

**ASX Announcement**  
**19 May 2022**

## **PILOT COMMENCES MID WEST CLEAN ENERGY PROJECT**

Pilot Energy Limited (ASX: PGY) (“**Pilot**” or “**the Company**”) is pleased to announce it has commenced activities at the Mid West Clean Energy project with key consultants engaged to progress regulatory approvals, commercialise project commodities, obtain land access and secure project financing and partnering arrangements.

The Mid West Clean Energy project (refer to the Company’s 28 March ASX Announcement Mid West Feasibility Update for further information) will be executed over three stages progressively delivering the following core components:

- **Stage 1:** Cliff Head Carbon Capture and Storage (CCS);
- **Stage 2:** Blue Hydrogen production
- **Stage 3:** Ammonia production

### **Stage 1 – The Cliff Head CCS (CH CCS) project**

Conversion of the Cliff Head oil field from oil production to CCS is the launch pad for delivering low cost, clean energy. As recently confirmed by the Feasibility Studies, the Cliff Head offshore oil field and associated infrastructure is ideally suited for a medium scale CCS project, designed to capture and store CO<sub>2</sub>, with an initial injection rate of circa 500,000tpa. The project will provide up to 16 million tonnes<sup>1</sup> of permanent CO<sub>2</sub> storage and will fully utilise the existing onshore and offshore facilities on a continuing basis for at least the next 20+ years. The CH CCS project is being developed by leveraging existing natural resources (underground CO<sub>2</sub> storage capacity and natural gas) and infrastructure (Cliff Head oil project and natural gas infrastructure).

As announced on 26 April 2022, the Cliff Head Joint Venture (CHJV) restructure will see Pilot holding a 57.5% operating interest in the Cliff Head infrastructure and CO<sub>2</sub> storage capacity required to execute the Mid West Clean Energy project.






Once operational, the CH CCS project will to be one of Western Australia’s significant near-term carbon abatement projects providing a pathway to reduce WA Mid West gas industry emissions and will enable Pilot to progress to Stage 2, being the production of blue hydrogen. Following the production of hydrogen, Pilot will then implement Stage 3 being the conversion of hydrogen to ammonia ready for export. Stage 3 also assumes the integration of green hydrogen supplementing the Stage 2 blue hydrogen.

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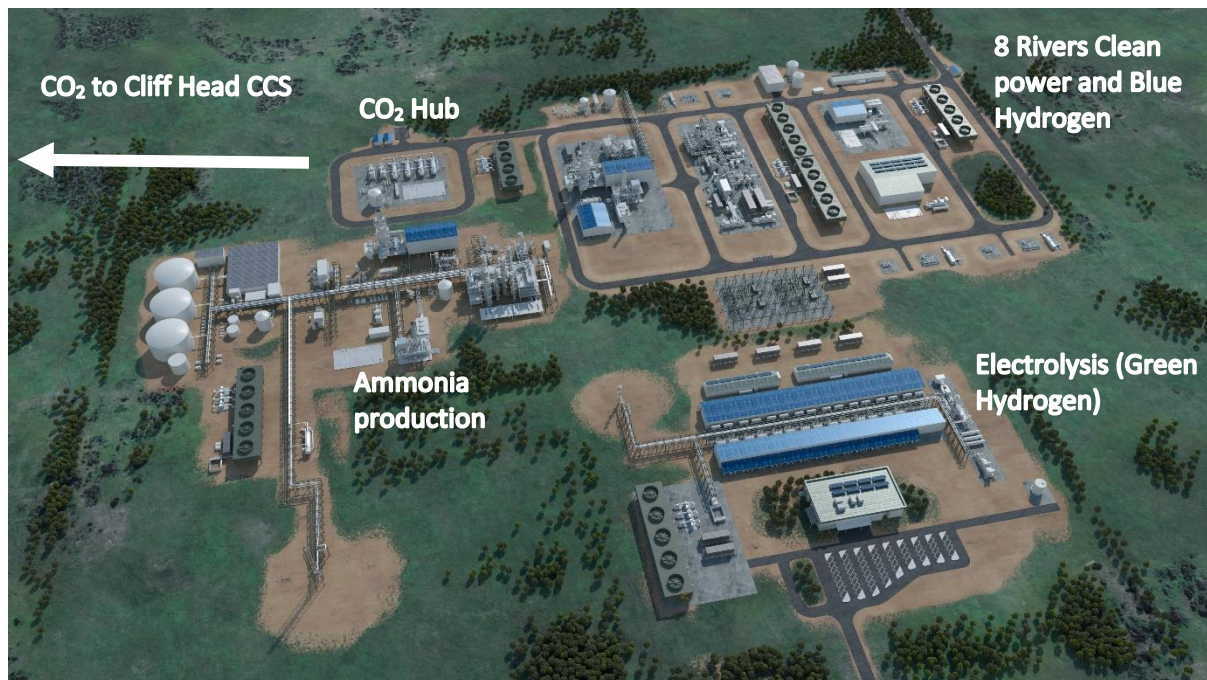
<sup>1</sup> Refer to CO<sub>2</sub> Storage Resource Assessment set out in 28 March 2022 Mid West Feasibility Update.

The key near term milestones associated with the (Stage 1) CCS development will be the granting of the Cliff Head CCS Greenhouse Gas Injection Licence by the relevant regulators and the CH CCS JV's Final Investment Decision both anticipated to occur by late 2023.

Pilot has further engaged key consultants for this next phase of the Mid West Clean Energy project as summarised in the following table.

Work Stream	Stage	Deliverables	Consultant
<i>CCS Regulatory approvals</i>	Stage 1 – Cliff Head CCS	<ol style="list-style-type: none"> <li>Greenhouse Gas resource declaration</li> <li>Greenhouse Gas injection licence approval</li> </ol>	 <small>A CO2CRC Company</small>
<i>Commercialise Carbon Credits</i>	Stage 1 – Cliff Head CCS	<ol style="list-style-type: none"> <li>Qualification of CHCCS project to generate ACCU's</li> <li>ACCU market assessment</li> </ol>	
<i>Commercialise Ammonia</i>	Stage 3 Ammonia	<ol style="list-style-type: none"> <li>Market assessment (Asian export opportunity for ammonia)</li> </ol>	 <small>POTEN &amp; PARTNERS</small>
<i>Land Access</i>	Stages 1 and 2	<ol style="list-style-type: none"> <li>Landholder engagement to assess project locations</li> <li>Land option arrangements to secure access</li> </ol>	Internal resource
<i>Partnering</i>	Stages 1,2 and 3	<ol style="list-style-type: none"> <li>Asset valuation, structuring advice</li> <li>Engagement with potential partners</li> <li>Sale of project equity interest</li> </ol>	
<i>Corporate/project Financing</i>	Stages 1,2 and 3	<ol style="list-style-type: none"> <li>Assess financing options</li> <li>Structure financing transactions (i.e. debt vs. equity, corporate vs. project level)</li> <li>Execute the financing transactions</li> </ol>	

### Mid West Clean Energy Project (Stages 1 to 3)



**ENDS**

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo and Managing Director, Tony Strasser.

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#### **Enquiries**

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**About Pilot:** Pilot is currently a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, hydrogen and integrated renewable energy 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 and Cliff Head Infrastructure, 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.