

Pilot Energy Limited

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**Announcement to ASX****24 January 2022****ASX: PGY****NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM**

In accordance with Listing Rule 3.17, Pilot Energy Limited (ABN 86 115 229 984) (the **Company**) (**ASX: PGY**) attaches a copy of the following documents:

1. Letter to Shareholders regarding arrangements for the Annual General Meeting as despatched to Shareholders in lieu of Notice of Meeting;
2. Notice of Annual General Meeting; and
3. Proxy Form.

This announcement has been authorised for release to ASX by the Board of Directors of Pilot Energy.

Enquiries

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

About Pilot Energy: Pilot is currently 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 by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.

Pilot holds a 21.25% interest in the Cliff Head Oil field, 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 clean energy projects in Western Australia.

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PILOT ENERGY LIMITED (ASX:PGY)

24 JANUARY 2022

Dear Shareholder

PILOT ENERGY LIMITED – 2022 ANNUAL GENERAL MEETING

Pilot Energy Limited (ASX: **PGY**) (**Pilot**, or the **Company**) will be holding its 2022 Annual General Meeting at 11:00am (AEDT) on 28 February 2022 (**Meeting** or **AGM**).

The Meeting will be held physically at the address notified in the Notice of Meeting dated 24 January 2022 (**Notice of Meeting**) which is appended to this document. In addition, the Meeting will be held virtually in accordance with the temporary modifications to the *Corporations Act 2001 (Cth)* facilitated by the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)* (**Amendment Act**) and pursuant to section 13.7 of Pilot's Constitution, which provides the Company with a virtual meeting option for this Meeting.

The Company has arranged for virtual attendance at the Meeting via the Lumi online platform (**Lumi**). Shareholders (or their proxyholders) will be able to attend virtually and participate in the AGM as follows:

- by voting and asking questions via the Lumi online platform; and
- by watching and listening to the AGM proceedings via a live webinar.

Details and instructions on how to join and participate in the AGM are set out in the Company's Notice of Meeting dated 24 January 2022.

As permitted under the Amendment Act, Pilot will not be dispatching physical copies of the Notice of Meeting to Shareholders. Instead, you may view or download the Notice of Meeting at <https://www.pilotenergy.com.au/announcements>. If you have provided the Company with an email address and elected to receive electronic communications from Pilot then you will receive an email with a link to a copy of the Notice of Meeting and further information in relation to the virtual meeting.

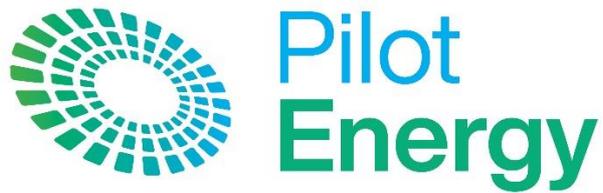
If you would like to receive electronic communications from Pilot in the future, please update your communication preferences online at www.investorserve.com.au. If you have not registered, you will need your shareholder information including your SRN/HIN details.

If you are unable to access the Notice of Meeting online, please contact our share registry Boardroom Pty Limited on enquiries@boardroomlimited.com.au or 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday, to arrange a copy.

Yours faithfully

Cate Friedlander

Company Secretary



PILOT ENERGY LIMITED
ABN 86 115 229 984

**NOTICE OF ANNUAL GENERAL MEETING,
EXPLANATORY MEMORANDUM
AND
PROXY FORM**

Date of Meeting: Monday 28th February 2022

Time of Meeting: 11:00am (AEDT)

Place of Meeting: the offices of A.D Danieli at
Level 1, 261 George St, Sydney, NSW, 2000

***The meeting will also be held virtually via Lumi Online Platform at
<http://web.lumiagm.com/319465087>***

PILOT ENERGY LIMITED
ABN 86 115 229 984

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (Meeting) of Shareholders of Pilot Energy Limited (**Company** or **Pilot**) will be held at 11.00am (AEDT) on Monday, 28th February 2022 at the offices of AD Danieli, Level 1, 261 George St, Sydney, NSW, 2000 and via Lumi Online Platform at <http://web.lumiagm.com/319465087>.

The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and/or the Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the Definitions contained in the back of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report for the Company for the financial year ended 30 September 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report contained within the Company’s annual financial report for the financial year ended 30 September 2021.”

Note 1: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Note 2: If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) an associate or Closely Related Party of a member of the Key Management Personnel.

However, this does not apply to a vote cast on Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2: RE - ELECTION OF DIRECTOR – MR BRUCE GORDON

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, having been appointed a director on 31 May 2021 and since the last Annual General Meeting, Mr Bruce Gordon retires as a director of the Company with effect on and from the close of this Meeting in accordance with Rule 3.3 of the Constitution and pursuant to ASX Listing Rule 14.4 and for all other purposes Mr Bruce Gordon, being eligible and available, is hereby re-elected as a director with effect on and from the close of this Meeting.”

RESOLUTION 3: RE - ELECTION OF DIRECTOR – MR DANIEL CHEN

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That in accordance with Rule 3.6 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Daniel Chen retires as a director of the Company by rotation with effect on and from the close of this Meeting and being eligible and available, is hereby re-elected as a director with effect on and from the close of this Meeting.”

RESOLUTION 4: APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue by way of placements over a 12-month period, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution 4.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by:

- (a) a person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important note: The proposed recipients of any Equity Securities under the 10% Placement Capacity are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

RESOLUTION 5: APPROVAL OF ISSUE OF OPTIONS TO WHAIRO CAPITAL PTY LTD

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 10,000,000 unlisted Options issued under ASX Listing Rule 7.1 to Whairo Capital Pty Ltd (or its nominee) on the terms and conditions as more fully described in the Explanatory Memorandum.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution 5.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by:

- (a) a person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6: APPROVAL OF ISSUE OF OPTIONS UNDER ORIGINAL INCENTIVE SCHEME TO EXECUTIVE CHAIR – MR. BRADLEY LINGO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue up to 3,500,000 Director Options to Mr. Bradley Lingo, Executive Chair of the Company and/or his nominee(s), pursuant to the Original Incentive Scheme approved by Shareholders at the general meeting of the Company held on 10 December 2020.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution 6.

Voting Exclusion Statement for Resolution 6:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by:

- (a) the named person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution 6 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 6 if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and

(c) the appointment does not specify the way the proxy is to vote on this Resolution 6.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 7: APPROVAL OF ISSUE OF OPTIONS UNDER ORIGINAL INCENTIVE SCHEME TO MANAGING DIRECTOR – MR. TONY STRASSER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue up to 3,500,000 Director Options to Mr. Tony Strasser, Managing Director of the Company, and/or his nominee(s), pursuant to the Original Incentive Scheme approved by Shareholders at the general meeting of the Company held on 10 December 2020.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

Voting Exclusion Statement for Resolution 7:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by:

- (a) the named person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution 7 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the

Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 7 if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and
- (c) the appointment does not specify the way the proxy is to vote on this Resolution 7.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 8: APPROVAL OF ISSUE OF OPTIONS UNDER ORIGINAL INCENTIVE SCHEME TO NON-EXECUTIVE DIRECTOR – MR. DANIEL CHEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue up to 2,000,000 Director Options to Mr. Daniel Chen, Non-Executive Director of the Company, and/or his nominee(s), pursuant to the Original Incentive Scheme approved by Shareholders at the general meeting of the Company held on 10 December 2020.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

Voting Exclusion Statement for Resolution 8:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 8 by:

- (a) the named person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 8 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution 8 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 8 if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and
- (c) the appointment does not specify the way the proxy is to vote on this Resolution 8.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 9: APPROVAL OF ISSUE OF OPTIONS UNDER ORIGINAL INCENTIVE SCHEME TO NON-EXECUTIVE DIRECTOR – MR. BRUCE GORDON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.4, Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue up to 2,000,000 Director Options to Mr. Bruce Gordon, Non-Executive Director of the Company, and/or his nominee(s), pursuant to the Original Incentive Scheme approved by Shareholders at the general meeting of the Company held on 10 December 2020.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

Voting Exclusion Statement for Resolution 9:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 9 by:

- (a) the named person who is to receive or is expected to receive the securities the subject of the Resolution, and any other person who will receive a material benefit as a result of the

proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
(b) any associate of those recipients or person who will receive a material benefit as a result of the proposed issue of the securities.

However, this does not apply to a vote cast on Resolution 9 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution 9 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 9 if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and
- (c) the appointment does not specify the way the proxy is to vote on this Resolution 9.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 10: APPROVAL OF PILOT ENERGY LIMITED 2022 EMPLOYEE INCENTIVE SCHEME

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (exception 13(b)) and for all other purposes, Shareholders approve any issue of securities under the Pilot Energy Limited 2022 Incentive Scheme (a summary of the rules of which are set out in Annexure A to the Explanatory Memorandum) as an exception to Listing Rule 7.1.”

See the Explanatory Memorandum and Annexure A accompanying that memorandum, for further information about this Resolution.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) a person who is eligible to participate in the Pilot Energy Limited 2022 Incentive Scheme; or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast on Resolution 10 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board

Cate Friedlander
Company Secretary

Dated: 24 January 2022

ENTITLEMENT TO VOTE

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company's Directors have determined that all Shares of the Company that are quoted on ASX at 7:00pm (AEDT) on Thursday, 25th February 2022 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

ATTENDING THE GENERAL MEETING

The Meeting will be held physically at the address notified in this Notice of Meeting.

In addition, pursuant to section 13.7 of Pilot's Constitution, the Company may also “*hold a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.*” Accordingly, Pilot also offers a virtual meeting option for this Meeting.

The Company has arranged for virtual attendance at the Meeting via the Lumi online platform (**Lumi**).

Shareholders will be able to view the meeting presentations and listen to the meeting live, submit questions to the Chairman in real time and vote on Resolutions through Lumi.

Shareholders who wish to participate in the Meeting online may do so:

- a. from their computer, by entering the URL <http://web.lumiagm.com/319465087> into their browser; or
- b. from their mobile device by either entering the URL <http://web.lumiagm.com/319465087> in their browser.

If you choose to participate in the Meeting online, you can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (VAC), which can be located on the first page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760.

Attending the meeting online enables Shareholders to view the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the meeting is in progress. More information regarding participating in the Meeting online can be found in the guide appended to the end of this notice.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

A Shareholder that is a corporation may appoint an individual to act as its corporate representative to vote at the Meeting in accordance with section 250D of the Corporations Act. Any corporation wishing to appoint an individual to act as its representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. A 'Certificate of Appointment of Corporate Representative' is enclosed if required.

QUESTIONS AND ENQUIRIES

Shareholders will have the opportunity to ask questions during the Meeting. However, to provide for an efficient virtual meeting, we request that any questions from Shareholders are submitted to the Company Secretary at least 24 hours in advance of the Meeting by email to melbourne.cosec@boardroomlimited.com.au.

Shareholders are invited to contact the Company Secretary, Cate Friedlander on 1300 737 760 if they have any queries in respect of the matters set out in this document.

PILOT ENERGY LIMITED
ABN 86 115 229 984

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of the Company.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 September 2021, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

A copy of the Company's 2021 Annual Report is available on the Company's ASX platform (**ASX: PGY**) and on the website www.pilotenergy.com.au. Alternatively, a hard copy will be made available upon request.

At the Annual General Meeting, Shareholders will have the opportunity to ask the Company's auditor, MNSA Pty Ltd, questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit, may be submitted no later than five business days before the meeting date to the Company Secretary.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for a financial year and is set out in the Company's Annual Report and is available on the Company's website: www.pilotenergy.com.au

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

Proxy restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

(a) ***If you appoint a member of the Key Management Personnel (other than the Chair) as your proxy***

If you elect to appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote***. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

(b) ***If you appoint the Chair as your proxy***

If you elect to appoint the Chair where he/she is also a member of the Key Management Personnel whose remunerations details are included in the Remuneration Report, or a Closely Related Party of such a member, ***you must direct the Chair how they are to vote***. Undirected proxies granted to these persons will be voted in favour of all Resolutions.

(c) ***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote, and you ***do not*** need to tick any further acknowledgement on the Proxy Form. Undirected proxies granted to these persons will be voted at their discretion.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR BRUCE GORDON

General

ASX Listing Rule 14.4 requires that an entity listed on ASX must hold an election of directors at each AGM. Additionally, under clause 3.3 of the Company's Constitution provides that a director who is appointed at other than an annual general meeting automatically retires at the next annual general meeting and is eligible for re-election. Mr. Bruce Gordon, having been appointed on 31 May 2021 and since the previous annual general meeting of the Company is, by virtue of clause 3.3 of the Constitution, deemed to have automatically retired from office at this annual general meeting.

Mr. Bruce Gordon is eligible and has offered himself for re-election.

About Mr. Bruce Gordon

Mr. Bruce Gordon was appointed as a non-executive Director of the Company on 31 May 2021. He has over 25 years of corporate finance and audit experience and was formerly the partner in charge of the BDO National Corporate Finance and Natural Resources teams. Bruce has provided corporate advisory services and financial advice to publicly listed companies, growing private company groups and subsidiaries of large multinationals and overseas companies. Bruce has significant experience in the areas of valuations, mergers and acquisitions and transaction support. Bruce has also had experience on overseas capital markets including AIM (sub-market of the London Stock Exchange), the Toronto and NY Stock Exchange. Bruce is a Chartered Accountant and Fellow of the Australian Institute of Company Directors.

Director Independence

Having regard to the ASX Corporate Governance Principles, the Board considers Mr. Bruce Gordon to be an independent Director.

Directors Recommendation

The Directors, with Mr. Bruce Gordon abstaining, unanimously recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3: RE - ELECTION OF DIRECTOR – MR DANIEL CHEN

General

ASX Listing Rule 14.5 requires that an entity listed on ASX must hold an election of directors at each AGM. Additionally, Mr Chen retires as a Director by rotation in accordance with clause 3.6 of the Company's Constitution and, being eligible, offers himself for re-election.

About Mr. Daniel Chen

Daniel has over 17 years of business, project management and leadership experience, predominantly with Fortune Top 200 companies in port, maritime and logistics industries. He has led several global implementation projects in Asia, Europe and Oceania throughout his career thus far. Highlights include development of the world's first fully automated container terminal, regional procurement responsibilities for an annual spend of USD 200 million, and working with multiple global supply chain providers to reengineer existing processes to improve operational efficiency. Recently Daniel has advised Orient Energy and Denison Gas in Australia on various corporate initiatives.

Director Independence

Having regard to the ASX Corporate Governance Principles, the Board considers Mr. Daniel Chen to be an independent Director.

Directors Recommendation

The Directors, with Mr. Daniel Chen abstaining, unanimously recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4: APPROVAL OF 10% PLACEMENT CAPACITY

General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (10% Placement Capacity). The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

ASX Listing Rule 7.1A ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity. An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$27 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: PGY).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of shares on issue 12 months before the date of issue or agreement:
 - (a) plus, the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9,16 or 17);
 - (b) plus, the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue the convertible securities was approved or taken under these rules to have been approved under Listing Rule 7.1 or 7.4;
 - (c) plus, the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved under Listing Rule 7.1 or rule 7.4;
- (d) plus, the number of partly paid ordinary securities that became fully paid in the relevant period;
- (e) plus, the number of any other fully paid ordinary securities that become fully paid securities in the relevant periods;
- (f) less the number of fully paid securities cancelled in the 12 months.
- D is 10%; and
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rules 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.1A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the date of the Company's next Annual General Meeting; and
- (iii) the date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there

are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0275	\$0.055	\$0.11
		(50% decrease in Issue Price)	(Issue Price)	(100% increase in Issue Price)
501,601,701 (Current Variable A)	10% Placement Capacity	50,160,170 Shares	50,160,170 Shares	50,160,170 Shares
	Funds Raised	\$1,379,404	\$2,758,809	\$5,517,618
752,402,551 (50% increase in current Variable A)	10% Placement Capacity	75,240,255 Shares	75,240,255 Shares	75,240,255 Shares
	Funds Raised	\$2,069,107	\$4,138,214	\$8,276,428
1,003,203,402 (100% increase in current Variable A)	10% Placement Capacity	100,320,340 Shares	100,320,340 Shares	100,320,340 Shares
	Funds Raised	\$2,758,809	\$5,517,618	\$11,035,237

* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or deemed Shareholder approval under an exception set out in Listing Rule 7.2.

The table above uses the following assumptions.

- (a) The current shares on issue are the Shares on issue as at 19 January 2022.
- (b) No convertible securities are exercised and converted into Shares before the date of issue of the Equity Securities.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- (d) The issue price set out above is the price of the Shares on the ASX at closing on 19 January 2022.
- (e) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (f) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (g) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (h) Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

Under Listing Rule 7.1A, the Company may only issue Equity Securities under the 10% Placement Capacity for cash consideration. The purpose of any issue would **be set out for Shareholders at the time of such an issue. However, in general terms**, the Company could issue Equity Securities under the 10% Placement Capacity to raise cash for general working capital and/or for the acquisition of new assets and investments.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities **could consist of current Shareholders or new investors (or both), none of whom will** be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company obtained Shareholder approval under Listing Rule 7.1A on 28 February 2020. The Company has not issued or agreed to issue any Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

(g) Effect if Resolution not Passed

If Resolution 4 is not passed, the Company will be limited to the 15% placement capacity under Listing Rule 7.1.

(h) Voting Exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution 4.

Directors' Recommendation

The Board of Directors recommend that Shareholders vote in favour of this Resolution 4.

RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF OPTIONS TO WHAIRO CAPITAL

General

In consideration of the provision to the Company of equity capital markets advisory and long term support services by Whairo Capital Pty Ltd ACN 618 944 568 (**Whairo Capital**), the Company has agreed to allot and issue to Whairo Capital (or its nominees) 10,000,000 Options in the Company (**Whairo Capital Options**).

By approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Accordingly, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks the approval of Shareholders to subsequently approve and ratify the issue of the Whairo Capital Options for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Whairo Capital Options will be excluded in calculating the Company's 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12 months' period following the date of issue of the Whairo Capital Options.

If this Resolution is not passed, the issue of the Whairo Capital Options will continue to be included in the Company's 15% limit under Listing Rule 7.1 effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 months' period following the date of issue.

Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary shares on issue at the commencement of that 12 month period.

The issue of the Whairo Capital Options does not fit within any Listing Rule exceptions, and as it has not yet been approved by the Company's Shareholders, it effectively uses up the 15% placement capacity available under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval for the 12 months' period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If Resolution 5 is passed, the issue of the Whairo Capital Options will be excluded in calculating the Company's 15% placement capacity limit under Listing Rule 7.1, effectively

increasing the number of Equity Securities it can issue without Shareholder approval over the 12 months' period following the issue date.

If Resolution 5 is not passed, the issue of the Whairo Capital Options will be included in calculating the Company's 15% placement limit capacity under Listing Rule 7.1, decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 months' period following the issue date.

Specific information required by Listing Rule 7.5

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Whairo Capital Options:

- (a) the Company proposes to issue a total of 10,000,000 Whairo Capital Options on or about 20 January 2022 to Whairo Capital Pty Ltd (ACN 618 944 568) in consideration of the provision of equity capital markets advisory and long term support services to the Company within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval;
- (b) the Whairo Capital Options will be issued for nil consideration and no funds will be raised by the issue;
- (c) the Whairo Capital Options will be issued with an exercise price of \$0.10 each and each Whairo Capital Option will convert into one Share in the capital of the Company. The Whairo Capital Options will expire twenty-four months' after the issue date and are subject to the terms and conditions set out in Annexure B to this Explanatory Memorandum; and
- (d) a voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

The Board of Directors recommends that the Shareholders vote in favour of this Resolution 5.

RESOLUTIONS 6 TO 9 INCLUSIVE – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO DIRECTORS

Background to Resolutions 6 to 9 inclusive

Pursuant to its terms, each of the Directors of the Company is eligible for participation in the Original Incentive Scheme.

The Company is proposing to issue a total of 11,000,000 Director Options to Directors - Bradley Lingo (Executive Chair), Tony Strasser (Managing Director), Daniel Chen (Non-Executive Director) and Bruce Gordon (Non-Executive Director), under Resolutions 6 to 9 respectively, as follows:

<i>Bradley Lingo</i>	<i>Executive Chairman</i>	<i>3,500,000 Director Options</i>
<i>Tony Strasser</i>	<i>Managing Director</i>	<i>3,500,000 Director Options</i>
<i>Bruce Gordon</i>	<i>Non-Executive Director</i>	<i>2,000,000 Director Options</i>
<i>Daniel Chen</i>	<i>Non-executive Director</i>	<i>2,000,000 Director Options</i>

Listing Rules 10.11 and 10.14

Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), a company must not issue or grant securities to a related party without shareholder approval. Listing Rule 10.14 goes on to provide that a company must not permit a director to acquire Equity Securities under an employee incentive scheme without shareholder approval.

Accordingly, Resolutions 6 – 9 inclusive seek Shareholder approval to issue the Director Options as specified in the table above, pursuant to the Original Incentive Scheme, and in satisfaction of Listing Rules 10.11 and 10.14.

As noted in Resolution 10 above, the purpose of granting Equity Securities to the Directors is to provide them with a mechanism to participate in the future development of the Company and an incentive for their future involvement with, and commitment to, the Company which has significant opportunities before it which are in equal part as challenging, in the year ahead. The Directors believe that the success of the Company in meeting these challenges and securing those opportunities in the future will depend in part, upon the skills of the people engaged to manage the Company's operations, which success will in turn deliver long term value creation for the Shareholders. Therefore, it is important that the Company is able to attract and retain people of the highest calibre. The Board considers that the most appropriate means of achieving this is to provide Directors with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.

If Shareholder approval is obtained for Resolutions 6 to 9 inclusive, the Director Options will be granted within one month of Shareholder approval.

If any of Resolutions 6 to 9 inclusive are not passed by Shareholders, the Company will not be able to proceed with the issue of Director Options to the Director the subject of the relevant Resolution.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Director Options) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, the proposed issue of the Director Options to the Directors (and/or their nominees) pursuant to the Original Incentive Scheme, constitutes giving a financial benefit and each of the Directors are (by virtue of being Directors) considered to be a related party of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances.

The Board considers that the proposed grant of Director Options to Bradley Lingo, Tony Strasser, Daniel Chen and Bruce Gordon falls within the exemption contained in section 211 of the Corporations Act, as reasonable remuneration.

In the Board's view, and taking into consideration the ASX Governance Council's *Corporate Governance Principals and Recommendations* (4th Edition), the totality of the remuneration packages of Brad Lingo, Tony Strasser, Daniel Chen and Bruce Gordon, including the value of the equity component of 11,000,000 Director Options now to be considered for approval by

Shareholders under Resolutions 6 – 9 inclusive, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the industries in which it operates and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of their management experience and knowledge of the industries in which the Company operates.

Listing Rule 10.14

Listing Rule 10.14 provides that a company must not permit a director to acquire Equity Securities under an employee incentive scheme without shareholder approval.

Accordingly, the issue of the Director Options to each of Bradley Lingo, Tony Strasser, Daniel Chen and Bruce Gordon may only proceed with the approval of Shareholders under Listing Rule 10.14.

Resolutions 6 to 9 (inclusive) seek Shareholder approval for the issue of Director Options pursuant to the Original Incentive Scheme, to Directors Bradley Lingo, Tony Strasser, Daniel Chen and Bruce Gordon respectively, under and for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

If any of Resolutions 6 to 9 (inclusive) are passed, the Company will be able to proceed to issue the respective Director Options to the Director the subject of each relevant Resolution.

If any of Resolutions 6 to 9 (inclusive) are not passed, the Company will not be able to proceed to issue the Director Options to the Director the subject of the relevant Resolution. The Board would then need to consider alternative remuneration arrangements for such Director(s), including providing an equivalent cash incentive subject to the same terms and conditions as are proposed to apply to the Director Options.

Specific information required by Listing Rule 10.15

As noted above, Listing Rule 10.11 provides that, subject to certain exceptions, a company must not issue or grant securities to a related party without shareholder approval. Listing Rule 10.14 goes on to provide that a company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. A director is, by definition, a related party.

If Shareholder approval is to be sought for such a grant of securities, Listing Rule 10.14 requires that the approval be sought at a general meeting, the notice for which meeting must comply with the requirements of Listing Rule 10.15.

Accordingly, the following information is provided (separately) in relation to each of Resolutions 6 – 9 inclusive, pursuant to and in satisfaction of, Listing Rules 10.14 and 10.15.

- (a) Executive Chair, Bradley Lingo (or his respective nominee(s)) is the person to whom the Director Options will be issued if Resolution 6 is passed by Shareholders.
- (b) Managing Director, Tony Strasser (or his respective nominee(s)) is the person to whom the Director Options will be issued if Resolution 7 is passed by Shareholders.
- (c) Non-Executive Director Daniel Chen (or his respective nominee(s)) is the person to whom the Director Options will be issued if Resolution 8 is passed by Shareholders.
- (d) Non-Executive Director Bruce Gordon (or his respective nominee(s)) is the person to whom the Director Options will be issued if Resolution 9 is passed by Shareholders.
- (e) Pursuant to Resolutions 6 and 7, the maximum number of Director Options to be issued to

each of Bradley Lingo and Tony Strasser is 3,500,000.

- (f) Pursuant to Resolutions 8 and 9, the maximum number of Director Options to be issued to each of Daniel Chen and Bruce Gordon is 2,000,000.
- (g) If any of Resolutions 6 – 9 inclusive are approved by Shareholders at the General Meeting, the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (h) No Equity Securities have previously been issued to any of Directors - Brad Lingo, Tony Strasser, Daniel Chen or Bruce Gordon, pursuant to the Original Incentive Scheme.
- (i) The Board notes that 10,000,000 Options were issued to Brad Lingo on 15 December 2020 for nil consideration with an exercise price of \$0.07 which expire on 4 November 2025. These Options were issued in accordance with Mr. Lingo's engagement agreement (not under the Original Incentive Scheme) and the issue was approved by Shareholders at the general meeting of the Company held on 10 December 2020.
- (j) The terms of the Director Options referred to in each of Resolutions 6 – 9 inclusive are as follows:
- (i) the Director Options are to be granted for nil consideration pursuant to the Original Incentive Scheme;
 - (ii) the Director Options will vest one year after the date of issue;
 - (iii) the Director Options will expire on the date which is three years from the date of issue; and
 - (iv) the price payable on the conversion of each Director Option into a Share is \$0.10 per Director Option.

The exercise price for the Director Options has been determined as a 43.3% premium over the 3 month VWAP for the period 1 October – 31 December 2021, which the Company has determined is reasonable given the three year term of the Director Options.

The rules and all other terms and conditions of the Original Incentive Scheme were set out in the notice of meeting for the general meeting of the Company held on 10 December 2020 and can be found on the Company's website at:

<https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/asx-announcements/61006407.pdf> (see page 21)

- (k) As at the date of this Notice, the Directors hold the following interests in the Shares in the capital of the Company:

Director	Securities held as at date of Notice	Vested	Expiry Date	Exercise Price
Bradley Lingo	10,000,000 unlisted options	30 September 2021	4 November 2025	\$0.07
Tony Strasser (held in related entities)	21,766,138 ordinary Shares	-	-	-
Daniel Chen (held in related entities)	5,000,000 ordinary Shares	-	-	-
Bruce Gordon (held in related entities)	4,703,855 ordinary Shares	-	-	-

- (l) The current base remuneration packages of the Directors are set out below:
- Bradley Lingo: Executive Chairman – \$276,000 p.a + superannuation (contracted on 0.6FTE basis)
- Tony Strasser: Managing Director – \$350,000 p.a + superannuation
- Daniel Chen: Non-Executive Director – \$150,000 p.a + superannuation
- Bruce Gordon: Non-Executive Director - \$71,500 p.a plus superannuation
- (m) The purpose of the issue of the Director Options pursuant to Resolutions 6 – 9 inclusive is to provide cost effective remuneration and incentivisation to each of the Directors for their contribution to the Company in their respective roles and for their future performance given the significant opportunities and challenges to be met in the year ahead to achieve the Company’s objectives.
- (n) The Board considers that the incentive represented by the Director Options is a cost effective and efficient incentive when compared with other forms of incentive such as cash bonuses or increased remuneration. Given this, the Board does not consider that there is any opportunity cost or benefit foregone to the Company in granting the Director Options in the manner proposed in Resolutions 6 – 9 inclusive.
- (o) The Director Options have been valued as follows, using Black Scholes methodology:
- Resolution 6: Bradley Lingo – 3,500,000 Director Options - \$58,104
- Resolution 7: Tony Strasser – 3,500,000 Director Options - \$58,104
- Resolution 8: Daniel Chen – 2,000,000 Director Options - \$33,202
- Resolution 9: Bruce Gordon – 2,000,000 Director Options - \$33,202
- (p) If all of the Director Options the subject of Resolution 6 – 9 inclusive are vested and exercised it will result in the maximum issue of 11,000,000 Shares then the Company’s fully paid share capital (based on the existing number of issued Shares in the capital of the Company and assuming no other Company securities are issued, exercised or converted as at the date of this Notice) will be diluted by approximately 2.18%.
- (q) No loans by the Company exist in relation to the proposed grant of any Director Options.
- (r) The Board has concluded that the totality of the Directors’ remuneration packages, including the equity component of such number of Director Options proposed to be issued to each Director under Resolutions 6 – 9 inclusive, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the industries in which the Company operates and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company’s cash reserves, and in light of the Directors’ respective management experience and knowledge of the industries in which the Company operates.
- (s) Details of any Equity Securities issued under the Original Incentive Scheme will be published in the Company’s annual report relating to the period in which the Equity Securities are issued, together with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (t) A voting exclusion statement for each of Resolutions 6 – 9 inclusive is included in the Notice of Meeting preceding this Explanatory Memorandum.

RESOLUTION 10: APPROVAL OF THE PILOT ENERGY LIMITED 2022 EMPLOYEE INCENTIVE SCHEME

General

The employee incentive scheme is entitled “Pilot Energy Limited 2022 Incentive Scheme”

(2022 Incentive Scheme) and replaces the Original Incentive Scheme previously approved by Shareholders at the General Meeting of the Company held on 10 December 2021.

The Board (in accordance with the Constitution) has determined that it is appropriate for the Company to approve and adopt a revised and updated employee incentive scheme, given the increase in the number of Shares the Company has on issue, the engagement of new staff and the large number of complex opportunities and challenges to be met by staff in the short to medium term.

The Directors consider that the 2022 Incentive Scheme will enable the Company to provide variable remuneration that is performance focused and linked to long-term value creation for Shareholders and to employees whose behaviour and performance have a direct impact on the Company's long term performance. The issue of securities under the 2022 Incentive Scheme to eligible recipients will be a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration and creates alignment between the interests of recipients (including employees) and Shareholders.

Awards made under the 2022 Incentive Scheme will be Equity Security issues for the purposes of the Listing Rules. Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Issues of Equity Securities pursuant to an employee incentive scheme that has been approved by shareholders comprise one of the exceptions to Listing Rule 7.1 (see Listing Rule 7.2 Exception 13(b)).

If Shareholders approve this Resolution 10, any issue of Equity Securities of under the 2022 Incentive Scheme within the three year period from the date of this Meeting will be treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.2. Consequently, the issue of those Equity Securities will be excluded from the calculation of the maximum number of new Equity Securities that can be issued by the Company without Shareholder approval for the purposes of Listing Rule 7.1. The Company notes that the maximum number of Equity Securities that may be issued under the 2022 Incentive Plan during the three year period must not exceed 10% of the total number of issued Equity Securities in the Company at the time of the meeting the subject of the Notice to which this Explanatory Memorandum is attached.

A summary of the key terms of the 2022 Incentive Scheme is set out in Annexure A to this Explanatory Memorandum and a copy of the rules of the 2022 Incentive Scheme is available from the Company upon request.

Listing Rule 7.2 – Need for Shareholder Approval

In order for Listing Rule 7.2 (exception 13(b)) to apply to Equity Securities issued under an incentive scheme, shareholder approval of the scheme is required:

- every three years; or
- if there is a material change to the terms of an approved employee incentive scheme.

The Company therefore seeks the approval of Shareholders for the 2022 Incentive Scheme in satisfaction of Listing Rule 7.2 (exception 13(b)).

Information required by Listing Rules 7.1 and 7.2

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the Listing Rules, including Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the Equity Securities issued by the Company under the 2022 Incentive Scheme to

be automatically excluded from the formula to calculate the number of securities which the Company may issue in each 12 month period using Listing Rule 7.1 (15% capacity) for a further three year period following the date of the Annual General Meeting to be held on 28 February 2022.

If this Resolution 3 is approved by Shareholders, the Company may issue up to a maximum of 50,439,031 Equity Securities under the Incentive Scheme during the three year period following approval, which represents 10% of the total number of issued capital of the Company as at the date of the meeting the subject of this Notice, in reliance on Listing Rule 7.2 (exception 13(b)) and that number of securities will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Shareholders should note that this is a maximum number of Equity Securities which may be issued under the Incentive Scheme over the next 3 year period and is not intended to be a prediction of the actual number of securities to be issued under the Incentive Scheme. Rather it is intended to be a ceiling on the number of securities approved to be issued under the 2022 Incentive Scheme and for the purposes of exception 13(b) of Listing Rule 7.2. It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately following approval. Once that number is reached, any additional issues of securities under the 2022 Incentive Scheme would not have the benefit of Listing Rule 7.2 (exception 13(b)) without further Shareholder approval.

A voting exclusion statement for Resolution 10 is included in the Notice of Meeting preceding this Explanatory Memorandum.

Directors' Recommendation

Noting that each Director may have a personal interest in the outcome of this Resolution by virtue of them being eligible to participate in the 2022 Incentive Scheme, the Board of Directors recommends that the Shareholders vote in favour of this Resolution 10.

GLOSSARY

10% Placement Capacity has the meaning given in Resolution 4 of the Explanatory Statement.

AEDT means Australian Eastern Daylight Time (Sydney, Australia).

Annual General Meeting or Meeting means the meeting convened by this Notice.

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

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Pilot Energy Limited ABN 86 115 229 984.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company, namely Mr. Bradley Lingo (Executive Chair), Mr. Tony Strasser (Managing Director), Mr. Daniel Chen (Non-Executive Director) and Mr. Bruce Gordon (Non-Executive Director).

Director Options means the Options proposed to be granted to each of the Directors in the number and the manner proposed in this Notice of Meeting, on and subject to the terms and conditions set out in Annexure A to the Explanatory Memorandum.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of Annual General Meeting including the Explanatory Statement and the Proxy Form.

Options means unlisted options over issued Shares in the capital of the Company.

Original Incentive Scheme means the Pilot Energy Limited Employee Incentive Scheme which was described in the notice of, and approved by Shareholders at, the general meeting of Shareholders held on 10 December 2020.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

VWAP means the volume weighted average price of the total volume of transactions during the specified period.

ANNEXURE A

SUMMARY OF RULES, TERMS AND CONDITIONS OF PILOT ENERGY LIMITED 2022 EMPLOYEE INCENTIVE SCHEME

The purpose of the employee incentive scheme entitled “Pilot Energy Limited 2022 Employee Incentive Scheme” (**2020 Incentive Scheme**) is to assist in the reward, retention and motivation of the Company's Directors, senior management, and other key employees (including contractors) (**Eligible Persons**).

The terms and conditions of the 2020 Incentive Scheme are set out in comprehensive rules. A summary of these rules is set out below:

- The 2020 Incentive Scheme is open to Directors, senior management, contractors and any other employees of the Company, as determined by the Board.
- Incentives granted under the 2020 Incentive Scheme may be paid in the form of cash or equity (which may include performance rights or options) to Eligible Persons.
- In the case of a grant of Options under the 2020 Incentive Scheme, each Option represents a right to acquire a Share for a fixed exercise price per Option following the vesting date and prior to the expiry date of the Option.
- In the case of a grant of performance rights under the 2020 Incentive Scheme, each performance right represents a right to have a Share issued to the holder of the performance right on the vesting date.
- Shares granted under the 2020 Incentive Scheme may be subject to disposal restrictions or vesting conditions determined by the Board at the time of the invitation. Subject to the terms of the invitation, the Company may issue new Shares or arrange a transfer or purchase of existing Shares.
- Awards under the 2020 Incentive Scheme do not attract dividends or distributions and voting rights in respect of Shares, until the award vests and Shares are allocated to the holder upon vesting.
- A grant of awards under the 2020 Incentive Scheme is subject to both the rules of the 2020 Incentive Scheme and the terms of the specific grant.
- An award will lapse:
 - (a) in respect of an option, on the expiry date; or
 - (b) the date the applicable vesting conditions are not met and are no longer able to be met.
- An award will vest at the time when the vesting conditions are satisfied or waived by the Board in its absolute discretion.
- On exercise of an award, the Board may determine in its absolute discretion whether to deliver the value of the award in the form of Shares (either through a new issue or on market acquisition), convertible securities, cash or a combination of Shares, convertible securities and cash.
- No Shares acquired by participants on exercise may be disposed of if to do so would breach the Company's share trading policy or insider trading prohibitions. In addition, Shares allocated on vesting of an award may be subject to specified disposal restrictions (as set out

in the terms of the relevant award) which prevent the acquired Share being disposed of for a specified period following acquisition.

- The Board will have discretion to determine that a participant's awards will undergo an acceleration of vesting where the participant is a good leaver. A good leaver is a person who ceases to be a director, officer, employee, contractor or consultant by any reason other than as a bad leaver.
- In the case of other capital reorganisations, the Board may make such adjustments to the awards as it considers necessary to comply with the ASX Listing Rules.
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards granted under the 2020 Incentive Scheme, vest.
- The Board may amend the rules of the 2020 Incentive Scheme at any time provided that the rights of participants to awards earned prior to the amendment or termination are not affected, unless otherwise agreed in writing by the participants.

ANNEXURE B

TERMS AND CONDITIONS OF WHAIRO CAPITAL OPTIONS

The terms of the Options to be issued to Whairo Capital Pty Ltd (ACN 618 944 568) (or its nominee) (**Whairo Capital Options**) are as follows:

1. (**Entitlement**): Each Whairo Capital Option gives the holder the right to subscribe for one Share.
2. (**Expiry Date**): The Whairo Capital Options will expire at 5.00pm (AEDT) on the date which is twenty four months' from the issue date (**Expiry Date**). A Whairo Capital Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. (**Exercise Price**): Subject to paragraph 10, the amount payable upon exercise of each Whairo Capital Option is \$0.10 per Option.
4. (**Exercise**): The holder may exercise the Whairo Capital Options (in full or in part) by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Whairo Capital Options specifying the number of Options being exercised; and
 - (b) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
5. (**Exercise Notice**). An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for the Whairo Capital Options the subject of the Exercise Notice in cleared funds.
6. (**Timing of issue of Shares on exercise**): Within a reasonably practicable time of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Whairo Capital Options specified in the Exercise Notice.
7. (**Transferability**): The Whairo Capital Options are unlisted Options and are transferable with the prior consent of the Company and subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
8. (**Ranking of Shares**): All Shares allotted upon the exercise of the Whairo Capital Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.
9. (**Quotation**): The Company will apply for quotation of all Shares allotted pursuant to an exercise of Whairo Capital Options on ASX within 5 Business Days after the date of allotment of those Shares.
10. (**Reconstruction**): If at any time the issued capital of the Company is reconstructed, all rights of the holder of the Whairo Capital Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
11. (**Participating rights**): There are no participating rights or entitlements inherent in the Whairo Capital Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Whairo Capital Options without exercising the Whairo Capital Options.
12. (**Amendments**): A Whairo Capital Option does not confer the right to a change in the Exercise Price or a change in the number of underlying Equity Securities over which the Whairo Capital Option can be exercised.

ONLINE SHAREHOLDERS' MEETING GUIDE 2022

Attending the AGM virtually

If you choose to participate online, you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

To access the meeting:

Visit web.lumiagm.com/319465087 on your computer, tablet or smartphone. You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

Meeting ID: 319-465-087

To login you must have your **Voting Access Code (VAC)** and **Postcode or Country Code**

The website will be open and available for log in from 10:00am (AEDT), 28th February 2022

Using the Lumi AGM platform:

ACCESS

The 1st page of the platform will ask in what capacity you are joining the meeting.

Shareholders or appointed proxies should select

"Shareholder or Proxyholder"

Guests should select **"Guest"**



CREDENTIALS

Shareholders/Proxys

Your username is your **Voting Access Code** and your password is your **Postcode or Country Code**, or, for non-Australian residents, your **3-letter country code**.

Proxy holders should obtain their log in credentials from the registrar by calling 1300 737 760 within Australia or +61 2 9290 9600 outside Australia.



The screenshot shows the Lumi AGM login interface for Shareholders/Proxys. It features the Lumi logo at the top, followed by two input fields: "Voting Access Code (VAC)" and "Postcode or Country Code". Below these fields is a prominent orange "LOGIN" button. At the bottom, there is a link that says "Having trouble logging in...?" with a dropdown arrow.

Guests

Please enter your name and email address to be admitted into the meeting.

Please note, guests will not be able to ask questions or vote at the meeting.



The screenshot shows the Lumi AGM registration interface for Guests. It features the Lumi logo at the top, followed by three input fields: "First Name", "Last Name", and "Email". At the bottom right, there are two buttons: "CANCEL" and "CONTINUE".

NAVIGATION

Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and open the virtual meeting.

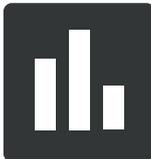
A link to the virtual meeting will be provided on the home page. Click the link to open the meeting. The meeting will open in a separate browser tab on your device.

To Vote and ask Questions during the meeting, navigate back to the browser tab with the LUMI AGM platform open.

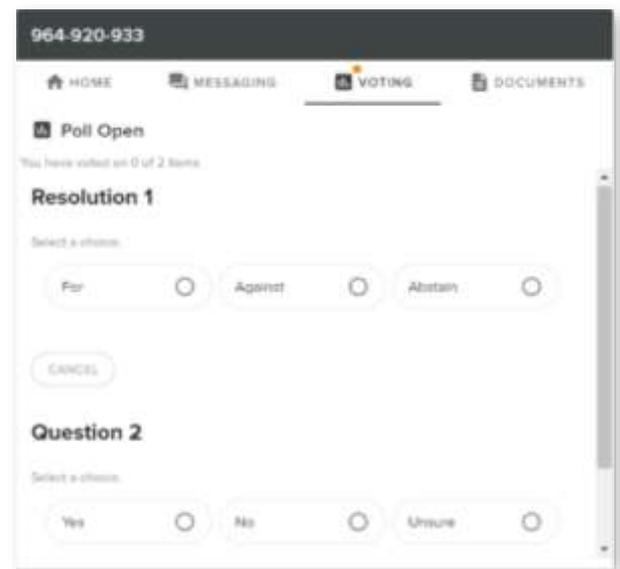
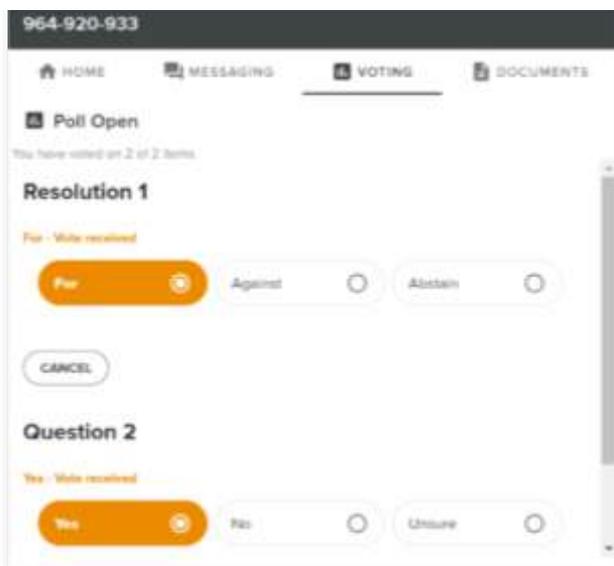


VOTING

The Chair will open voting on all resolutions at the start of the meeting. Once voting has opened, the voting tab will appear on the navigation bar.



Selecting this tab will open a list of all resolutions and their voting options.



To vote, simply select your voting direction from the options displayed on screen. Your selection will change colour and a confirmation message will appear.

To change your vote, simply select another option. If you wish to cancel your vote, please press cancel.

There is no need to press a submit or send button. Your vote is automatically counted.

Voting can be performed at any time during the meeting until the Chair closes the poll.

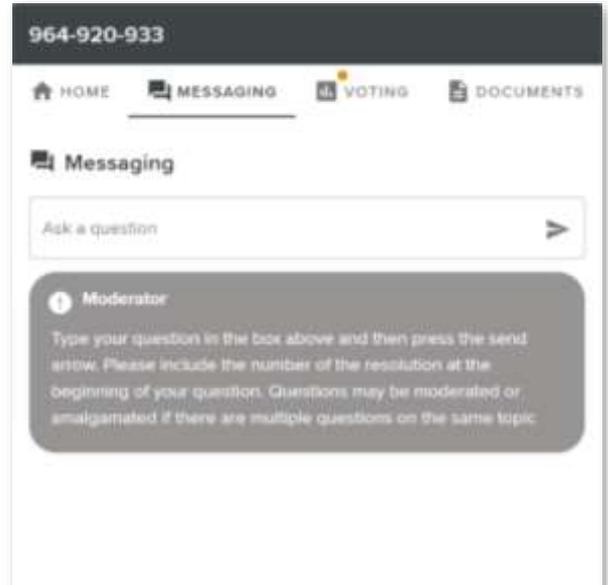
QUESTIONS

Any shareholder or appointed proxy is eligible to ask questions.

If you would like to ask a question. Select the messaging tab.



Messages can be submitted at any time from the start of the meeting, up until the Chair closes the Q&A session.

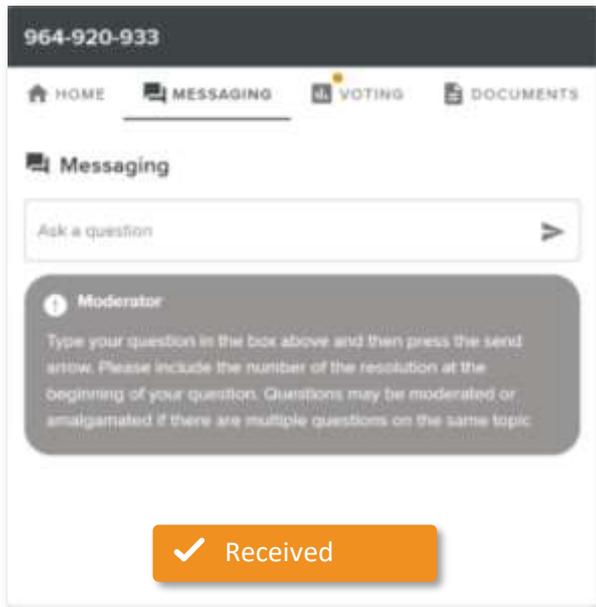


Select the “Ask a Question” box and type in your message.

Once you are happy with your message, select the send icon.



Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.



Meeting ID: 319-465-087

To login you must have your **Voting Access Code (VAC)** and **Postcode or Country Code**

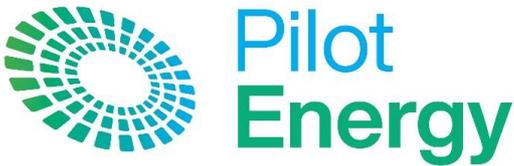
The website will be open and available for log in f021 from 10:00am (AEDT), 28th February 2022

web.lumiagm.com

Country Codes

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW Aruba	DZA Algeria	LBR Liberia	ROU Romania
AFG Afghanistan	ECU Ecuador	LBY Libyan Arab Jamahiriya	RUS Russian Federation
AGO Angola	EGY Egypt	LCA St Lucia	RWA Rwanda
AIA Anguilla	ERI Eritrea	LIE Liechtenstein	SAU Saudi Arabia Kingdom Of
ALA Aland Islands	ESH Western Sahara	LKA Sri Lanka	SDN Sudan
ALB Albania	ESP Spain	LSO Lesotho	SEN Senegal
AND Andorra	EST Estonia	LTU Lithuania	SGP Singapore
ANT Netherlands Antilles	ETH Ethiopia	LUX Luxembourg	SGS Sth Georgia & Sth Sandwich Isl
ARE United Arab Emirates	FIN Finland	LVA Latvia	SHN St Helena
ARG Argentina	FJI Fiji	MAC Macao	SJM Svalbard & Jan Mayen
ARM Armenia	FLK Falkland Islands (Malvinas)	MAF St Martin	SLB Solomon Islands
ASM American Samoa	FRA France	MAR Morocco	SLC Serbia & Outlying
ATA Antarctica	FRO Faroe Islands	MCO Monaco	SLE Sierra Leone
ATF French Southern	FSM Micronesia	MDA Republic Of Moldova	SLV El Salvador
ATG Antigua & Barbuda	GAB Gabon	MDG Madagascar	SMR San Marino
AUS Australia	GBR United Kingdom	MDV Maldives	SOM Somalia
AUT Austria	GEO Georgia	MEX Mexico	SPM St Pierre And Miquelon
AZE Azerbaijan	GGY Guernsey	MHL Marshall Islands	SRB Serbia
BDI Burundi	GHA Ghana	MKD Macedonia Former Yugoslav Rep	STP Sao Tome And Principe
BEL Belgium	GIB Gibraltar	MLI Mali	SUR Suriname
BEN Benin	GIN Guinea	MLT Mauritania	SVK Slovakia
BFA Burkina Faso	GLP Guadeloupe	MMR Myanmar	SVN Slovenia
BGD Bangladesh	GMB Gambia	MNE Montenegro	SWE Sweden
BGR Bulgaria	GNB Guinea-Bissau	MNG Mongolia	SWZ Swaziland
BHR Bahrain	GNQ Equatorial Guinea	MNP Northern Mariana Islands	SYC Seychelles
BHS Bahamas	GRC Greece	MOZ Mozambique	SYR Syrian Arab Republic
BIH Bosnia & Herzegovina	GRD Grenada	MRT Mauritania	TCA Turks & Caicos Islands
BLM St Barthelemy	GRL Greenland	MSR Montserrat	TCO Chad
BLR Belarus	GTM Guatemala	MTQ Martinique	TGO Togo
BLZ Belize	GUF French Guiana	MUS Mauritius	THA Thailand
BMU Bermuda	GUM Guam	MWI Malawi	TJK Tajikistan
BOL Bolivia	GUY Guyana	MYS Malaysia	TKL Tokelau
BRA Brazil	HKG Hong Kong	MYT Mayotte	TKM Turkmenistan
BRB Barbados	HMD Heard & Mcdonald Islands	NAM Namibia	TLS Timor-Leste
BRN Brunei Darussalam	HND Honduras	NCL New Caledonia	TMP East Timor
BTN Bhutan	HRV Croatia	NER Niger	TON Tonga
BUR Burma	HTI Haiti	NFK Norfolk Island	TTO Trinidad & Tobago
BVT Bouvet Island	HUN Hungary	NGA Nigeria	TUN Tunisia
BWA Botswana	IDN Indonesia	NIC Nicaragua	TUR Turkey
CAF Central African Republic	IMN Isle Of Man	NIU Niue	TUV Tuvalu
CAN Canada	IND India	NLD Netherlands	TWN Taiwan
CCK Cocos (Keeling) Islands	IoT British Indian Ocean Territory	NOR Norway Montenegro	TZA Tanzania United Republic of
CHE Switzerland	IRL Ireland	NPL Nepal	UGA Uganda
CHL Chile	IRN Iran Islamic Republic of	NRU Nauru	UKR Ukraine
CHN China	IRQ Iraq	NZL New Zealand	UMI United States Minor
CIV Cote D'ivoire	ISM Isle of Man	OMN Oman	URY Uruguay
CMR Cameroon	ISL Iceland	PAK Pakistan	USA United States of America
COD Democratic Republic of Congo	ISR Israel	PAN Panama	UZB Uzbekistan
COK Cook Islands	ITA Italy	PCN Pitcairn Islands	VNM Vietnam
COL Colombia	JAM Jamaica	PER Peru	VUT Vanuatu
COM Comoros	JEY Jersey	PHL Philippines	WLF Wallis & Futuna
CPV Cape Verde	JOR Jordan	PLW Palau	WSM Samoa
CRI Costa Rica	JPN Japan	PNG Papua New Guinea	YEM Yemen
CUB Cuba	KAZ Kazakhstan	POL Poland	YMD Yemen Democratic
CYM Cayman Islands	KEN Kenya	PRI Puerto Rico	YUG Yugoslavia Socialist Fed Rep
CYP Cyprus	KGZ Kyrgyzstan	PRK Korea Dem Peoples Republic of	ZAF South Africa
CXR Christmas Island	KHM Cambodia	PRT Portugal	ZAR Zaire
CZE Czech Republic	KIR Kiribati	PRY Paraguay	ZMB Zambia
DEU Germany	KNA St Kitts And Nevis	PSE Palestinian Territory Occupied	ZWE Zimbabwe
DJI Djibouti	KOR Korea Republic of	PYF French Polynesia	
DMA Dominica	KWT Kuwait	QAT Qatar	
DNK Denmark	LAO Laos	REU Reunion	
DOM Dominican Republic	LBN Lebanon		



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Saturday 26 February 2022.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/pilotagm2022>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Saturday, 26 February 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/pilotagm2022>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

No attendance will be permitted at the meeting. Refer to the Notice of Meeting for further information on participating in the virtual meeting.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Pilot Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the **Annual General Meeting** of the Company to be held **virtually at <https://web.lumiagm.com/319465087> on Monday, 28 February 2022 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 6 - 9, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 6 - 9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Director – Mr Bruce Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-Election of Director – Mr Daniel Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of issue of options to Whairo Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of issue of options under original incentive scheme to Executive Chair – Mr Bradley Lingo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of issue of options under original incentive scheme to Managing Director – Mr Tony Strasser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of issue of options under original incentive scheme to Non-Executive Director – Mr Daniel Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval of issue of options under original incentive scheme to Non-Executive Director – Mr Bruce Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Approval of Pilot Energy Limited 2022 Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary