

Pilot Energy Limited

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Announcement to ASX

4 November 2021

ASX: PGY

Mid West Blue Hydrogen & CCS Project Consortium - Shareholder and Investor Briefing Webinar

Pilot Energy Limited (ASX:PGY) (“Pilot”, the “Company”) is pleased to advise shareholders and investors that the Company will be presenting an investor update including an overview of the Consortium it has recently formed together with APA Group (ASX: APA) and Warrego Energy limited (ASX: WGO), which was announced on 4 November 2021 (see attached APA Group media statement, and Warrego Energy Limited ASX announcement).

The Consortium will participate in and jointly fund Pilot’s Mid West Blue Hydrogen and CCS Feasibility Study with a focus on Blue Hydrogen technology, regional CCS potential, hydrogen markets, project infrastructure and commercialisation (see ASX Pilot’s announcement on 21 October 2021).

Blue Hydrogen projects require expertise and collaboration from across the energy industry. This led Pilot to establish the Consortium, which is made up of organisations representing the key components of a Blue Hydrogen project:

- **APA Group – Infrastructure**
- **Pilot Energy – Carbon Management**
- **Warrego Energy – Natural Gas Supply**

This briefing webinar will be streamed as per the details below.

Date: Monday, 8 November 2021

Time: 11:00am AEDT / 8:00am AWST

Presenter: Mr Brad Lingo – Executive Chair, Pilot Energy Limited

The Company invites shareholders, investors, and media to participate in this digital event by registering online via the link below:

https://us02web.zoom.us/webinar/register/WN_tZmzuj7VTXSjsTbS9fK7Pw

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

Enquiries

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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.

Attachment 1: APA Group Media Release



Media Release

Thursday 4 November 2021

CONSORTIUM TO INVESTIGATE DELIVERY OF LOW COST HYDROGEN

Leading Australian energy infrastructure business APA Group will investigate opportunities in Western Australia to commercialise and deliver low cost hydrogen as part of a newly established consortium with Pilot Energy and Warrego Energy Limited.

The consortium's Mid West Blue Hydrogen and carbon capture and storage (CCS) feasibility study will look at blue hydrogen technology, locations for production, and opportunities to commercialise and distribute low-cost blue hydrogen, while assessing the potential use of the Cliff Head oil project and other reservoirs across the broader Perth Basin to store the carbon dioxide.

APA Group Executive Infrastructure Development Kevin Lester said the feasibility study would focus on technology, regional carbon capture and storage potential and explore customer requirements to deliver low cost hydrogen.

"We are excited to continue to roll out initiatives under our Pathfinder program that can support a lower carbon future and grow opportunities for a clean hydrogen economy," Mr Lester said.

"We know the demand for innovative energy solutions is likely to grow exponentially as technology continues to mature and hydrogen is one example where the industry is well placed to develop and deploy low emissions technologies that we will need to accelerate the energy transition.

"Gas will be vital to supporting renewables growth and Australia's decarbonisation pathway, but the industry also has decades of skills and capabilities in operating gas pipelines and gas power generation, which will be vital to safely and efficiently producing and transporting hydrogen and other clean molecules in the future."

Through APA's Pathfinder program, the study will also investigate electrifying the blue hydrogen and carbon dioxide facilities to enable the integration of renewable energy to reduce the carbon footprint of the project.

"APA's Pathfinder program, which will be a key enabler in APA's efforts to achieve net zero operations emissions by 2050, is looking at hydrogen energy solutions of the future as well as other innovations and technologies that will help APA leverage its existing capabilities," Mr Lester said.

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country. APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

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For more information visit APA's website, apa.com.au.

“The challenges in energy security and reliability will remain, and this is especially amplified in hard-to-abate sectors, which is why we recognise the need to continue to support investments in hydrogen and other new energy technologies.

“Bringing expertise together from across the industry will help tackle the economic challenges faced with the development of new technologies at scale.”

The consortium partners will jointly fund the feasibility study, which is expected to be complete in the first quarter of CY2022.

Media: Michael Cox 0429 465 227

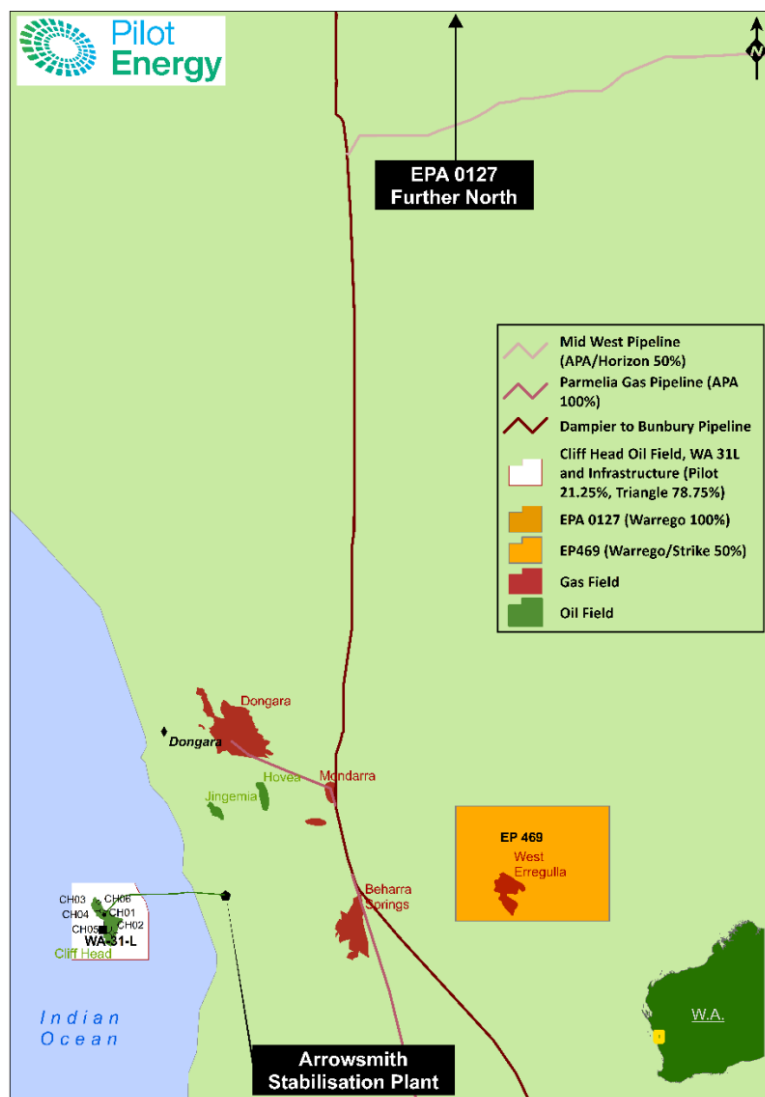


Figure 1: Feasibility Study project area

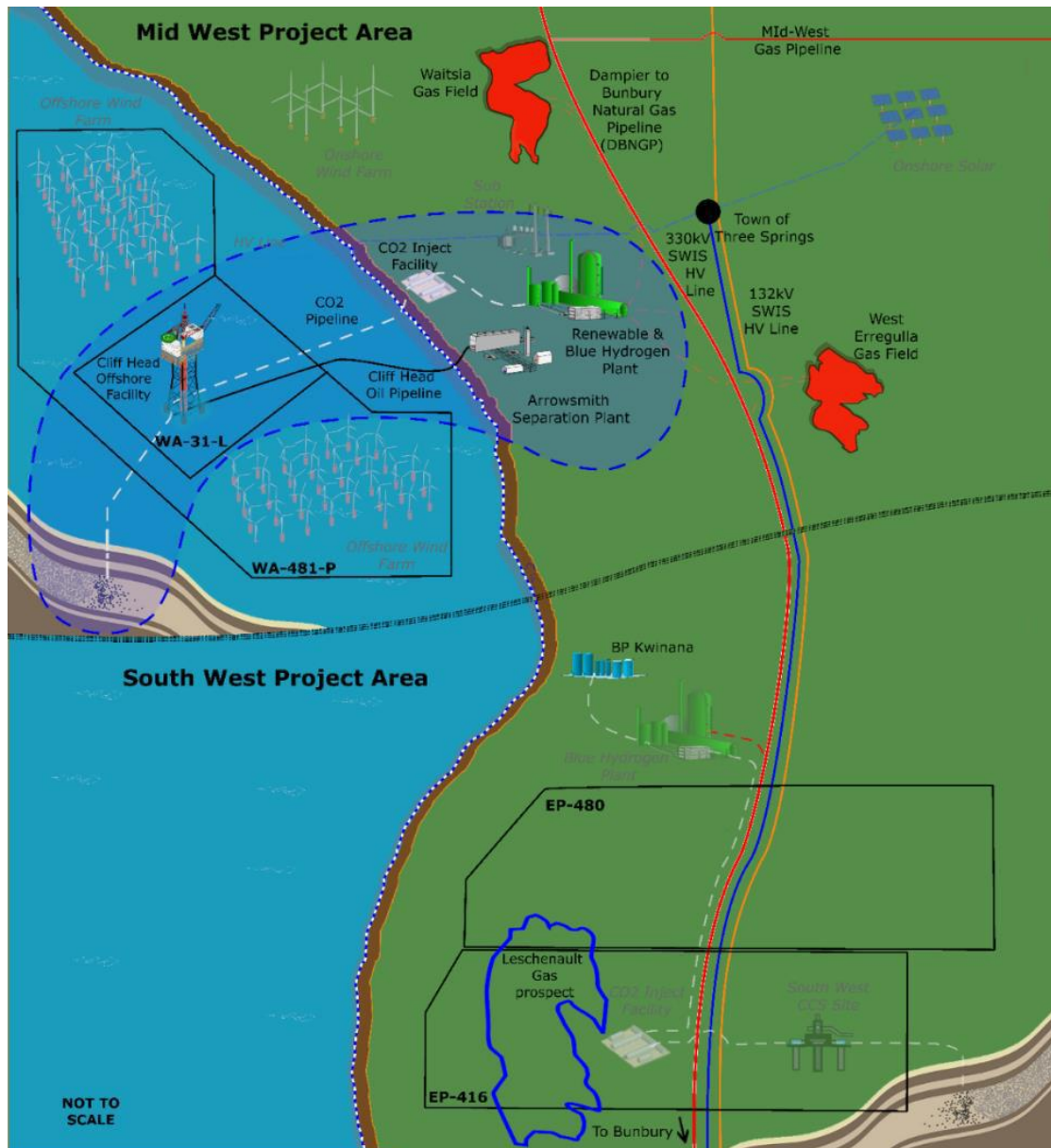


Figure 2: Pilot's Mid West and South West project overview in WA

Attachment 2: Warrego Energy Limited ASX Announcement

Warrego joins innovative Mid West Blue Hydrogen and CCS consortium and accelerates carbon management initiatives

- Warrego has joined a consortium of energy and infrastructure companies to undertake a feasibility study for the innovative Mid West Blue Hydrogen and CCS project in Western Australia
- Consortium comprises APA Group, Pilot Energy and Warrego, with member companies contributing funding and sector expertise
- Genesis, Technip Energies and RISC Advisory engaged to provide leading edge technical input and third-party evaluation
- Potential to deliver cost-effective and competitive clean energy

Warrego Energy Limited (“Warrego” or the “Company”) (ASX: WGO) today announced it has joined a consortium of energy and infrastructure companies to undertake and jointly fund a feasibility study for the Mid West Blue Hydrogen and CCS project.

The feasibility study led by Pilot Energy Limited (ASX:PGY) (“Pilot Energy”) is designed to assess potential Blue Hydrogen and CCS projects that can integrate with existing upstream, midstream and downstream assets to deliver competitive clean energy. It will identify and select potential development projects and will form the basis for future FEED studies, partnering and other corporate initiatives. The feasibility study is anticipated to complete in the first quarter of CY 2022.

Blue Hydrogen and CCS projects require expertise and collaboration from across the energy industry which is well represented by the consortium members:

- **APA Group** – Infrastructure
- **Pilot Energy** – Carbon Management
- **Warrego Energy** – Natural Gas Supply

Warrego’s CEO Australia, David Biggs, said:

“The Mid West Blue Hydrogen and CCS project has the potential to deliver significant and lasting positive benefits for the energy sector in Western Australia by reducing total emissions, generating clean energy, and creating new revenue streams.

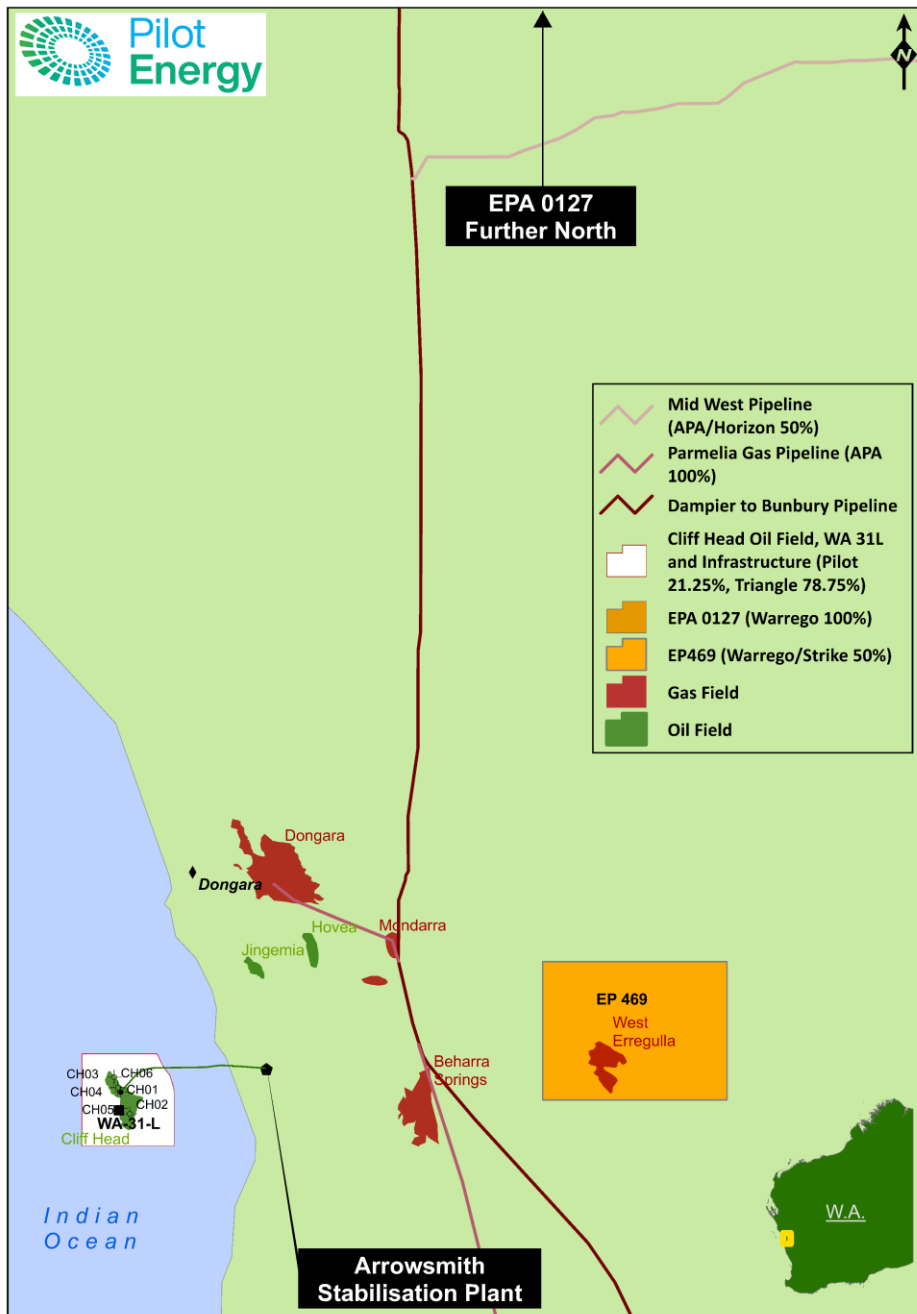
“These technologies have the potential to add considerable value to Warrego’s business in the future through the positive effects of carbon management and emissions reduction.

“We are very pleased to be partnering with APA Group and Pilot Energy to deliver the feasibility study for this exciting and innovative project.”

The consortium will participate in and jointly fund the feasibility study which will focus on Blue Hydrogen technology, regional CCS potential, hydrogen markets, project infrastructure and commercialisation. Pilot Energy will also undertake a standalone assessment of the Cliff Head offshore and onshore facilities to determine its CCS potential and provide data on potential CO₂ injection rates and storage capacity.

Figure 1 provides an overview of the study area and the consortium participants' infrastructure.

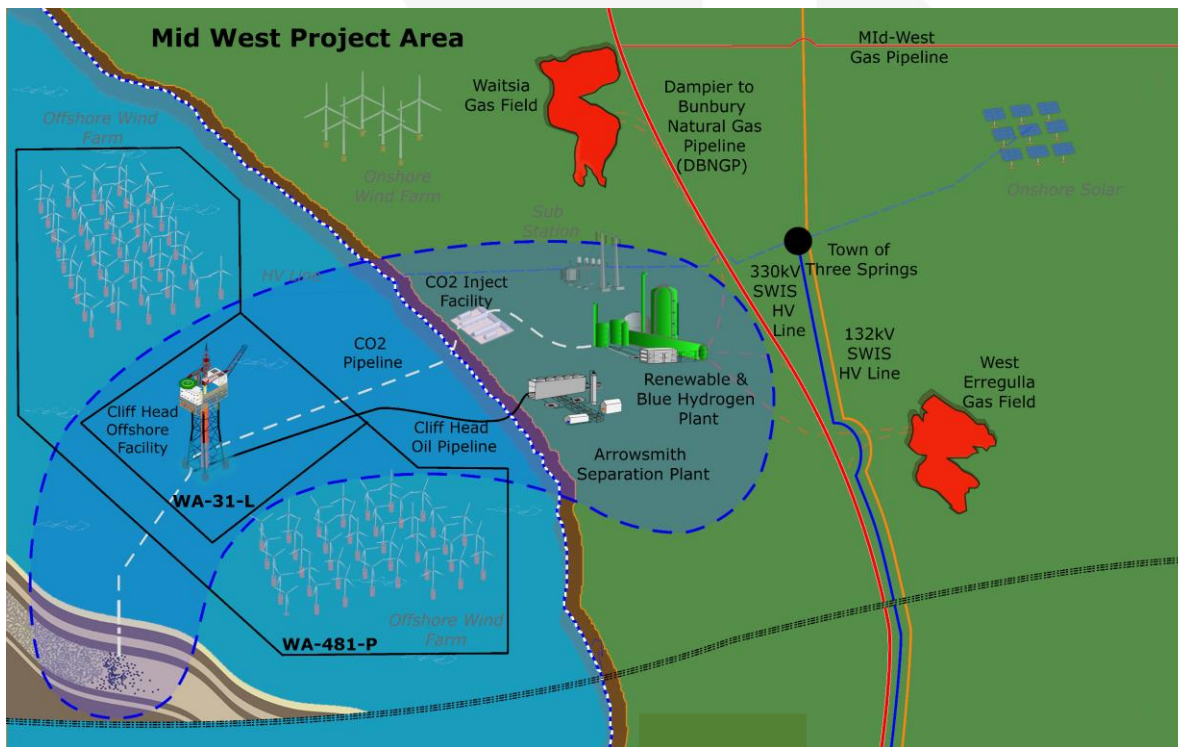
Fig 1. Feasibility Study project area



Pilot Energy has previously completed pre-feasibility screening of the CCS potential of the Cliff Head assets with RISC Advisory which indicated that the Cliff Head onshore and offshore infrastructure could provide carbon geo-sequestration of approximately 500,000 tonnes per annum of CO₂ for a period of 13-years at an injection cost of approximately \$16/tonne of CO₂ and be fully operational by 2025.

The consortium arrangements set out a process for further joint participation in progressing towards project development following completion of the Feasibility Study.

Fig 2. Mid West Blue Hydrogen and CCS project key elements



Mid West Blue Hydrogen and CCS Feasibility Study

The objective of the Mid West Blue Hydrogen and CCS study is to assess the carbon capture, storage and use potential of the Cliff Head oil project and additional reservoirs across the broader Perth Basin, the production of Blue Hydrogen and commercialisation via the provision of CO₂ management services and sale of hydrogen. Three leading international feasibility contractors have been engaged to assist with the study and further external assistance may be required to complete the study.

Genesis has been engaged to project manage the feasibility study and prepare the overall study report in conjunction with the consortium and the other feasibility consultants. In addition, the consortium will be leveraging Technip Energies’ significant hydrogen industry experience to complete an assessment of blue hydrogen production technologies and hydrogen markets.

RISC Advisory has been engaged to conduct the assessment of the infrastructure and CCS reservoirs (Cliff Head and other reservoirs across Perth Basin) associated with the proposed carbon management services and CCS activities. The team at RISC has a long history with the Cliff Head asset through involvement in the initial development through to a recent Cliff Head oil reserves/resources audit for Triangle Energy (Global) Limited and Pilot Energy.

Key outcomes of the study will include detailed description and assessment of development projects, levelised cost of hydrogen and CO₂ management services.

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Authorised by the Group CEO of Warrego Energy Limited and issued in accordance with the Company’s disclosure policy.

About Warrego Energy Limited

Warrego Energy is focused on the development of onshore assets in Australia, primarily in Western Australia. It holds a 50% interest in EP469, including the West Erregulla gas project, and 100% of STP-EPA-0127, potentially the largest exploration block in the Perth Basin. Warrego was admitted to the ASX All Ordinaries Index in June 2020.

Glossary

CCS	Carbon Capture & Storage
CY	Calendar Year
FEED	Front End Engineering & Design
CO ₂	Carbon Dioxide

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