

Announcement to ASX
30 January 2024

31 DECEMBER 2023
QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Pilot Energy Limited (**ASX: PGY**) ("**Pilot**" or "**the Company**") is pleased to provide the following update on its operational and corporate activity for the quarter ended 31 December 2023 (and post quarter events to date).

HIGHLIGHTS

- **The WA-31-L joint venture was advised on 12 January 2024 that the application to Declare a Greenhouse Gas storage formation has progressed to the final stage and is now with the Minister for Resources and Minister for Northern Australia for Decision.**
- During the quarter Pilot entered into an MoU with Capture6 (www.capture6.com) to assess the potential deployment of an innovative water processing and direct air CO₂ capture technology within Pilot's Mid West Clean Energy project.
- As announced on 15 December 2023, Pilot entered into Convertible Note Agreements with a syndicate of sophisticated investors lead by Discovery Investments Pty Ltd (Investor Syndicate), for a \$3.5 million investment in the Company. The Investor Syndicate is led by Mr Greg Columbus, an experienced executive in the Australian energy and resources sector.
- As announced on 16 November 2023, the Commonwealth Parliament passed amendments to the Environment Protection (Sea Dumping) Act 1981 required to facilitate injection and transportation of CO₂ in Australian waters. These amendments confirm the regulatory pathway for the Mid West Clean Energy Project (MWCEP) to provide industrial emitters with a near-term CO₂ management service.
- As announced on 6 November 2023, Pilot advised that it had received commitments for \$2.4 million (before costs) at an issue price of \$0.02 per share in a placement to sophisticated, institutional and professional investors and Directors (Placement). Details of the placements are set out in the body of this report.

OPERATIONS REPORT

Cliff Head Joint Venture

The Cliff Head Joint Venture is effectively held by the following group entities:

- Triangle Energy (Global) Limited (ASX: TEG) ("Triangle"): 78.75%
- Pilot Energy Limited: 21.25%***

a. Operating Results

The key operational statistics for the quarter for the CHJV (100% basis) are set out in the table below.

1 October - 31 December 2023	CHJV (100%)	Pilot (21.25%)
Production (bbls)	46,555	9,893
Average daily production (bopd)	506	108
Sales revenue (bbls)	53,364	11,340
Average oil price received \$ per bbl	126	126
Sales revenue (\$'000)	6,731	1,430
Oil Inventory (22,438 bbls) (\$'000)*	(694)	(147)
Routine operating costs (\$'000)	(3,448)	(733)
Operating Margin (\$'000)	2,589	550
Trucking, storage & handling (\$'000)	(3,472)	(738)
Routine Profit (\$'000)	- 883	- 188
Non-routine operating costs (\$'000)	(449)	(95)
Gross Loss (before tax, \$'000)	(1,332)	(283)

Notes:

* Quarterly figures represent a movement in the value of the cumulative barrels stored.

**Figures may differ immaterially to Triangles reported numbers due to the exchange rate applied to sales revenue (if applicable), methodology in valuing inventory and classification of non-routine costs.

*** Pilot (via its 100% subsidiary, Royal Energy) holds a 50% interest in Triangle Energy (Operations) Pty Ltd ("TEO") which itself holds a 42.5% direct interest in WA -31 L and the Cliff Head Oil Field project. In accordance with applicable accounting standards, Pilot accounts for this investment on an equity accounting basis.

b. Operations

Oil Sales

The CHJV completed one load-out of oil from its expanded storage tanks at ASP facility onto its chartered tanker on 15 November 2023, the AB Paloma, at the Port of Geraldton during the quarter for delivery to Asian refineries. US\$1.875 million (100% TEO) of oil sale proceeds were received in December 2023.

Oil production from the Cliff Head oil field, operated by the CHJV continues to demonstrate the Geraldton export route as a viable commercialisation pathway which enables oil production in the Perth Basin for both the Cliff Head Oil Field and other Perth Basin producers and will facilitate the CHJV to continue to progress plans for the re-purposing of the Cliff Head Facilities for future CO₂ storage operations.

Cliff Head Production

Wells CH-7 and CH-12 were shut in after annual integrity testing. They are currently being remediated to bring them back online for an additional 300 bopd. This remediation work is expected to be completed by mid February with field production expected to be restored to 600 bopd.

c. Acquisition of Triangle Interest in CHJV

As announced on 27 July 2023, Pilot and Triangle Energy (Global) Limited (**Triangle**) have revised the original Sale and Purchase Agreement announced on 6 October 2022. Under the revised Sale and Purchase Deed, Pilot will acquire all of the Triangle Group's 78.75% interest in the Cliff Head Joint Venture. The transaction is expected to complete no later than June 2024.

Existing employees of the Cliff Head Oil JV operating company, Triangle Energy (Operations) Pty Ltd (**TEO**), will continue to work on the Cliff Head field as it transitions from oil production to the CO₂ storage project. Management of Triangle and Pilot are now working collaboratively to progress the transition of the TEO team and operational control across to Pilot.

Completion of the revised Sale and Purchase Deed is subject to the following conditions precedent:

1. NOPTA issuing the Declaration of a Greenhouse Gas Storage Formation
2. Pilot securing sufficient financial security to satisfy NOPTA and Triangle that it can assume the full abandonment liability for the Cliff Head oilfield in accordance with the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

WA 481 – P Exploration

Pilot holds a 100% operated interest in the 8,605km² permit located in shallow waters offshore Western Australia encompassing the Dunsborough oil fields, and Frankland gas field and the Leander complex gas target identified by Pilots technical team.

The offshore petroleum system within WA-481-P shares many attributes with the Dandaragan Trough, and is potentially a mirror of, and analogous to, the prolific onshore Perth Basin gas discoveries (e.g. Waitsia, Erregulla and Lockyer Deep).

Results of recent technical data set review have focussed on the large Leander Complex gas

prospect located 15km west of the Cliff Head oil platform and three oil prospects south of Cliff Head. Within the gas fairway, Pilot is also progressing a review of the resource potential of Harrier, Hawk and other prospects identified on sparse 2D seismic. These have large GIP potential and represent significant follow-up potential to possible future drilling success at Leander. 3D seismic will be required to further de-risk these opportunities prior to drilling.

Pilot's internally assessed prospective resources to date include the Leander Complex gas resource of 450 Bcf and the Babbler, Brahminy and Cliff Head SW oil resources of 41 million barrels. These are in addition to the discovered Dunsborough contingent oil resource (2C) of 6 million barrels, and Frankland contingent gas resource (2C) of 42 Bcf gas also within WA-481-P.

The resulting prospective gas resource estimate of 450 Bcf could provide Pilot with sufficient gas to self-supply over 10 years of blue ammonia production at the Mid West Clean Energy Project. Future production from WA 481P could leverage the proposed Cliff Head CO₂ storage operations infrastructure to lower the economic volumes required to support incremental oil and gas developments.

Current workstreams being progressed in WA-481-P include:

- Continued technical assessment of other gas (and oil) prospects in the permit, particularly large gas prospects in the vicinity of the Leander Complex.
- Further progressing stakeholder holder engagement and regulatory approval for Eureka 3D marine seismic survey. A comprehensive Environmental Plan (EP) for the survey is being prepared with lodgement with NOPSEMA now anticipated for late January 2024.
- Ongoing farm-out process to secure farm-in partner(s) for the upcoming WA-481-P seismic and future drilling campaigns
- Application to the Regulator was made for a variation to the work commitment for the permit (400km² of new 3D seismic with PSDM processing to replace existing program of 350km² of 3D seismic and 200km of new 2D seismic, both with PSDM processing). A suspension/extension for the permit was also requested as part of the application to allow sufficient time to acquire the 3D seismic program. NOPTA advised on 18 December 2023 that the application was successful.

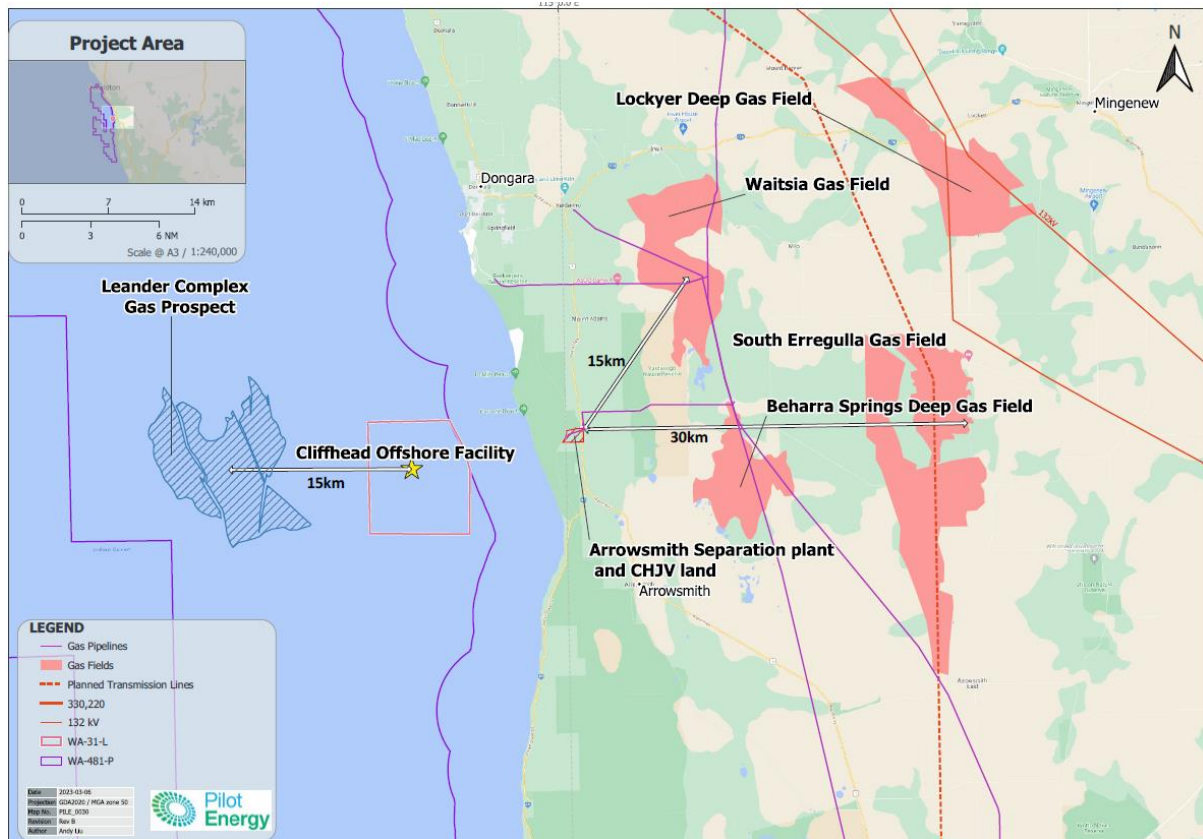


Figure 1: Overview of Pilot's Mid West operations

Mid West Clean Energy Project (MWCEP)

During the quarter Pilot continued development activities for the MWCEP (refer to the Figure 2 below) with the project team progressing foundational elements, including 1) obtaining key regulatory and environmental approvals (continued engagement with NOPTA, Commonwealth and WA governments), 2) initiating final pre-FEED studies to enable FEED entry) and 3) engaging with potential equity participants and offtake customers.

Pilot initiated the MWCEP to leverage the existing Mid West operational asset base (comprising the Cliff Head offshore oil production facility and onshore Arrowsmith separation plant) into the production of clean energy. The Project includes a CO₂ Storage facility created from the conversion of the operating Cliff Head offshore oil field, which will be able to sequester CO₂ both from third parties and from the Company's Clean Energy Ammonia Project (which will enable the production of blue hydrogen, green hydrogen, and ammonia).

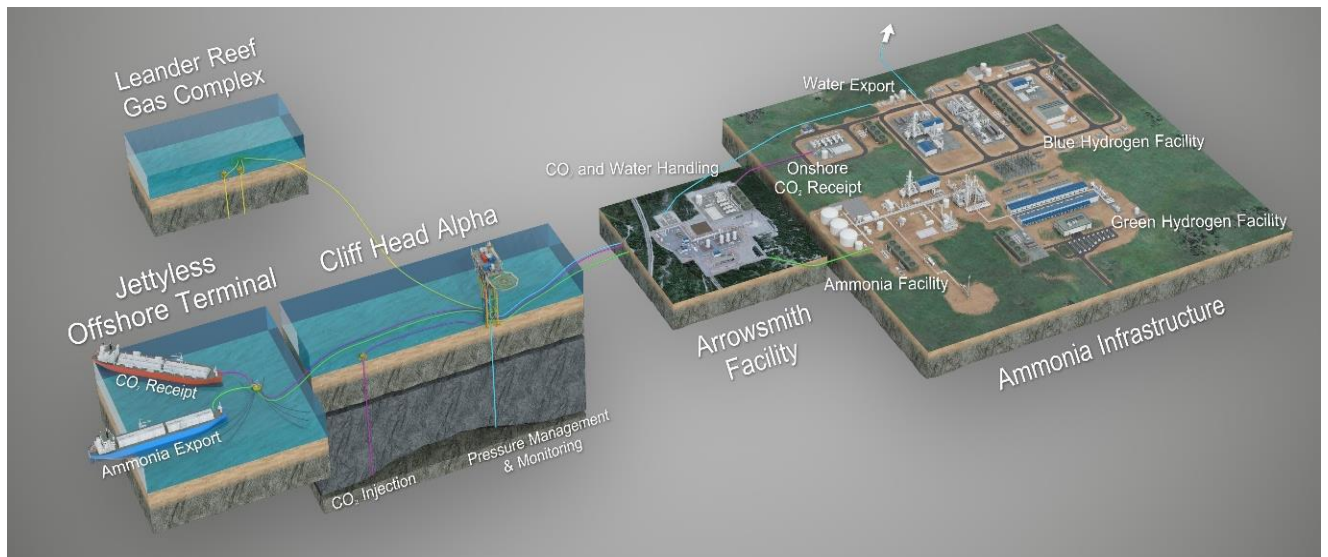


Figure 2. Pilot’s MWCEP overview schematic – includes potential gas supply from Leander Complex (subject to ongoing exploration and appraisal success)

The table below shows the status of the key activities currently in progress.

<p>1. Regulatory and environmental approvals</p>	<ul style="list-style-type: none"> • Following the submission made by the WA-31-L joint venture in December 2022 to Declare a Greenhouse Gas Storage formation over the 72km² oil production licence area and an extensive period of engagement with NOPTA and NOPSEMA, the joint venture was advised on 12 January 2024 that the application has progressed to the final stage and is now with the Minister for Decision (Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia). • In November 2023, the Commonwealth Parliament passed amendments to the Environment Protection (Sea Dumping) Act 1981 required to facilitate injection and transportation of CO₂ in Australian waters. These amendments confirm the regulatory pathway for the MWCEP to provide industrial emitters with a near-term CO₂ management service to permanently remove emissions during the energy transition. • Continued engagement with WA State & Commonwealth governments on the execution and regulatory approval of the project. • Continued development of the MWCEP approvals strategy.
--	---

<p>2. Project partnering & offtake</p>	<ul style="list-style-type: none"> • Pilot confirms that it has continued to advance discussions with several strategic and financial parties to partner in the MWCEP, who are active in the due diligence process including site visits and management presentations. • As previously announced, various agreements (refer below) have been entered into to set the framework for participation in the project. Interested parties include those with capacity to participate as an equity participant, ammonia and or CO₂ storage offtake and to act as the project engineering, procurement, and construction contractor. • On 31 October 2023 Pilot announced that it had partnered with Samsung C&T Corporation Engineering & Construction Group ('Samsung') and has entered into a non-binding conditional Memorandum of Understanding in relation to both the development of the Cliff Head CO₂ Storage Project and the Clean Energy Ammonia Project. • During January 2024, several site visits to the Cliff Head offshore platform and surrounding gas fields have taken place with potential Korean partners as part of their due diligence. We will continue to advise the market of any material updates in this regard.
<p>3. MWCEP Project delivery</p>	<ul style="list-style-type: none"> • Developing and implementing governance and project management framework based on the Project Management Institute (PMI) principles. Framework includes management plans addressing risks, cost control, schedule, change management, stakeholders, communications, and procurement strategy. • The governance framework will be employed throughout the full project lifecycle providing a comprehensive roadmap guiding the project team and stakeholders. • CO₂ storage pressure management operations will continue to produce water through the existing infrastructure throughout injection operations. Pilot is exploring a number of re-use opportunities for produced water including re-use within the Ammonia production facility. One re-use option involves the potential deployment of an additional water treatment process. During the quarter Pilot Energy entered into a MoU with a Capture6 (www.capture6.com) who is developing an innovative water processing and direct air CO₂ capture technology. The MoU provides a framework for the parties to assess potential deployment of the Capture6 technology within the Mid West

	<p>Clean Energy project. Successful deployment of the Capture6 system could replace the need for standard salt water reverse osmosis, eliminating the need to manage reverse osmosis by products (concentrated salt water by product) and potentially producing additional revenue streams associated with drawdown and storage of atmospheric CO₂ via an integrated direct air capture system. Further byproducts from the system include hydrogen and chlorine.</p> <ul style="list-style-type: none"> • Key to the successful delivery of energy transition projects is collaboration with research institutions. In order to facilitate such collaboration Pilot and Curtin University have entered into a Research collaboration MoU providing a framework to progress R&D activities aligned with Pilot’s Mid West Clean Energy project. Curtin University has significant research and laboratory experience relevant to the MWCEP including corrosion and CO₂ sequestration expertise. Pilot’s management team recently toured the University’s Corrosion labs and under the MoU the parties will establish a working group to identify potential R&D workflows that may include: <ul style="list-style-type: none"> ○ Studying the effects of impurities within CO₂ streams delivered to the MWCEP on materials used throughout the MWCEP CCS ecosystem; ○ Renewable energy generation and transmission technology; ○ Energy storage; and ○ Electrolysis. • During the quarter Pilot submitted a development application for a 376MW (DC) solar farm to be located east of Three Springs WA. The proposed project is located ~90km east of the Arrowsmith Separation facility and could supply part of the power required for the proposed MWCEP blue ammonia production facility.
--	---

Table 1 MWCEP key activity status

CORPORATE ACTIVITIES

Cash on hand

Cash on hand at 31 December 2023, was \$2.085 million.

In addition to the cash on hand, it is noted that Pilot has a 50% interest in Triangle Energy (Operations) Pty Ltd (TEO), the operating company of the Cliff Head JV (of which 50% is attributable to Pilot). Next oil delivery is scheduled for February 2024 with sale proceeds of ~US\$1.7 million (100% TEO) anticipated to be received in March 2024. These funds are allocated to support Cliff Head oil operations.

During the December 2023 quarter the following capital raisings were completed:

- On 6 November 2023, Pilot advised that it has received commitments for \$2.424 million (before costs), at an issue price of \$0.02 per share in a placement to sophisticated, institutional and professional investors and Directors (Placement).

As part of the Placement, the Company will issue one new unlisted option (Placement Options) for every four new Shares issued to investors, resulting in a total of 30.3 million new unlisted Placement Options being issued. The Placement Options will be unlisted, will expire on 25 August 2025 and have an exercise price of \$0.033. The issue of the Options is subject to approval at the Company's AGM to be held on 6 February 2024. The Lead Manager will also be issued 6 million options, which will be unlisted, with an exercise price of \$0.05, and which will expire on 1 November 2026. The issue of these options is subject to shareholder approval.

- On 15 December 2023, Pilot advised that it had entered into Convertible Note Agreements with a syndicate of sophisticated investors lead by Discovery Investments Pty Ltd (**Investor Syndicate**), for an investment in the Company valued at a total of \$3.5 million. Key terms of the Note were provided in the ASX Release, and are summarised below:

Face Value	\$3,500,000
Conditions Precedent	Shareholder Approval for the issue/ Refresh of LR7.1 capacity
Term	24 months
Coupon Rate	12% compounding, payable quarterly.
Conversion Price	\$0.03
Conversion	Following the expiry of a period of 6 months from the date of grant of the Note, the Investor may convert the note at any time during the Term.
Other terms	The convertible note is unsecured.

The Investor Syndicate is led by Mr Greg Columbus. Mr Columbus has over 30 years of experience in the Energy and & Oil Gas industries including technical, commercial, executive, and non-executive roles and is also an experienced investor in listed companies.

Share Capital

As at the date of this Report, the Company has the following capital structure:

- 1,162,907,606 shares on issue
- 281,793,703 outstanding (unlisted) options

Reserves and resources

(i) Oil & Gas

The 2022 Cliff Head 2P Reserves assessment was performed by Triangle Energy (Global) Limited, current project operator. This was based upon reservoir engineering analysis of future production based on historical trends (ie decline curve analysis) undertaken in 2022, less production to 30 June 2023*.

Production Licence WA-31-L Cliff Head

Oil Field Developed Reserves (MMstb)	Gross (100%)	Net to Pilot (21.25%)
Cliff Head Oil Field	2P	2P
30 June 2023 Reserves	0.53	0.11

*Source: Page 15 of Tringle Energy (Global) 2023 Annual Report

Pilot notes that during the period 1 July 2023 through to 31 December 2023, 96,703 bbls (Pilot share 20,549 bbls) of oil have been produced.

The Company confirms there are no changes to WA-481-P Contingent Resource information which was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021. The Contingent Resource estimates set out in the following tables are based on the Independent Technical Specialist Report prepared by RISC dated 28 January 2021 relating to the Company's Australian exploration assets.

WA-481-P Contingent Resources

Pilot interest: 100%

WA-481-P Contingent Oil Resources (MMbbl)

Accumulation		1C	2C	3C
Dunsborough	Gross (100%)	3.3	6	9.8

WA-481-P Contingent Gas Resources (Bcf)

Accumulation		1C	2C	3C
Frankland	Gross (100%)	29.4	41.6	58.9

Sources: RISC Technical Specialist Report January 2021

Pilot has internally assessed the prospective gas and oil resources associated in WA-481-P which are in addition to the existing Dunsborough and Frankland contingent gas resources above.

WA-481-P Prospective Resources

	Prospective Resource (Best)
Leander Complex (Gas)	450 Bcf
Cliff Head SW (Oil)	13 million bbls
Babbler (Oil)	19 million bbls
Brahminy (Oil)	9 million bbls

(ii) CO₂ Storage Resource

As reported in the Company's 2022 Annual Report, the CHJV technical teams, along with CO₂Tech during 2022, have undertaken a full technical assessment of the CO₂ storage potential across the WA 31-L tenement area. This work stream expanded key technical models to cover the entire WA 31-L and adjacent area (expanding into Pilot's 100% held WA 481-P exploration licence). Set out below are the results of the Resource Assessment. A further CO₂tech review of the CO₂ Storage resources is underway and is expected to be finalised during the next quarter.

Greater Cliff Head & WA 481P CO₂ Storage Contingent & Prospective Resources*

Contingent Storage Resource (million tonnes)	1C	2C	3C
WA 481P (Pilot share, 100% basis)	2.8	4.4	7.2
WA 31L (100 % basis)	7	9.7	13.4
Prospective Storage Resource (million tonnes)	1U	2U	3U
WA 481P (Pilot share, 100% basis)	46.2	80.4	144.2

*Based on Resource Assessment by CO₂Tech, prepared in accordance with the SPE SRMS Guidelines for estimating CO₂ storage resources

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

Environmental, Social and Corporate Governance (ESG)

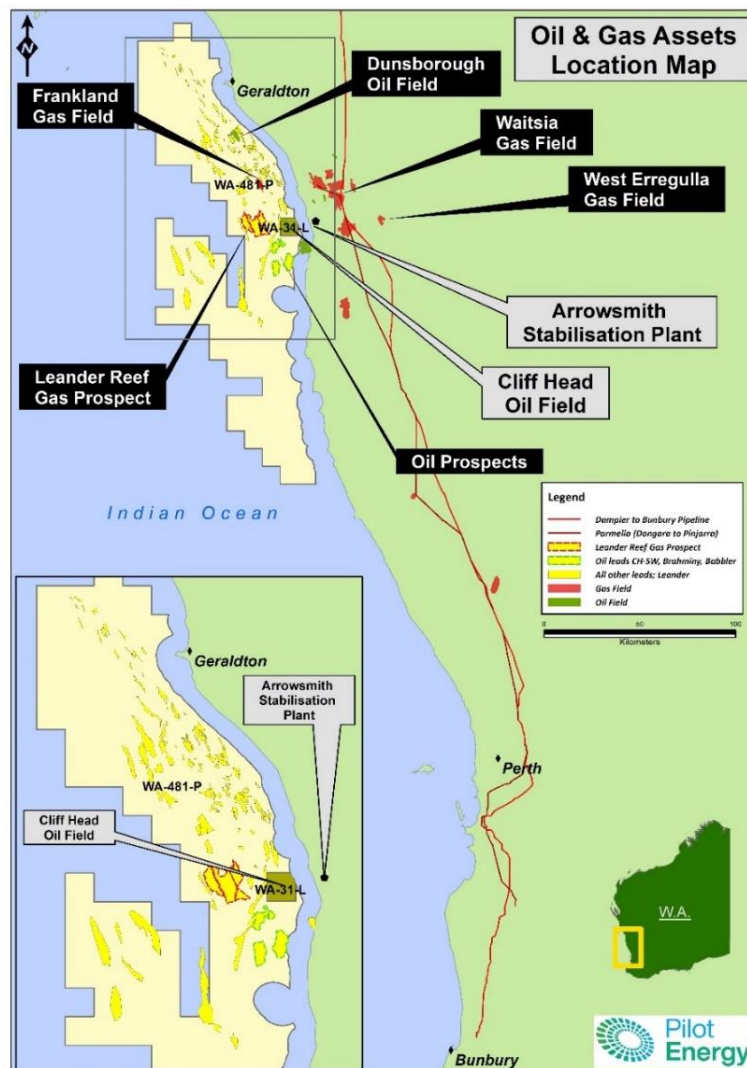
Pilot is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. To progress the Company's commitment, Pilot has commenced a process which will facilitate the Company reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). By integrating ESG metrics into the Company's governance, business strategy, and performance management process, Pilot diligently considers all pertinent risks and opportunities in running its business.

ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot’s interest in its Oil and Gas tenements which are also presented on the map below.

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
WA-31-L ⁽ⁱ⁾	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%

i) The Company holds a 50% interest in TEO which has a 42.5% direct interest in WA-31L. Participating interest is subject to completion of the Triangle restructure as noted in ASX announcement dated 27 July 2023 and summarised in the body of this Report, as well as the transaction with Samsung C&T as detailed in this Report, which would ultimately result in an 80% direct interest in the permit.



Pilot Oil and Gas asset map

Competent Person Statement

This announcement contains information on conventional petroleum resources and CO₂ Storage which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master's degree in petroleum engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

END

This announcement has been authorised for release to ASX by Bradley Lingo, Chairman and Tony Strasser, Managing Director on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

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

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

31 Dec 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) staff costs	(278)	(278)
(d) corporate and admin costs	(422)	(422)
(e) professional fees	(474)	(474)
1.3 Dividends received (See note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,176)	(1,176)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & feasibility expenditure (if capitalised)	(832)	(832)
(e) investments	-	-
(f) other non-current assets	(525)	(525)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(356)	(356)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(1,713)	(1,713)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,392	2,392
3.2	Proceeds from issue of convertible debt securities	1,000	1,000
3.3	Proceeds from exercise of options	15	15
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Convertible Note Coupons)	(89)	(89)
3.10	Net cash from / (used in) financing activities	3,318	3,318

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,661	1,661
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,176)	(1,176)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,713)	(1,713)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,318	3,318

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	2,087	2,087

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,087	1,661
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,087	1,661

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
379
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,176)
8.2 Capitalised exploration & feasibility expenditure (Item 2.1(d))	(832)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,008)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,087
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,087
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.04
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Future net operating expenditures over the next two quarters are expected to remain consistent with this Dec quarter, and will be managed in line with available cash resources. Work is continuing in relation to CHCCS FEED and spend is discretionary.	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	

Answer: Yes, as announced on 15 Dec 2023, the Company completed arrangements for the issue of Convertible Notes totalling \$3.5 million. **\$1 million was received in December with the balance of \$2.5 million to be received 7 days post the AGM to be held on 6 Feb 2024.**

In addition, **the Company is anticipating an R&D Tax Incentive cash refund in the amount of \$1.3 million in February 2024 for the 2023 year.** This claim was submitted to AusIndustry on 15 December 2023.

Furthermore, the Company is in advanced discussions with potential partners to participate/farmin/invest in the Company's Mid West Clean Energy Projects.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, on the basis described above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30/01/2024.....

Authorised by: BY THE BOARD

.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.