



2 July 2021

James Rowe
Listings Compliance, Perth
ASX
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

BY EMAIL: james.rowe@asx.com.au

Dear James

PILOT ENERGY LIMITED – ASX PRICE QUERY

We refer to your letter of 10 February 2021 (**Price Query Letter**) and respond to your questions as follows:

- 1) **Is Pilot Energy Limited (ASX: PGY) (PGY or Pilot) aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

As at the date of this letter (2 July 2021), PGY is not aware of any information concerning it that has not been announced to the market.

As at the date of the Price Query Letter, while PGY does not consider that the trading between 8 February 2021 and 10 February 2021 (the subject to the Price Query Letter) was the result of any information not released to the market, PGY confirms that at the time of the Price Query Letter, it was in confidential and early-stage negotiations regarding an incomplete, potential transaction.

PGY remains of the view expressed at the time of the Price Query Letter, that the trading in its securities between 8 and 10 February 2021 was due to:

- (a) the positive news in relation to government support for renewable energy projects in the media; and
- (b) BP announcing the deferral of the Crude Oil Supply Agreement termination date from 16 February 2021 to 1 March 2021. As a direct consequence of this announcement, the Cliff Head Oil Field would therefore continue to produce and deliver its product to the BP refinery in Kwinana until that time. (*Note:* At this time, PGY had announced its agreement (on 25 September 2020) to acquire Royal Energy Limited which holds a 21.25% interest in the Cliff Head Oil Field.)

2) **If the answer to question 1 is “yes”.**

- a) **Is PGY relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in PGY’s securities would suggest to ASX that such information may have ceased to be confidential and therefore PGY may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.**

Yes.

As noted above, at the date of the Price Query Letter, PGY was in confidential early-stage negotiations in relation to an incomplete, potential transaction.

At the time of receiving the Price Query Letter, the relevant negotiations were early stage, subject to due diligence, incomplete and remained confidential. Accordingly, PGY did not disclose any details to ASX, in reliance on Listing Rule 3.1A.

- b) **Can an announcement be made immediately? Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).**

No. The potential acquisition opportunity for the Company of a renewable energy project has, following engagement with ASX and further internal review, been terminated by the Company and will accordingly not be proceeding.

In order to facilitate the Company’s pursuit of its business strategy, it proposes initially to undertake a detailed feasibility study (the **Mid West feasibility study**) of the development of an offshore wind and onshore wind and solar power project to be located along the offshore/onshore coast of the Mid West Region of Western Australia (**the Wind & Solar Project**).

In connection with this intention, PGY acknowledges and accepts the decision of ASX (provided on 3 September 2020) regarding the application of Listing Rule Chapter 11 to the Wind & Solar Project:

- Assessing the feasibility of the Wind & Solar Project does not constitute a change in the nature and scale of PGY’s activities in terms of Listing Rule 11.1 subject to the following conditions:
 - PGY must continue to spend funds on its existing Oil & Gas projects and the Royal Oil & Gas projects;
 - PGY must disclose, in each quarterly activities report, the proportion of expenditure incurred in relation to exploration and evaluation on the oil & gas projects, and the Wind & Solar Project; and
 - PGY must disclose as separate line items in each quarterly cashflow report expenditure incurred in relation to the exploration and evaluation expenditure on the oil & gas projects, and the Wind & Solar Project.

PGY acknowledges that proceeding beyond the feasibility study stage of the Wind & Solar Project (or incurring expenditure in excess of the \$1,200,000 in relation to the Wind & Solar Project) will constitute a change in the nature and scale of PGY’s activities in terms of Listing Rule 11.1. and PGY will be required under Listing Rule 11.1.3 to comply with all of the requirements of Chapters 1 and 2 of the Listing Rules and, in particular, Listing Rule 11.1 condition 1, before it proceeds beyond the feasibility study or incurs expenditure in excess

of the \$1,200,000 on the Wind & Solar Project.

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?**

Refer to response to 2(b), the Announcement has now been released.

- 3) If the answer to question 1 is “no”, is there any other explanation that PGY may have for the recent trading in its securities?**

Not applicable.

- 4) Please confirm that PGY is in compliance with the Listing Rules, and in particular Listing Rule 3.1.**

PGY confirms it is in compliance with the ASX Listing Rules, including Listing Rule 3.1.

- 5) Please confirm that PGY’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.**

PGY confirms its responses to the above questions have been authorised and approved by its Board.

For and on behalf of the Board

For further information contact:

Cate Friedlander

Pilot Energy Limited

Company Secretary

Email: cfriedlander@pilotenergy.com.au



10 February 2021

Reference: 30711

Ms Lisa Dadswell
Company Secretary
Pilot Energy Limited

By email:

Dear Ms Dadswell

Pilot Energy Limited ('PGY'): Price and Volume - Query

ASX refers to the following:

- A. The change in the price of PGY's securities from a low of \$0.049 at the commencement of trading on Monday, 8 February 2021, to an intraday high of \$0.082 today.
- B. The significant increase in the volume of PGY's securities traded from 8 February 2021 to 10 February 2021.

Request for information

In light of this, ASX asks PGY to respond separately to each of the following questions and requests for information:

1. Is PGY aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is PGY relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in PGY's securities would suggest to ASX that such information may have ceased to be confidential and therefore PGY may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that PGY may have for the recent trading in its securities?
4. Please confirm that PGY is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PGY's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:30 PM AEDT Wednesday, 10 February 2021**. You should note that if the

information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PGY's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PGY to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PGY's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PGY's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PGY's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PGY's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Simon Barcham
Adviser, Listings Compliance (Perth)