

Announcement to ASX

30 January 2023

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

HIGHLIGHTS

- In December 2022, Pilot received commitments for (and completed, except Directors' contributions subject to shareholder approval) a placement to raise \$2.0 million via a placement to new and sophisticated, institutional and professional investors.
- In November 2022, Pilot completed arrangements with 8 Rivers Capital, LLC. for their capital investment in the Company as well as for technical design services for the Mid West Clean Energy Project (MWCEP) hydrogen production facilities.
- In November 2022, the CH JV lodged the initial Cliff Head CCS regulatory application to "Declare an identified Greenhouse Gas storage formation" across WA-31-L with the National Offshore Petroleum Titles Administrator (NOPTA).
- The CH JV announced in November, a significant upgrade to Cliff Head CO₂ storage resource: 2C contingent CO₂ storage resource increased ~ 50% to 9.7 million tonnes (100%).
- Key appointment of 8 Rivers as Pilot's hydrogen technical adviser, Jonas Jacobsen as MWCEP Development Director, and Genesis Energies (Technip) as the Project's owners engineer overseeing the entire MWCEP;
- The CHJV completed several load-outs of oil from its refurbished and expanded storage tanks at the Arrowsmith Stabilisation Plant (ASP) facility onto its chartered tanker, the AB Paloma, at the Port of Geraldton during the quarter. New oil sale and export arrangements via the Port of Geraldton, enable continued Cliff Head oil production and the opportunity for other Perth Basin producers to export through Cliff Head Joint Venture (CHJV) facilities

Pilot Energy Limited (ASX: PGY) ("Pilot" or "the Company") is pleased to provide the following update on its operational and corporate activity for the quarter ended 31 December 2022 (and post quarter events to date).

OPERATIONS REPORT

Cliff Head Joint Venture

The Cliff Head Joint Venture is effectively held by the following group entities:

- Triangle Energy (Global) Limited (ASX: TEG) ("Triangle"): 78.75%
- Pilot Energy Limited: 21.25%***

a. Operations

The key operational statistics for the quarter for the CHJV (100% basis) are set out in the table below.

1 October - 31 December 2022	CHJV (100%)	Pilot (21.25%)
Production (bbls)	59,108	12,560
Average daily production (bopd)	642	137
Sales revenue (bbls)	52,877	11,236
Average oil price received \$ per bbl	116	116
Sales revenue (\$'000)	6,120	1,301
Oil Inventory (25,257 bbls) (\$'000)*	1,413	300
Routine operating costs (\$'000)	(2,540)	(540)
Operating Margin (\$'000)	4,993	1,061
Trucking, storage & handling (\$'000)	(3,768)	(801)
Routine Profit (\$'000)	1,225	260
Non-routine operating costs (\$'000)	(1,457)	(310)
Gross Profit (before tax, \$'000)	(232)	(49)

Notes:

* Quarterly figures represent a movement in the value of the cumulative barrels stored.

**Figures may differ immaterially to Triangles reported numbers due to the exchange rate applied to sales revenue (if applicable), methodology in valuing inventory and classification of non-routine costs.

*** Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in Triangle Energy (Operations) Pty Ltd ("TEO") which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

b. Oil Sales

Cliff Head Operations

As previously advised, the CHJV has completed arrangements for the new oil export route through the Port of Geraldton, which currently operates as follows:

- Produce up to 30,000 barrels of oil into the newly refurbished storage tanks at ASP.

- When the tanks reach storage capacity, the oil is trucked to the Port of Geraldton and loaded onto the tanker that has been chartered by the CHJV, which has a storage capacity of 80,000 barrels of oil.
- This tanker will then leave the port and stand by until a second load of oil is ready for onload.
- After the second onload, the tanker will sail to Asia and offload the oil for sale to a predetermined buyer.
- CHJV will receive the revenue from the buyer within 5 days from invoice.

The CHJV completed two load-outs of oil from its expanded storage tanks at ASP facility onto its chartered tanker, the AB Paloma, at the Port of Geraldton during the quarter. The CHJV made ASX announcements in this regard dated 4 October 2022, and 20 December 2022.

Oil production from the Cliff Head oil field, operated by the CHJV has now demonstrated a viable export route which enables the continuation of oil production in the Perth Basin for both the Cliff Head Oil Field and other Perth Basin producers and will facilitate the CHJV to continue to progress plans for the re-purposing of the Cliff Head Facilities.

CH-10 Workover

As previously advised the CH-10 well has been shut-in since September 2021. Workover of the CH-10 well commenced on 9 June 2022 and was temporarily suspended pending the delivery of long lead equipment. It is expected that the well will be brought back on stream in the next quarter subject to availability of resources. The rehabilitation of CH-10 is expected to add over 100 barrels of oil per day to the CHJV production

WA 481 – P Exploration

During the quarter, PSDM reprocessing of approximately 2,000 line km of vintage 2D seismic continued and is now approximately 95% completed. This work is being carried out by Velseis Processing (Brisbane) and is designed to provide better imaging of faults and stratigraphy which are contaminated by multiples and non-coherent noise on earlier rounds of processing. Lines chosen for the reprocessing are focused around the highly prospective eastern in-board, shallow water area of WA-481-P and leverage off 800 km of existing 2D reprocessing carried out in 2018.

Planning continued for 3D/2D seismic acquisition to satisfy the 3D/2D seismic acquisition commitment (Year 1 to 3 period of the current term consisting of 350 km² 3D, 200 km 2D). This planning includes technical design work as well as environmental and stakeholder approval and operational planning workstreams. Seismic acquisition is anticipated in 2024. Note that wherever possible, Pilot will seek to align geophysical survey activities for future clean energy projects (for example CCS and Offshore Wind) in parallel with oil and gas related surveys, thereby leveraging operational programs for technical and financial benefit across assets.

EP 416 & EP 480 Exploration

The principal activity across these tenements related to the proposed geochemical survey, with an objective to establish the presence, distribution, and composition of hydrocarbons across the Leschenault structural feature which straddles EP 416 and EP 480 via seeps and microseeps as well as determine the probable hydrocarbon i.e. document the presence of a working petroleum system. A survey layout was selected and the environmental planning progressed. This work took much longer than anticipated due to widespread land access issues with final survey locations proposed primarily on crown and reserve lands. Due to the additional time taking to finalise the survey location, Pilot engaged with the regulator regarding the completion of the outstanding year 1 (EP 416) and year 3 (EP 480) geochemical survey work commitment.

To provide additional time to complete the geochemical survey, Pilot applied to DMIRS for an eight month suspension (without extension) of the geochemical survey work program commitment to enable completion of the regulatory approvals process and acquire the survey in late 2022, after the wet season. Following engagement DMIRS provided formal notification that they would be refusing the extension application and, as such, the permit would be eligible for cancellation due to non-compliance with work program and that title has been internally referred for cancellation under section 99(1) of PGERA67. Pilot is awaiting the outcome of DMIRS internal process.

Mid West Clean Energy Project

Pilot continued to progress the Mid West Clean Energy project (refer to the figure below) with a focus on the initial CCS regulatory approval, project partner and customer engagement (CCS and Ammonia) and engaging of key resources to execute the project.

The project achieved a key milestone during the quarter with the submission of an application to Declare an Identified Greenhouse Gas Storage Resource over the WA 31-L tenement area. A declaration by NOPTA of a greenhouse gas storage resource, enables the Cliff Head joint venture to apply for a greenhouse gas injection licence. Pilot and Triangle are working with NOPTA to progress the application.

As the MWCEP progresses from feasibility into execution, Pilot will expand the dedicated project team. During the quarter, Pilot announced the appointment of a Development Director, Owners Engineer (Genesis Energies) and a Hydrogen Technology Adviser (8 Rivers Capital). During the quarter Pilot, Genesis Energies and 8 Rivers have commenced preparing for the CCS FEED and pre-FEED studies on the hydrogen production facilities.

Pilot has also commenced a CO₂ and Ammonia transportation assessment which is considering the various options to transport the MWCEP projects CO₂ and Ammonia streams and provide carbon management services to domestic and international customer. CO₂ transportation pathways that will be considered include:

- *Mid West WA*: CO₂ sourced onshore and transported by truck or pipeline offshore to the Cliff Head reservoir;
- *South West WA*: CO₂ sourced from the Kwinana Industrial Estate and transported by ship to the Cliff Head reservoir; and
- *Imported*: CO₂ sourced from international customers (i.e Asia) and transported by ship to the Cliff Head reservoir.

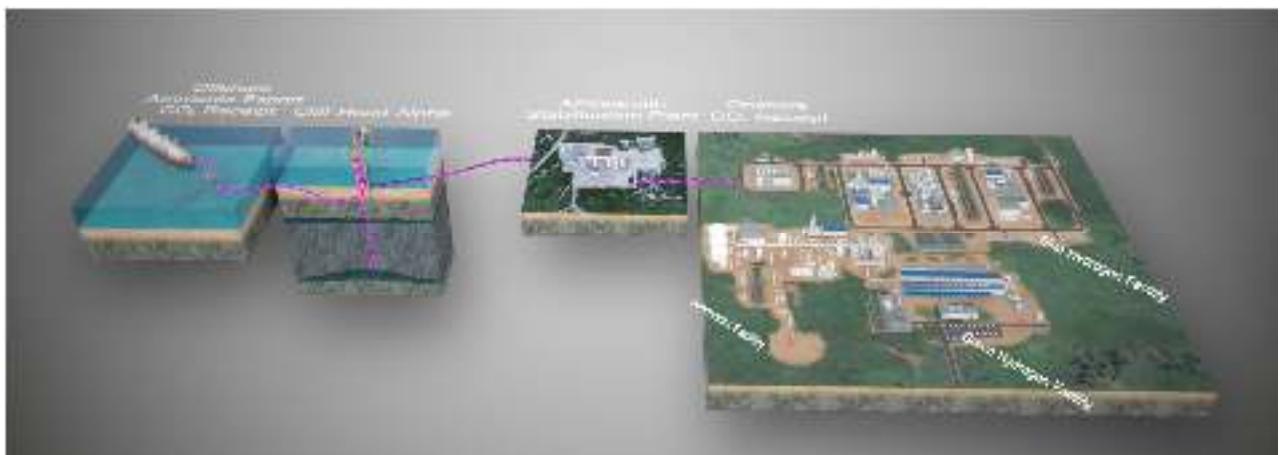
The Ammonia export pathway includes pipelines and storage from the proposed onshore Mid West WA production facility to a new build offshore export facility.

Discussions continued with potential partners and customers that range from strategic financial investors to companies interested in the capture and permanent storage of their industrial emissions, to energy industry participants. Pilot with the assistance of Miro Capital and New Electric Partners is engaging with partners and customers in parallel with a number of potential customers interested in CO₂/Ammonia offtake and a project level equity interest.

Pilot and 8 Rivers concluded the arrangements for a \$500,000 strategic investment in Pilot, technical support and the projects first Ammonia supply arrangement, with 8 Rivers securing an option over 50% of the blue ammonia produced from the project (up to 250,000 tonnes per annum).

To expand Pilots Ammonia marketing activities, Pilot engaged New Energy Technology (NET) to market ammonia volumes from the MWCEP, with a particular focus on the rapidly growing markets in Asia. NET is a diversified global hydrogen business with deep and targeted networks in the energy and technology sectors in Australia and globally which includes the marketing of ammonia to various international destinations. The NET marketing arrangements involve a balanced remuneration structure with a majority of the marketing fee linked to future ammonia sales. This structure aligns the success of the marketing arrangements with the success of the project.

Figure 1. Pilot's Mid West Clean Energy Project overview



Staged development of clean hydrogen and ammonia production starting with CCS

Feasibility studies

The SW CCS study is assessed the opportunity to provide carbon management services to the industrial precincts of WA South West region in addition to storing the CO₂ associated with a potential blue hydrogen project. The SW CCS Study has developed technical solutions to aggregate and manage the regions flue gas emissions which include:

- permanently storing a CO₂ or flue gas stream at the SW Hub CCS site; or
- transporting the CO₂ stream to the Mid West as part of Pilots project planned for that region.

The Company is working with potential partners to jointly pursue a carbon management solution that provides customers with the carbon capture, transportation and CO₂ storage solution.

CORPORATE ACTIVITIES

Cash on hand

Cash on hand at 31 December 2022, was \$2.5 million.

In addition to the cash on hand, it is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head JV. As at reporting date, TEO had a cash balance of \$389,000 (of which 50% is attributable to Pilot). Payment for oil sales for November 2022 delivery is expected to be received on 1 February 2023 in the amount of US\$1.7 million (100% TEO).

Share Capital

As at the date of this Report, the Company had the following capital structure:

- 781,344,083 shares on issue
- 115,539,216 outstanding (unlisted) options

8 Rivers Capital Arrangements Finalised

(i) Capital Investment

8 Rivers Capital, LLC (www.8rivers.com) (8RC) completed its strategic investment contribution of \$500,000 (Subscription Agreement) in the Company in November 2022 as part of the capital raise in July 2022.

(ii) Provision of technical services

As announced during the year, 8RC will provide technical resources to the Project. Commencing in November 2022, 8 Rivers has assigned key personnel to the MWCEP for an initial period of six months, to undertake work focusing on the preparation of a basis of



design for the MWCEP hydrogen production facilities. The basis of design is required to support the CCS FEED and Pre-FEED for the hydrogen and ammonia facilities.

In consideration of the provision of these services, Pilot will issue:

- A\$250,000 shares to 8RC at a price per share equal to the 30-day VWAP on 13 February 2023, being within 90 days of the Commencement Date, as defined in the Subscription Agreement; and
- A second tranche of shares of value A\$250,000 will be issued 180 days from the Commencement Date (as defined in the Subscription Agreement) at a price per share equal to the VWAP over the 175 day period commencing on the date of the agreement.

(iii) Ammonia Rights Agreement

In further consideration of 8RC entering into the Subscription Agreement, Pilot grants to 8RC (or its nominee) a priority right to enter into an ammonia supply agreement to purchase up to 50% of the blue ammonia output (subject to a cap of 250,000 tonnes per annum). Blue ammonia is ammonia produced using natural gas as the feedstock which is converted to hydrogen, using the 8RH2 process in combination with carbon capture and storage, and the subsequently combined with nitrogen to form ammonia.

Pilot notes the previously announced USD\$100 million investment from SK Group into the 8 Rivers Group along with the establishment of an 8 Rivers-SK joint venture to focus on decarbonization of Korean and key Asian markets (<https://www.prnewswire.com/news-releases/8-rivers-secures-100m-investment-from-sk-group-and-establishes-asian-joint-venture-with-sk-group-to-accelerate-global-decarbonization-301497243.html>).

Contingent and Prospective resources

(i) Oil & Gas

The Company refers to the 2022 Cliff Head Oil Field Reserves assessment as noted in the 2022 Annual Report. The Company notes that during the period 1 July 2022 through to 31 December 2022, 112,819 bbls (Pilot share 23,874 bbls) of oil have been produced.

The Company confirms, and as set out in the 2022 Annual Report, that there are no changes to the WA 481-P Contingent Resource (Oil and Gas) information which was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021.

(ii) Carbon Capture and Storage

As reported in the Company's 2022 Annual Report, the CHJV technical teams, along with CO2Tech during 2022, have undertaken a full technical assessment of the CO2 storage

potential across the WA 31-L tenement area. This work stream expanded key technical models to cover the entire WA 31-L and adjacent area (expanding into Pilot's 100% held WA 481-P exploration licence). Set out below are the results of the Resource Assessment.

Greater Cliff Head & WA 481P CCS Storage Contingent & Prospective Resources*

Contingent Storage Resource (million tonnes)	1C	2C	3C
WA 481P (Pilot share, 100% basis)	2.8	4.4	7.2
WA 31L (100 % basis)	7	9.7	13.4
Prospective Storage Resource (million tonnes)	1U	2U	3U
WA 481P (Pilot share, 100% basis)	46.2	80.4	144.2

*Based on Resource Assessment by CO2Tech, prepared in accordance with the SPE SRMS Guidelines for estimating CO₂ storage resources

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

ASX Reporting

As agreed with the ASX, the Company will continue to provide the following additional information on the allocation of expenditure between its oil and gas activities and Mid West Wind and Solar expenditures.

Expenditure Category	Quarterly Expenditure 1 Sept – 31 December 2022 (\$'000)	Proportion of total expenditure
Oil & Gas Activities	2,629	98%
<ul style="list-style-type: none"> • Cliff Head operations and capex* 	1,727	64%
<ul style="list-style-type: none"> • Other exploration and evaluation expenditure 	902	34%
Mid-West Wind and Solar	62	2%
Total	2,691	100%

Notes:

*Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in TEO which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis. As such Pilot's expenditures in the above table represent Pilot's proportionate share of operational/capex expenditure incurred by CHJV. The figures reported in the Appendix 5B sections 2.3, 3.5 & 3.6 reports only net cashflows to/from TEO.

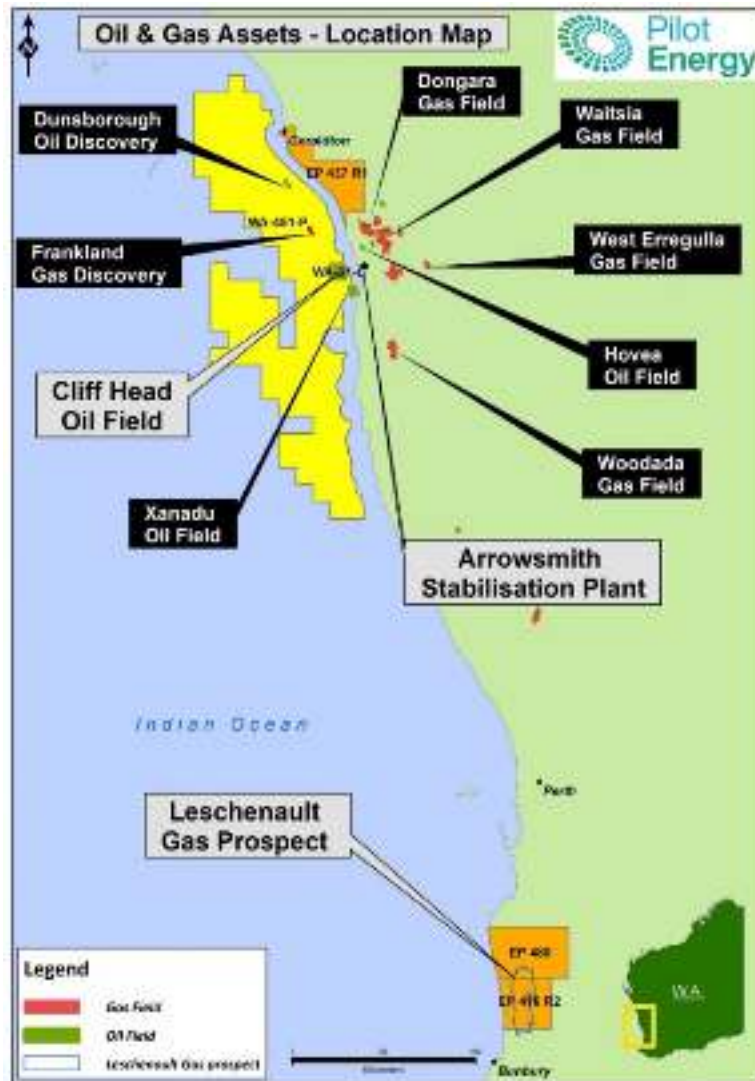
ASX Reconciliation

The Company continues to engage with the ASX in respect of this issue and the requirement to comply with Chapters 11, 1 and 2 of the Listing Rules. In October 2022, ASX agreed to a variation to the limitation it previously placed on expenditure by the Company relating to preliminary activities connected to renewable energy to allow for further expenditure on such activities of an additional \$1.5 million over the next 12 months before ASX would consider such activities to constitute a change in nature and scale of Pilot's activities in terms of Listing Rules Chapter 11.

ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot's interest in its Oil and Gas tenements which are also presented on the map below.

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
WA-31 ^{-L(0)}	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%
EP416	Western Australia – Onshore	100%	100%
EP480	Western Australia – Onshore	100%	100%
i)	The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Subject to restructure as noted in previous ASX announcements.		
ii)	On 20 April 2022, the Company concluded an agreement with Triangle Energy (Global) Limited (TEG) to transfer Pilot's 13.058% participating interest in EP 437 to TEG. Under the agreement and subject to DMIRS approval TEG assumes all of Pilot's obligations and liabilities in respect of the Permit, arising prior to and after the effective date		



Pilot Oil and Gas asset map

Competent Person Statement:

This announcement contains information on conventional petroleum resources and CO₂ Storage which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master in Petroleum Engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

This announcement has been authorised for release to ASX by Bradley Lingo and Tony Strasser on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

Cate Friedlander, Company Secretary, email: cfriedlander@pilotenergy.com.au



About Pilot: Pilot is currently a junior oil and gas exploration and production company that is aggressively pursuing the diversification and transition to the development of integrated renewable energy, hydrogen, and carbon management projects by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments. Pilot holds a 21.25% interest in the Cliff Head Oil field, material working interests in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia, which form foundation assets for the potential development of clean energy projects in Western Australia.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

31 Dec 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	58	58
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(319)	(319)
(e) administration and corporate costs	(607)	(607)
1.3 Dividends received (See note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(868)	(868)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & feasibility expenditure (if capitalised)	(964)	(964)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Consortium receipts)	-	-
2.6	Net cash from / (used in) investing activities	(964)	(964)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,334	2,334
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(15)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,319	2,319

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,015	2,015
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(868)	(868)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(964)	(964)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,319	2,319

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,502	2,502

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,502	2,502
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,502	2,502

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

268

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(868)
8.2 Capitalised exploration & evaluation expenditure (Item 2.1(d))	(964)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,832)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,502
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,502
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.37
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Future exploration/evaluation outgoings over the next two quarters are expected to reduce as the company has now finalised and lodged its 'Declaration of Identified greenhouse Gas Formation' with the regulator. Work is now underway to determine FEED scope and cost estimates.	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	

Answer: YES, the Company is in advanced discussions with strategic investors to invest funds into company as well as its equity capital advisers regarding a capital raise. The Company expects to successfully raise funds either through a corporate initiative (ie farmin, direct investment) or through a private placement in the short term.

In addition to the cash on hand, it is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head joint venture. As at reporting date, TEO had a cash balance of \$389,000 (of which 50% is attributable to Pilot). Payment for oil sales for November 2022 delivery is expected to be received on 1 February 2023 in the amount of US\$1.7 million (TEO 100%).

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: YES

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 JANUARY 2023

Date:

BY THE BOARD

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.