

Pilot Energy Limited

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28 June 2021

ASX: PGY

For Release

FIRM COMMITMENTS FOR A CAPITAL RAISING OF \$8 MILLION

Highlights

- Firm commitments for \$8 million (before costs of the offer) in a placement to sophisticated, institutional and professional investors arranged by Bridge Street Capital Partners Pty Ltd (**Bridge Street**).
- Strong support from new and existing shareholders, looking for exposure to the oil & gas, hydrogen and renewable energy sectors.

Overview

Pilot Energy Limited (**Pilot/Company**) (ASX:**PGY**) is pleased to announce that it has received firm commitments for \$8 million in a placement to new and existing sophisticated, institutional and professional investors. Strong interest was shown in the placement along with support for the Company's strategic focus of continuing its oil and gas exploration and production operations and transitioning to the development of integrated renewable energy, hydrogen and carbon management projects leveraging its existing oil and gas infrastructure to cornerstone these developments.

Capital Raising

The Company appointed Bridge Street Capital Partners Pty Ltd (**Bridge Street**) to act as lead manager for this capital raising.

Under the terms of the placement the Company has agreed to issue 133,333,333 fully paid ordinary shares in the capital of the Company (**Shares**) to sophisticated and professional investor clients of Bridge Street at an issue price of \$0.06 per Share to raise \$8 million before costs (**Placement**). The issue price of \$0.06 per share represents a 26.8% discount to the last closing price of \$0.082 per Share (10 February 2021).

Under the terms of its lead manager mandate, Bridge Street will be paid a management fee of 2% and a placement fee of 4% of the total funds raised under the Placement.

The Placement will be executed in two tranches, as per the pro-forma capital structure in the table below.

	Placement		
	Amount	Number of Shares	% Ownership
Existing Shares on issue		365,900,937	73.3%
Placement : Tranche 1	\$ 750,000	12,500,000	2.5%
Placement : Tranche 2	\$ 7,250,000	120,833,333	24.2%
Total	\$ 8,000,000	499,234,270	100.0%
Outstanding Options		65,454,526	

Tranche 1 shares will be issued utilising the Company's available capacity under ASX Listing Rule 7.1. Pilot expects the issue of the Shares under Tranche 1 to occur on around 1 July 2021.

The issue of the Tranche 2 Placement Shares is subject to the Company obtaining shareholder approval for the issue pursuant to ASX Listing Rule 7.1. The Company will convene the general meeting as indicated in the Placement Timetable set out below.

Event	Date
Notice of Shareholder Meeting (NOM) Draft NOM with details of investor commitments lodged with ASX ASX approval of draft NOM (5 business days) Dispatch NOM to shareholders	Friday, 25 th June Friday, 2 nd July Monday, 5 th July
Closing Tranche 1 Settlement of Tranche 1 Dispatch of Holding Statements	Thursday, 1 st July Friday, 2 nd July
Shareholders' Meeting Pilot Shareholders' Meeting approves all resolutions	Wednesday, 4 th August (11.00am)
S713 Cleansing Prospectus Cleansing Prospectus completed and lodged on ASX platform	Monday, 9 th August
Closing Tranche 2 Settlement of Tranche 2 Dispatch of Holding Statements	Tuesday, 10 th August Wednesday, 11 th August
Recommence ASX Trading Pilot shares recommence trading on the ASX	Wednesday, 11 th August

Note: Timetable is indicative only and subject to change at the absolute discretion of Pilot Energy. All dates and times are Australian Eastern Standard Time.

Use of Funds

The following table sets out the proposed sources and uses of the funds associated with the \$8.0 million equity raising.

Funding Uses (\$M)	\$9.0	Funding Sources (\$M)	\$9.0
Oil and Gas	\$3.2	<i>Cash & liquid assets @ Royal Completion (2.06.2021)</i>	\$0.7
Exploration tenement work program	\$1.2	<i>WA - 481 P sale to Triangle</i>	\$0.3
Cliff Head	\$2.0	June 2021 Placement	\$8.0
Blue Hydrogen	\$2.4		
Cliff Head Feasibility	\$0.6		
South West Feasibility	\$0.5		
Blue H2/Co2 capture technology study	\$1.1		
Regional CCS study	\$0.2		
Renewables	\$1.0		
Mid West WSP Feasibility	\$0.8		
Offshore Wind baseline study	\$0.2		
Corporate	\$2.4		
Corporate expenses /working capital	\$1.5		
ASX – Mid West reporting condition Chapter 11 costs	\$0.4		
Capital raise costs	\$0.5		

Reinstatement to ASX Official List

The Company has received advice from ASX of its intention to reinstate Pilot's securities to official quotation subject to satisfaction of certain conditions. Pilot is working towards meeting all these conditions for reinstatement and, subject to satisfaction of those conditions, anticipates achieving reinstatement to the Official List in accordance with the Placement timetable set out above.

Mr Brad Lingo, Executive Chairman said of the strong support of the capital raising:

"The Company is very pleased with the strong backing from existing and new shareholders in supporting the capital raise and the exciting business plan going forward. The next phase of the feasibility studies is crucially important to enabling Pilot to implement its strategic plans and become a leading energy provider of oil & gas, hydrogen and renewables to the Mid West and South West regions of Western Australia."

Approved for release by: The Board of Directors of Pilot Energy Limited

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About Pilot Energy: Pilot Energy Ltd is 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 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.