

31 October 2023

Announcement to ASX

ASX: PGY

Samsung C&T joins Pilot as Joint Development Partner in the Mid West Clean Energy Project

Highlights

- Pilot Energy (**Pilot or the Company**) and Samsung C&T Corporation Engineering & Construction Group (**Samsung C&T**) have entered into a non-binding, conditional Memorandum of Understanding (**MOU**) in relation to the development of the Cliff Head CCS Project (**CH CCS**) and the Clean Energy Ammonia Project (collectively known as the **Mid West** Clean Energy Project, **MWCEP** or the **Project**).
- Pilot and Samsung C&T will jointly progress and fund the development of the Mid West Clean Energy Project, on the basis of each Party's respective participating interest.
- Subject to key conditions being satisfied (see below), Samsung C&T will acquire a 20% participation interest in the MWCEP; has rights to act as the EPC contractor for the Clean Ammonia Project; and will use its best endeavors to arrange for clean ammonia offtake for export to Korea.
- Consideration of circa \$67 million will be paid to Pilot by CHCCS Co (a new to be incorporated joint venture project entity) at financial close which is based on historical construction costs of the Cliff Head oil project which forms the foundation assets for the MWCEP. This consideration is subject to a minimum forecast IRR for the CH CCS Project to be agreed between the parties.
- The conditions to completion of the MOU are the following:
 - National Offshore Petroleum Titles Administrator (**NOPTA**) declaring a Greenhouse Gas Storage Formation over the WA-31-P area;
 - completion of the integrated project pre-FEED study; and
 - each party's final board approval.

Overview

Samsung C&T Corporation is a Korean multinational corporation engaged in the business of engineering, procurement and construction of commercial and residential buildings, civil infrastructure and power plants, and in developing renewable energy projects including solar and wind farms, clean hydrogen and clean ammonia.

Brad Lingo, Chairman of Pilot noted that *“Pilot is delighted that Samsung C&T has partnered with us in the development of the Mid West Clean Energy Project. Samsung C&T’s participation is an important step as they provide additional technical expertise and financial strength to ensure the successful development of this exciting Western Australian clean energy project. Furthermore, it continues the strong partnership and ongoing trading relations between Australia and Korea.”*

Ross Gregory, Chairman of Australian Chamber of Commerce in Korea, commented that *“this partnership is an exciting opportunity for both Samsung C&T and Pilot to jointly progress the Mid West Clean Energy Project development in Western Australia, further demonstrating the continued strong collaboration between Australia and Korea on important clean energy transition projects”.*

It is noted that Ross Gregory is a director of New Electric Partners, who act as corporate advisers to Pilot, jointly with Miro Capital.

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

Enquiries

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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 for export to emerging APAC Clean Energy markets. 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 (increases to 100% on completion of the acquisition of Triangle Energy (Global) Pty Limited’s interest), and a 100% working interest in exploration permit WA-481-P, located offshore Western Australia.

About Samsung C&T: Samsung C&T is promoting eco-friendly energy solution securement by corresponding with energy paradigm change and is preparing a green hydrogen business as the part of future growth. The Company will actively go out of developing overseas green hydrogen business development based on the experience of global renewable generation project execution and the extensive experience and capacity of business in Australia where there is the future core market of the green hydrogen business.