

Pilot Energy Limited

ABN 86 115229 984
Level 12, 225 George Street
Sydney, NSW 2000



1 March 2021

Simon Barcham

Listings Compliance
ASX
Level 40, Central Park,
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Cc: James Rowe

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BY EMAIL:

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james.rowe@asx.com.au;

Dear Mr Barcham,

MARKET UPDATE

Pilot Energy Limited (ASX: PGY) (**Pilot** or **Company**) provides the following update on the recent voluntary suspension and the Royal Energy Acquisition.

Voluntary Suspension

On 10 February 2021, Pilot requested a trading halt (and subsequent periods of voluntary suspension) pending the announcement of discussions relating to a potential acquisition.


Since 10 February 2021, Pilot and the counter party have continued negotiations and are progressing the potential acquisition terms and due diligence. In parallel Pilot is consulting with the ASX on the potential impact that the potential acquisition may have on the Mid West Feasibility Study Reporting Condition (refer to Annexure 1). Pilot confirms it will keep the market informed of any definitive development on either matter. Pilot has requested an extension to the period of Voluntary Suspension through to 15 March 2021.

Royal Energy Acquisition

On 25 September 2020, Pilot announced the acquisition of Royal Energy Pty Ltd (**Royal**) which involves the issue of 143,939,394 Pilot shares to the Royal Vendor's and Royal's corporate advisor. The necessary Shareholders General Meeting notice of meeting and associated independent expert report have been prepared for regulatory review. Once the review process has completed and the documents are finalised, Pilot will call a Shareholders General Meeting. At this stage we estimated that the meeting may be held in April 2021.

This announcement has been authorised by the Board of Pilot.

Yours sincerely,

A handwritten signature consisting of a stylized 'S' followed by a horizontal line that curves upwards at the end.

Sally McDow
Company Secretary

Annexure 1

Feasibility Study Reporting Conditions

1. The Company must continue to spend funds on its existing and proposed oil and gas projects.
2. The Company must disclose in each quarterly activities report until September 2022, the proportion of expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
3. The Company must disclose as separate line items in each quarterly activities report until September 2022, expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
4. Proceeding beyond the feasibility study stage of the Project (or incurring expenditure in excess of the budgeted feasibility expenditure in relation to the Project) constitutes 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 feasibility study or incurs expenditures in excess of the budgeted feasibility expenditure on the Project.

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Dear Mr Barcham,

REQUEST FOR AN EXTENSION OF VOLUNTARY SUSPENSION

Pilot Energy Limited (ASX: PGY) (**Pilot** or **Company**) requests an extension of the voluntary suspension of trading in its securities effective from the commencement of trading on Monday, 1 March 2021.

In accordance with Listing Rule 17.2, Pilot makes this request for an extension of voluntary suspension to enable the Company to respond to an ASX Price Query Letter that it received from the ASX on Wednesday 10 February 2021.

It is expected that the voluntary suspension will last until the commencement of trading on Monday, 15 March 2021, or Pilot releasing an announcement to the market responding to the ASX Query Letter, whichever occurs earlier.

Pilot is not aware of any reason why the extension of the voluntary suspension should not be granted.

This extension of voluntary suspension request has been authorised by the Board of Pilot.

Yours sincerely,

Sally McDow

Company Secretary