

Presentation to Annual General Meeting

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28 February 2017

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Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery (GCoS) and a risk of development (chance of a commercial development). Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Since the 2016 AGM...

- ✓ Established a leading prospective resource position among peer companies; combined potential of up to 4,415 Million Barrels of Oil Equivalent (MMBOE)
- ✓ Secured position as largest net acreage holder in Perth Basin
- ✓ Maintained manageable work commitments
- ✓ Approved drilling of Wye Knot oil prospect (EP437) in 2017
- ✓ Acquired high impact WA-481-P exploration permit, with associated contingent oil and gas resources
- ✓ Funded primary seismic license commitments on WA-507-P
- ✓ Secured significant work program variations in EP480, and renewal of EP416
- ✓ Introduced cornerstone investor group, at 100% premium to then-prevailing share price
- ✓ Received favourable independent valuation of up to 0.88 cents per share (not accounting for the recently acquired WA-481-P project)

- Build a leading junior E&P company, by developing a diverse portfolio of high quality upstream petroleum assets
- Counter-cyclical investment strategy, developing project portfolio at low cost ahead of continued industry turnaround
- Add value through low cost studies while maintaining manageable work commitments
- Farmout to fund drilling



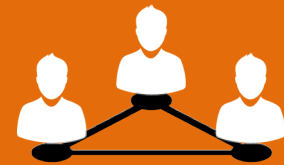
Conventional resources in proven petroleum provinces in Australia



Assume only **achievable** work commitments



Increase asset value through low cost work, before farmout to third parties



Maintain a **low corporate cost** base, deferring project costs where appropriate



Preference to act as **Operator** in order to **control project timing** and **expenditure**



Acquire **large working interests**, providing sufficient project equity to **farm-out** for funding of future work programs



Independent verification of prospective resources forming the basis for attracting farm-in partners



Ensure **sufficient lead-time** for farming out ahead of any major work commitments

Project Portfolio

WA-507-P

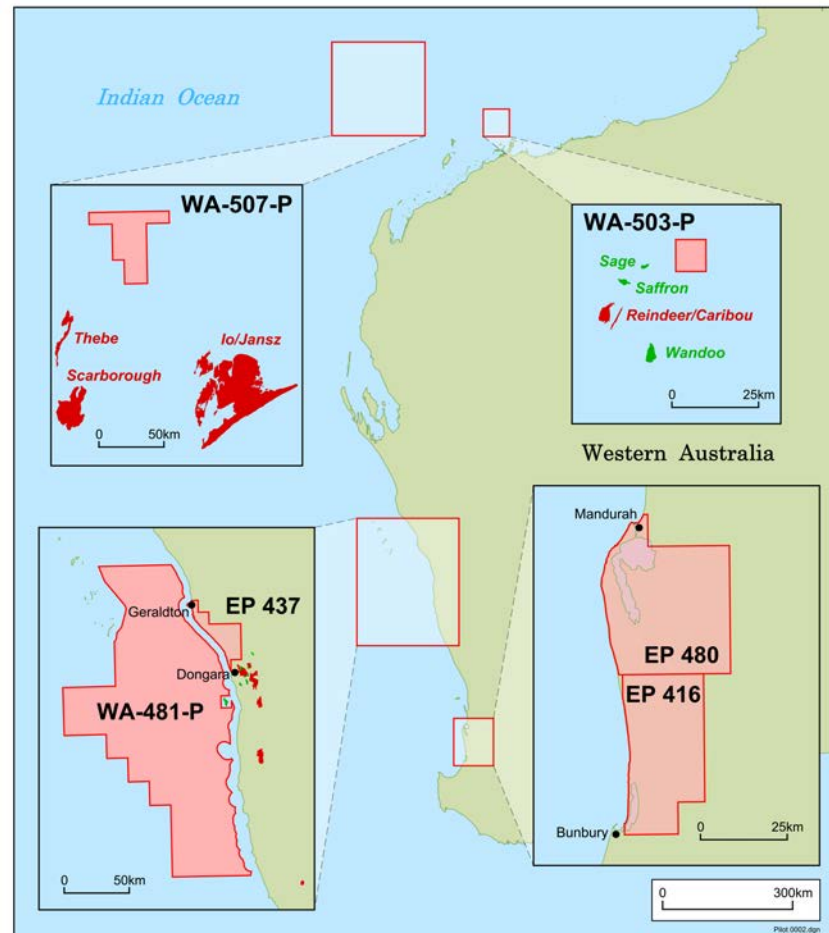
- Huge potential deepwater play
- Very significant prospective oil & gas resources
- Increasing industry interest in oil play
- No drilling commitment until 2020
- Farmout process underway

EP437

- Low cost, onshore oil/gas exploration
- Wye Knot oil prospect to be drilled in 2017

WA-481-P

- Most recent acquisition
- On trend with major discoveries
- Significant prospective resources identified across 13 prospects
- Farmout process to commence shortly



WA-503-P

- Three large prospects on established oil trend
- Low cost 3D seismic survey planned for 2017

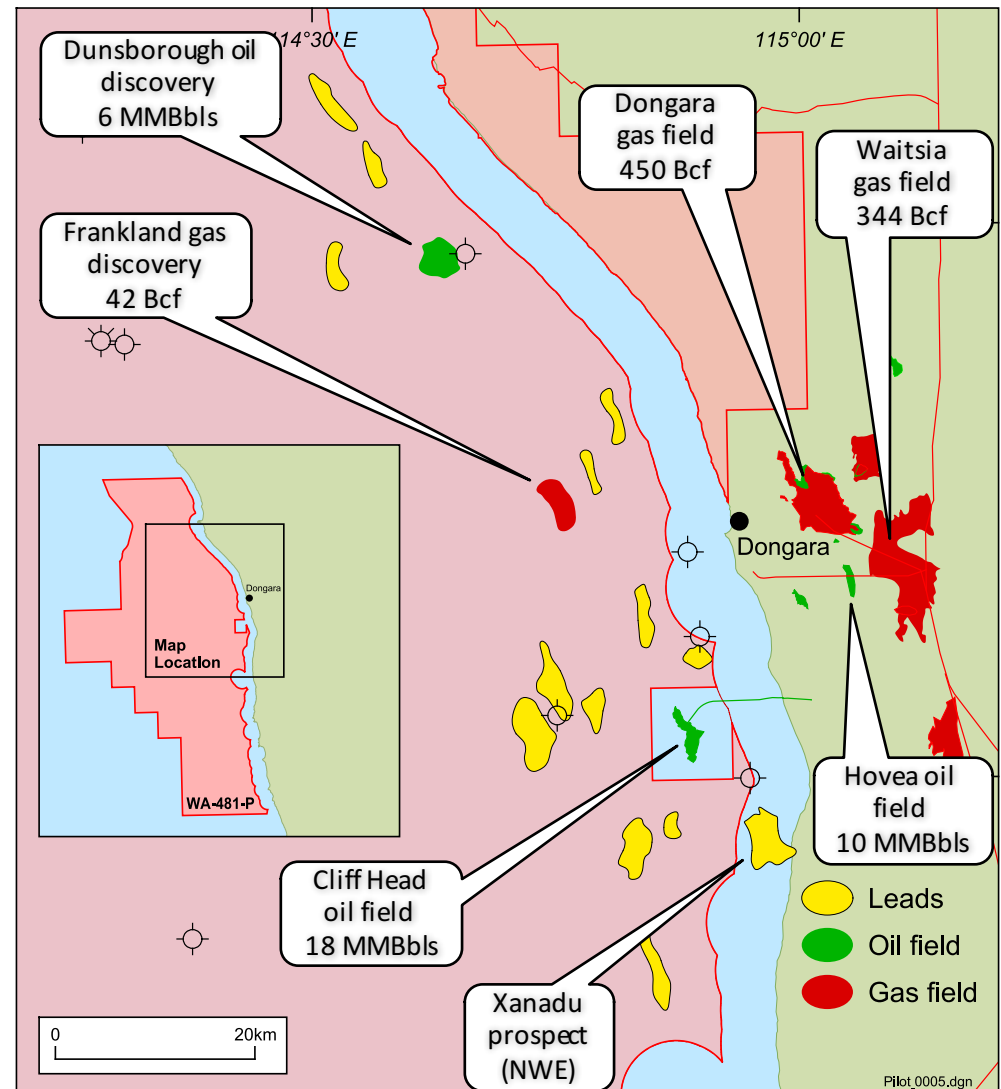
EP416/480

- Very large onshore gas prospect
- Gravity survey confirms prospectivity
- Geochemical survey to be conducted H1 2017

Diverse portfolio with four potential company-making projects

WA-481-P: Offshore North Perth Basin

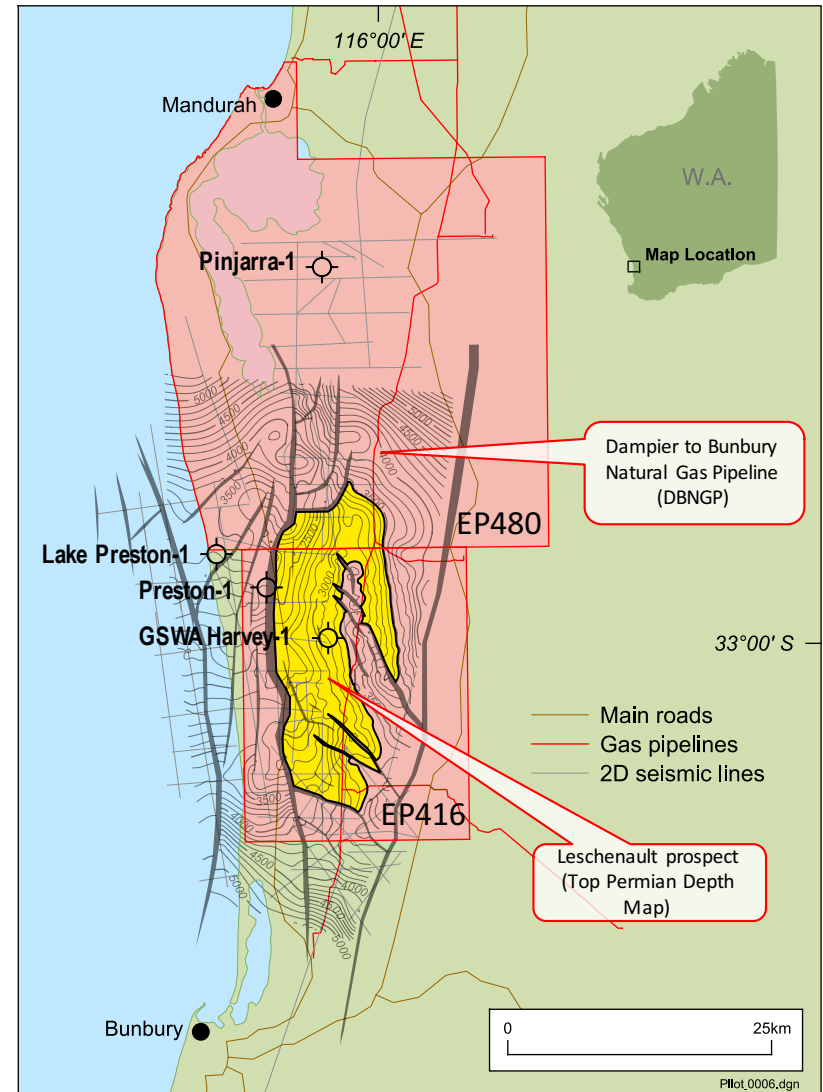
- Acquired mid 2016
- Operator and 60% working interest
- Very large permit in shallow water
- Highly prospective inboard play, on trend with Cliff Head oil field
- Close to existing oil & gas infrastructure
- 13 prospects identified on existing seismic data
- Prospective resources of up to 435 MMBOE
- Largest oil prospect has potential for up to 78 MMbbls
- Contingent oil and gas resources at Dunsborough & Frankland represent potential tie-back opportunities to new discoveries



High impact shallow water oil & gas exploration

EP416 & EP480: Southern Perth Basin

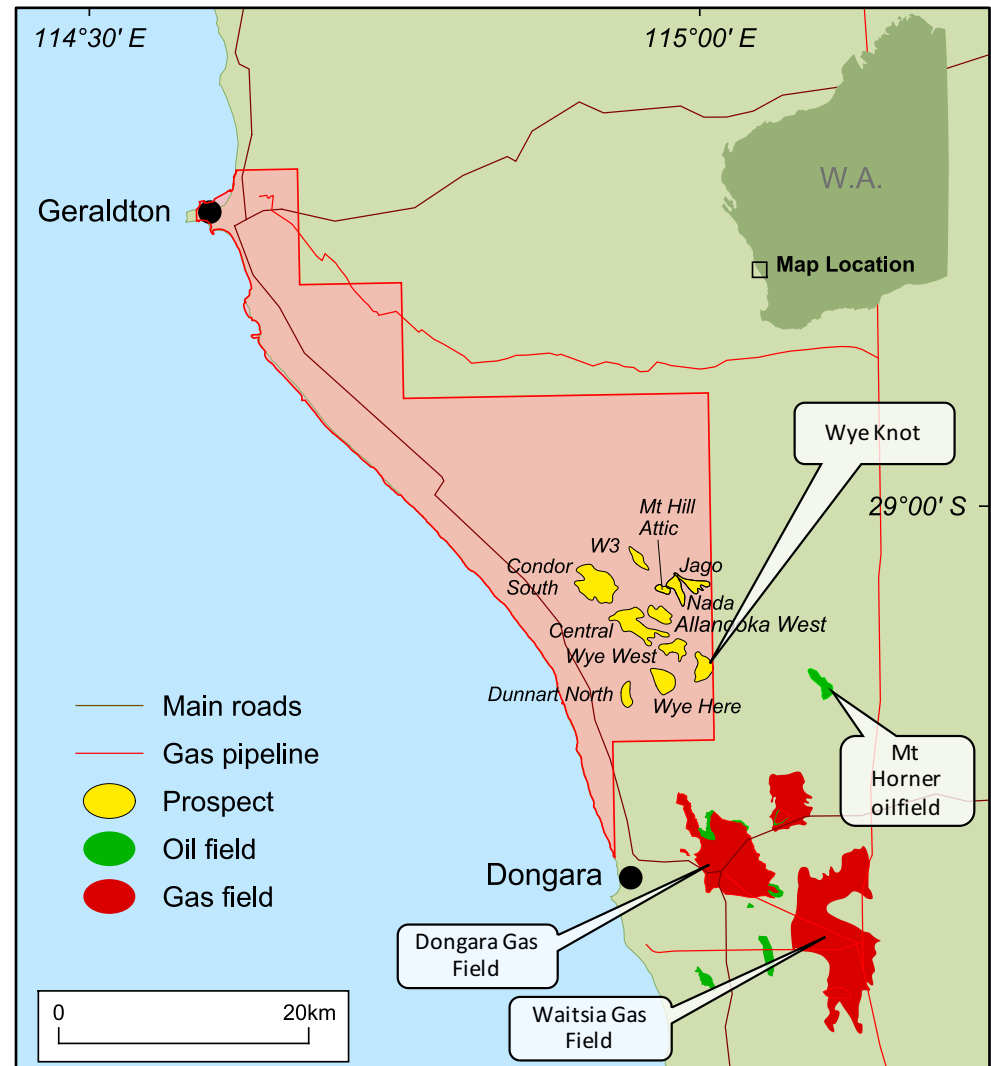
- Operator and 60% interest
- Conventional onshore gas play
- Play confirmed by existing seismic and wells
- Leschenault prospect has potential for up to 1.6 TCF gas
- Close to infrastructure; DBNGP pipeline crosses Leschenault prospect
- Positive results from recent airborne geophysical survey support prospectivity
- Geochemical survey planned to de-risk prospect in mid 2017
- Drilling commitment by March 2019



High impact, low cost, onshore gas exploration

EP437: Northern Perth Basin

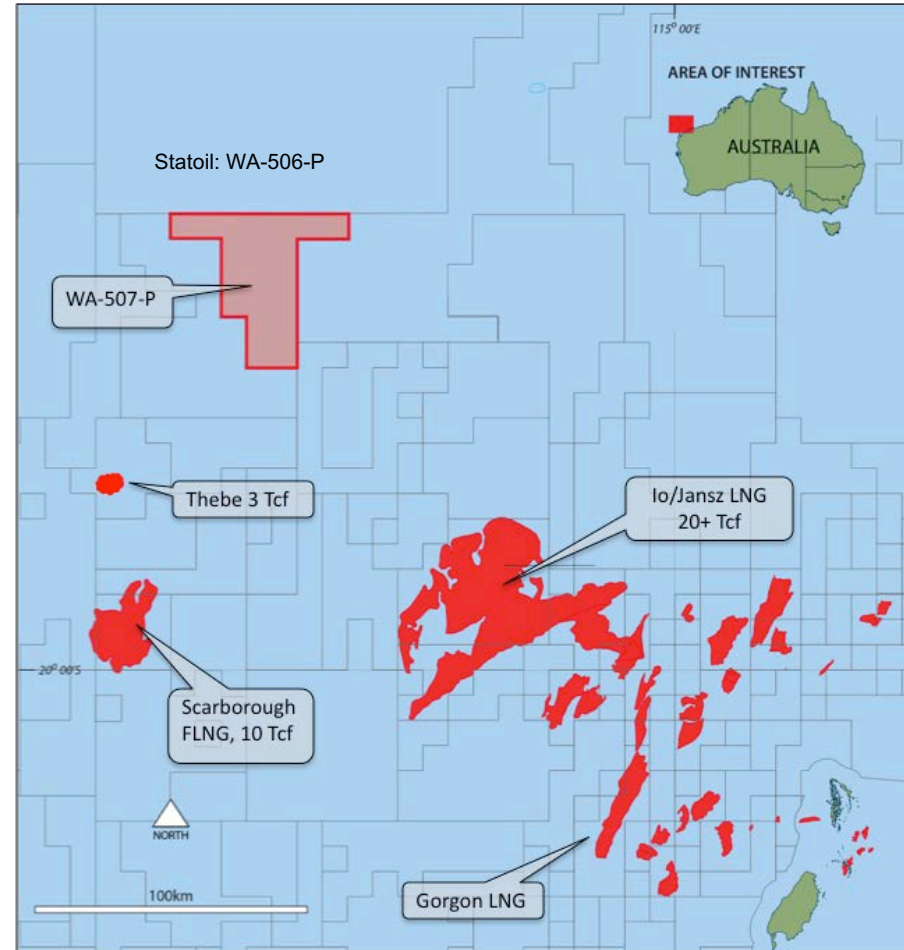
- 13% interest (Operator Key Petroleum)
- On trend with multiple significant oil & gas discoveries
- Multiple prospects identified
- Wye Knot oil prospect to be drilled in 2017
- Targeting down-dip oil leg from Wye-1 gas discovery
- Wye Knot prospective resources up to 6.1 MMbbls
- Proximity to infrastructure enables even small discoveries to be profitable
- Low cost exploration with affordable near-term commitments



Low cost onshore oil & gas exploration

WA-507-P: Northern Carnarvon Basin

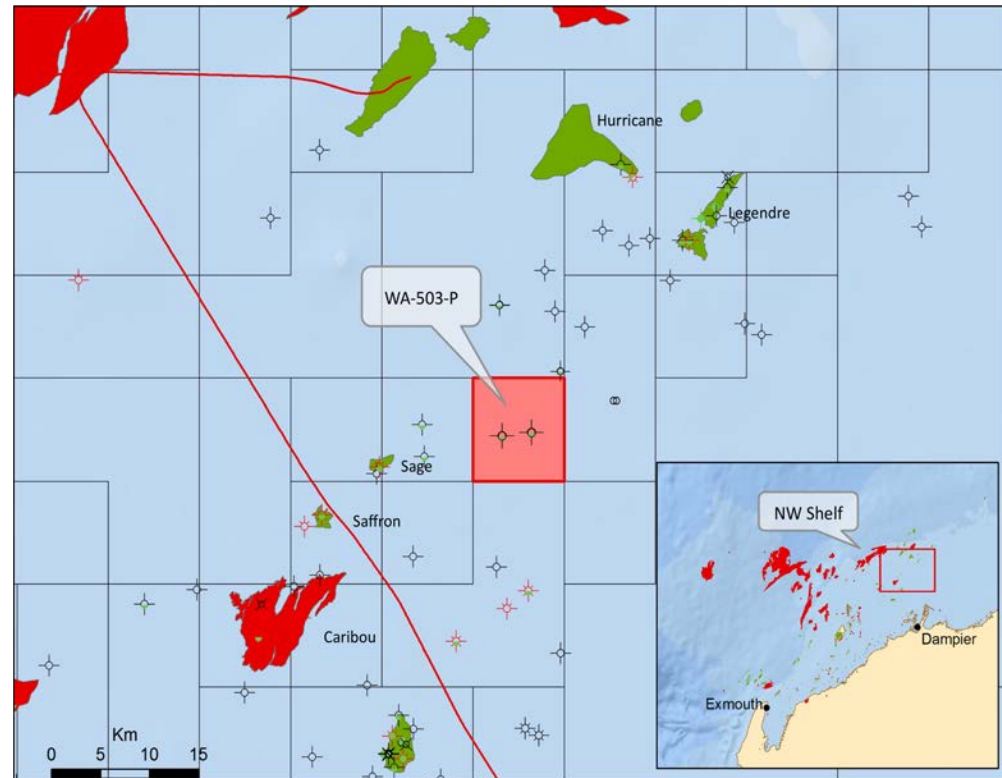
- Operator and 80% interest
- Large block within prolific Northern Carnarvon Basin gas province
- Primary term seismic license commitment fulfilled
- No significant commitments until “Drill or Drop” decision by November 2019
- Three large gas/oil prospects identified on existing 3D seismic data
- Independently assessed prospective resources, by Gaffney Cline & Associates
- Best case 1.5 Billion Barrels oil, or 10 Tcf gas
- Statoil investing heavily in exploration of adjacent WA-506-P



Very high impact deep water oil & gas exploration

WA-503-P: Inboard North West Shelf

- Operator and 80% interest
- Located in shallow water on Legendre oil trend
- Three prospects identified on existing 3D seismic data
- Prospective resources independently confirmed by GCA
- Individual prospect prospective resources up to 73 MMbbls
- 80km² 3D seismic commitment remains in primary term
- Low cost seismic contract in place
- Acquisition timing to be confirmed, subject to vessel availability
- Drilling commitment in optional, secondary term



High impact, shallow water oil exploration

Prospective Resources

Permit	Oil/Gas	Low Case MMBOE	Best Case MMBOE	High Case MMBOE
WA-507-P	Oil/Gas	604	1,581	3,600
WA-481-P	Oil (Gas)	138	248	436
WA-503-P	Oil	16	46	107
EP416/480	Gas	45	121	266
EP437 (Wye Knot)	Oil	0.2	1.4	6.1
<i>Total</i>		<i>803</i>	<i>1,997</i>	<i>4,415</i>

Notes:

1. All quoted prospective resources are gross (100%) on-block and quoted in Million Barrels of Oil Equivalent (MMBOE)
2. For WA-507-P the quoted prospective resources are the arithmetic sum of the three leads identified by Pilot Energy and. The leads are prospective for oil or gas, or a combination of oil and gas. Refer to Company ASX announcements of 25 February 2015 and 20 October 2015.
3. For WA-503-P the quoted prospective resources are the arithmetic sum of the three leads identified by Pilot Energy, and individually assessed by GCA. Refer to Company ASX announcement of 3 March 2016.
4. For EP416/480 the quoted prospective resources are the arithmetic sum of the two reservoirs within the single lead identified by Pilot Energy, and are independently verified by RISC.. Refer to Company ASX announcement of 7 November 2016.
5. For WA-481-P the quoted prospective resources are the arithmetic sum of the thirteen prospects identified by Pilot Energy. Refer to Company ASX announcement of 30 January 2017.
6. For EP437 the quoted prospective resources are the arithmetic sum of two prospective reservoir intervals for the Wye Knot prospect only. Refer to Company ASX announcement of 19 December 2016.

Independent Expert's Valuation

BDO Corporate Valuation	Low Value Cents per share	Preferred Value Cents per share	High Value Cents per share
Value of Pilot Energy following completion of the Transaction (cornerstone investment) on a minority basis	0.38	0.62	0.88

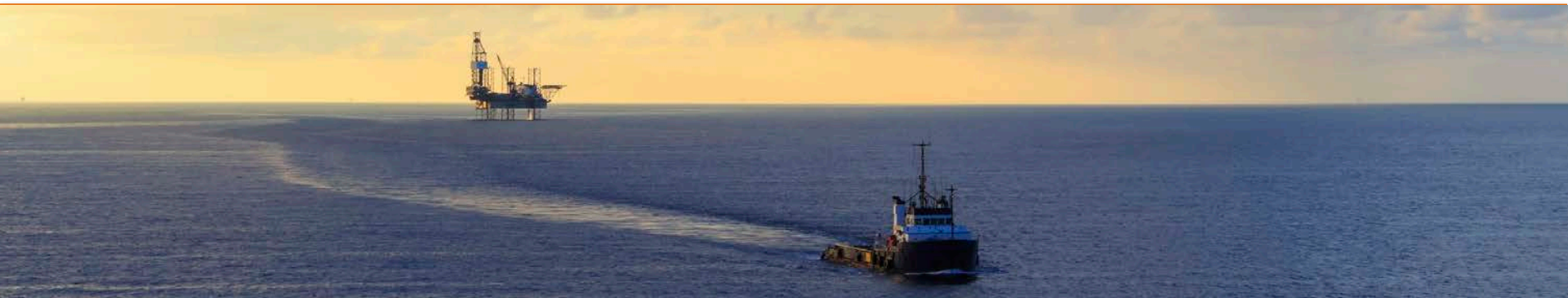
RISC Asset Valuation	Low Value US\$MM	Midpoint Value US\$MM	High Value US\$MM
WA-507-P	3.0	14.5	29.0
WA-503-P	0.6	1.2	13.2
EP416 & EP480	0.3	0.3	0.3
EP437	0.0	0.1	0.2
Total Exploration Permits Value	3.9	16.2	22.7
Pilot Energy's interest in exploration assets on a portfolio basis	9.7	16.2	22.7

Source: BDO Independent Expert's Valuation Report, and associated Independent Technical Specialist Report by RISC (May 2016).

WA-481-P not included as acquired subsequent to completion of report.

In Summary

- Leading prospective resources position among peers
- Managing risk through portfolio diversity and low work commitments
- Experienced team with solid track record and significant personal investment in company
- Delivering against a clear, counter-cyclical growth strategy
- Demonstrated ability to consistently acquire quality assets at minimal cost
- Sufficiently funded to unlock significant value from existing projects
- Drilling activity in 2017
- Maintaining commercial discipline and control, as Operator
- Optimally positioned for industry turnaround with associated improvement in farmout market



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