Pilot Energy Limited

ABN 86 115 229 984
Suite 2, Ground Floor
100 Havelock Street,
West Perth, WA 6005
E: info@pilotenergy.com.au

For personal use only

Announcement to ASX

ASX: PGY

16 April 2025

$5.0m Placement to Underpin Cliff Head Operations and Corporate Activity

- Pilot Energy has received firm commitments to raise $5.0 million (before costs) through a placement to sophisticated, professional and institutional investors.
- Issue price of $0.010 per share represents a 100% premium to the last close price of $0.050.
- Funds from the placement are to underpin corporate activity associated with closing the Korean consortium transaction, other corporate initiatives and the operating costs of the Cliff Head Oil Project.
- Company now recapitalised to drive value enhancing initiatives

Pilot Energy Ltd (**ASX:PGY**) (**PGY** or the **Company**) is pleased to announce that it has received A$5.0 million (before costs) in binding commitments for a two tranche placement of 500,000,000 new fully paid ordinary shares (**Shares**) in the Company at A$0.010 per share to sophisticated, professional and institutional investors (**Placement**).

The Placement received significant demand and was oversubscribed.

Pilot Chairman Greg Columbus stated: “We are grateful for the support of existing shareholders and many new investors in this capital raising, This has enabled Pilot Energy to raise significant funds in a difficult share market environment at a 100% premium to the last traded price demonstrating the value of these unique assets.

Since Pilot’s shares went into suspension on the ASX in December 2024, we have completed the Board renewal process, confirmed the interest of the Korean consortium in investing in the Mid-West Clean Energy Project and restructured our arrangements with Triangle Energy so that the payment for the purchase of 78% of the Cliff Head Oil Project is deferred to September 2026. In addition, we have announced a resource upgrade in the Company’s 100%-owned oil and gas permit WA-481-P to 1.1 Tcf of gas, a very large natural gas resource in the context of the Perth Basin and the WA gas market. These exciting developments highlight the significant potential that exists within Pilot’s portfolio of energy assets. The Company’s Board and management is focused on executing across several areas of corporate activity to deliver value enhancing outcomes for the benefit of shareholders”.

For personal use only

Use of Funds & Ongoing Funding

Funds from the placement, existing working capital and funds raised via draw down of convertible notes will be applied as follows:

Use of Funds & Working Capital[1]	A$m	%
Cliff Head Operations	$4.5m	67.2%
Corporate Costs and Working Capital	$1.9m	28.4%
Capital Raising Costs	$0.3m	4.4%
Total[1]	**$6.7m**	**100%**

(1) Total of $6.68m comprises $5.0m raised via institutional placement, $0.4m in existing cash on balance sheet and $1.3m in additional funds raised via the draw down of convertible notes.

The Company confirms that following the successful completion of the Placement, it is adequately capitalised and can meet its debts as and when they fall due.

Director Support

The Placement is being supported by the Company's Board, with all Directors confirming they will participate and the Board, in aggregate, committed to subscribe for $455,000 of the total funds of the capital raising. The Board will seek shareholder approval for their participation in the Placement at the forthcoming General Meeting (**EGM**) on June 4th 2025.

Placement Details

The Placement comprises the issue of 500,000,000 Shares to raise A$5.0 million. Pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A under Tranche One (**Tranche 1**) of the transaction the Company will issue 324,415,003 shares. Under Tranche Two (**Tranche 2**) of the transaction the Company will issue 175,584,997 shares, subject to receiving shareholder approval at the Company's EGM.

Settlement of each respective tranche is anticipated to be as follows:

- Settlement of Tranche 1 is expected to take place on Wednesday, 23rd April 2025, with allotment expected to occur on Thursday, 24th April 2025; and
- Settlement of Tranche 2 is expected to take place on Thursday 5th June 2025, following shareholder approval at the Company's AGM.

The A$0.010 issue price per Share represents a 100.0% premium to the last traded price on Wednesday, 18th December 2024 and a 3.2% discount to the 30-day volume

For personal use only

weighted average price (**WVAP**) calculated to the last trading date of PGY stock prior to entering trading halt and subsequent suspension.

Each participant in the Offer will receive an attaching listed ASX:PGYOA option (**Attaching Options**) with a strike price of $0.033 on a 1-for-1 basis, subject to shareholder approval at the Company's EGM.

Alpine Capital Pty Ltd acted as Sole Lead Manager to the Placement and will receive fees in accordance with standard commercial terms.

Suspension Cleansing and Corporate Update

In connection with the Placement and the Company's reinstatement to quotation, Pilot is required under the Corporations Act to issue a cleansing prospectus. The prospectus has been released on ASX:PGY on the date of this announcement (**Prospectus**). In this regard, the Company refers to section 6.1 of the Prospectus in which the Company has disclosed that, following months long discussions and due diligence with a number of different potential partners for the Mid West Clean Energy Project and its various parts, Pilot has received a confidential and incomplete non-binding, indicative proposal from a foreign state-owned enterprise with an investment grade rating of BBB+ to acquire a meaningful minority interest in the Cliff Head Carbon Storage Project. The proposal is consistent with the Company's commercial expectations regarding joint venture participation in this project. Pilot believes the proposal is well advanced and could be finalised. However, the Company acknowledges there is no certainty or assurance that any such proposal will result in a binding transaction. The Company is continuing to engage with the counter party and will provide further information to the market when appropriate under its continuous disclosure obligations.

ENDS

This announcement has been authorised for release to ASX by the directors of Pilot Energy Limited.

Enquiries

Cate Friedlander, Company Secretary | cfriedlander@pilotenergy.com.au | www.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 Carbon Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to Carbon Storage 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 across all exploration tenements across the Offshore Perth Basin, Western Australia (Greenhouse gas assessment permit G-12-AP and petroleum exploration licence WA-481-P)