

# Pilot Energy Limited

ACN 115 229 984

## Prospectus

For the offer of 16,666 New Shares at an issue price of \$0.06 to raise \$1,000 (**Offer**).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date without disclosure under Part 6D.2 of the Corporations Act.

### IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. It does not, itself, contain all the information that is generally required to be set out in a full prospectus, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus.

If after reading this Prospectus, you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares being offered by this Prospectus should be considered speculative. The general advice provided in this Prospectus has been prepared without taking into account the specific personal circumstances of investors.

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# IMPORTANT INFORMATION

## General

The Prospectus is dated 9 August 2021 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering. This Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date without disclosure under Part 6D.2 of the Corporations Act

Please refer to **Section 1.1** for further information. No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

The Company has applied to ASX for quotation of the New Shares on ASX.

## Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at <https://www.pilotenergy.com.au/announcements/2021>. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or

it accompanies the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete and unaltered copy of the Prospectus. Any person may obtain a hard copy of this Prospectus by contacting the Company prior to the Closing Date.

## Risk factors

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus

and any such information may not be relied upon as having been authorised by the Directors.

### **Offer restrictions**

The Offer is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

### **Not investment advice or financial product advice**

The information in this Prospectus is not financial product advice and has been prepared without taking into account any person's investment objectives, financial circumstances or particular needs or circumstances. The Company is not

licensed to (and does not) provide financial product advice in respect of the New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the New Shares. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

### **Interpretation**

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 7**.

All references in this Prospectus to **\$, AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Sydney, Australia.

# CORPORATE DIRECTORY

## Directors

Brad Lingo (Executive Chairman)  
Tony Strasser (Managing Director)  
Daniel Chen (Non-executive Director)  
Bruce Gordon (Non-executive Director)

## Company Secretary

Cate Friedlander  
Sally McDow

## Registered Office

Level 12  
225 George Street  
Sydney NSW 2000

## Share Registry

Boardroom Pty Ltd  
Level 12  
225 George Street  
Sydney NSW 2000

## Legal Advisors

MinterEllison  
Level 40, Governor Macquarie Tower  
1 Farrer Place Sydney NSW 2000

## Auditor (for information purposes only)

MNSA Pty Ltd  
Level 1, 283 George Street  
Sydney NSW 2000

## ASX Code

PGY

## Website

[www.pilotenergy.com.au](http://www.pilotenergy.com.au)

## 1. DETAILS OF THE OFFER

### 1.1 Summary of the Offer

The Company invites certain persons by invitation only to apply for up to 16,666 new ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.06 per New Share (**Offer**) to raise up to \$1,000 (before the costs of the Offer).

The Offer will only be extended to selected parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

### 1.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC and ASX	9 August 2021
Opening Date	9 August 2021
Closing Date	5.00pm on 20 August 2021

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases. No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the New Shares is subject to confirmation from ASX.

### 1.3 Rights and liabilities attaching to New Shares

The New Shares to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in **Section 4**.

### 1.4 Minimum subscription

There is no minimum subscription for New Shares under the Offer.

### 1.5 No Underwriting

The Offer is not underwritten.

### 1.6 Applications

An Application under the Offer may only be made by persons on invitation from the Directors and must be made using the Application Form accompanying this Prospectus.

An Application Form must be delivered or mailed together with a cheque on or before the Closing Date to **Level 12, 225 George Street, Sydney, NSW 2000**.

Cheques should be made payable to "**Pilot Energy Limited – Share Offer Account**" and crossed "**Not Negotiable**". Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

Any applicant wishing to use Electronic Funds Transfer as a payment option should contact the Company for instructions.

## 1.7 Issuance

The New Shares will be issued as soon as practicable after the Closing Date. In accordance with section 722(1) of the Corporations Act, until the issue of the New Shares, all Application Monies will be held in trust by the Company. The New Shares will not be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application money will be refunded to unsuccessful applicants without interest as soon as reasonably practicable after the close of the Offer.

## 1.8 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of New Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of the Share offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

## 1.9 CHES and issuer sponsorship

The Company operates an electronic CHES sub-register and an electronic issue sponsored sub-register. These two sub-registers make up the Company's register of Shares.

The Company will not issue a share certificate to a security holder. Rather, a holding statement (similar to a bank statement) will be dispatched to security holders as soon as practicable after allotment of the New Shares the subject of this Offer. The holding statement will be sent either by CHES (if the security holders elect to hold the Shares on the CHES sub-register) or by the Company's Share Registry (if the security holders elect to hold the Share on the issuer sponsored sub-register). The statement will set out details of the New Shares allotted under this Prospectus and the Holder Identification Number (if the security holder elects to hold the Shares on the CHES sub register) or Shareholder Reference Number (if the security holders elect to hold the Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

## 1.10 Privacy statement

The Company's Share Registry collects your personal information to offer you registry and related services, other products and services information, perform administrative and operational functions, and prevent fraud or crime or where otherwise required or authorised by law. The Company may authorise the Share Registry on its behalf to send you marketing material or to include it in a corporate communication. The Company's Share Registry may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. The Company's Share Registry may disclose your personal information to its related bodies corporate and to other individuals or companies who assist it in supplying its services or who perform functions on its behalf, to issuers for whom it maintains securities registers for, or to third parties upon the Company's direction where related to the Company's administration of the securityholding, or where you have otherwise agreed the Share Registry may disclose it. Some recipients may be located outside of Australia – including in the following countries: Canada, New Zealand, the United Kingdom, British Virgin Island, France, Hong Kong, Indonesia, Lichtenstein, Panama, Singapore, Thailand and the United States of America. For further details, including how to access and correct your personal information, and on the Company's Share Registry's privacy complaints handling procedure, please contact the Share Registry's Privacy Officer at [privacyofficer@boardroomlimited.com.au](mailto:privacyofficer@boardroomlimited.com.au) or see its Privacy Policy at <https://boardroomlimited.com.au/corp/privacy-policy/>.

For details on how the Company collects, stores, uses and discloses your personal information, please read the Company's privacy policy available at <https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/PILOT%20ENERGY%20LIMITED%20Privacy%20Policy%20July%202021.pdf> .

### **1.11 Taxation**

It is the responsibility of an investor to satisfy itself of the particular taxation treatment that applies to it in relation to the Offer, by consulting its professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

### **1.12 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company Secretary on 1300 737 760 or [enquires@boardroomlimited.com.au](mailto:enquires@boardroomlimited.com.au).



## 2. PURPOSE AND EFFECT OF THE OFFER

### 2.1 The Offer

Under this Prospectus, Pilot Energy Limited (**Company**) invites certain persons by invitation only to apply for up to 16,666 ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.06 per New Share (**Offer**) to raise up to \$1,000 (before the costs of the Offer).

The Offer will only be extended to selected parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

The New Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in **Section 4**.

### 2.2 Purpose of the Offer (and the issue of this Prospectus)

The Company is seeking to raise only a nominal amount of \$1,000 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The Company has issued or will issue certain Transaction Shares pursuant to the Transactions described below. The Company wishes to ensure that any Transaction Shares issued in connection with the Transactions or otherwise issued prior to the Closing Date are not subject to the secondary sale restrictions in the Corporations Act.

The Company is not able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its securities being suspended from trading on the ASX for more than 5 trading days within the last 12 months. Accordingly, the primary purpose of this Prospectus is to remove any trading restrictions that may attach to Shares issued by the Company before the Closing Date.

### 2.3 Transactions

The Company has recently announced and, in respect of the Royal Acquisition, completed, a series of important transactions and initiatives as follows:

#### (a) **Acquisition of Royal Energy**

On 25 September 2020, the Company announced that it had entered into a Share Sale Deed with Royal Energy Pty Ltd (**Royal**) and the shareholders of Royal pursuant to which the Company agreed to issue 136,363,636 shares in the Company (**Consideration Shares**) to the Royal Vendors and 7,575,758 shares in the Company (**Advisor Shares**) to Royal's advisers to the transaction RFC Ambrian Limited (**RFC Ambrian**). Immediately on issue of the Consideration Shares these shares collectively represented no more than 38.3% of all the Company shares on issue (**Royal Acquisition**).

The Royal Acquisition was approved by the Company's shareholders at the Company's Extraordinary General Meeting on 28 May 2021 and completed on 31 May 2021, pursuant to which the Consideration Shares were issued to Royal shareholders and Advisor Shares to RFC Ambrian.

#### (b) **Contractor Mandate**

The Company engaged Castle Rock Energy Pty Ltd (or its nominees) (**Castle Rock Energy**) to provide ongoing corporate development services in relation to the development of its corporate initiatives, including the Royal Acquisition and the Key Acquisition, under the terms and conditions specified in an engagement letter dated 31 July 2019 as amended (**Contractor Mandate**).

Following receipt of shareholder approval for the purposes of ASX Listing Rule 7.1 and for all other purposes at the December General Meeting, the Company has issued 4,123,485 Shares to Castle Rock Energy.

(c) **Placement**

On 28 June 2021, the Company announced that it received firm commitments for \$8 million in a placement to new and existing sophisticated, institutional and professional investors (**Placement**). Under the Placement, the Company has agreed to issue 133,333,333 fully paid ordinary shares in the capital of the Company (**Placement Shares**) at \$0.06 per Placement Share to sophisticated and professional investor clients of Bridge Street Capital Partners Pty Ltd (**Bridge Street Capital**) to raise approximately \$8 million before costs (**Placement**).

The Placement will be executed in two tranches. Tranche 1 of the Placement, whereby 12,500,000 Placement Shares were issued, occurred on 28 June 2021. The issue of the Tranche 2 Placement Shares was approved by shareholders pursuant to ASX Listing Rule 7.1 at the Company's General Meeting (**GM**) on 4 August 2021.

The Company proposes to issue the Tranche 2 Placement Shares on or around 10 August 2021.

(d) **Black Swan Shares**

As previously advised, on 9 April 2021, the Company was advised by the Commonwealth-Western Australia Offshore Petroleum Joint Authority of its decision to cancel Petroleum Exploration Permit WA-503-P.

As a result of the National Offshore Petroleum Titles Administrator not providing regulatory approval in relation to Black Swan's acquisition of WA-503-P from the Company in 2018, and the subsequent cancellation of WA-503-P, the Company and Black Swan agreed to a settlement consideration of \$100,000 worth of Shares, with the Shares to be issued based on the 5-day VWAP once the Company is reinstated to the official list of ASX and trading in Shares recommences (**Black Swan Shares**).

Completion under each of the Transactions and, relevantly, the issue of the Consideration Shares, Advisor Shares, Contractor Shares, Placement Shares and the Black Swan Shares (together, the **Transaction Shares**) has occurred or will occur prior to the Closing Date of the Offer.

## 2.4 Issued Shares

If securities are issued to an investor without a disclosure document then the on-sale of those securities is generally restricted pursuant to the Corporations Act, unless an exemption applies (such as those under section 708A of the Corporations Act). If the Company does not fall within one of those exemptions, any securities issued to an exempt investor in accordance with section 708 of the Corporations Act may be restricted from on-sale for the first 12 months from the date of issue unless the investor (to whom the securities may be on-sold) also falls within one of the exemptions.

As the Company's Shares have been suspended from trading on ASX for more than 5 days during the 12 months preceding the Lodgement Date, the Company is precluded from relying on lodging a cleansing notice under section 708A(5) of the Corporations Act to remove any such trading restrictions which would otherwise apply in respect of the Transaction Shares or any other Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX (section 708A(11)(a));

- a prospectus is lodged with ASIC either:
  - on or after the day on which the relevant securities were issued but before the day on which the sale offer is made (section 708A(11)(b)(i)); or
  - before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(b)(ii)); and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

In light of the above, this Prospectus has been lodged after the issue of the Consideration Shares, Advisor Shares, Contractor Shares and the Tranche 1 Placement Shares but prior to the issue of the Tranche 2 Placement Shares and the Black Swan Shares. Accordingly, upon issue, the Tranche 2 Placement Shares and the Black Swan Shares will be exempt from the on-sale provisions (see the second bullet point above).

## 2.5 Financial effect of the Offer

After expenses of the Offer of approximately \$45,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$1,000) will be met from the Company's cash reserves and funds raised under the Placement.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$1,000 less costs of preparing the Prospectus of approximately a loss of \$44,000.

## 2.6 The effect of the Offer on the capital structure

The effect of the Offer on the Company's capital structure is set out in the table below.

<b>Class of securities</b>	<b>Lodgement Date</b>	<b>Completion of the Offer</b>
<b>Shares</b>		
Shares	378,400,937	499,250,936
<b>Class of securities</b>	<b>Lodgement Date</b>	<b>Completion of the Offer</b>
<b>Options</b>		
Options exercisable at \$0.033 on or before 18 December 2022	45,454,526	45,454,526
Options exercisable at \$0.066 on or before 13 January 2023	10,000,000	10,000,000
Options exercisable at 150% of the 5-day VWAP, on or before the date being 3 years from the date of issue – the expiry date is expected to be on or around 15 August 2024*	0	2,500,000
Options exercisable at \$0.07 on or before 4 November 2025	10,000,000	10,000,000

\*Note: As part of the overall farmin transaction with AET announced by the Company to ASX on 14 July 2021, the Company agreed that upon execution of definitive binding documents for the farmin, the Company will issue to AET (or its nominee) 2,500,000 three year options with an exercise price and expiry date as set out in the table above.

## **2.7 Effect of the Offer on control**

The issue of the Shares under this Prospectus and under the Placement is not expected to have any material effect on the control of the Company.

## **2.8 Dilution risk**

Given the nominal amount raised under the Offer, there will be minimal dilution impact to exist Shareholders. Each Shareholder's voting power in the Company will be diluted by a negligible amount.

### 3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This **Section 3** identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisor before deciding whether to apply for the Share the subject of this Offer.

#### 3.1 Specific risks

(a) **Additional requirements for capital**

The funding of any further ongoing capital requirements will depend upon a number of factors, including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty. Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

(b) **Exploration, operations and activities risk**

There is no assurance that any exploration or feasibility assessment on current or future interests will result in the discovery of an economic energy project. Even if an apparently viable resource is identified, there is no guarantee that it can be economically developed. The future profitability of the Company and the value of its Shares are directly related to the results of exploration, development and production activities.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction or resource capture costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Additionally, the Company's activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment, the effects of geographical remoteness and current and new regulatory requirements.

(c) **Occupational health and safety**

Exploration and production of oil and gas and more broadly the development of energy projects may expose the Company's staff and contractors to potentially dangerous working environments. If any of the Company's employees or contractors suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

(d) **Environmental matters**

The Company's operations are subject to environmental risks that are inherent in the energy industry. The Company is subject to environmental laws and regulations in connection with any operations that it may pursue. The Company conducts all its activities in an environmentally responsible manner and in accordance with all relevant laws. However, accidents, breaches, non-compliance, unforeseen circumstances or changes to the laws and regulations could result in the Company facing penalties, revocation of permits or extensive liabilities for damages, clean-up costs and / or penalties relating to environmental damage.

Climate change risk is becoming increasingly relevant to the energy industry including new or changing regulation, introduction of carbon taxes, consumer, investor and community action. Climate change may also cause physical and environmental risks that cannot be predicted such as increased severity of weather patterns and incidents of extreme weather events. The Company is not able to accurately predict the effect of changes to environmental laws and regulations and the effect they would have on the cost of doing business.

(e) **Commodity and currency price risks**

The profitability of the Company's operations is directly related to the market price of the commodities. The demand for, and price of oil, gas and energy generally is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company.

International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil prices are unrest and political instability in countries that have increased concern over supply. As oil is principally sold throughout the world in US dollars, any significant and / or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar, could have a materially adverse effect on the Company's operations.

(f) **Reliance on key management**

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise, or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.

(g) **Regulatory risk**

The Company's project interests are governed by Commonwealth and Western Australian acts and regulations that apply to the oil, gas and energy industries, and are evidenced by the granting of approvals, licences or leases. If these approvals, licenses or leases are revoked, then the Company may be unable to fulfil its operational objectives which will likely have a material adverse effect.

There is also the risk that projects which the Company may undertake from time to time do not have a legislative regime which provides operational and legal certainty for the Company in relation to the development of future projects.

The Company's licenses or leases may be subject to ongoing obligations to satisfy minimum activities and expenditure obligations. If these obligations are not satisfied, the relevant license or lease may expire or be forfeited, which would result in a loss of the reserves and resources that may be attributable to the Company's interest in the licenses or leases areas.

(h) **Project development**

Production risks associated with marketability and commerciality of oil, gas and energy to be produced include but are not limited to, reservoir characteristics, market fluctuations, proximity and capacity of infrastructure and process equipment, government regulations and the market price of oil, gas and energy.

Decreases of production or stoppages may result from fluctuations in permeability and flowrates, impurities in the product, facility shut-downs, natural decline, mechanical and technical failures, subsurface complications or other unforeseeable events outside the control of the Company.

(i) **Government policy changes**

The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Policy and legislation may affect the viability and profitability of the Company, and the value of its Shares. Amongst other things, taxation including carbon taxes, permitting and licenses, environmental laws, and labour laws are all affected by legislation and regulation and may have an adverse impact.

(j) **Joint venture operations**

The Company is exposed to the financial risk of its joint venture partners on its projects. Failure of agreement or alignment with joint venture partners could have a material effect on the Company's business. The failure of joint venture partners to meet funding commitments may result in increased costs to the Company. The Company is unable to predict the risk or financial failure of joint venture partners.

## 3.2 General Risks

(a) **Coronavirus (COVID-19) risk**

The outbreak of the coronavirus (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

(b) **Investment risk**

The Shares to be issued pursuant to this Prospectus should be considered speculative. It carries no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above

or below the Offer Price paid for the Shares. While the Directors recommend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(c) **Share market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the Company.

(d) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(e) **Taxation**

The acquisition and disposal of the Shares the subject of this Offer will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring the Shares the subject of this Offer from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for the Share under this Prospectus.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the



Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may materially affect the financial performance of the Company and the value of the Company's Shares.

## 4. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution (a copy of which is available for inspection at the Company's registered office during normal business hours).

### (a) Ranking of Shares

At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the Placement Shares offered under this Prospectus will rank equally with existing Shares on issue.

### (b) Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each individual present who is a member, or a proxy, attorney or representative of a member has one vote on a show of hands, and on a poll has one vote for each Share held.

### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to the dividend (at present there are none), the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares in proportion to the amount paid up.

### (d) Dividend reinvestment plan

Subject to the ASX Listing Rules and the Corporations Act, the Board may implement a dividend reinvestment plan under which any dividend or other cash payment in respect of a Share or convertible security may, at the election of the person entitled to it, be:

- (i) retained by the Company and applied in payment for fully paid Shares issued under the plan; and
- (ii) treated as having been paid to the person entitled and simultaneously repaid by that person to the Company to be held by it and applied in accordance with the plan.

### (e) Variation of rights

The rights attaching to the Shares may only be varied or cancelled by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of the affected class.

### (f) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances where the applicable laws permit it to do so.

(g) **General meetings**

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(h) **Unmarketable parcels**

The Board may sell a share that is part of an Unmarketable Parcel if:

- (i) the Board gives written notice to a member who holds an Unmarketable Parcel stating its intention to sell the Unmarketable Parcel; and
- (ii) the Board specifies a date (at least six weeks after the notice is sent) by which the member may give the Company written notice of their intention to retain the holding,

so long as the Company does not sell an Unmarketable Parcel if it receives written notice that the member wants to keep the Unmarketable Parcel.

The Board may refuse to register a transfer of shares where the registration of the transfer would create a new holding of an Unmarketable Parcel

(i) **Rights on winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (i) divide amount the Shareholders the whole or any part of the Company's property;
- (ii) decide how the division is to be carried out between the Shareholders; and
- (iii) vest assets of the Company in trustees of any trusts for the benefit of the members.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

(j) **Future increase in Capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act, the Directors may issue Shares as they shall, in their absolute discretion, determine.

## 5. ADDITIONAL INFORMATION

### 5.1 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Specifically, the Company is required, under the ASX Listing Rules (subject to certain limited exceptions), to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 September 2020;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

- (ii) the rights and liabilities attaching to the securities the subject of this Prospectus;  
and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer.

## 5.2 Availability of other documents

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on the ASX website (<https://www2.asx.com.au/markets/company/pgy>).

If investors require further information in relation to the Company, they are recommended to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 September 2020.

Date	Title
4 August 2021	Results of General Meeting 4 August
3 August 2021	Stockhead V-Con Series Presentation
29 July 2021	Quarterly Activities/Appendix 5B Cash Flow Report
22 July 2021	General Meeting change to virtual forum – Sydney COVID lockdown
14 July 2021	Farmin to W.A. Exploration Permits 416 & 480 agreed
8 July 2021	Proposed issue of securities – PGY
5 July 2021	General Meeting Notice and Proxy Form
5 July 2021	Ceasing to be a substantial holder
2 July 2021	Response to ASX Price and Volume Query
1 July 2021	Application for quotation of securities – PGY
29 June 2021	Cliff Head Operations Update
28 June 2021	Proposed issue of securities – PGY
28 June 2021	Firm Commitments for \$8m Capital Raising
28 June 2021	Extension of Voluntary Suspension
17 June 2021	Becoming a substantial holder
15 June 2021	Correction to Initial Directors Interest Bruce Gordon
15 June 2021	Extension of Voluntary Suspension
15 June 2021	Initial Director's Interest Notice
15 June 2021	Initial Director's Interest Notice
11 June 2021	Half Year Accounts
2 June 2021	Request for Extension of Voluntary Suspension
1 June 2021	Completion of Royal Acquisition & Changes to Exec Team
31 May 2021	Appendix 2A

31 May 2021	Appendix 2A
31 May 2021	Appendix 2A
28 May 2021	General Meeting Results
28 May 2021	General Meeting Chairman's Presentation
11 May 2021	Disclosure Document
11 May 2021	WA-481-P and Cliff Head Wind & Solar Transaction Update
3 May 2021	Extension of Voluntary Suspension
29 April 2021	Quarterly Activities and Cashflow Report
27 April 2021	Extension of Voluntary Suspension
26 April 2021	Proxy Form and Consolidated General Notice of Meeting
26 April 2021	Correction to General Notice of Meeting
23 April 2021	Resources Update
23 April 2021	Notice of General Meeting/Proxy Form
19 April 2021	Extension of Voluntary Suspension
12 April 2021	Extension of Voluntary Suspension
6 April 2021	Extension of Voluntary Suspension
29 March 2021	Extension of Voluntary Suspension
22 March 2021	Extension of Voluntary Suspension
15 March 2021	Extension of Voluntary Suspension
10 March 2021	Results of Meeting
5 March 2021	Market Update
1 March 2021	Market Update and Extension of Voluntary Suspension
22 February 2021	Request for Extension of Voluntary Suspension
19 February 2021	Company Secretary Appointment/Resignation
17 February 2021	Request for Extension of Voluntary Suspension
11 February 2021	Suspension from Official Quotation
10 February 2021	Trading Halt
10 February 2021	Pause in Trading
8 February 2021	Notice of Annual General Meeting/Proxy Form
4 February 2021	Becoming a substantial holder
29 January 2021	Quarterly Activities and Cashflow Report
15 January 2021	Appendix 2A and Cleansing Statement
22 December 2020	Cleansing Notice
22 December 2020	Appendix 2A
18 December 2020	Acquisition of Additional Interest in EP 416 and EP 480
18 December 2020	Cleansing Notice
18 December 2020	Appendix 2A

18 December 2020	Acquisition of Interest in WA-481-P
18 December 2020	Sale of 40% Interest in WA-481-P
14 December 2020	2020 Annual Financial Report

### 5.3 Details of substantial holders

Based on the Company's knowledge as at the Lodgement Date, the following table sets out those persons which directly or together with their Associates, have or will have a relevant interest in 5% or more of the Shares on issue as at the Lodgement Date and at completion of the Offer.

Holder	Lodgement Date		Completion of the Offer	
	Shares (number)	Shares (%)	Shares (number)	Shares (%)
Breakout Holdings Pty Ltd (atf Way Super Fund Account)	25,934,494	6.85	25,934,494	5.19
Mandaton Holdings Pty Ltd (atf The Gadz Investment Account) ( <b>Mandaton</b> ) and its Associates*	21,766,136	5.75	21,766,136	4.36
West Energy Pty Ltd	21,458,332	5.67	21,458,332	4.30
Key Perth Basin Investments Pty Ltd	21,000,000	5.55	21,000,000	4.21

\* Strassfamily Pty Ltd ACN 164 842 666 ATF the Strasser Superfund (**Strassfamily**) is an Associate of Mandaton and holds 2,230,662 Shares, representing 0.59% of the Shares on issue as at the Lodgement Date and 0.45% as at Completion of the Offer. The relevant interest of Mandaton set out in the table above includes the Shares held by Strassfamily.

In the event that the Offer is fully subscribed, there will be no change to the substantial holders on completion of the Offer.

### 5.4 Interests of Directors, experts and advisors

(a) Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

- (b) Other than as set out in **Section 5.5** or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:
- (i) to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or
  - (ii) for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offer.

## 5.5 Details of interests

### (a) Directors' security holdings

The following table sets out the holdings of the Directors and their Associates as at the Lodgement Date:

Name	Number	Security
Brad Lingo	10,000,000	Options
Tony Strasser	21,766,136	Shares
Bruce Gordon	4,703,856	Shares
Daniel Chen	5,000,000	Shares

### (b) Director's remuneration

The Constitution provides that Directors are entitled to be paid for their services as Directors but the aggregate of their remuneration shall not exceed the amount approved by the Company in general meeting. The aggregate amount currently approved for the Non-Executive Director fees is \$340,000. A Director may also be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the Directors determine where a Director performs duties or provides services outside the scope of their normal duties. A Director may be reimbursed for out of pocket expenses incurred by them in or about the performance of their duties as Directors.

The table below sets out the cash remuneration (exclusive of superannuation) of each Director in office on the Lodgement Date for the financial year ending 30 September 2021. The figures in the table below represent full financial year remuneration but the actual amounts paid will be prorated:

Director	Remuneration
Brad Lingo (Executive Chairman)*	\$276,000**
Tony Strasser (Managing Director)*	\$350,000
Bruce Gordon (Non-Executive)	\$65,000



Daniel Chen (Non-Executive)	\$90,000
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\*Note that Brad Lingo and Tony Strasser are also eligible to receive short-term incentive payments and long-term incentive payments in addition to their remuneration.

\*\*Note that Brad Lingo is contracted on a 0.6 FTE basis.

(c) **Related party arrangements**

Nil.

(d) **Interests of advisers**

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner, associate or consultant), has held at any time in the past two years any Shares or other securities of the Company.

In addition, other than as set out below, no amounts (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner, associate or consultant) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Offer (or any component of it).

MinterEllison has acted as Australian legal adviser to the Company in relation to this Prospectus and the Offer. In aggregate, the Company estimates that it will pay approximately \$40,000.00 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to MinterEllison in accordance with their usual time based charge out rates.

## 5.6 Consents

(a) **Consenting parties**

Boardroom Pty Limited has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as share registry to the Company in respect of the Offer in the form and context in which it is named.

MNSA Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as auditor to the Company in respect of the Offer in the form and context in which it is named.

Bridge Street Capital has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as the lead manager of the Placement in the form and context in which it is named.

MinterEllison has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as legal adviser to the Company in respect of the Offer in the form and context in which it is named.

Black Swan has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Castle Rock Energy has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

RFC Ambrian has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named

(b) **Basis of consents**

Each of the persons named as providing consents above:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this **Section 5.6**; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified in this **Section 5.6**.

## **5.7 Expenses of the Offers**

The total expenses of the Offer including legal fees, ASX and ASIC fees and other miscellaneous expenses are estimated to be \$45,000.

## **5.8 Litigation**

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

## **5.9 Governing law**

The information in this Prospectus, the Offer, and the contracts formed on acceptance of the Offer are governed by the law applicable in New South Wales, Australia. Any person who applies for the Share the subject of this Offer submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## **5.10 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares.

## **5.11 Electronic Prospectus**

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

## 6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company:

A handwritten signature in black ink that reads "Bradley W. Lingo". The signature is written in a cursive style with a large, sweeping initial 'B'.

Brad Lingo

Executive Chairman

## 7. DEFINITIONS

Definitions used in this Prospectus are as follows:

**Advisor Shares** means 7,575,758 Shares issued to RFC Ambrian Pty Limited on or around 31 May 2021.

**Application Form** means an application form attached to and forming part of this Prospectus.

**Application Monies** means the amount of money in dollars and cents payable for the New Shares at \$0.06 per New Share pursuant to the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Listing Rules** means the official listing rules of ASX Listing Rules (including the ASX Settlement Operating Rules, the ASX Operating Rules and the ASX Clear Operating Rules) as amended or waived from time to time.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Black Swan** means Black Swan Resources Pty Ltd ACN 147 481 703.

**Black Swan Shares** has the meaning given to that term in **Section 2.3(d)**.

**Board** means the board of Directors of the Company from time to time.

**Bridge Street Capital** means Bridge Street Capital Partners Pty Ltd ACN 164 702 005.

**Castle Rock Energy** means Castle Rock Energy Pty Ltd ACN 619 648 869.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Closing Date** means the date that the Offer closes which is 5.00pm (Sydney time) on the date referred to as the Closing Date in **Section 1.2** or such other time and date as the Directors determine.

**Company** means Pilot Energy Limited ACN 115 229 984.

**Consideration Shares** has the meaning given to that term in **Section 2.3(a)**.

**Constitution** means the constitution of the Company.

**Contractor Shares** means 4,123,485 Shares issued to Castle Rock Energy Pty Ltd ABN 41 619 648 869 (or its nominee), a contractor of the Company as approved by Shareholders at the December General Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**December General Meeting** means the general meeting of the Company held on Thursday, 10 December 2020.

**Director** means a director of the Company.

**GM** means the General Meeting of Shareholders on 4 August 2021.

**Lodgement Date** means 9 August 2021 being the date this Prospectus was lodged with ASIC.

**New Shares** means the Shares being offer under this Prospectus.

**Offer** means the invitation to apply for up to 16,666 Shares in the capital of the Company at an issue price of \$0.06 pursuant to this Prospectus to raise \$1,000 (before the costs of the Offer).

**Official List** means the official list of the ASX.

**Opening Date** means the first date for receipt of completed Application Forms which is 9:00am (Sydney time) on the date referred to as the Opening Date in **Section 1.2** or such other time and date as the Directors determine.

**Option** means an option to acquire a Share.

**Placement** means the placement of Shares, each at an issue price of \$0.06 per Placement Share to raise \$8 million (before costs) to "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

**Placement Shares** means 133,333,333 Shares to be issued under the Placement and comprising the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

**Prospectus** means this cleansing prospectus dated 9 August 2021 prepared in accordance with section 708A(11) of the Corporations Act and lodged with ASIC on that date.

**RFC Ambrian** means RFC Ambrian Limited ACN 009 153 888.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Share Registry** means Boardroom Pty Ltd ABN 14 003 209 836.

**Tranche 1 Placement Shares** means 12,500,000 Placement Shares issued on 28 June 2021 under the Placement.

**Tranche 2 Placement Shares** means 120,833,333 Placement Shares to be issued on or around 10 August 2021 under the Placement.

**Transactions** has the meaning given in **Section 2.3**.

**Transaction Shares** means the Advisor Shares, Black Swan Shares, Consideration Shares, Contractor Shares and the Placement Shares.

**Unmarketable Parcel** means a parcel of shares of a single class registered in the same name or the same joint names which is:

- (a) less than the number that constitutes a marketable parcel of shares of that class under the ASX Operating Rules; or
- (b) subject to the Corporations Act, the ASX Listing Rules and the ASX Operating Rules, any other number determined by the Board from time to time.

**VWAP** means the volume weighted average price.



## Guide to the Application Form

This Application Form relates to the offer of 16,666 Shares in Pilot Energy Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Pilot Energy Limited and it is advisable to read this document before applying for the 16,666 Shares the subject of the Offer. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 1 Share.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.06.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Pilot Energy Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold the Shares issued to you under this Application Form in uncertified form on the CHES subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.

Make your cheque payable to "Pilot Energy Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

- I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for Shares in Pilot Energy Limited upon and subject to the terms of this Prospectus and declares that all details and statements made in this Application Form are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Application Forms:** Return your completed Application Form with cheque(s) attached to:

<b>Delivered to:</b> Pilot Energy Limited Level 12 225 George Street SYDNEY NSW 2000	<b>Posted to:</b> Pilot Energy Limited Level 12 225 George Street SYDNEY NSW 2000
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Application Forms must be received no later than 5.00pm (Sydney time) on 13 August 2021 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Pilot Energy Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor ( a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son