



Charting a new course

Organizational changes & new focus

Pilot Energy Limited
ASX:PGY

May 2020

Future investment case

- Rapid transition of Australian energy landscape to one that is predominately supplied by renewable energy requires new energy solutions to flatten the energy supply profile
- Delivery of “firming” energy solutions is essential across the entire energy supply and delivery value chain
- PGY footprint and experience base provides unique opportunity to participate in the energy transition as dedicated firming energy solutions provider
- Significant opportunity to build a firming energy solutions business based on delivering and integrating three platforms
 - Gas
 - Storage
 - Renewables
- High grading of opportunities that provide near term cash flow and include options to mitigate execution risk through partnering
- Focus on delivering significant growth and creating long term value with new investment opportunities
- Refreshed Board and management team in place to execute new strategy

New Appointments and Board

Brad Lingo, Chairman

- 25+ years international senior executive
- Upstream/midstream energy, energy infrastructure, finance
- Drillsearch, CBA, AGL, Sunshine Gas, Epic Energy, El Paso Corp
- Proven track record of creating & growing shareholder value

Dr Guoping Bai, Non-Executive Director

- 35+ years upstream experience basin analysis & reservoir geology
- China University of Petroleum, CSIRO, Energy & Geoscience Institute

Dr Walker Li, Non-Executive Director

- 12+ years senior oil & gas executive
- China Resources Fund, CNOOC, Mirach Energy

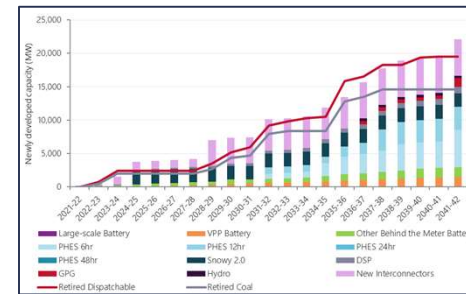
Michael Lonergan, Non-Executive Director

- 30+ years domestic & international oil & gas experience
- Senior technical and project management roles
- AGL, Origin, Oil Company of Australia, Mosaic Oil, Delhi Petroleum

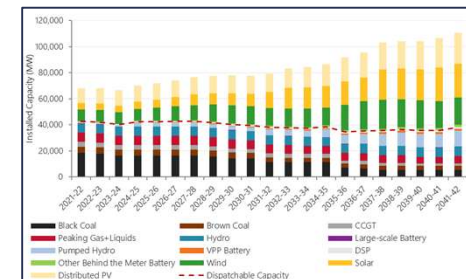
The Plan

- **Focused on the Australian energy transition**
 - Becoming firming energy solution provider
 - Retasking existing assets
 - Acquiring complementary assets
 - Deliver low carbon outcomes
 - Partnering where possible
- **Develop energy firming projects**
 - Gas supply
 - Energy storage
 - Integrated with renewables
- **Rationalize other assets**
 - Focus on gas potential of existing assets
 - Leverage existing assets into new firming & renewable projects
 - Monetization/rationalization of exploration assets

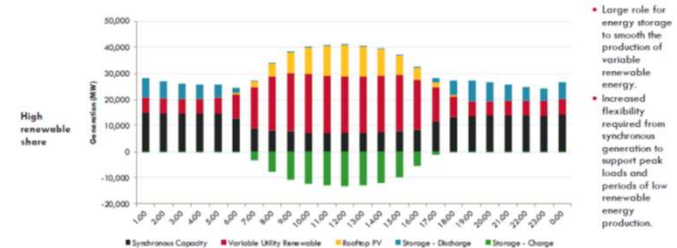
Storage and dispatchable capacity – Central Case
AEMO, Integrated System Plan- 2020 Draft



Installed capacity – Central Case
AEMO, Integrated System Plan- 2020 Draft

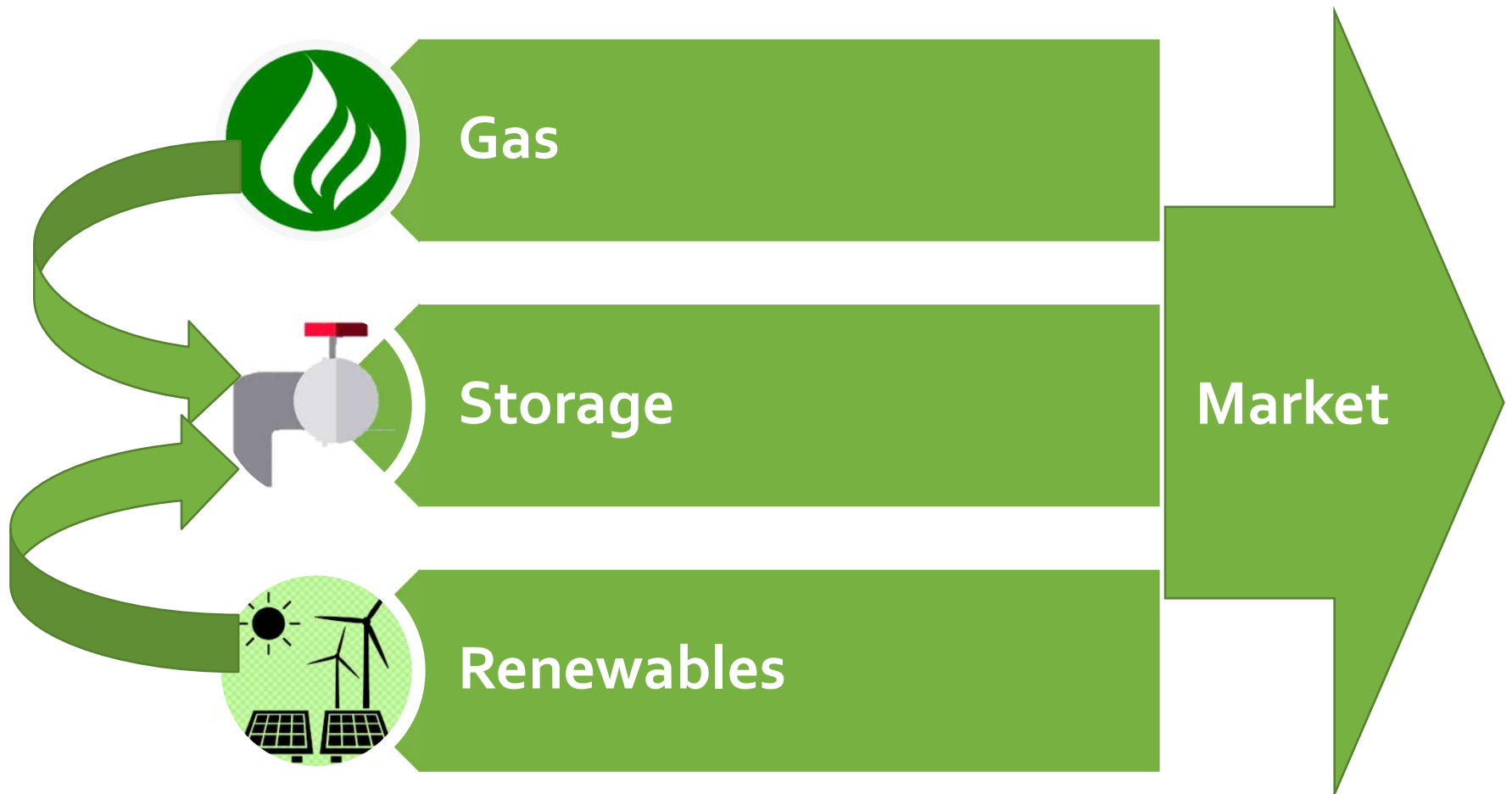


Evolution of Average Daily Contribution by Category across the NEM
AEMO, Integrated System Plan- 2018



- Large role for energy storage to smooth the production of variable renewable energy.
- Increased flexibility required from synchronous generation to support peak loads and periods of low renewable production.

3 pillars of the Firming Energy strategy

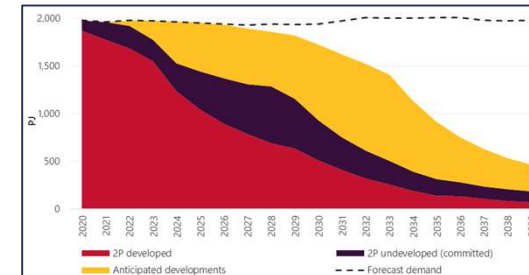


Australian Energy Market

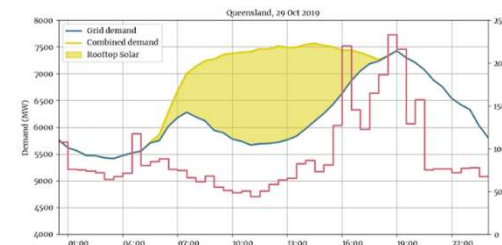
- Rise of renewables driving profound change in Australian energy market
- Gas increasingly sought as energy supply for firming generation, but its not the only solution
- Energy storage – both gas & energy - increasingly needed to flatten the energy supply curve
- The rapidly changing market requires new entrants and new solutions
- Opportunity to become firming energy solution provider bring together gas, storage & renewables
- Material growth opportunity and material upside value

Eastern Australia Gas Supply & Demand

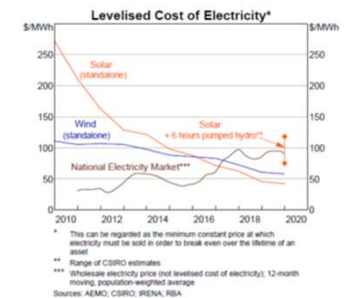
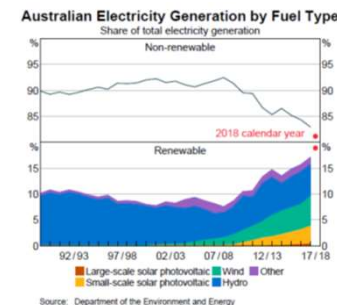
Projected eastern and south-eastern Australia gas production (export LNG and domestic) – existing projects, and committed and anticipated developments; Central scenario, 2020-39 –AEMO Gas Statement of Opportunities 2020



The “Duck” Curve



Rise of Renewables



The rapidly evolving Australian energy market requires new solutions

Approach

- Restructure Board and management team
 - Delivery focussed
 - Performance based remuneration model
- Build and leverage competitive and unique advantages
- Strategy and fundamentals drive decisions, opportunity selection
- Pursue value accretive energy investment opportunities

Next steps

- Strategy driven identification of prospective project opportunities
- Early identification of candidate projects commenced
- Currently high-grading prospective projects
- Prioritising projects with clear development paths
- Focus on projects with opportunity for near-term cash flow generation
- Discussions with project asset owners commenced
- Near-term objective to secure 1-2 focus projects
- Rationalization of assets outside of strategy

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Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery (GCoS) and a risk of development (chance of a commercial development). Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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



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