Whairo Capital Pty Ltd (or its nominee), on the terms and conditions more fully described in the Explanatory Memorandum.”*

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution 10.

**Voting Exclusion Statement:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 10 by:

- (a) Whairo Capital Pty Ltd (or its nominee), and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of this Resolution 10 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or



(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **RESOLUTION 11 – APPROVAL FOR FUTURE ISSUE OF SHARES TO 8 RIVERS CAPITAL, LLC**

To consider, and if thought fit, pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue Shares to 8 Rivers Capital, LLC (or its nominee) to the value of \$250,000, at a price equivalent to the 30-day VWAP.”*

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution 11.

### **Voting Exclusion Statement:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 11 by:

- (a) 8 Rivers Capital, LLC (or its nominee), and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast in favour of this Resolution 11 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **By Order of the Board**

Cate Friedlander  
**Company Secretary**

Dated: 9<sup>th</sup> January 2023

## **ENTITLEMENT TO ATTEND AND VOTE**

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on ASX at 7:00pm (AEDT) on Wednesday, 8<sup>th</sup> February 2023 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

## **VOTING IN PERSON**

To vote in person, attend the Meeting at the time, date and place set out above.

## **VOTING BY PROXY**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **CORPORATE REPRESENTATIVE**

A Shareholder that is a corporation may appoint an individual to act as its corporate representative to vote at the Meeting in accordance with section 250D of the Corporations Act. Any corporation wishing to appoint an individual to act as its representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. A ‘Certificate of Appointment of Corporate Representative’ is enclosed if required.

## **QUESTIONS AND ENQUIRIES**

Shareholders will have the opportunity to ask questions during the Meeting. However, to provide for an efficient virtual meeting, we request that any questions from Shareholders are submitted to the Company Secretary at least 24 hours in advance of the Meeting by email to: [cfriedlander@pilotenergy.com.au](mailto:cfriedlander@pilotenergy.com.au)

Shareholders are invited to contact the Company Secretary, Cate Friedlander on 1300 737 760 if they have any queries in respect of the matters set out in this document.

**PILOT ENERGY LIMITED**  
**ABN 86 115 229 984**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

**FINANCIAL STATEMENTS AND REPORTS**

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 September 2022, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

A copy of the Company's 2022 Annual Report is available on the Company's ASX platform (**ASX: PGY**) and on the website [www.pilotenergy.com.au](http://www.pilotenergy.com.au). Alternatively, a hard copy will be made available upon request.

At the Annual General Meeting, Shareholders will have the opportunity to ask the Company's auditor, MNSA Pty Ltd, questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit, may be submitted no later than five business days before the meeting date to the Company Secretary.

**RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

**General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

## Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## Proxy restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

(a) ***If you appoint a member of the Key Management Personnel (other than the Chair) as your proxy***

If you elect to appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote***. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

(b) ***If you appoint the Chair as your proxy***

If you elect to appoint the Chair where he/she is also a member of the Key Management Personnel whose remunerations details are included in the Remuneration Report, or a Closely Related Party of such a member, ***you must direct the Chair how they are to vote***. Undirected proxies granted to these persons will be voted in favour of all Resolutions.

(c) ***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote, and you ***do not*** need to tick any further acknowledgement on the Proxy Form. Undirected proxies granted to these persons will be voted at their discretion.

## RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR BRADLEY LINGO

### General

ASX Listing Rule 14.5 requires that an entity listed on ASX must hold an election of directors at each AGM. This rule applies even where no director is required to stand for re-election at an annual general meeting under ASX Listing Rule 14.4 (i.e. a director must not hold office (without re-election) for more than three years). If no director is retiring or is due to be appointed then at least one of the existing directors must be selected to stand for re-election. As each of Mr. Bruce Gordon and Mr. Daniel Chen was appointed as a Director at the last Annual General Meeting and Mr. Tony Strasser, as Managing Director, is exempted from this requirement, Mr. Bradley Lingo has agreed to retire from office and seek re-election.

Mr. Bradley Lingo is eligible and has offered himself for re-election.

## **About Mr. Bradley Lingo**

Mr. Bradley Lingo was appointed as an executive Director and Chairman of the Company on 12 May 2020. Mr Lingo is a highly experienced oil and gas industry executive and entrepreneur experienced in building energy and resource companies. 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 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 focused on developing and implementing targeted business development strategies aimed at growing and delivering shareholder value.

## **Director Independence**

Having regard to the ASX Corporate Governance Principles, the Board does not consider Mr. Bradley Lingo to be an independent Director.

## **Directors' Recommendation**

The Directors, with Mr. Lingo abstaining, unanimously recommends that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY**

### **General**

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

### **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity. An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$12.5 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (**ASX Code: PGY**).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of Shares issued in the previous 12 months on the conversion of convertible securities under Listing Rule 7.2 exception 9;
  - (iii) plus the number of Shares issued in the previous 12 months under an agreement to issue Shares within Listing Rule 7.2 exception 16;
  - (iv) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (v) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
  - (vi) less the number of Shares cancelled in the previous 12 months;
- B is 10%; and
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that has not been subsequently approved by the holders of Ordinary Securities under Listing Rule 7.4.

### **Technical information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

#### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date above, the date on which the Equity Securities are issued.

#### **(b) Date of issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and  
the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Variable 'A' in ASX Listing Rule 7.1A.2                |                     | Dilution                      |                       |                                |
|--|---------------------|-------------------------------|-----------------------|--------------------------------|
|  |                     | \$0.008                       | \$0.016               | \$0.033                        |
|  |                     | (50% decrease in Issue Price) | (Issue Price)         | (100% increase in Issue Price) |
| 781,344,082<br>(Current Variable A)                    | 10% Voting Dilution | 78,134,408<br>Shares          | 78,134,408<br>Shares  | 78,134,408<br>Shares           |
|  | Funds Raised        | \$625,075                     | \$1,250,150           | \$2,500,301                    |
| 1,172,016,123<br>(50% increase in current Variable A)  | 10% Voting Dilution | 117,201,612<br>Shares         | 117,201,612<br>Shares | 117,201,612<br>Shares          |
|  | Funds Raised        | \$937,612                     | \$1,875,225           | \$3,750,451                    |
| 1,562,688,164<br>(100% increase in current Variable A) | 10% Voting Dilution | 156,268,816<br>Shares         | 156,268,816<br>Shares | 156,268,816<br>Shares          |
|  | Funds Raised        | \$1,250,150                   | \$2,500,301           | \$5,000,602                    |

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or deemed Shareholder approval under an exception set out in Listing Rule 7.2.

The table above uses the following assumptions.

- (a) The current shares on issue are the Shares on issue as at 12<sup>th</sup> December 2022.
- (b) No options are exercised and converted into Shares before the date of issue of the Equity Securities.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. That is why the voting dilution is shown in each example as 10%.

- (d) The issue price set out above is the closing price of the Shares on the ASX on 12<sup>th</sup> December 2022.
- (e) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (f) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (g) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (h) Shareholders should note that there is a risk that:
  - (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
  - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

Under Listing Rule 7.1A, the Company may only issue Equity Securities under the 10% Placement Capacity for cash consideration. The purpose of any issue would be set out for Shareholders at the time of such an issue. However, in general terms, the Company could issue Equity Securities under the 10% Placement Capacity to raise cash for general working capital and/or for the acquisition of new assets and investments.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 upon issue of any Equity Securities.

**(e) Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).



Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

**(f) Previous Approval under ASX Listing Rule 7.1A**

The Company obtained Shareholder approval under Listing Rule 7.1A on 28 February 2022.

Since that date, the Company has issued the following Shares under the Listing Rule 7.1A 10% Placement Capacity.

| Date of issue   | Total issue<br>(no. shares) | Total raised (\$) | Shares issued under L.R 7.1 | Shares issued under L.R 7.1A | Price of Shares (\$) | Recipient of Shares issued under L.R 7.1A                                     | Use of funds raised   |
|---|-----------------------------|-------------------|-----------------------------|------------------------------|----------------------|---|---|
| 15 July 2022  | 98,000,000                  | 1,666,000         | 57,843,730                  | 40,156,270                   | 0.017                | All L.R 7.1A Share were allocated across the subscribers on a pro rata basis. | Funds raised have been spent on the Company's ongoing oil & gas tenement work program, blue hydrogen & CCS Project, corporate expenses, working capital and capital raising costs.  |
| 8 Dec 2022  | 133,333,333                 | 2,000,000         | 78,194,973                  | 52,471,694                   | 0.015                | All L.R 7.1A Share were allocated across the subscribers on a pro rata basis. | Funds raised have been/will be spent to provide support and sufficient working capital for the Company's oil & gas tenement obligations, working capital for Cliff Head oil field operating costs and to fund the next steps to progress the Cliff Head CCS Project to Final Investment Decision. |
| <b>Total shares issued under Listing Rule 7.1A in the relevant period: 92,627,964</b> |                             |                   |                             |                              |                      |   |   |

**(g) Effect if Resolution not Passed**

If Resolution 3 is not passed, the Company will be limited to the 15% placement capacity under Listing Rule 7.1.

**(h) Voting Exclusion**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution 3.

**Directors' Recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 3.

**RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES TO CONSULTANTS IN LIEU OF PAYMENT OF FEES**

**General**

The Company engages several consultants who provide ongoing corporate development and technical services in relation to the conduct of the business of Pilot and development of its projects. Each of these consultants is engaged by the Company under terms and conditions contained in formal engagement letters (**Engagement Terms**).

In each case, under the Engagement Terms, the Consultants may elect to receive (all of, or such

portion as the Consultant nominates) the Consultant's consideration for the provision of services under the Engagement Terms in Shares in the Company, in lieu of cash payment (**Consultant Shares**).

The Consultants specified in Schedule 2 have elected to take Contractor Shares in lieu of cash payment in the manner specified in Schedule 2 and on 25 August 2022 and 24 November 2022, the Company allotted and issued a total of 16,875,339 Consultant Shares to the Consultants specified in Schedule 2 without Shareholders approval, using the Company's Listing Rule 7.1 placement capacity.

The price of the Consultant's Shares (for each issue) is determined in accordance with the respective Engagement Terms for each Consultant and is set out in Schedule 2 to this Explanatory Memorandum.

A summary of Listing Rule 7.1 is set out in relation to Resolution 5 below. The Company now seeks the subsequent approval of Shareholders for this issue of Consultant Shares pursuant to Listing Rule 7.4.

#### **Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, this Resolution 4 seeks the approval of Shareholders to subsequently approve and ratify the issue of Consultant Shares for the purposes of Listing Rule 7.4.

If this Resolution 4 is passed, the issue of the Consultant Shares will be excluded in calculating the Company's 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the date of issue of the Consultant Shares.

If this Resolution 4 is not passed, the issue of the Consultant Shares will be included in calculating the Company's 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the issue of the date of issue of the Consultant Shares.

#### **Information required by Listing Rule 7.5**

The following additional information is provided pursuant to the requirements of Listing Rule 7.5:

- (a) The Consultant Shares were issued and allotted in the number and to the Consultants specified in Schedule 2.
- (b) The total number of Consultant Shares issued on 25 August 2022 was 7,047,538 Shares issued to the consultants specified in Schedule 2A, and the total number of Consultant Shares issued on 24 November 2022 was 9,827,801 Shares issued to the consultants specified in Schedule 2B.
- (c) The Consultant Shares issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The purpose of the issue of the Consultant Shares was to satisfy the Company's obligations under the Engagement terms for each Consultant specified in Schedule 2. Accordingly, no funds were raised from the issue of the Consultant Shares as the issue was made in lieu of cash fees for services rendered.
- (e) The Consultant Shares were issued to the Consultants under the Engagement Terms. The terms of engagement for each Consultant are considered by Pilot to be standard terms.
- (f) The Consultant Shares were not issued under or to fund a reverse takeover.
- (g) A voting exclusion statement for Resolution 4 is included in the Notice of Meeting preceding this Explanatory Memorandum.

#### **Directors' Recommendation**

The Board of Directors recommend that the Shareholders vote in favour of Resolution 4.

## **RESOLUTIONS 5A & 5B: RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

### **Purpose of the Placement and Use of Funds**

As announced on 30 November 2022, the Company has undertaken a capital raising of \$2,000,000 (before costs) to support and provide sufficient working capital for undertaking the Company's business plan. Pilot's business plan is centred on leveraging its existing oil and gas assets into competitive clean energy projects.

The successful capital raising sees the Company now funded to complete critical milestones in the development of its Mid West Clean Energy Project in Western Australia. Over the next twelve months Pilot expects to complete all steps to enable a final investment decision to be taken on the Cliff Head CCS Project.

These steps will include the following activities:

- Permitting – Engaging with regulators to secure the necessary regulatory approvals;
- Site Acquisition – Completing project site selection and commencing site acquisition;
- Commercial Offtake – Engaging with prospective parties for commercial CCS off-take and secure material foundation customers for the Cliff Head CCS Project;
- EPCM Contractor – Commence engagement with potential EPC contractors and select and document arrangements with preferred EPCM Contractor;
- Pre-FEED – Commence detailed Front-End Engineering & Design (**FEED**) and costings for CCS and Blue Hydrogen; and
- Capital – Engage with debt and equity providers wishing to finance the CCS and Blue Hydrogen Projects.

### **The Capital Raising**

The capital raising comprises:

- (d) a placement to sophisticated, professional and institutional investors of 133,333,333 new Shares at an issue price of \$0.015 per Share (**Placement Shares**) to raise \$2,000,000 (before costs) (**Placement**). Of this total Placement, 2,650,000 Placement Shares have been placed with Pilot directors and are therefore subject to Shareholder approval (see Resolutions 7,8 and 9); and
- (e) the issue of 66,666,667 free, attaching new unlisted Options, being one Option for every two Placement Shares issued to investors in the Placement, exercisable at \$0.033 on or before 25 August 2025 (the **Option Expiry Date**) on the terms and conditions set out in Schedule 1 (**Placement Options**),

(together, the Placement and Placement Options are referred to as the **Capital Raising**).

The allotment and issue of the Placement Options is subject to Shareholder approval and will be issued within 1 month of the Meeting, assuming Shareholder approval will have been obtained.

The Company appointed Whairo Capital Pty Ltd (**Whairo**) to act as Lead Manager in respect of the Capital Raising, under the terms and conditions set out in an engagement dated 25 November 2022. Under the terms of its engagement, the Lead Manager will be paid a management fee of 2% and a placement fee of 4% of the total funds raised under the Capital Raising. Additionally, the Company will issue 8,000,000 Options to Whairo with the same terms and conditions as the Placement Options which are set out in Schedule 1, subject to Shareholder approval being obtained at this Meeting.

The Capital Raising will be completed by the issue of Placement Shares to Messrs. Strasser, Gordon

and Chan (Pilot Directors) (see Resolutions 7,8 and 9) and the Placement Options and Broker Options within 1 month following the completion of this meeting, assuming that Resolutions 6,7,8, 9 and 10 are approved by Shareholders.

### Pro forma capital structure

The table below shows the capital structure of the Company at the date of this Notice and upon completion of the Capital Raising and issue of Placement Shares, Placement Options, Director Shares, Director Options and Broker Options, assuming Resolutions 6,7,8,9 and 10 to be considered at this Meeting, are passed.

| Capital Structure                       | Existing    | Issued following GM | Completion         |
|---|-------------|---------------------|--------------------|
| Existing Shares                         | 781,344,083 |                     |                    |
| Director Placement Shares               |             | 2,650,000           |                    |
| <b>Pro forma Shares on issue</b>        |             |                     | <b>783,994,083</b> |
| Existing Options on issue* <sup>1</sup> | 155,045,426 |                     |                    |
| Placement Options                       |             | 65,333,334          |                    |
| Director Options                        |             | 1,325,000           |                    |
| Broker Options                          |             | 8,000,000           |                    |
| <b>Pro forma Options on issue</b>       |             |                     | <b>229,703,760</b> |

\*<sup>1</sup> Unlisted Options on issue with expiry dates between 18 December 2022 and 4 November 2025, with exercise prices varying between \$0.033 and \$0.10.

Resolutions 5A & 5B seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of Placement Shares under Listing Rules 7.1 and 7.1A.

### Listing Rule 7.4

Resolution 5 proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 130,666,667 Placement Shares, which were issued on 8 December 2022 (**Placement Issue Date**).

78,194,973 Placement Shares were issued under Listing Rule 7.1 and 52,471,694 Placement Shares were issued under Listing Rule 7.1A.

Broadly speaking, ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. In addition, at the last Annual General Meeting held on 28 February 2022, the Company sought and obtained approval of its Shareholders under Listing Rule 7.1A to increase this 15% limit by an extra 10% to 25%.

The issue of the Placement Shares did not fit within any of the exceptions (to Listing Rule 7.1) and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the expanded 25% limit under Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12-month period following the Issue Date.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting subsequently approves the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By approving this issue, the Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1 and the Company's 10% limit in ASX Listing Rule 7.1A, allowing the Company to issue a higher number of securities without prior Shareholder approval over the 12-month period following the issue of the Placement Shares.

Accordingly, as it wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1, the Company now seeks the subsequent approval and ratification of the issue of the Placement Shares for the purposes of Listing Rule 7.4.

If these Resolutions 5A & 5B are passed, the issue of the Placement Shares will be excluded in calculating the Company's 25% capacity to issue Equity Securities under Listing Rules 7.1 and 7.1A without Shareholder approval over the 12-month period following the Placement Issue Date.

If these Resolutions 5A & 5B are not passed, the issue of the Placement Shares will be included in calculating the Company's 25% capacity to issue Equity Securities under Listing Rules 7.1 and 7.1A without Shareholder approval over the 12-month period following the Placement Issue Date and will significantly reduce the Company's remaining placement capacity under Listing Rules 7.1 and 7.1A.

#### **Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Placement Shares were issued to sophisticated and institutional investors selected by Whairo.
- (b) The Company issued 130,666,667 Placement Shares.
- (c) The Placement Shares issued were all fully paid and ranked equally in all respects with all existing ordinary shares in the capital of the Company.
- (d) The Placement Shares were issued on 8 December 2022.
- (e) Each of the Placement Shares were issued at an issue price of \$0.015 per Placement Share, which raised a total of \$1,960,000 (before costs) inclusive of the Placement Shares to be issued to directors subject to Shareholder approval of Resolutions 7,8 and 9.
- (f) The purpose of this issue and the intended use of the funds raised is to support and provide sufficient working capital for the Company's oil and gas tenement obligations, working capital for Cliff Head oil field operating costs and to fund the next steps to progress the Cliff Head CCS Project to final investment decision.
- (g) The Placement Shares were not issued pursuant to any agreement.
- (h) A voting exclusion statement for Resolutions 5A and 5B is included in the Notice of Meeting preceding this Explanatory Memorandum.

#### **Director's Recommendation**

The Board of Directors recommend that the Shareholders vote in favour of Resolution 5A and 5B.

## **RESOLUTION 6: APPROVAL OF FUTURE ISSUE OF FREE ATTACHING PLACEMENT OPTIONS**

### **General**

Resolution 6 seeks Shareholder approval for the issue of 65,333,334 new, unlisted Options, being options exercisable at \$0.033 per option on or before the Option Expiry Date free attaching to the Placement Shares to unrelated parties on a 2:1 basis, as set out in general information for Resolution 5 above (**Placement Options**).

The Company seeks the prior approval of Shareholders for the issue of the free, attaching Placement Options, as such an issue would otherwise exceed the Company's Listing Rule 7.1 capacity.

An explanation of Listing Rule 7.1 is set out in relation to Resolution 5 above. The proposed issue of the free, attaching Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and such an issue would otherwise exceed the Company's Listing Rule 7.1 capacity. The issue of the free, attaching Placement Options therefore requires the approval of Shareholders under Listing Rule 7.1.

Subject to Shareholders approving this Resolution 6, the Company will be able to proceed to issue the 65,333,334 Placement Options. In addition, the free, attaching Placement Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rules 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Placement Options. The Company may in the future be able to proceed with the issue of the free, attaching Placement Options as capacity becomes available with the passage of time under Listing Rule 7.1 without the need to obtain shareholder approval.

### **Information required by Listing Rule 7.3**

The following additional information is provided pursuant to the requirements of Listing Rule 7.3:

- (a) The free, attaching Placement Options will be issued to the non-related participants in the Capital Raising (see Resolution 5 above).
- (b) The maximum number of attaching Placement Options to be issued is 65,333,334.
- (c) The terms and conditions of the free, attaching Placement Options are set out in Schedule 1.
- (d) The free, attaching Placement Options will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by ASX) and it is intended that the issue of the free, attaching Placement Options will occur on the same date.
- (e) The free, attaching Placement Options will be issued for nil consideration as they are free attaching to the Shares issued under the Placement on a 2 for 1 basis.
- (f) The purpose of the issue of the free, attaching Placement Options is to encourage participation in the Placement and provide a potential increase in funds to the Company (should the free, attaching Placement Options be exercised).
- (g) The free, attaching Placement Options are not being issued pursuant to any agreement.
- (h) The free, attaching Placement Options are not being issued under or to fund a reverse takeover.
- (i) A voting exclusion statement for Resolution 6 is included in the Notice of Meeting preceding this Explanatory Memorandum.

### **Directors' Recommendation**

The Board of Directors recommend that the Shareholders vote in favour of Resolution 6.

## **RESOLUTION 7: APPROVAL OF FUTURE ISSUE OF PLACEMENT SHARES AND ATTACHED PLACEMENT OPTIONS TO RELATED PARTY - MR. TONY STRASSER (MANAGING DIRECTOR)**

### **General**

Mr. Tony Strasser has subscribed for, and subject to obtaining Shareholder approval, the Company has agreed to issue 1,000,000 Placement Shares to Mr. Tony Strasser (or his nominee) on the terms and conditions set out below.

Mr. Tony Strasser is an Executive Director of the Company who joined the Board on 31 May 2021, following the completion of the Royal Energy Limited transaction.

Resolution 7 seeks the necessary Shareholder approval in accordance with Listing Rule 10.11 for the issue of these Placement Shares to Mr. Tony Strasser.

Mr. Strasser has subscribed for, and subject to Shareholder approval, Mr. Strasser (or his nominee) will be issued 1,000,000 Placement Shares at an issue price of \$0.015 each, together with 500,000 free attaching Placement Options.

### **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) 10.11.1 - a related party;
- (b) 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The issue of Placement Shares together with the free, attaching Placement Options to Mr. Strasser (or his nominee) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.1.

### **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution 7:

- (a) the Placement Shares subscribed for by Mr. Tony Strasser together with the free, attaching Placement Options will be issued to Mr. Tony Strasser (or his nominee) who falls within the category set out in Listing Rule 10.11.1 as Mr. Strasser is a related party of the Company by virtue of being a Director;
- (b) the number of Placement Shares to be issued is a total of 1,000,000, at an issue price of \$0.015 per Share. The number of free, attaching Placement Options to be issued is 500,000;
- (c) the Placement Shares will be issued to Mr. Strasser (or his nominee) as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms and conditions of the free, attaching Placement Options are set out in Schedule 1;
- (e) the Placement Shares and free, attaching Placement Options will be issued to Mr. Strasser (or his

nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (f) the Company intends to use the proceeds from the issue of the Placement Shares as set out in respect of Resolutions 5A & 5B of this Explanatory Memorandum;
- (g) a voting exclusion statement is included in the Notice of Meeting for this Resolution preceding this Explanatory Memorandum.

If Resolution 7 is passed, the Company will be able to proceed to issue to Mr. Strasser (or his nominee) the 1,000,000 Placement Shares for which he has subscribed and the free, attaching Placement Options. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed to issue to Mr. Strasser (and/or his nominee) the 1,000,000 Placement Shares for which Mr. Strasser has subscribed or the 500,000 free, attaching Placement Options.

### **Directors' Recommendation**

The Board of Directors (excluding Mr. Strasser) recommend that the Shareholders vote in favour of Resolution 7.

## **RESOLUTION 8: APPROVAL OF FUTURE ISSUE OF PLACEMENT SHARES AND FREE ATTACHING PLACEMENT OPTIONS TO RELATED PARTY - MR. DANIEL CHEN (NON-EXECUTIVE DIRECTOR)**

### **General**

Mr. Daniel Chen has subscribed for and, subject to obtaining Shareholder approval, the Company has agreed to issue 1,000,000 Placement Shares to Mr. Daniel Chen (or his nominee) on the terms and conditions set out below.

Mr. Daniel Chen is a non-Executive Director of the Company who joined the Board on 15 September 2020.

Resolution 8 seeks the necessary Shareholder approval in accordance with Listing Rule 10.11 for the issue of these Placement Shares to Mr. Daniel Chen.

Mr. Chen has subscribed for, and subject to Shareholder approval, Mr. Chen (and/or his nominee) will be issued 1,000,000 Placement Shares at an issue price of \$0.015 each, together with 500,000 free, attaching Placement Options.

### **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) 10.11.1 - a related party;
- (b) 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The issue of Placement Shares together with the free, attaching Placement Options to Mr. Chen (or his nominee) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing



Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.1.

### **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to this Resolution 8:

- (a) the Placement Shares subscribed for by Mr. Daniel Chen together with the free, attaching Placement Options will be issued to Mr. Daniel Chen (or his nominee) who falls within the category set out in Listing Rule 10.11.1 as Mr. Chen is a related party of the Company by virtue of being a Director;
- (b) the number of Placement Shares to be issued is a total of 1,000,000, at an issue price of \$0.015 per Share. The number of free, attaching Placement Options to be issued is 500,000;
- (c) the Placement Shares will be issued to Mr. Chen as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms and conditions of the free attaching Placement Options are set out in Schedule 1;
- (e) the Placement Shares and free, attaching Placement Options will be issued to Mr. Chen (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Company intends to use the proceeds from the issue of the Placement Shares as set out in respect of Resolutions 5A & 5B of this Explanatory Memorandum;
- (g) a voting exclusion statement is included in the Notice of Meeting for this Resolution.

If Resolution 8 is passed, the Company will be able to proceed to issue to Mr. Chen (or his nominee) the 1,000,000 Placement Shares for which he has subscribed and the 500,000 free, attaching Placement Options. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed to issue to Mr. Chen (or his nominee) the 1,000,000 Placement Shares for which Mr. Chen has subscribed or the 500,000 free, attaching Placement Options.

### **Directors' Recommendation**

The Board of Directors (excluding Mr. Chen) recommend that the Shareholders vote in favour of Resolution 8

## **RESOLUTION 9: APPROVAL OF ISSUE OF PLACEMENT SHARES AND FREE ATTACHING PLACEMENT OPTIONS TO RELATED PARTY - BRUCE GORDON (NON-EXECUTIVE DIRECTOR)**

### **General**

Mr. Bruce Gordon has subscribed for, and the Company has agreed to issue, subject to obtaining Shareholder approval, 650,000 Placement Shares and 325,000 free attaching Placement Options (issued on a 1:2 basis) to Mr. Bruce Gordon (or his nominee) on the terms and conditions set out below.

Mr. Gordon is a non-Executive Director of the Company who joined the Board on 31 May 2021, following the completion of the Royal Energy Limited transaction.

Resolution 9 seeks the necessary Shareholder approval in accordance with Listing Rule 10.11 for the issue of these Placement Shares to Mr. Bruce Gordon.

Mr. Bruce Gordon has subscribed for, and subject to Shareholder approval, Mr. Gordon (or his nominee) will be issued 650,000 Placement Shares at \$0.015 each and 325,000 free attaching Placement Options (issued on a 1:2 basis).

### **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) 10.11.1 - a related party;
- (b) 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The issue of Placement Shares and Placement Options to Mr. Gordon (or his nominee) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.1.

### **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution 9:

- (a) the Placement Shares subscribed for by Mr. Bruce Gordon will be issued to Mr. Bruce Gordon (or his nominee) who falls within the category set out in Listing Rule 10.11.1 as Mr. Gordon is a related party of the Company by virtue of being a Director;
- (b) the number of Placement Shares to be issued is a total of 650,000 at an issue price of \$0.015 per Share together with 325,000 free attaching Placement Options;
- (c) the Placement Shares will be issued to Mr. Gordon as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms and conditions of the free attaching Placement Options are set out in Schedule 1;
- (e) the Placement Shares and Placement Options will be issued to Mr. Gordon (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Company intends to use the proceeds from the issue of the Placement Shares as set out in respect of Resolutions 5A & 5B of the Explanatory Memorandum;
- (g) a voting exclusion statement is included in the Notice for this resolution.

If Resolution 9 is passed, the Company will be able to proceed to issue to Mr. Gordon (or his nominee) the 650,000 Placement Shares and 325,000 Placement Options for which he has subscribed. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed to issue to Mr. Gordon (or his nominee) the 650,000 Placement Shares and 325,000 Placement Options for which Mr. Gordon has subscribed.

### **Directors' Recommendation**

The Board of Directors (excluding Mr. Gordon) recommend that the Shareholders vote in favour of Resolution 9.

## **RESOLUTION 10: APPROVAL OF BROKER OPTIONS**

### **General**

The Company appointed Whairo Capital Pty Ltd (**Whairo**) to act as Lead Manager of the Placement, under the terms and conditions set out in an engagement dated 30 November 2022 (**Lead Manager Mandate**).

In consideration for the provision of services by Whairo, the Company has agreed to allot and issue to Whairo (or its nominee) 8,000,000 Broker Options in respect of Shares in the issued capital of the Company to provide long term support to the Company, with an exercise price of \$0.033 each, expiring on 25 August 2025, and otherwise on the terms and conditions set out in Schedule 1 (**Broker Options**).

The Directors determined that the exercise price of the Broker Options would be consistent with the Placement Options. The Company seeks to issue the Broker Options with prior Shareholder approval, as such an issue would otherwise exceed the Company's ASX Listing Rule 7.1 and 7.1A capacity.

### **ASX Listing Rule 7.1**

An explanation of Listing Rule 7.1 is set out in the Explanatory Memorandum on Resolution 5 above. The proposed issue of the Broker Options does not fall within any of the exceptions to ASX Listing Rule 7.1 and such an issue would otherwise exceed the Company's ASX Listing Rule 7.1 and 7.1A capacity. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed to issue the Broker Options. In addition, the Broker Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the Broker Options. The Company may in the future be able to proceed with the issue of the Broker Options to Whairo as capacity becomes available with the passage of time under ASX Listing Rule 7.1 or 7.1A, without the need to obtain shareholder approval.

### **Information required by Listing Rule 7.3**

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- (a) The Broker Options will be issued and allotted to Whairo or its nominee.
- (b) The maximum number of Broker Options to be issued is 8,000,000.
- (c) The terms and conditions of the Broker Options are the same as the terms and conditions of the Placement Options which are set out in Schedule 1.
- (d) The Broker Options will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by ASX) and it is intended that the issue of the Broker Options will occur on the same date.
- (e) The Broker Options will be issued at nil issue price. The Company will not receive any other consideration for the issue of the Broker Options (other than in respect of any funds received on exercise of the Broker Options).
- (f) The purpose of this issue of the Broker Options is to satisfy the Company's obligations under the Lead Manager Mandate.
- (g) The Broker Options are being issued to Whairo or its nominee under the Lead Manager Mandate. The Company is also to pay Whairo a management fee of 2% and a placement fee of 4% of the total amount raised under the Placement. The terms of the engagement with Whairo is considered by Pilot to be on market standard terms.
- (h) The Broker Options are not being issued under or to fund a reverse takeover.
- (i) A voting exclusion statement for Resolution 10 is included in the Notice of Meeting preceding this Explanatory Memorandum.

### **Director's Recommendation**

The Board of Directors recommend that the Shareholders vote in favour of Resolution 10.

## RESOLUTION 11: APPROVAL OF FUTURE ISSUE OF SHARES TO 8 RIVERS CAPITAL, LLC

### Background

As previously announced by the Company (see ASX announcements on 28 March 2022 and 7 June 2022), in 2021 Pilot engaged 8 Rivers Capital, LLC (**8 Rivers**) to undertake a feasibility assessment in respect of the production of blue hydrogen and ammonia for Pilot's Mid West Clean Energy Project (MWCEP). 8 Rivers is the developer and owner of certain blue hydrogen production and technology. Following the results of that feasibility assessment, Pilot has now initiated the Cliff Head CCS Project, which will form the foundation of the development of clean hydrogen and ammonia production.

Pursuant to an agreement between Pilot and 8 Rivers for production and development support (the **Support Agreement**), 8 Rivers has agreed to provide project development services to Pilot in connection with the Cliff Head CCS Project in consideration for which Pilot will issue fully paid ordinary Shares in Pilot up to a total of \$500,000 to 8 Rivers (or its nominee) in two tranches - the first due on completion of 50% of the scope of work and the remainder on the completion of the scope of work (**Support Agreement Shares**).

Under the Support Agreement, the first tranche of Support Agreement Shares is due to be issued to 8 Rivers (or its nominee) on 13 February 2023 (**8RC Issue Date**) – being the payment for completion of fifty percent of the services 8 Rivers has agreed to provide. The terms on which the Support Agreement Shares are to be issued are as agreed between Pilot and 8 Rivers under the Support Agreement.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Support Agreement Shares to 8 Rivers in accordance with the Support Agreement.

If Shareholders approve Resolution 11, the number of ordinary Shares that will be issued to 8 Rivers will be calculated on the basis of the 30-day VWAP of the market price of the Shares on the 8RC Issue Date.

### ASX Listing Rule 7.1

Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12-month period, unless approval is obtained from the holders of the company's ordinary securities. If Shareholders approve Resolution 11, the issue of the Support Agreement Shares to 8 Rivers in accordance with the above formula will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

### Listing Rule 7.3

In accordance with Listing Rule 7.3, the following details are provided in relation to this Resolution 11.

- a) The Support Agreement Shares will be issued to 8 Rivers Capital, LLC (or its nominee).
- b) The Support Agreement Shares to be issued to 8 Rivers will be fully paid ordinary Shares. The number of Support Shares to be issued to 8 Rivers will be calculated on the basis of the 30-day VWAP of the market price on the 8RC Issue Date to a total value of \$250,000. Based on the table below (provided by way of example, to show how many shares may be issued to 8 Rivers) the maximum number of Shares that would be issued to 8 Rivers is 31,250,000. The actual number of Shares that will be issued to 8 Rivers is dependent upon the 30-day VWAP at the time of issue.
- c) All of the securities to be issued to 8 Rivers will be fully paid.
- d) The Shares will be issued to 8 Rivers on 13 February 2023 but in any case, within 3 months of the date of this Meeting.
- e) The purpose of the issue of the Support Agreement Shares will be to satisfy the Company's

obligations under the Support Agreement. Accordingly, no funds will be raised from the issue of the Support Agreement Shares, as the issue will be made in lieu of cash fees for services rendered by 8 Rivers.

- f) As described in paragraph (e) above and in the “Background” section above, the Company is issuing the Support Agreement Shares by way of payment in kind for services rendered to the Company by 8 Rivers pursuant to the Support Agreement.
- g) The Support Shares are not being issued under, or to fund, a reverse takeover.
- h) A voting exclusion statement applies to this Resolution 11 and is set out in the Notice.

## Dilution

As the price at which the Support Shares will be issued is not fixed but determined in accordance with the 30-day VWAP, the number of Support Agreement Shares to be issued to 8 Rivers is not known at that date of this Notice.

The maximum number of Shares that may be issued under the Support Agreement, if Shareholders approve Resolution 11, based on the current market price, will vary as set out below if the market price on the issue date is twice the current market price or half the current market price (for example), and the dilution effect on the issue of that number of Shares, is set out below.

| <b>Value of Support Agreement Shares to be issued to 8 Rivers</b> | <b>Total Shares on issue prior to issue of Support Agreement Shares</b> | <b>A.<br/>Dilution based on closing price 07.12.22<br/>(\$0.016)</b> | <b>B.<br/>Dilution based on 50% decrease in A<br/>(\$0.008)</b> | <b>C.<br/>Dilution based on 100% increase in A<br/>(\$0.032)</b> |
|---|---|--|---|--|
| AUD250,000.00   | 781,344,082   | 15,625,000 Shares<br>(2%)  | 31,250,000 Shares<br>(4%)                                       | 7,812,500 Shares<br>(1%)   |

## Effect if Resolution is Passed

If this Resolution 11 is passed, the issue of the Support Agreement Shares will be excluded in calculating the Company’s 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12 months’ period following the date of issue of Support Agreement Shares.

If this Resolution 11 is not passed, the Company may choose to issue the Shares using its share issue capacity under Listing Rule 7.1. and the issue of the Support Agreement Shares will continue to be included in the Company’s 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 months’ period following the date of issue.

## Directors’ Recommendation

The Board of Directors recommend that the Shareholders vote in favour of Resolution 11.

## GLOSSARY

**10% Placement Capacity** has the meaning given in Resolution 3 of the Explanatory Memorandum.

**AEDT** means Australian Eastern Daylight Time (Sydney, Australia).

**Annual General Meeting or Meeting** means the meeting convened by this Notice.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**Broker Options** has the meaning set out in Resolution 10 of the Explanatory Memorandum.

**Cliff Head CCS Project** means the Cliff Head carbon capture and storage project conducted by Pilot, together with its joint venture partner, (Triangle Energy) Operations) Pty Ltd, within the area of production licence WA-31-L, offshore Western Australia.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Pilot Energy Limited ABN 86 115 229 984.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001 (Cth)*

**Directors** means the current directors of the Company, namely Mr. Bradley Lingo (Executive Chair), Mr. Tony Strasser (Managing Director), Mr. Daniel Chen (Non-Executive Director) and Mr. Bruce Gordon (Non-Executive Director).

**Director Options** means the Options proposed to be granted to each of the Directors in the number and the manner proposed in this Notice of Meeting, on and subject to the terms and conditions set out in Schedule 1 to the Explanatory Memorandum.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a

consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the Explanatory Memorandum and the Proxy Form.

**Options** means unlisted options over issued Shares in the capital of the Company.

**Placement** has the meaning set out in Resolution 5 of the Explanatory Memorandum.

**Placement Options** means the free, attaching Options to the Placement Shares issued on a 2:1 basis.

**Placement Shares** means the Shares in the Company issued pursuant to the Placement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** or **Ordinary Share** means a fully paid ordinary share in the issued capital of the Company.

**Shareholder** means a holder of a Share.

**VWAP** means the volume weighted average price for a specified period of time.

## Instructions for Completing 'Appointment of Proxy' Form

1. **Appointing a Proxy:** A member with two or more votes entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If a shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a Shareholder of the Company. A proxy may be an individual or a body corporate. If a body corporate is appointed, the Proxy Form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
2. **Proxy vote if appointment specifies way to vote:** Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
  - (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
  - (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
3. **Transfer of non-chair proxy to chair in certain circumstances:** Section 250BC of the Corporations Act provides that, if:
  - (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's shareholders;
  - (b) the appointed proxy is not the chair of the meeting;
  - (c) at the meeting, a poll is duly demanded on the resolution; and
  - (d) either of the following applies:
    - (i) the proxy is not recorded as attending the meeting;
    - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.
4. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the AGM in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the AGM in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the AGM.
5. **Voting in person:**
  - (a) A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached proxy form to the Meeting to assist



in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

- (b) A Shareholder that is a corporation may appoint an individual to act as its representative

to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting

- 6. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return the Proxy Form (and any Power of Attorney under which it is signed):

- (a) By mail to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia.

- (b) By fax to +61 2 9290 9655

so that it is received by 11:00am (AEST) on Wednesday, 8 February 2023. Proxy Forms received later than this time will be invalid.



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Wednesday 8 February 2023.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/pilotagm2023>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **11:00am (AEDT) on Wednesday, 8 February 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/pilotagm2023>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Pilot Energy Limited

ABN 86 115 229 984

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Pilot Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the **Annual General Meeting** of the Company to be held at the **offices of A.D. Danieli, Level 1, 261 George St, Sydney, NSW, 2000. on Friday, 10 February 2023 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 3 - 11, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolutions even though Resolutions 1 and 3 - 11 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 3 - 11). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

|               |   | FOR                      | AGAINST                  | ABSTAIN*                 |               |   | FOR                      | AGAINST                  | ABSTAIN*                 |
|---------------|---|--------------------------|--------------------------|--------------------------|---------------|---|--------------------------|--------------------------|--------------------------|
| <b>Res 1</b>  | Adoption of Remuneration Report   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 7</b>  | Approval of Future issue of Placement Shares and Free Attaching Options to Mr Tony Strasser – Managing Director     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 2</b>  | Re-Election of Director – Mr Bradley Lingo  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 8</b>  | Approval of Future issue of Placement Shares and Free Attaching Options to Non-Executive Director – Mr Daniel Chen  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 3</b>  | Approval of 10% Placement Capacity  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 9</b>  | Approval of Future issue of Placement Shares and Free Attaching Options to Non-Executive Director – Mr Bruce Gordon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 4</b>  | Ratification of Prior Issues of Shares to Consultants in Lieu of Part or Full Payment of Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 10</b> | Approval of Future issue of Broker Options to Whairo Capital Pty Ltd  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 5A</b> | Ratification of Prior Issues of Placement Shares – Listing Rule 7.1                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 11</b> | Approval of Future issue of Shares to 8 Rivers Capital, LLC   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 5B</b> | Ratification of Prior Issues of Placement Shares – Listing Rule 7.1A                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |               |   |                          |                          |                          |
| <b>Res 6</b>  | Approval of Future issue of Free Attaching Placement options                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |               |   |                          |                          |                          |

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023

**SCHEDULE 1**  
**FREE ATTACHING PLACEMENT OPTIONS AND BROKER OPTIONS - TERMS AND CONDITIONS**

**NOTE:** These terms and conditions apply equally to Placement Options and Broker Options. A reference to Options should therefore be read as a reference to Placement Options and Broker Options.

- (a) **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option and each Option is immediately exercisable.
  - (b) **Exercise Price:** Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.033 (**Exercise Price**).
  - (c) **Expiry Date:** Each Option will expire at 5:00pm (EST) on 25 August 2025 (**Expiry Date**). A Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (d) **Exercise Period:** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
  - (e) **Notice of Exercise:** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
  - (f) **Exercise Date:** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
  - (g) **Timing of issue of Shares on exercise:** Within 15 Business Days after the Exercise Date, the Company will:
    - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
    - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
    - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Quotation of Options:** The Company will not seek quotation of the Options and the will remain unlisted.
  - (i) **Shares issued on exercise:** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
  - (j) **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
  - (k) **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

- (l) **Change in exercise price:** A Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**SCHEDULE 2  
CONSULTANT SHARES**

**A. Shares issued on 25 August 2022**

| <b>CONSULTANT</b>                      | <b>NO. SHARES</b> | <b>Price (\$)</b> |
|--|-------------------|-------------------|
| Miro Capital Pty Ltd                   | 1,264,261         | 0.0237            |
| Geovision Exploration Services Pty Ltd | 418,502           | 0.0174            |
| Watson No. 1 Pty Ltd                   | 1,722,776         | 0.0633            |
| Basis Commercial Pty Ltd               | 124,674           | 0.0267            |
| Catherine Friedlander                  | 1,072,625         | 0.0250            |
| Michael Lonergan                       | 2,444,700         | 0.0250            |
| <b>Total</b>                           | <b>7,047,538</b>  |                   |

**B. Shares issued on 24 November 2022**

| <b>CONSULTANT</b>                      | <b>NO. SHARES</b> | <b>Price (\$)</b> |
|--|-------------------|-------------------|
| Miro Capital Pty Ltd                   | 1,026,385         | 0.01949           |
| Geovision Exploration Services Pty Ltd | 858,150           | 0.01515           |
| Watson No.1 Pty Ltd                    | 2,579,295         | 0.01949           |
| Basis Commercial Pty Ltd               | 104,167           | 0.01694           |
| Michael Lonergan                       | 2,918,766         | 0.01515           |
| Catherine Friedlander                  | 1,182,606         | 0.01521           |
| Ross Gregory (New Electric Partners)   | 397,211           | 0.01949           |
| Nordic Renewables Pty Ltd              | 761,221           | 0.1445            |
| <b>Total</b>                           | <b>9,827,801</b>  |                   |