

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



31 May 2021

ASX ANNOUNCEMENT

(ASX: PGY)

COMPLETION OF ROYAL ENERGY ACQUISITION AND CHANGES TO PILOT'S EXECUTIVE TEAM

ROYAL ENERGY COMPLETION

Pilot Energy Limited (**Pilot** or **Company**) is pleased to advise that the acquisition of 100% of the issued share capital in Royal Energy Pty Ltd (**Royal Energy**) has today completed in accordance with the Share Sale Deed between the Company and Royal Energy dated 25 September 2020.

Further to Pilot's announcement on 25 September 2020, in consideration for the transfer of all the issued shares in Royal Energy, Pilot has issued a total of 143,900,000 shares in the Company to the Royal Vendors and advisers to the transaction RFC Ambrian Limited, collectively representing no more than 38.3% of all the Pilot shares on issue. No single Royal Vendor holds more than 7.5% of the Company.

Pilot now owns a 21.25% indirect economic interest in the Cliff Head Oil Field Joint Venture and associated infrastructure and assets through Royal Energy's 50% interest in Triangle Energy (Operations) Pty Ltd, the Cliff Head Oil Field Joint Venture Operator.

CHANGES TO PILOT'S EXECUTIVE TEAM

Pilot is also pleased to announce that with the Completion of the Royal Energy transaction, Mr. Tony Strasser (CEO and Managing Director, Royal Energy) will become the Managing Director of the Company, responsible for the overall day-to-day executive management of the Company. Mr. Brad Lingo will remain as Pilot's Executive Chairman and will focus specifically on driving the Mid West Wind and Solar Project.

Mr. Strasser brings extensive oil and gas company leadership and management experience in both listed and unlisted oil and gas companies. He has a strong record of project management, having successfully led the first non-Exxon/BHP offshore FPSO development in the Bass Strait. He is a qualified Chartered Accountant with extensive experience in corporate finance, M&A and capital raising with a strong pedigree in capital management and corporate governance. He led Anzon Energy Limited to successful IPO's on the ASX and London's AIM stock exchange. Mr. Strasser was the co-founder of Bridgeport Energy Limited and Royal Energy.

As Managing Director, Mr. Strasser has entered into an employment agreement with the Company with immediate effect which provides for the following key terms:

- Remuneration: \$350,000 per annum plus statutory superannuation;
- Annual short term incentive (**STI**) bonus of up to 50% per annum of fixed remuneration, subject to the achievement of performance criteria; and
- Long term incentive shares (**LTI**) in the Company to be agreed under the LTI plan. The amount of the LTI will be confirmed by the Board of Directors.

Mr Strasser has also received 21,766,136 shares in the capital of the Company (5.95%) in consideration for his transfer of Royal Energy shares to the Company.

The Board of the Company now comprises Mr. Brad Lingo – Executive Chairman, Mr. Tony Strasser – Managing Director, Mr. Bruce Gordon – Non-executive Director and Mr. Daniel Chen – Non-executive Director. As noted in Pilot's previous announcement on 25 September 2020, Mr. Mike Lonergan has, effective as of today's completion of the Royal Energy transaction, retired from the Pilot Board, and Mr. Michael Arnett has retired from the board of Royal Energy, effective today. The Board would like to thank Mr Arnett for his valuable contribution and service to Royal Energy since 2017.

The Board of Pilot would like to thank Mr. Lonergan for his efforts in building the Company's position in the Perth Basin and supporting the plan to maximise the Company's position in the offshore Perth Basin through both the Royal Energy acquisition and the Company's focus on pursuing the World – class offshore wind resource of the offshore Perth Basin. In stepping down from the Board, Mr. Lonergan will continue on in an executive position with the Company as Head of Upstream.

This announcement has been authorised by the Board of Directors of Pilot.

Enquiries

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About Pilot Energy: Pilot Energy Ltd is a junior oil and gas exploration company that is aggressively pursuing the transition from oil and gas exploration and production to the development of integrated renewable energy, hydrogen and carbon management projects leveraging existing oil and gas assets to cornerstone these developments. The Company's focus on the energy transition has resulted in the company undertaking the acquisition of Royal Energy Pty Ltd as the holder of a 50% interest in the operator of the Cliff Head Oil Field and commencing detailed feasibility studies for the development of the Mid-West Wind and Solar Project and the South West Blue Hydrogen and CCS Project. The Company holds 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 the Mid-West Wind and Solar and the South West Blue Hydrogen and CCS Projects.