



FOR IMMEDIATE RELEASE

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Announcement to ASX

ASX: PGY

Pilot and Knutsen NYK Carbon Carriers Announce Collaboration to Offer Carbon Transport & Storage Solutions to Industrial Emitters

- Pilot Energy Limited (**'Pilot'** or the **'Company'**), and international CO₂ marine transportation and storage solution provider, Knutsen NYK Carbon Carriers AS (**'KNCC'**) have signed a Memorandum of Understanding (MoU) to collaborate on offering an integrated solution for marine transportation and offshore injection of CO₂ storage at the Cliff Head CCS Project.
- The MOU with KNCC complements the MOU between Pilot and Svante Technologies announced on 19 April 2023 and enables the offering of a one-stop solution providing industrial CO₂ emitters with an integrated CO₂ capture, transport and storage solution.
- Pilot and KNCC to initially target the decarbonization of ~8 million tonnes per annum of CO₂ emissions¹ from the Western Australian Kwinana Industrial Area².
- KNCC's utilization of its propriety and innovative Liquefied CO₂-Elevated Pressure (**'LCO₂-EP'**; formerly called PCO₂) technology for the transportation of liquid CO₂ (**'LCO₂'**) at ambient temperature is an "ideal solution" to transport captured CO₂ emissions from the Kwinana Industrial Area for injection and permanent storage at the Cliff Head CCS Project.

Pilot and KNCC (www.kn-cc.com) have entered into a MoU to collaborate on offering an integrated solution for marine transportation and offshore injection of CO₂ at the Cliff Head CCS Project.

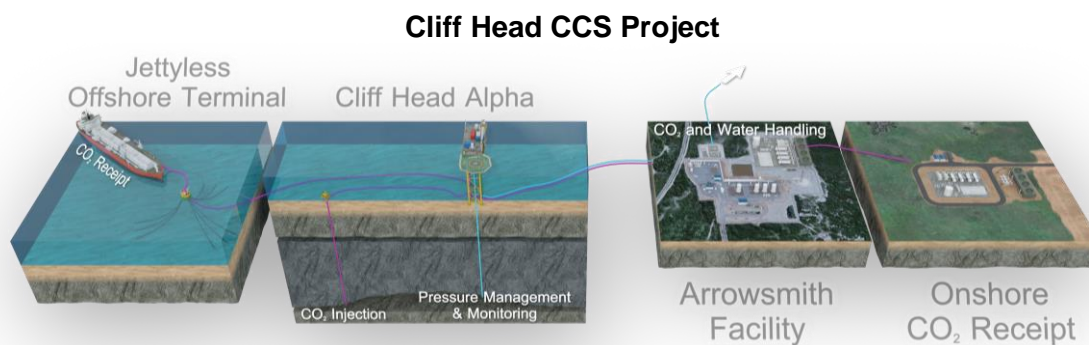
The objective under the MoU is for Pilot and KNCC to develop solutions which will enable large scale industrial emitters to transport via ship, ambient temperature LCO₂ and to inject and permanently store CO₂ at the Cliff Head CCS Project.

¹ https://kic.org.au/wp-content/uploads/2022/06/CRKIA-Phase-One-Adopted-Report_RS_June-2021.pdf

² <https://kic.org.au/about/>

Pilot's Cliff Head CO₂ storage project ('**Cliff Head CCS Project**') is an integral component of its Mid West Clean Energy project ('**MWCEP**').

The Cliff Head CCS Project involves the conversion of the operating Cliff Head offshore oil field into a permanent CO₂ storage operation capable of storing over 1mmtpa of CO₂ on a continuous basis through to 2050 with over 50 million tonnes of potential total storage capacity. The MWCEP aims at producing over 1.2 mmtpa of low cost, clean ammonia for export with approximately 99% carbon capture through fully integrated carbon capture and storage utilizing the Cliff Head CCS Project.



Based in Haugesund, Norway, KNCC is a joint venture company owned by the Knutsen Group of Norway and NYK Group of Japan. Using the long history of seafaring, offshore and gas freight experience of both the Knutsen Group and the NYK Group, KNCC has been formed to target providing CO₂ marine transportation to facilitate the injection of captured carbon into offshore reservoirs.

KNCC is focussed on the technical and commercial development of a liquefied CO₂ marine transportation and storage business worldwide using its propriety containment system technology; LCO₂-EP which allows transport of liquified CO₂ at ambient temperatures.

LCO₂-EP has been granted the General Approval for Ship Application ('**GASA**') by class society DNV³ which enables KNCC to order vessels using this technology once the commercial and financial terms are agreed for the whole CCS value chain of Pilot's Cliff Head CCS Project.

³ <https://www.dnv.com/>



Image of liquefied CO₂ carrier utilising the innovative LCO₂-EP technology and offshore bow offloading system

During the initial 3 year term of the MoU (which can be extended or terminated by the parties) Pilot and KNCC will work together to assess the technical and commercial solution to initially target the provision of a CO₂ transportation service to emitters based in the Western Australian Kwinana Industrial Area. To the extent there are any costs to be incurred, each party will bear its own costs.

“KNCC’s innovative LCO₂-EP containment system for the transportation of liquefied CO₂ at ambient temperatures is an ideal solution to efficiently transport captured CO₂ emissions from the Kwinana Industrial Area and provide a low-cost direct offshore CO₂ unloading and injection system for permanent storage in the Cliff Head CCS Project. We are extremely enthusiastic about this new collaboration and being able to offer a one-stop shop solution, in conjunction with Svante, for the capture, the transportation, and permanent storage of CO₂ emissions, enabling Pilot to support a major reduction in industrial CO₂ emissions for such an important industrial centre as Kwinana.” said Brad Lingo, Pilot’s Chairman.

“With the MOU in place we are excited to work with Pilot, which is targeting to transport and store CO₂ at ambient temperature. We will contribute to Cliff Head CCS Project’s realization by utilizing our cost efficient, flexible, and scalable LCO₂-EP technology to transport the LCO₂ in ambient temperature and inject to the CO₂ reservoirs offshore from our CO₂ carriers.” said Anders Lepsøe, CEO of KNCC.

ENDS

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

Enquiries:

Pilot

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

KNCC

Anders Lepsøe, CEO
Email: ale@kn-cc.com

Tomoki Matsuo, Commercial Project Manager
[Email: tma@kn-cc.com](mailto:tma@kn-cc.com)

About KNCC

KNCC is a joint venture established between NYKLine and Knutsen Group, for the technology and commercial development of LCO₂ marine transportation and storage. KNCC aims to own/manage/operate LCO₂ carriers to contribute to the realization of CCS projects globally.

KNCC was established in 2022 between NYKLine and Knutsen Group, each holding 50% stake.

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.