

Pilot Energy Limited

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**Announcement to ASX
ASX: PGY**

6 June 2023

**PILOT ENERGY LIMITED PRESENTS THE CLIFF HEAD CCS PROJECT TO
JAPAN KOREA BUSINESS DELEGATION**

Pilot Energy Limited (**Company or Pilot**) was invited by AUSTRADE to present the Cliff Head CCS Project to the Austrade Japan and Korea CCUS Business Delegation currently visiting Australia. A presentation about the Project and an associated video were delivered to the delegation in Melbourne late yesterday (5 June 2023). The presentation is attached to this announcement. A link to the accompanying video is here:

https://www.pilotenergy.com.au/videos/Pilot_MWCEP_CliffHeadCCS_20230602.mp4

and can also be found on the Pilot website under the "Investor" tab (videos & webcasts).

ENDS

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo and Managing Director, Tony Strasser.

Enquiries

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

About Pilot: Pilot is a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, production of hydrogen and clean ammonia (blue, green and teal) for export to emerging APAC Clean Energy markets and integrated renewable energy. Pilot intends to leverage its existing oil and gas operations and infrastructure to cornerstone these developments. Pilot is proposing to develop Australia's first offshore CCS Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CCS as part of the Mid West Clean Energy Project.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, and a 100% working interest in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia.



Mid West Clean Energy Project

Austrade Japan-Korea CCUS Business
Delegation

Cliff Head CCS overview

June 2023

PILOT ENERGY LIMITED
ASX:PGY



Compliance Statements



Disclaimer

This investor presentation has been prepared by Pilot Energy Limited ABN 86 115 229 984 (Pilot or the Company). Any material used in this presentation is only an overview and summary of certain data selected by the management of Pilot. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Pilot nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in Pilot. Recipients of this presentation must make their own independent investigations, consideration and evaluation of Pilot. Pilot recommends that potential investors consult their professional advisor/s as an investment in Pilot is considered to be speculative in nature.

This presentation contains “forward looking statements” concerning the financial condition, results of operations and business of Pilot. All statements other than statements of fact or aspirational statements, are or may be deemed to be “forward looking statements”. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook”, and “guidance”, or other similar words & may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement dates and expected costs, resources or reserves, exploration results or production outputs.

Assumptions and Forward Looking Statements

Forward looking statements are statements of future expectations that are based on management’s current expectations and assumptions, known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person. To the maximum extent permitted by law, neither Pilot nor, any affiliates, related bodies corporate and their respective officers, directors, employees, advisors and agents (Relevant Parties), nor any other person, accepts any liability as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person

Competent Persons Statement

This announcement contains information on conventional petroleum and CO₂ Storage resources 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.

Authorisation

This presentation has been authorized by the Chairman and Managing Director on behalf of the Board of Directors of Pilot Energy Limited

Mid West Renewable Energy Reporting Conditions

Pilot has agreed to certain conditions with the ASX in respect its renewable energy activities in relation to nature of activities and expenditure limits. Proceeding beyond the conditions will constitute a change in the nature and scale of the Company’s activities in terms of Listing Rule 11.1 and as such the Company will be required to comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds beyond the agreed limits.



Key messages

The Mid West Clean Energy Project is the development of an integrated CCS to Clean Ammonia export project

- Pilot is a producing oil and gas company *transitioning into the supply of clean, low cost energy and a CCS service*
- The Mid West Clean Energy Project (MWCEP) is Pilot's *flagship clean energy transition* project
- Pilot's *existing operations are ideal for transitioning* to low cost CCS and Clean Ammonia production
- CCS is the *key enabler* of low cost Clean Ammonia production
- Aiming to provide *permanent injection* of over a 1 million tonnes of CO₂ annually through 2050
- Targeting production of *1.2 million tpa of low-cost Clean Ammonia for export* by 2027
- Reforms to the Safeguard Mechanism *significantly increases the requirement for gas producers to reduce carbon emissions*
- Carbon abatement through *CCS is essential to meet newly legislated* Safeguard Mechanism reforms

Pilot Energy Corporate Overview

Vision

Transform existing assets and infrastructure to deliver an integrated cost competitive clean energy solution

Current Operations

Cliff Head Oil Field

&

Existing Infrastructure



Transition & Transform

Carbon Capture & Storage (CCS)



Integrated Clean Energy Portfolio

Western Australia



Wind



Solar

Clean Energy Resource hub

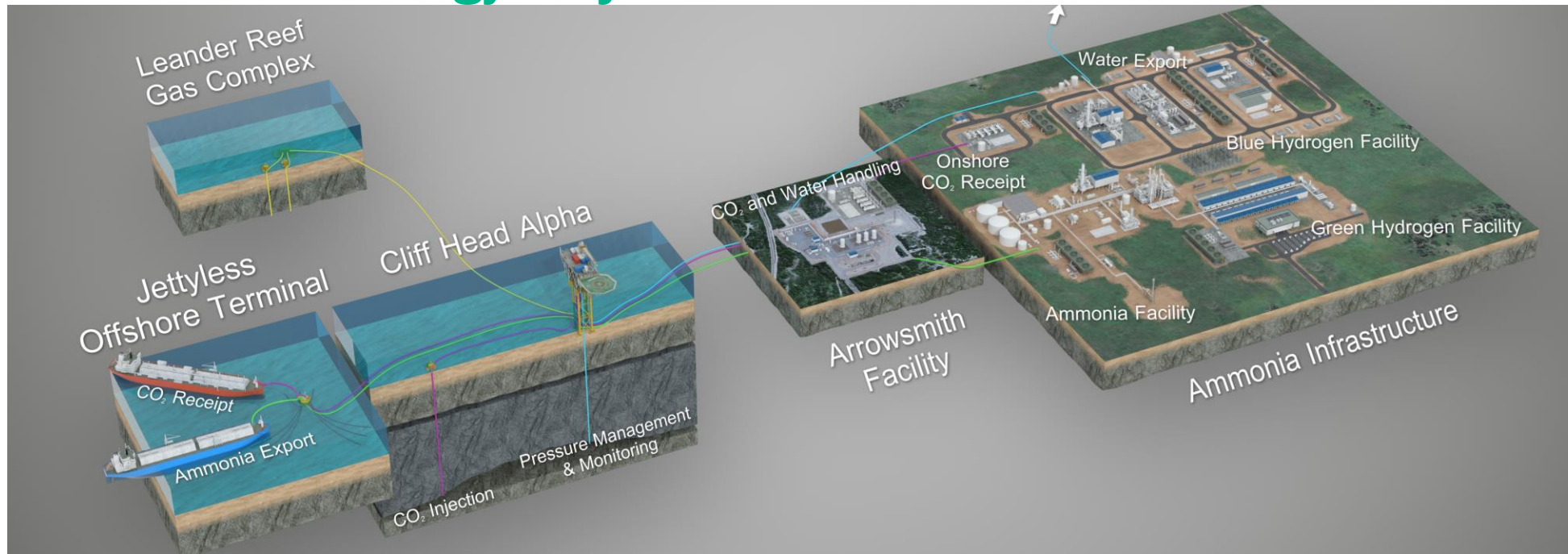
Perth

Bunbury



Clean Hydrogen / Ammonia

Mid West Clean Energy Project



A Clean Ammonia export project with full carbon capture through integrated CCS

Carbon Capture & Storage

Timing: ~2026

- Conversion of Cliff Head Offshore oil field to CCS
- Permanent CO₂ storage in depleted offshore oil field
- Offshore facilities to include direct offshore LCO₂ receipt capability
- Over 1 million tpa CO₂ injection from 2026
- Targeting continuous CO₂ injection through to 2050

Clean Ammonia Production

Timing: 2027

- Targeting Clean Ammonia production of over 1.2 million tpa
- Clean Ammonia produced from combined Blue & Green Hydrogen Plant
- Blue H₂ with full carbon capture through integrated Cliff Head CCS
- Green H₂ from self-sourced industrial water supply + low-cost, behind-the-meter renewables
- Estimated levelized cost of ammonia (LCOA) of A\$400/tonne

Proven & Experienced Board



Brad Lingo

Executive Chairman

30+ years international senior executive experience

Upstream/midstream energy, energy infrastructure, finance

Proven track record of creating & growing shareholder value



Tony Strasser

Managing Director

Extensive oil & gas experience including project and financial management, corporate finance and M&A 25+ years

Proven record in oil & gas with shareholder backing through multiple ventures



Daniel Chen

Non Executive Director

17+ years of international business, project management and leadership experience in large scale transport and logistics

Corporate advisor to private Australian oil & gas companies since 2018



Bruce Gordon

Non Executive Director

Corporate Finance and Corporate Audit Specialist in the Natural Resources Sector

25+ years acting for, and advising, ASX and International oil and gas companies.

Extensive public company accounting, financial reporting and corporate governance knowledge



Management Team



Cate Friedlander

Company Secretary & General Counsel

Experienced corporate / commercial lawyer in upstream & midstream energy - ASX and international.

Chartered Governance Professional.

Member of Governance Institute of Australia.



Nick Watson

Head of Renewables & Commercial

Over 20 years energy industry experience

Corporate/strategic development and operational experience across hydrogen, energy and oil & gas



Jonas Jacobsen

Development Director - MWCEP

20 years global experience as technical leader specialising in emerging technologies within clean energy generation, transmission and infrastructure sectors.



Mike Lonergan

Head of Upstream

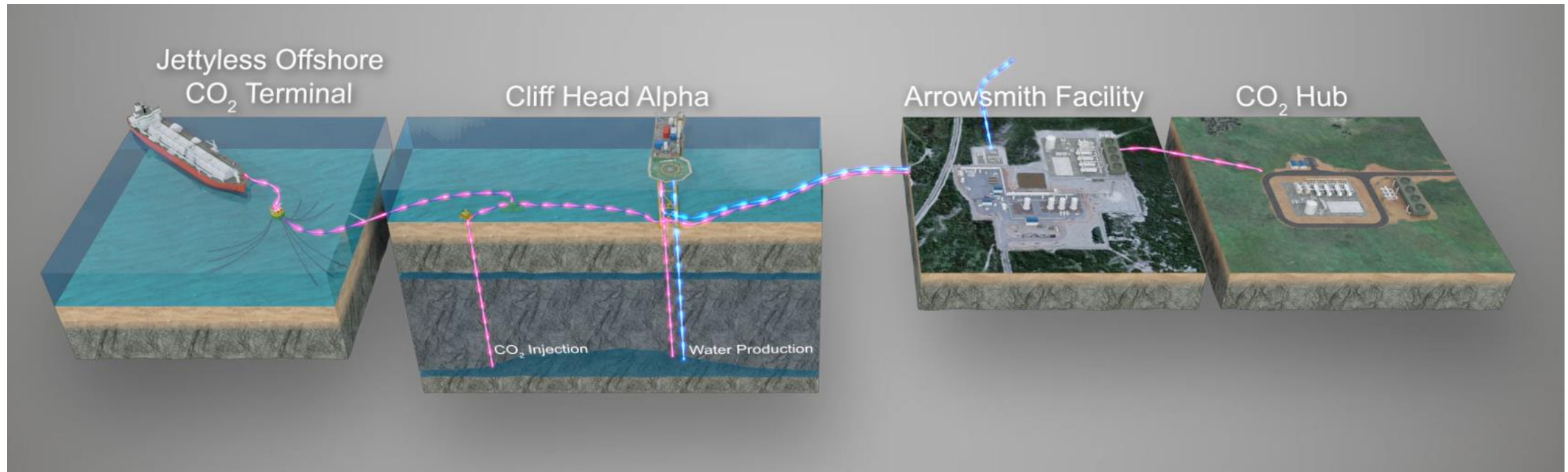
Michael is a petroleum geophysicist with 35 years of domestic and international oil and gas experience across a wide range of E and P assets. He has held senior technical and project management roles during his career, having worked for Delhi Petroleum, Oil Company of Australia, Origin Energy, Rohol-Aufsuchungs Aktiengesellschaft, Mosaic Oil, AGL, Pangaea Resources and Denison Gas.



MWCEP

Cliff Head CO₂ Storage project

MWCEP – Cliff Head CO₂ Storage project video



Cliff Head CCS – Project Overview



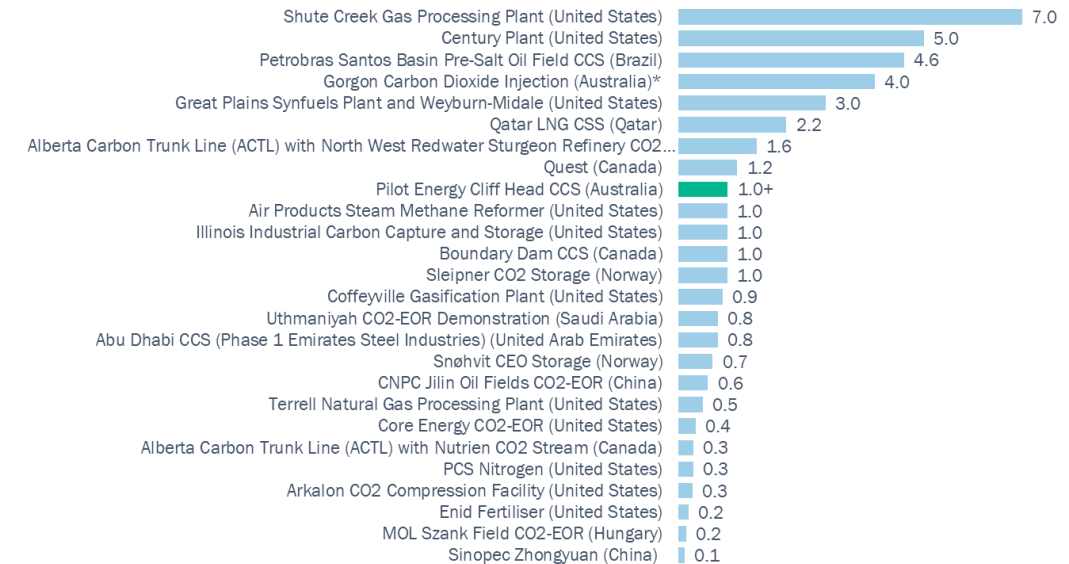
Key enabler of low cost Clean Ammonia production

- Brownfield re-development utilizing existing Cliff Head Oil Field onshore/offshore facilities
- Clear Commonwealth regulatory pathway to CCS with initial application lodged with NOPTA
- Minimal risk and capex requirements through re-use of existing reservoir & facilities
- Project to include onshore and offshore CO₂ capture and injection facilities
- Up to ~1 million tpa of ready accessible, easy-to-capture CO₂ emissions sources
- Aiming to provide over 1 million tpa of permanent CO₂ storage continuing through 2050
- Focused on delivering project levelized cost of storage (LCOS) of less than A\$20/tonne of CO₂
- Targeting first CO₂ injection 2026

Global CCS Facilities In Operation

Cliff Head CCS is a Global Top 10 CO₂ Injection Capacity Project

Carbon Dioxide Capture Capacity in million metric tons per year, 2021



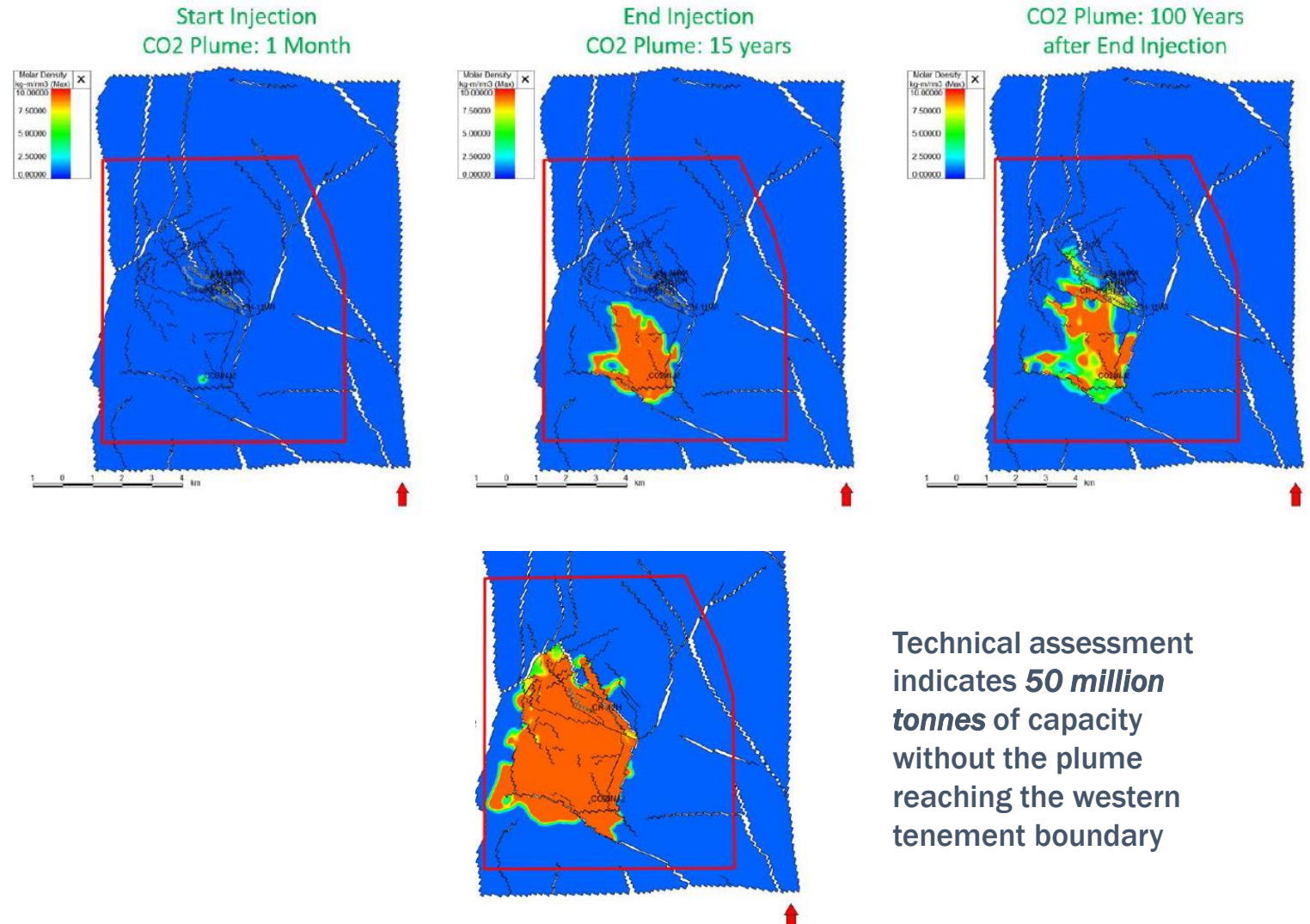
www.statista.com/statistics/1108355/largest-carbon-capture-and-storage-projects-worldwide-capacity/

Recent Safeguard Mechanism reforms make CO₂ abatement through CCS essential

Cliff Head Contingent CO₂ Storage resource

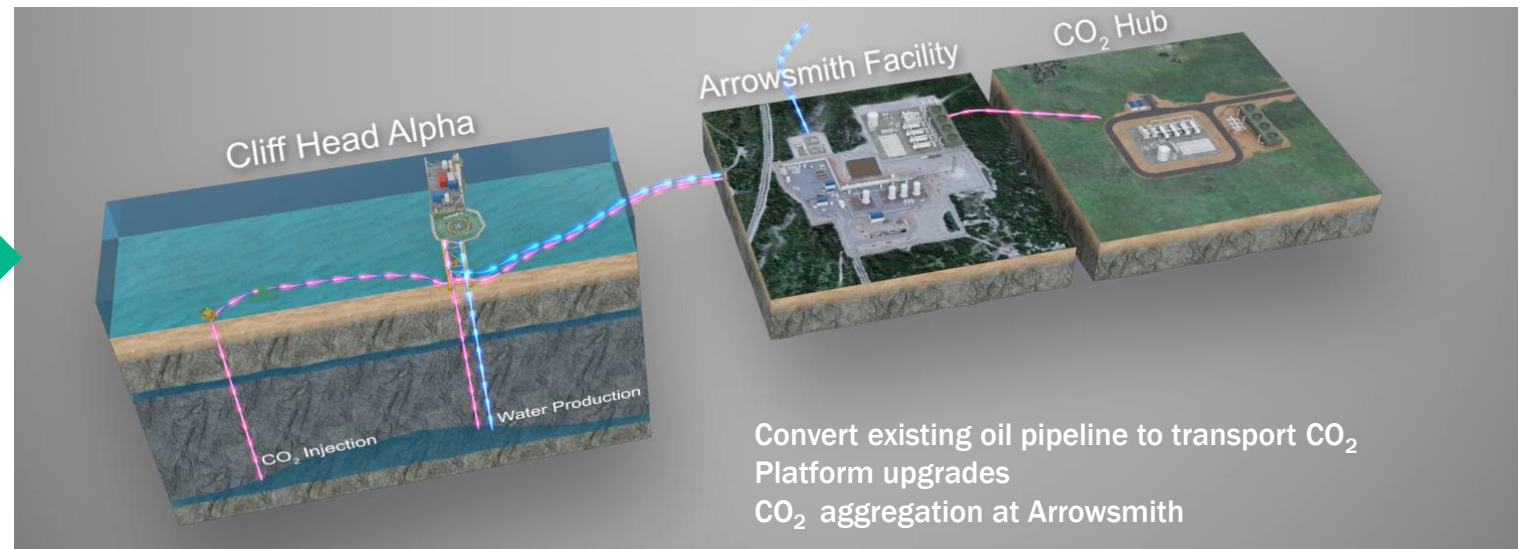
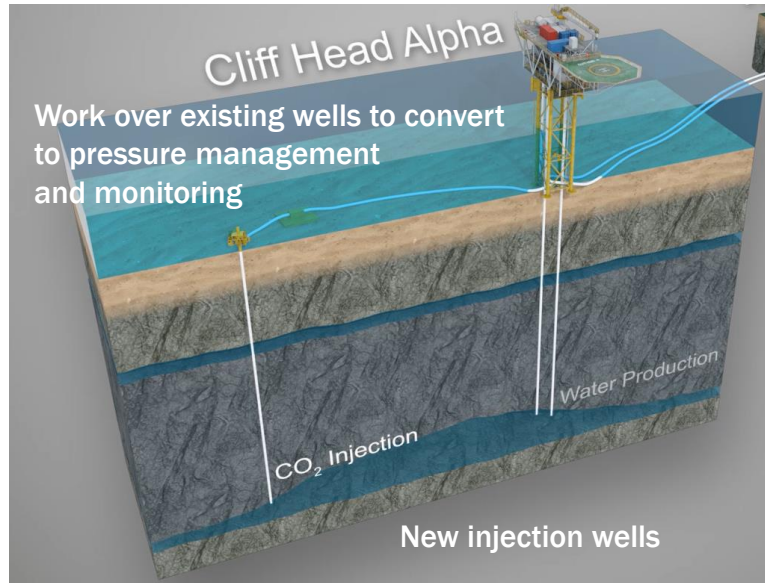
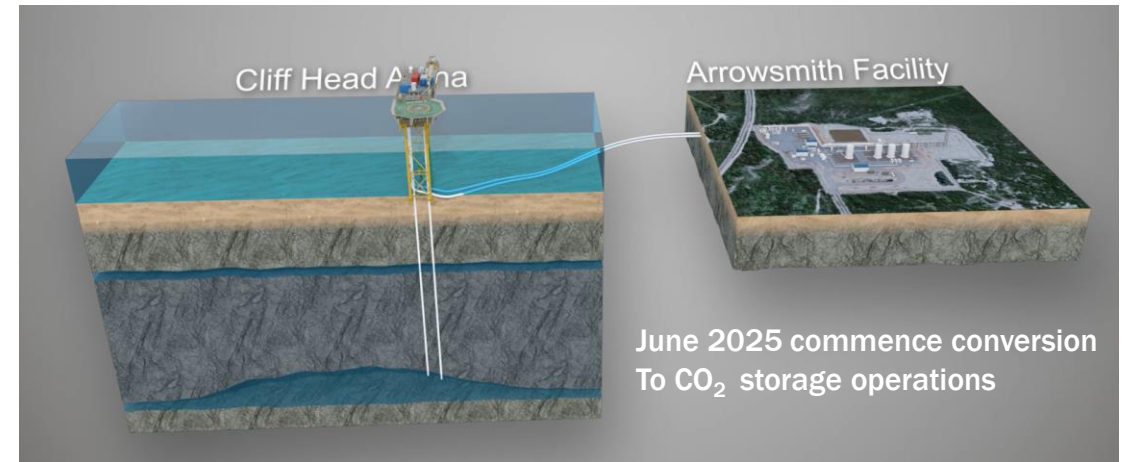
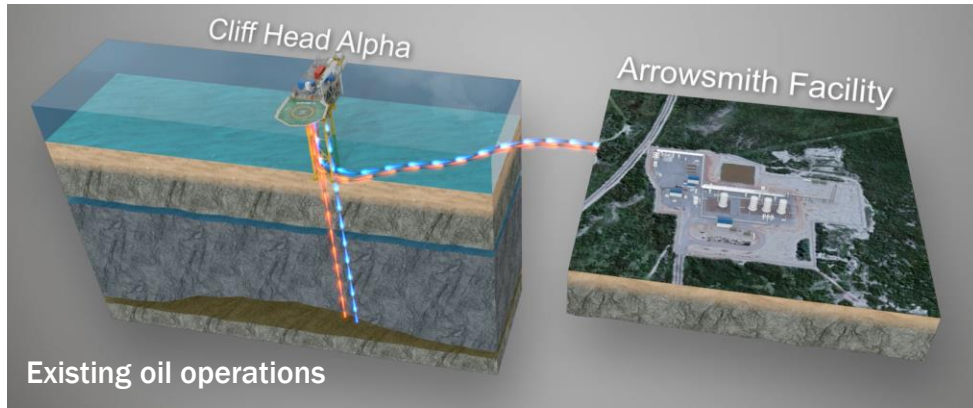
- Completed a full technical assessment of the CO₂ storage potential across the WA-31L tenement area.
- Key technical models expanded to cover the entire WA-31L and adjacent area (expanding into Pilot's 100% held WA 481-P exploration licence)
- resulted in a 50% increase in 2C contingent resources to 9.7 million tonnes (prepared in accordance with the SPE SRMS).
- Upgraded resource involves a revised CCS development with a new CO₂ injection well to be drilled downdip and existing wells being retained for pressure maintenance and monitoring
- Further development planning modelling and optimisation work underway

2C Contingent Resource: **9.7 million tonne CO₂ Storage: Plume stable after 100 years**



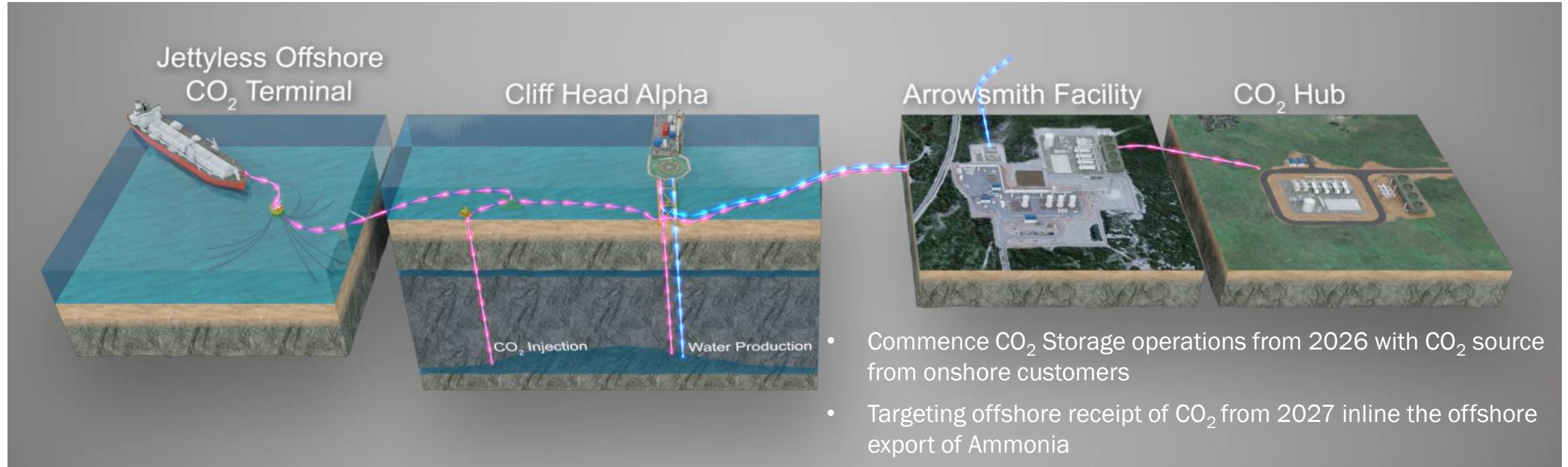
Technical assessment indicates **50 million tonnes** of capacity without the plume reaching the western tenement boundary

Conversion from oil production to CO₂ storage operations



Conversion from oil production to CO₂ storage operations

Project to receive CO₂ via an onshore and offshore terminal

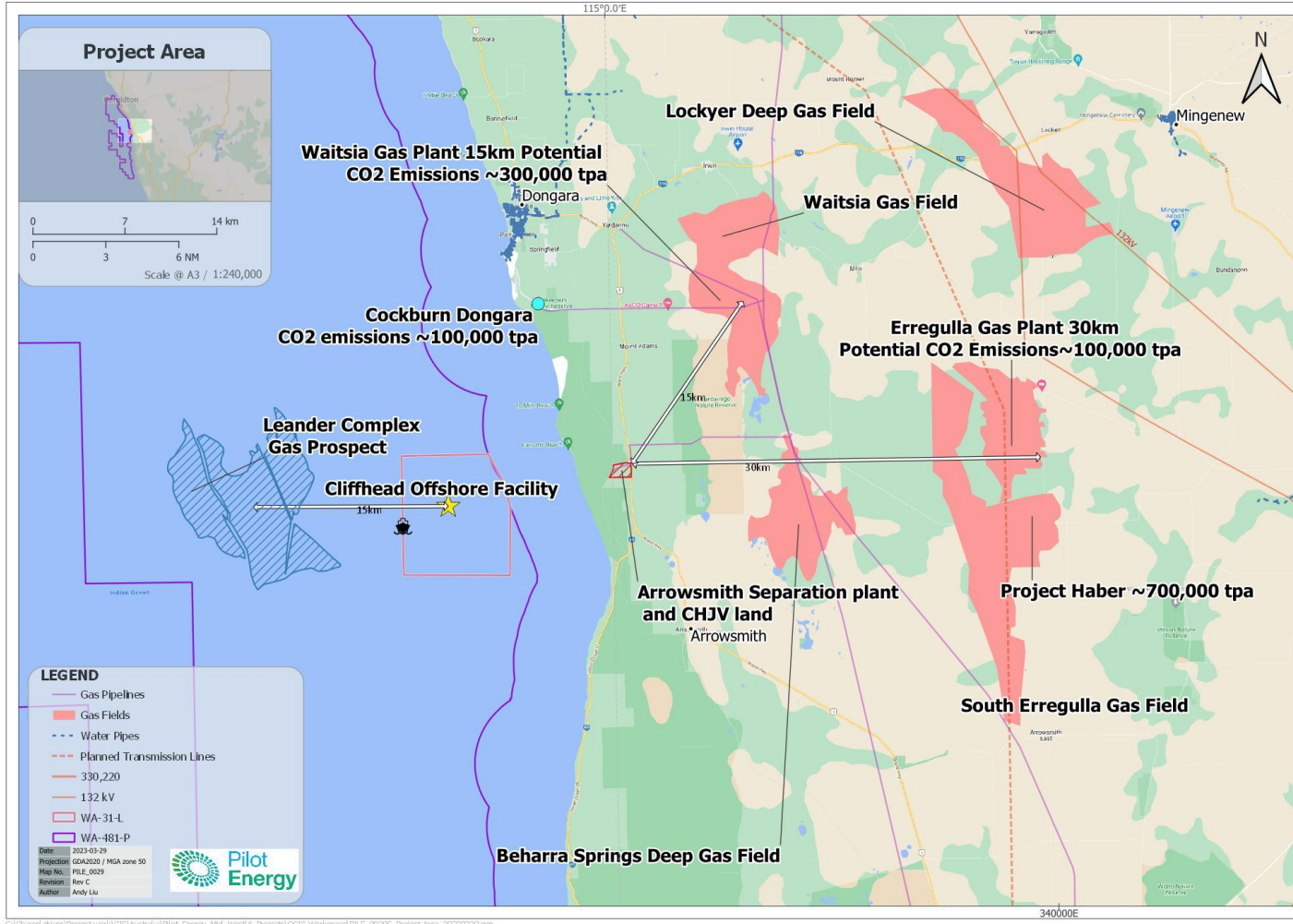


Project status

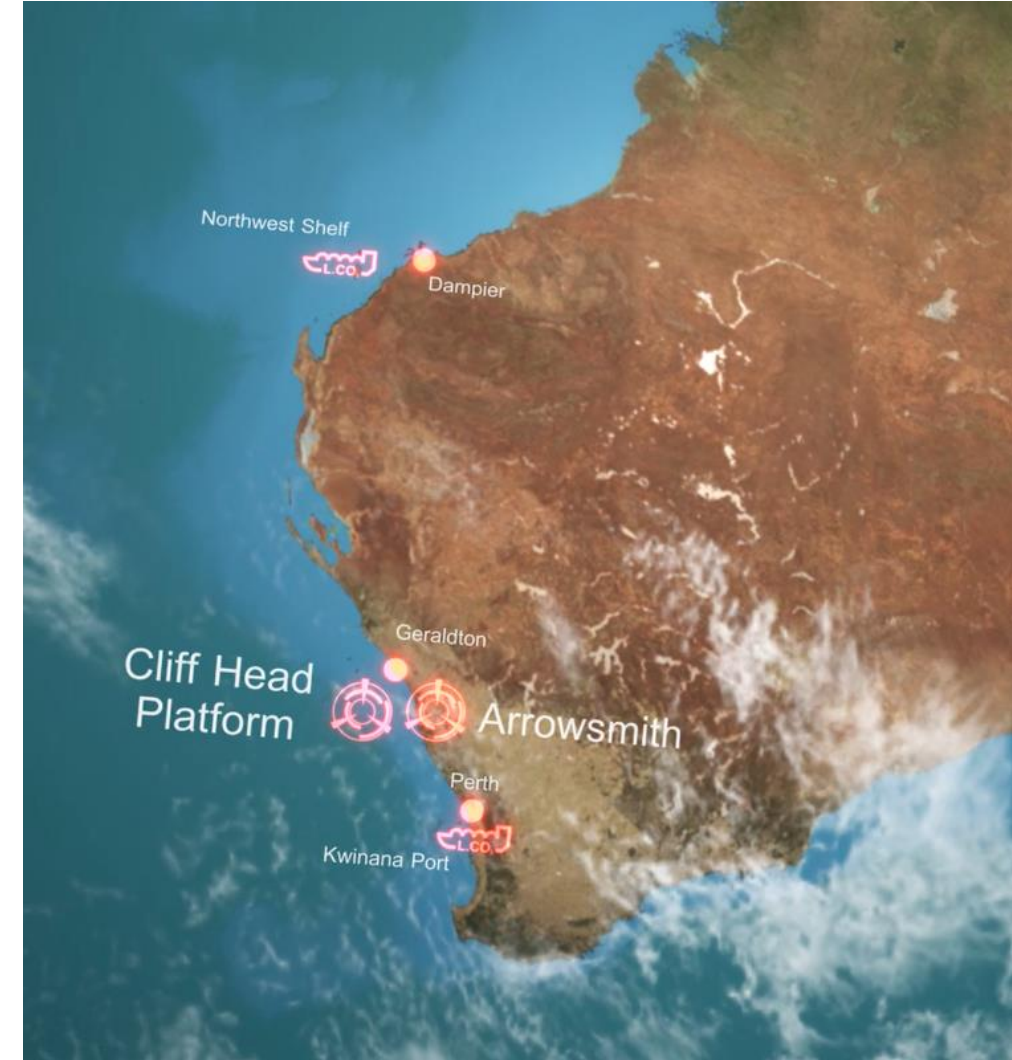
- Regulatory approval underway with Declaration of Storage Formation application submitted December 2022
- Established internal project team with Genesis (Technip Energies) engaged as owners engineer. Currently preparing for FEED entry
- Remaining regulatory approvals (outside injection licence) to commence from July 2023
- Customer and project partner discussions ongoing
- Up coming GHG assessment licence provide a opportunity to expand CO₂ storage outside of the Cliff head injection licence area

Cliff Head CCS – A globally significant abatement project

Significant WA domestic emissions opportunity set of up to 9 million tonnes per annum



Location of ~1 million tpa CO₂ emissions within 30km of the Cliff Head CCS Project



8 million tpa CO₂ emissions within 350km shipping distance

Next Steps

Key next steps

Over the next 12-18 months Pilot will be focused on the activities to deliver the Cliff Head CCS Project



Corporate

- Active engagement with prospective project partners & customers
- Formulation of development funding plan



Project implementation



- Permitting
- Site Acquisition
- Commercial Offtake
- Front End Engineering and Design (FEED) for CCS and Pre-FEED for Ammonia
- Begin prospective Engineering Procurement, Construction and Maintenance (EPCM) contractor engagement

Next 12 - 18 months aimed at securing necessary regulatory approvals, securing commercial off-take arrangements and completing a FEED to enable final investment decision (FID) for the Cliff Head CCS Project.

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