



FOR IMMEDIATE RELEASE

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**Announcement to ASX**

**ASX: PGY**

### **Pilot and KC8 Capture Technologies Announce CCS Collaboration to target Mid West Industrial Emitters**

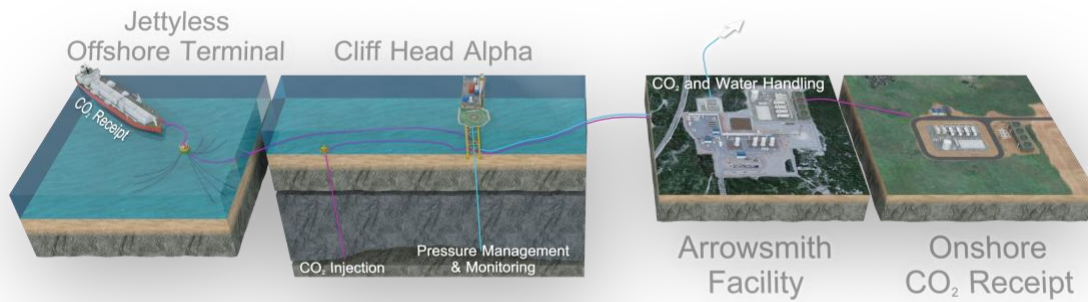
- Pilot Energy Limited and CO<sub>2</sub> capture solution provider, KC8 Capture Technologies Limited, have signed a Memorandum of Understanding (MoU) to collaborate on a CO<sub>2</sub> capture and storage service solution targeting key emitters in the region adjacent to the Cliff Head CCS Project.
- MoU broadens the potential customer base for the Cliff Head CCS Project and compliments Pilot's arrangements with other carbon capture technologies.
- Pilot and KC8 to initially target the decarbonization of ~1-million tonnes per annum of CO<sub>2</sub> emissions associated with existing and proposed Mid West Western Australian projects.
- KC8's technology has been developed over 15 years and is an industry leading, cost-effective solvent-based carbon capture process targeting the capture of up to 95% of CO<sub>2</sub> emissions in post-combustion flue gases.

Pilot Energy Limited ('**Pilot**' or the '**Company**') and KC8 Capture Technologies Limited ('**KC8**') ([www.kc8capture.com](http://www.kc8capture.com)) have entered into an MoU to collaborate on offering a Carbon Capture and Storage (CCS) solution with an initial focus on industrial customers near the Cliff Head CCS Project in the Mid West region of Western Australia.

The objective under the MoU is for Pilot and KC8 to develop CO<sub>2</sub> capture and permanent storage solutions for industrial customers in Western Australia. Refer to Attachment 1 for further information on the terms of the MoU.

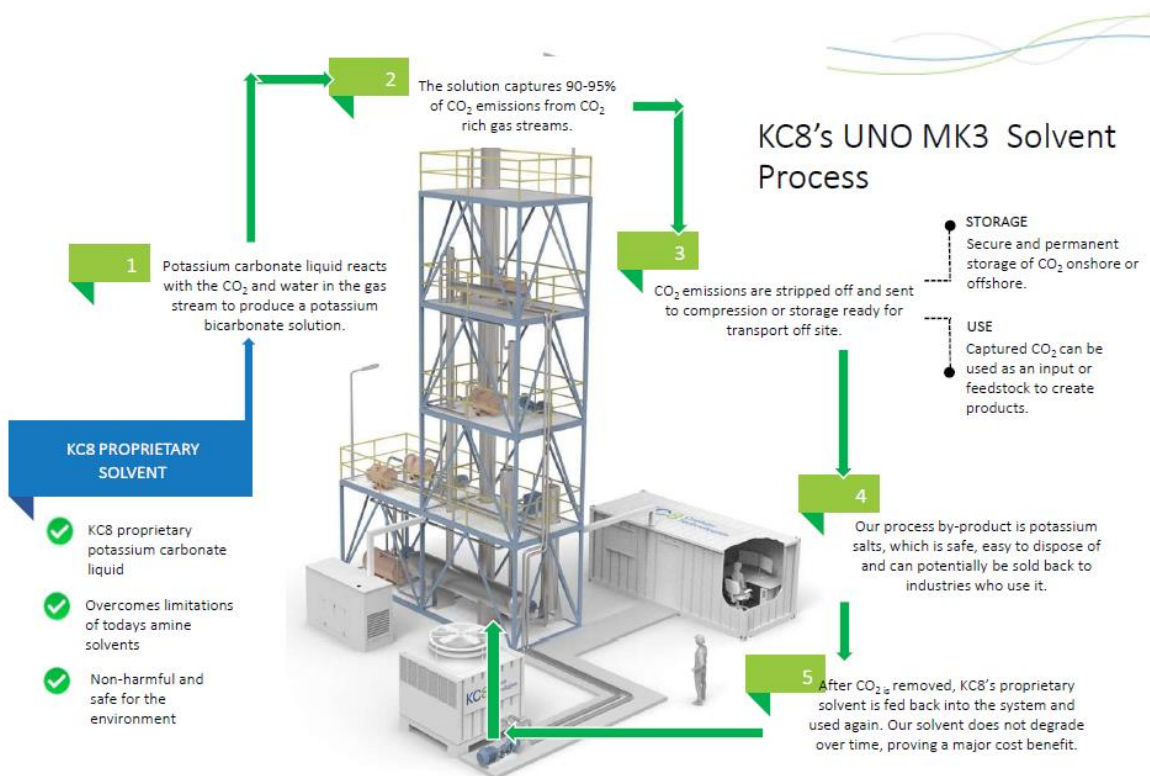
Pilot's Cliff Head CO<sub>2</sub> storage project (**Cliff Head CCS Project**) is an integral component of its Mid West Clean Energy project (**MWCEP**).

The Cliff Head CCS Project involves the conversion of the operating Cliff Head offshore oil field into a permanent CO<sub>2</sub> storage operation capable of storing over 1 million tonnes per annum of CO<sub>2</sub> on a continuous basis through to 2050, with over 50 million tonnes of potential total storage capacity. The MWCEP aims at producing over 1.2 million tonnes per annum of low cost, clean ammonia for export with approximately 99% carbon capture through fully integrated carbon capture and storage utilizing the Cliff Head CCS Project.



**Figure 1 - Cliff Head CCS Project**

With office locations in both Perth and Melbourne, KC8 are commercialising what will become one of the lowest cost post combustion CO<sub>2</sub> capture technologies to reach commercial qualification in the next few years. KC8 is currently developing two commercial demonstration plants, one in the USA with the Department of Energy and one in Queensland, with the support of Cement Australia. The Queensland project, termed PACER, has completed engineering work and is now moving into the fabrication stage. This unit will be completed in early 2024 and installed at Cement Australia’s Gladstone cement manufacturing plant. Designed to demonstrate the commercial scalability of the technology, the plant will capture up to 15 tonnes per day of CO<sub>2</sub> directly from the clinker kiln flue stack. Once commissioned the package is expected to operate throughout 2024 to confirm long term operating characteristics.



**Figure 2 - KC8 Carbon capture process**

*“Pilot is thrilled to be working with KC8 and to be backing a carbon technology developed here in Australia. The KC8 team has been focussed on the development and deployment of CCS here in Australia since its inception and has an excellent understanding not only of the technologies needed but also the operational considerations that major Australian industrial emitters have about integrating new technologies and carbon solutions into their existing operations. We are extremely excited about being able to offer a comprehensive, cost effective carbon capture and storage solution which Australian industrial carbon emitters need.”* said Brad Lingo, Pilot’s Chairman.

*“KC8 is excited to be partnering with Pilot in this critical CCS development for Australia. CCS is a major part of the global decarbonisation road map and is critical to Australia in meeting its 2050 climate targets. This is a great opportunity for two Australian companies to demonstrate the cost effective capture and sequestration of CO<sub>2</sub> from hard to abate industries in WA. We look forward to successfully progressing this agreement through to a full commercial demonstration supporting the Cliff Head CCS Project.”* Said Greg Ross, KC8 Executive Director.

## **ENDS**

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

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### **Enquiries:**

#### **Pilot Energy**

Cate Friedlander, Company Secretary  
Email: [cfriedlander@pilotenergy.com.au](mailto:cfriedlander@pilotenergy.com.au)

#### **KC8**

Greg Ross, Executive Director  
Email: [greg.ross@kc8capture.com](mailto:greg.ross@kc8capture.com)

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## **About KC8 Capture Technologies Ltd**

KC8 Capture Technologies ([www.kc8capture.com](http://www.kc8capture.com)) is an Australian company commercialising industry leading carbon capture technology that provides an affordable pathway to reduce greenhouse gas emissions from the use of fossil fuels and hard to abate industries around the world. KC8 operates in Melbourne and Perth. The company is currently undertaking two commercial demonstration projects in Australia and the United States. The company has developed carbon capture technologies for over 15 years, and it controls 11 patent families with over 35 awarded international patents and many more pending.

## **About Pilot**

Pilot is a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, production of hydrogen and clean ammonia (blue, green, and teal) for export to emerging APAC Clean Energy markets and integrated renewable energy. Pilot intends to leverage its existing oil and gas operations and infrastructure to cornerstone these developments. Pilot is proposing to develop Australia's first offshore CCS Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CCS as part of the Mid West Clean Energy Project.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, and a 100% working interest in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia.

## **Attachment 1 KNCC Pilot MoU further information**

1. **Term of MoU:** 2 years

2. **Significance of MoU to PGY:**

KC8 is developing an industry leading, cost-effective solvent-based carbon capture process targeting the capture of up to 95% of CO<sub>2</sub> emissions in post combustion flue gases.

Utilizing this process, KC8 is commercializing a CO<sub>2</sub> capture technology applicable to a range of industries and applications and currently has two international demonstration projects underway, the first in the cement industry capturing CO<sub>2</sub> from cement flue gas and the second in the power sector capturing CO<sub>2</sub> from gas turbine exhaust gases.

KC8 provides the capture component to treat emission sources and remove CO<sub>2</sub> for sequestration.

From the outset, cost reduction has been the driving force behind KC8 capture research. Capture cost reduction requires a broader perspective than just considering the capture process. Consequently, KC8 has continued to identify and develop technologies and Intellectual Property across the three cost reduction themes:

- Process – the use and regeneration of high efficiency solvents;
- Specially designed equipment – unique, lower cost designs that enhance the process;
- Process and heat integration – maximising the full benefits of the technology across different industry applications.

KC8 is unique in its development and patenting of capture cost reduction solutions across these themes.

In the first decade of research KC8's developments underwent substantial laboratory testing, pilot plant demonstrations, scale up and engineering design studies to identify and confirm opportunities for the business. These opportunities reinforced our positioning to be highly competitive in the global capture market.

Over the last 8 years, KC8 has continued to advance the commercialisation potential of its technology suite, growing the breadth and depth of patents and IP. In doing so, KC8 now holds over 35 patents for this and related technologies in 11 countries.

Pilot undertook the Mid West Blue Hydrogen and Carbon Capture and Storage feasibility study, which included an assessment of the opportunity to provide carbon management services to the Mid West region servicing Pilot's own blue hydrogen production and the ~ 1 million tonnes per annum of existing and potential emissions adjacent to the Cliff Head project infrastructure. This study highlighted the key sources of Mid West emissions resulted from quick lime processing, and processing CO<sub>2</sub> from reservoir gas.

### **3. Material terms of MoU:**

The Parties shall:

- work together to assess the technical and commercial CCS solutions and initially target the capture and storage of CO<sub>2</sub> Mid West Western Australian emitters;
- during the initial term of 2 years KC8 will engage with Pilot's existing CCS team including Genesis (Technip Energies) and provide proposals to potential customers;
- work with potential customers to enter into carbon management and carbon capture services agreements;
- share confidential, proprietary information and technology and ownership of any jointly created proprietary information;
- to the extent there are any costs to be incurred, each party will bear its own costs; and
- the MoU can be terminated by either party by giving 90 days notice, although given this arrangement is intended to facilitate collaborative exploration of an area of urgent requirements and novel technology neither party considers that early termination of the MoU is likely.

END