

Pilot Energy Ltd

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Announcement to ASX 28 July 2021

JUNE 2021 QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

HIGHLIGHTS

- Firm commitments received for \$8 million equity capital raise via Tranche 1 firm and Tranche 2 conditional placement to institutional and sophisticated investors, anticipated to be completed by 10 August 2021.
- Tranche 1 equity placement completed at the end of June 2021 (\$0.75million).
- Receipt of Tranche 2 equity placement funds (\$7.25 million) subject to shareholder approval at the General Meeting to be held on 4 August 2021.
- Bridge Street Capital Partners was lead manager of the successful capital raising and has supported the Company's business transformation over the past twelve months as corporate advisor.
- Company has progressed a pathway with the ASX for reinstatement of Pilot's securities to the ASX Official List subject to satisfaction of certain conditions. Subject to satisfaction of those conditions, Pilot anticipates achieving reinstatement to the Official List on 11 August 2021.
- Completed the acquisition of Royal Energy Pty Ltd (and interest in the Cliff Head Oil Field) on 1 June 2021. Following completion, Tony Strasser (Managing Director) and Bruce Gordon (Non-Executive Director) joined the Pilot Board and executive team.
- Workover activities commenced at Cliff Head in relation to CH-6 to replaced failed ESP and reconfigure the CH-11 completion to increase production.
- Subsequent to the end of the quarter, Pilot and Advanced Energy Transition Pty Ltd agreed indicative terms to fully fund one exploration well in either EP 416 or EP 480 which overlie the Western Australian Government-sponsored South West Hub Carbon Capture & Storage Project.

Pilot Energy Limited (ASX: PGY) ("Pilot" or "the Company") is pleased to provide the following update on its operational and corporate activity for the quarter ended 30 June 2021.

OPERATIONS REPORT

Cliff Head Joint Venture

Effectively held by the following group entities:

- Triangle Energy (Global) Limited (ASX: TEG) ("Triangle"): 78.75%
- Pilot Energy Limited: 21.25%

The Cliff Head Joint Venture ("CHJV") continued to produce and deliver crude oil to BP Refinery (Kwinana) Pty Ltd ("BP Kwinana") during the quarter. As the acquisition of Royal Energy completed on 1 June 2021, the relevant information applies for accounting purposes from 1 June 2021 for this period.

Notwithstanding, the key operational statistics for the quarter for the CHJV (100% basis) are set out in the table below.

| April - June 2021 | CHJV (100%) | PILOT (21.25%) |
|--|--------------|----------------|
| Production (bbls) | 61,075 | 12,979 |
| Average daily production (bopd) | 671 | 143 |
| Sales (bbls) | 25,850 | 5489 |
| Average oil price received \$ per bbl | 78 | 78 |
| | | |
| Sales revenue (\$'000) | 2,223 | 472 |
| Oil Inventory (55,661 bbls) (\$'000)* | 2,489 | 529 |
| Routine operating costs (\$'000) | (2,568) | (546) |
| Operating Margin (\$'000) | 2,144 | 456 |
| Trucking (\$'000) | (299) | (64) |
| Routine Profit (\$'000) | 1,845 | 392 |
| Non-routine operating costs (\$'000) | (1,057) | (225) |
| Gross Profit (before tax, \$'000) | 788 | 167 |

Notes:

*Crude oil delivered and stored at BP Kwinana recorded as inventory until sale/offtake agreement is finalised

**Figures may differ immaterially to Triangles reported numbers due to the exchange rate applied to sales revenue and trucking recognition

*** Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in Triangle Energy (Operations) Pty Ltd ("TEO") which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

From 1 March 2021, crude oil delivered to BP Kwinana is recorded as crude oil inventory until the offtake arrangements are concluded. As per the table above there was a sale of 25,850 bbls to BP (Singapore) in May 2021. Cliff Head financials continue to improve as a result of the increase in the crude oil price. Operating costs continue to be in line with budget estimates.

During the quarter, the Company notes the announcement by Triangle, dated 22 April 2021, that TEO (operator of Cliff Head project) had entered into a binding agreement with BP Kwinana in relation to the storage of crude oil produced at the Cliff Head project. Triangle has also agreed terms with BP Singapore Pte Ltd (BP Singapore) in a non-binding term sheet for a related offtake agreement.

As announced on 29 June 2021, workover activity on the CH6 well, due to Electrical Submersible Pump failure, and CH11 Water Injector slickline intervention campaigns commenced at the end of June 2021 with the aim to increase production at Cliff Head. This work is anticipated to be completed by August 2021.

During the quarter, the CHJV has continued with a farmout campaign, to seek interested parties to participate in the drilling of West High, Mentelle and/or SE Nose development opportunities and prospects. A number of companies are still evaluating the opportunity. The CHJV has also continued well planning for these opportunities targeting a drilling campaign during the first half of 2022. Well planning activities are moving into the detailed design phase to meet a 2022 drilling timetable.

Blue Hydrogen and Renewables Feasibility studies

During the quarter, Pilot continued to finalise arrangements with four key contractors readying the Company to commence the feasibility studies subject to Pilot shareholders approving the capital raising at the General Meeting ("GM") to be held on 4 August 2021 and the commencement of Pilot shares trading on the ASX.

In this regard, Pilot is preparing to undertake three studies focused on the Mid West region and an additional study focused on the South West region. The following table provides an overview of the studies and forecast timing.

| Feasibility Study | | Forecast total cash cost | Timing |
|---------------------------------|--|--------------------------|-------------------|
| Blue Hydrogen Studies | | | |
| 1. | Mid West Blue Hydrogen & CCS | \$0.6m | Q3 FY21 – Q2 FY22 |
| 2. | Blue Hydrogen and CO2 technology study | \$0.9m | Q3 FY21 – Q2 FY22 |
| 3. | South West Blue Hydrogen & CCS | \$0.6m | Q3 FY21 – Q2 FY22 |
| Renewables Study | | | |
| 1. | Mid West Wind & Solar | \$0.9m | Q3 FY21 – Q2 FY22 |
| Total forecast cash cost | | \$3.0m | |

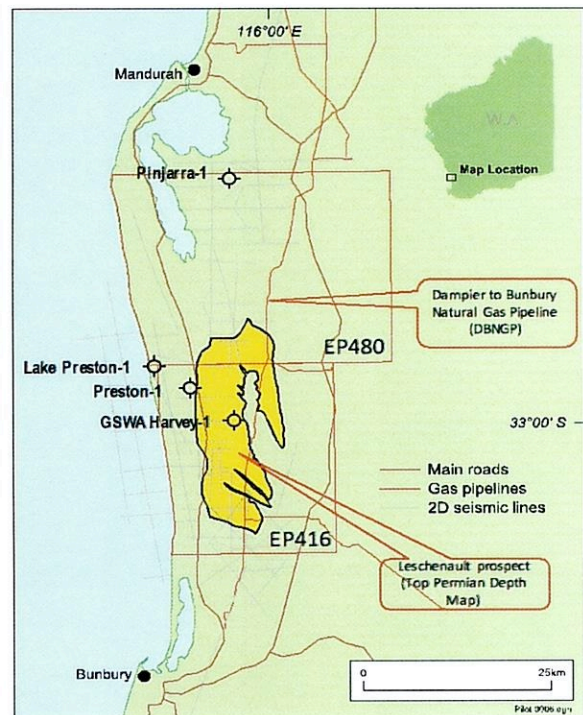
Further details on the feasibility studies and contractors will be provided prior to the commencement of the studies.

South West Exploration Permit Farmin

Subsequent to the end of the quarter, Pilot and Advanced Energy Transition Pty Ltd ("AET") reached agreement to a farmin by AET into a 50% interest in a future retention lease or future production licence granted to Pilot by fully funding the drilling of one exploration well in Exploration Permit EP 416 or EP 480 to test the natural gas potential of the Leschenault Gas Prospect (see map below) in the primary reservoir target of the Permian Sue Group sandstone and the Triassic age Lesueur sandstones.

As a secondary target of the Leschenault Gas Prospect exploration well, Pilot and AET also intend to confirm that the key carbon sequestration reservoirs focused on as part of the South West Hub Carbon Capture and Storage ("CCS") Project are also present in the exploration well and suitable for carbon sequestration as part of the overall project. The Company sees establishing the suitability of the exploration well location for carbon sequestration and as part of the overall South West Hub CCS Project as a key step in assessing the feasibility of the development of the company's previously outlined South West Blue Hydrogen and Carbon Management Project. Further details on the transaction are set out in the Company's 14 July 2021 ASX announcement "Pilot Secures Farmin to Exploration Permits EP 416 & EP 480 by Advanced Energy Transition Pty Ltd".

In March 2021, the Company submitted two separate applications to the Commonwealth Government's Carbon Capture, Use and Storage Development Fund and was advised in June, that its applications were not successful. Notwithstanding, Pilot continues to explore funding opportunities under the Commonwealth Government's clean hydrogen/carbon capture initiatives¹ that may be available in late 2021 to support Carbon Capture, Use and Storage ("CCUS") and CCS projects.



Leschenault Gas Prospect in EP 416 and EP 480 and SW Hub CCS Project Harvey-1 CO2 Sequestration Injection Test Well



¹ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/jobs-boost-new-emissions-reduction-projects>

CORPORATE ACTIVITIES

Capital Raising and ASX Conditional re-instatement

During the quarter, the Company and ASX progressed discussions regarding reinstatement of Pilot's securities to the ASX Official List subject to satisfaction of certain conditions. Pilot is working towards meeting the conditions for reinstatement and, subject to satisfaction of those conditions, anticipates achieving reinstatement to the Official List by 11 August 2021.

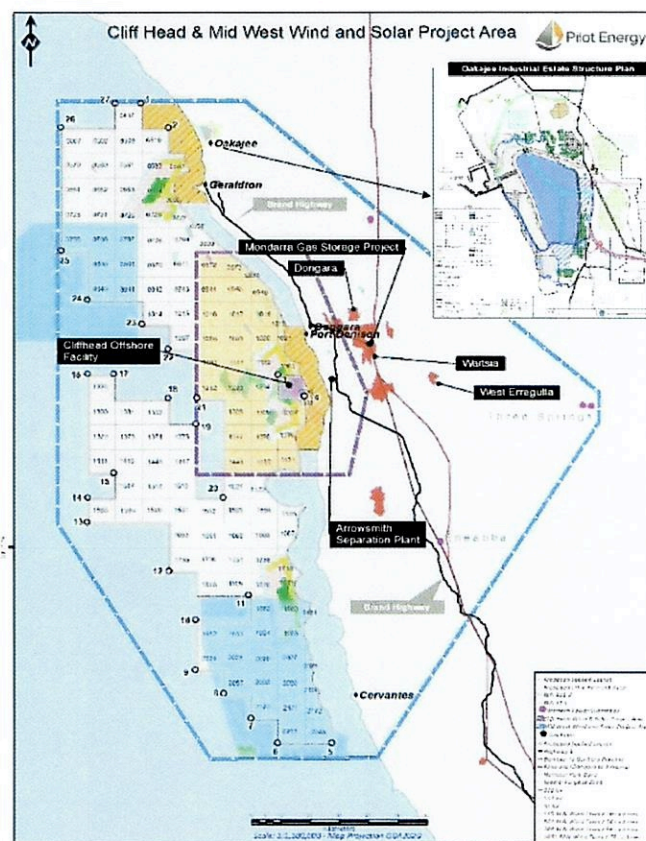
One of the key conditions relates to raising additional funds to support the Company's business plans. On 28 June 2021, the Company announced it had secured firm commitments to raise \$8 million (before costs) over a two-tranche placement to institutional and sophisticated investors. Tranche 1 funds of \$0.75 million were received by 1 July 2021 and the balance of \$7.25 million Tranche 2 funds are subject to Shareholder approval at a GM scheduled for 4 August 2021. Settlement is anticipated to occur on 10 August 2021.

Royal Energy Transaction Completion

The Company continued to receive strong support from Shareholders with the Royal Energy acquisition approved at the 28 May 2021 General Meeting. The Royal Transaction completed 1 June 2021 and following completion Tony Strasser (Managing Director) and Bruce Gordon (Non-Executive Director) joined the Pilot Board and executive team.

WA-481-P Transaction

During the quarter, the Company and Triangle executed the joint venture agreements and access deeds formalising the WA-481-P upstream joint venture and the Cliff Head Wind and Solar joint venture, the signing of which were conditions precedent under the WA-481-P Sale agreement. The remaining condition precedent relates to the Approval and Registration of the transfer of Key's 40% registered interest to Pilot. Completion of the capital raise and reinstatement of Pilot's securities to the ASX Official List are expected to assist with finalising the final transfer of the Key 40% registered interest enabling the WA-481-P sale to complete.



Completion of the transaction is anticipated to occur in August 2021 and on completion:

- Triangle will Pay Pilot \$300,000 in cash and 100% free carry Pilot through the completion of the Year 3 \$5.75 million minimum work programme, with a value of approximately \$1.23 million for Pilot's work programme share;
- Triangle operated WA-481-P Joint venture (78.75% Triangle, 21.25% Pilot) will commence; and
- Pilot operated Cliff Head Wind and Solar joint venture (Pilot 80%, Triangle 20%) will commence.

WA-503-P

As previously advised, on 9 April 2021, the Company was advised by the Joint Authority of its decision to cancel WA-503-P. The Company's application for a Good Standing Agreement was declined in June 2021 arising out of the Joint Venture's submission in mid-2019 that it would not proceed with outstanding minimum work programme activities. The Company is in discussions with the regulator regarding this assessment.

As a result of Black Swan Resources Pty Ltd's acquisition of the permit from Pilot in 2018 not obtaining regulatory approval and subsequent cancellation of the permit, Pilot and Black Swan Resources Pty Ltd have agreed to a settlement consideration of \$100,000 of Pilot shares, with the number of shares to be issued based on the 5-day VWAP after Pilot re-commences trading on the ASX, which is anticipated to occur on 11 August 2021. Final details will be advised once the issue price and share issue details are determined.

Contingent and Prospective resources

The independent technical reports prepared by RISC in support of the Royal Energy acquisition, present an updated report on the Contingent and Prospective Resources associated with the Company's upstream oil and gas assets and the Cliff Head Joint Venture. The Company confirms there are no changes to the information which was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021.

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

Feasibility Study Reporting

During the Mid-West Wind and Solar renewables feasibility period (through to September 2022), the Company is required by the ASX to provide the following additional information on the allocation of expenditure between its oil and gas activities and Mid West Wind and Solar feasibility activities.

| Expenditure Category | Quarterly Expenditure (\$) | Proportion of total expenditure |
|------------------------------------|----------------------------|---------------------------------|
| Oil & Gas Activities | 308,751 | 79% |
| • Cliff Head operations and capex* | 254,546** | 65% |
| • Other Exploration and evaluation | 54,205 | 14% |
| Mid-West Wind and Solar | 83,030 | 21% |
| Total | 391,781 | 100% |

Notes:

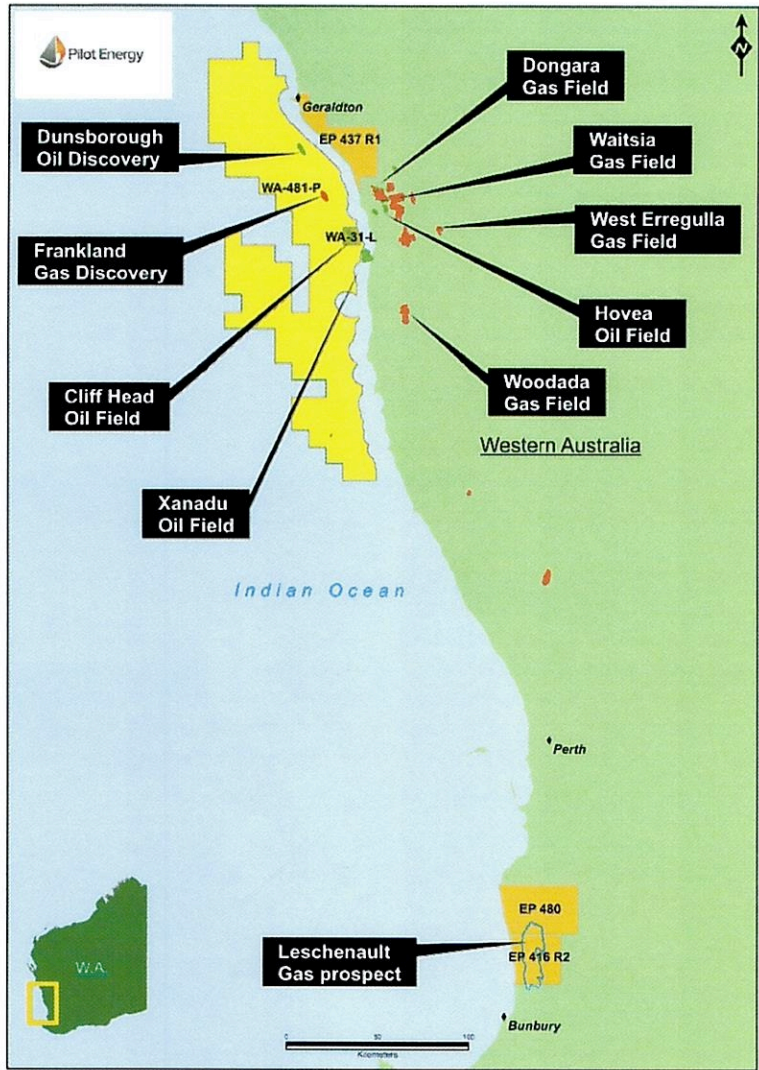
*Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in TEO which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis. As such Pilot's expenditures in the above table represent Pilot's proportionate share of operational/capex expenditure incurred by CHJV. The figures reported in the Appendix 5B sections 3.5 & 3.6 reports only net cashflows to/from TEO.

** Due to the Royal Energy acquisition completing on 1 June 2021, this expenditure is for June only.

ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot's interest in its Oil and Gas tenements which are also presented on the map below.

| Tenement reference | Tenement Location | Interest at beginning of quarter | Interest at end of quarter |
|---|--|----------------------------------|----------------------------|
| WA-31-L ⁱ | Western Australia – Offshore Commonwealth Waters | 0% | 21.25% |
| WA-481-P ⁱⁱ | Western Australia – Offshore Commonwealth Waters | 100% | 100% |
| EP416 | Western Australia – Onshore | 100% | 100% |
| EP480 | Western Australia – Onshore | 100% | 100% |
| EP437 | Western Australia – Onshore | 13.058% | 13.058% |
| WA-503-P ⁱⁱⁱ | Western Australia – Offshore Commonwealth Waters | 80% | 0% |
| i) The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Pilot acquired this indirect interest through its acquisition of Royal Energy on 1 June 2021. | | | |
| ii) Subject to the completion of the sale of an interest to Triangle, the Company will hold a 21.25% non-operated interest. | | | |
| iii) Tenement permit WA-503-P cancelled during the June quarter. | | | |



Pilot Oil and Gas asset map

Competent Person Statement:

This announcement contains information on conventional petroleum resources which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master in Petroleum Engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

This announcement has been authorised for release to ASX by Bradley Lingo and Tony Strasser on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

Cate Friedlander, Company Secretary, email: cfriedlander@pilotenergy.com.au

About Pilot Energy: Pilot Energy Limited 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.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

| |
|----------------------|
| PILOT ENERGY LIMITED |
|----------------------|

ABN

| |
|----------------|
| 86 115 229 984 |
|----------------|

Quarter ended ("current quarter")

| |
|-------------|
| 30 Jun 2021 |
|-------------|

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12months) \$A'000 |
|--|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (137) | (1015) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (173) | (588) |
| (e) administration and corporate costs | (316) | (1,238) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (1) | (2) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (Joint Venture receipts received for prior exploration payments.) | - | 21 |
| 1.9 Net cash from / (used in) operating activities | (627) | (2,822) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | 321 | 321 |
| (e) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (Bank balances of Acquisition (Royal Energy Pty Ltd)) | 250 | 250 |
| 2.6 Net cash from / (used in) investing activities | 571 | 571 |

| | | |
|---|------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | 666 | 3,666 |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (21) | (261) |
| 3.5 Proceeds from borrowings | - | 48 |
| 3.6 Repayment of borrowings | (416) | (446) |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | 229 | 3,007 |

| | | |
|---|-------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 590 | 7 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (627) | (2,822) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | 571 | 571 |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 229 | 3,007 |

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 763 | 763 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 763 | 590 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 763 | 590 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 167 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

| | | |
|-----------|---|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (627) |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | (627) |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 763 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 763 |
| 8.7 | Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 1.2 |

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes:

- Net operating cashflow likely to remain at current levels (Item 1.9)
- Feasibility costs likely to commence in Sept 2021 quarter (Item 2.1(d), in line with business plans.
- Cliff Head working capital requirements will continue (inflows /outflows) (Items 3.5/3.6)

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes.

- As per PGY's ASX Announcement on 28 June 2021, PGY has firm commitments for \$8 million. As of 1 July 2021, \$750,000 (Tranche 1) had been received and the balance (Tranche 2) of \$7.25 million is expected to be completed 10 August 2021.
- In addition, completion of the Triangle Energy WA-481-P sale is expected to increase the Company's cash position by \$300,000 This is anticipated to be completed during August 2021.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. See the responses to 8.8.1 and 8.8.2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 July 2021.....

Authorised by: ...By the Audit Committee.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.