

ASX Announcement

24 April 2016

PILOT ENERGY RAISES \$720,000 AT 0.3 CENTS PER SHARE

Highlights

- **Pilot Energy raises \$720,000 at 0.3 cents per share**
- **Placement of 240 million shares to Giant Rainbow Investments Limited**
- **Placement price represents a 67% premium to the 30 day VWAP**
- **Funds strengthen balance sheet for continued development of exploration portfolio, plus additional working capital**

Pilot Energy Ltd (**Pilot Energy**, or the **Company**, ASX: PGY) is pleased to announce that the Company has executed a Share Subscription Agreement (**SSA**) with Giant Rainbow Investments Limited (**Subscriber**) to raise \$720,000 (**Placement**).

The Placement will comprise an issue of 240 million ordinary shares, at a price of 0.3 cents per share; a 67% premium to the 30 day VWAP of 0.18 cents per share.

The Subscriber is a private entity, registered in the British Virgin Islands, and is deemed a related party due to the fact its principal has an association with Pilot Energy's Chairman, Mr Wilson Xue.

As the shares are being issued to a related party, the Placement requires shareholder approval pursuant to rule 10.11 of the ASX Listing Rules. The issue also requires shareholder approval pursuant to S195(1) of the Corporations act, as due to potential conflicts of interest only one of the Company's directors is deemed able to vote on the resolution to issue the shares.

A Notice of Meeting will be issued in due course, for a meeting to be held in June 2017. As the proposed placement is to a related party, the notice will include an Independent Expert's Report which will opine on whether the transaction is fair and reasonable to existing shareholders.

The Company looks forward to providing updates regarding the Placement as the transaction progresses towards completion.

Enquiries

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About Pilot Energy: Pilot Energy Ltd is an emerging junior oil and gas exploration company that is implementing a low-cost, counter-cyclical strategy to develop a portfolio of high quality oil and gas exploration assets. The Company's aggressive new ventures program has rapidly resulted in acquisition of material working interests in the WA-481-P, WA-507-P, WA-503-P and EP416/480 exploration permits, located offshore and onshore Western Australia, in addition to a minor working interest in the EP437 permit. Key to Pilot Energy's strategy is minimisation of project entry cost and work commitments, while allowing sufficient time to add value through desktop studies prior to seeking farming partners to fund seismic and/or drilling. Pilot Energy works closely with industry partners such as seismic contractors, in order to develop creative pricing models for services that help to reduce the Company's upfront cash investment.