

**Pilot Energy Limited**

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4 March 2025

Reference: 106664

Listings Compliance Perth  
c.c. Mr S. Dorland

By email

**To:** ASX Compliance

**Pilot Energy Limited (“PGY” or “Pilot”): ASX Aware Letter (2)**

Pilot refers to your letter dated 28 February 2025.

Pilot also refers to the ASX Aware letter dated 21 February 2025, Pilot’s response to that letter dated 26 February 2025 (**First Response**) and Pilot’s announcement dated 21 February 2025 (**Announcement**).

In response to ASX’s latest request for further information in relation to the Announcement, Pilot responds as follows.

- 1. Did PGY’s Quarterly Activity Report for the period ended 30 September 2024 contain disclosure naming South32 as the counterparty to the Joint Feasibility Study Agreement?**

No

- 2. If the answer to question 1 is ‘yes’, please provide details of where it is disclosed.**

N/A

- 3. Did PGY’s Quarterly Activities Report for the period ended 31 December 2024 contain disclosure naming South 32 as the counterparty to the Joint Feasibility Study Agreement?**

No

- 4. If the answer to question 3 is ‘yes’, please provide details of where it is disclosed.**

N/A

- 5. Please specify the date in (dd/mm/yyyy) format in February 2025 that the Study commenced?**

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The joint feasibility study involves multiple parties and multiple work streams. It involves a continuous process of data sharing, assessment and review which will continue until the participants are satisfied the study is complete. Some of the dates on which work streams have commenced with preliminary meetings are 21/1/25; 29/1/25; and 6/2/25.

- 6. Please specify the date in (dd/mm/yyyy) format in September 2024 that PGY's board committed to proceed with the Study?**

Board approval was not required.

- 7. What date in (dd/mm/yyyy) format did PGY and South32 finalise the Joint Feasibility Study Agreement?**

The terms sheet to facilitate the joint feasibility study between PGY and South32 was signed on 25/09/2024.

- 8. Did the Announcement disclose that the Joint Feasibility Study Agreement is 'non-binding'?**

The Announcement did not specify whether or not the agreement is binding. It stated that the parties had agreed to undertake a joint feasibility study. This was confirmed in para 7.1 of Pilot's First Response.

- 9. Does PGY consider the Announcement was accurate, complete and not misleading, having regard to PGY's response to question 7.1 of the Aware Letter that the Joint Feasibility Study Agreement with South32 is 'non-binding'?**

Yes

- 10. Having regard to PGY's response to question 7.1 of the Aware Letter, is South32 providing any funding under the non-binding Joint Feasibility Study Agreement?**

No.

- 11. If the answer to question 10 is 'yes', please provide details.**

N/A

- 12. Noting PGY's response to Question 7.1 of the Aware Letter indicates the Joint Feasibility Study Agreement is non-binding, please describe any resources or commitments South32 has made in relation to the conduct of the Study?**

South32 is providing internal resources to assist with the study including, but not limited to, preparing technical input data, reviewing conceptual locations for future infrastructure required for a carbon management service and reviewing the draft and final feasibility study results.

- 13. Please confirm that PGY is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is complying with the Listing Rules and, in particular, with

Listing Rule 3.1.

- 14. Please confirm that PGY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.**

PGY confirms that its responses to the questions above have been authorised and approved by the Board.

*Cate Friedlander*

Regards

Cate Friedlander

**Company Secretary**

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28 February 2025

Reference: 106664

Ms Cate Friedlander  
Company Secretary  
Pilot Energy Limited

By email

Dear Ms Friedlander

**Pilot Energy Limited ('PGY'): Further ASX Query Letter**

ASX refers to the following:

A. PGY's announcement titled "Carbon Supply Chain Feasibility Study" (the 'Announcement') released on the ASX Market Announcements Platform ('MAP') at 10:07AM AWST on 21 February 2025 disclosing the following:

1.1 "Pilot and South32 Worsley Alumina Pty Ltd (South32) have agreed to undertake a joint feasibility study of the carbon supply chain required to assist with capturing and storing up to approximately 700,000 tonnes per annum of carbon dioxide associated with the Worsley Alumina operations."

1.2 "The Feasibility Study commenced in Q1 CY2025..."

1.3 "The study is expected to complete in Q3 CY2025 and, subject to results, may form a potential basis for further commercial and technical engagement on decarbonisation options for Worsley Alumina."

('Joint Feasibility Study Agreement')

B. PGY's announcement entitled 'Response to ASX Aware Query' released on MAP on 26 February 2025, which stated relevantly (ASX queries bolded):

**"1. Does PGY consider the Joint Feasibility Study Agreement, or any part thereof, to be information that a reasonable person would expect to have a material impact on the price or value of its securities?"**

*No, the Company does not consider the Joint Feasibility Study Agreement the subject of the Announcement ('Study'), or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.*

*Given PGY is currently in suspension through until 5 March 2025, PGY does not believe the information could have an impact on the price/value of its securities.*

*In addition, and notwithstanding the suspension of PGY, the Study has previously been announced (see ASX:PGY Quarterly Activities Reports and Appendices 5B released to the market on 31 October 2024 (pg 9) ('September Quarterly') and 31 January 2025 (pg 4) ('December Quarterly')) and the Announcement was by way of corporate update in relation to the scope and progress of the Study. See the statement to this effect in the first line of the Announcement.*

....

**4. What date did the joint feasibility study referred to in the Announcement commence?**

The Study commenced in February 2025.

Following agreement between South 32 and PGY to proceed with the Study (as announced in the December Quarterly and noted above)..."

...

**7. Please provide a summary of the material terms of the joint feasibility study agreement. In responding to this query, please specifically address the below matters:**

**7.1 whether the agreement is binding:**

*The arrangements are non-binding, confidential and subject to results of the Study."*

('ASX Aware Letter')

- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:**
- 3.1A.1 One or more of the following 5 situations applies:**
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - *The information is generated for the internal management purposes of the entity; or*
  - *The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and**
- 3.1A.3 A reasonable person would not expect the information to be disclosed."**
- G. Listing Rule 18.6, which states:
- "On admission to the official list, an entity must comply with the listing rules. This applies even if quotation of the entity's securities is deferred, suspended or subject to a trading halt."*
- H. The concept of "confidentiality" detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”*

I. Section 4.15 of ASX Guidance Note 8 Continuous Disclosure: Listing Rule 3.1-3.1B ('GN8'), which states:

*“An announcement under Listing Rule 3.1 must be accurate, complete and not misleading.”*

J. Section 7.10 of ASX GN8 headed 'Ramping Announcements' which states:

*“ASX is alive to listed entities making market announcements with a view to “ramping up” their securities. Ramping announcements come in many forms, including:*

- *the release of a “business update” or something similar, which will typically be worded in an exuberant fashion but which on closer examination contains little in the way of substance that has not already been disclosed to the market;*
- *a series of announcements in close proximity, none of which is particularly material but which together are intended to pique investor interest in the entity;*
- *an announcement that has no substance but seeks to ride on the back of strong market sentiment in a particular sector; and*
- *an announcement that an entity has entered into what appears to be a material contract or transaction but without disclosing key information that investors and their professional advisers reasonably need to understand the materiality of the contract or transaction and to assess its impact on the price or value of the entity's securities.*

*The last example above occurs not infrequently in the context of announcements about customer contracts. Some examples that ASX has observed include an entity:*

- *announcing a contract with a major customer of substantial repute without providing any details of the nature of the contract or its significance to the entity (i.e. seeking to benefit from the association with the customer without providing proper disclosure);*
- *announcing what appears to be a material customer contract without disclosing that it is:
  - *a non-binding heads of agreement only and that material contractual terms have yet to be agreed...” (Emphasis added)**

### **Request for information**

Having regard to the above, ASX asks PGY to respond separately to each of the following questions:

1. Did PGY's Quarterly Activity Report for the period ended 30 September 2024 contain disclosure naming South32 as the counterparty to the Joint Feasibility Study Agreement?
2. If the answer to question 1 is 'yes', please provide details of where it is disclosed.
3. Did PGY's Quarterly Activities Report for the period ended 31 December 2024 contain disclosure naming South 32 as the counterparty to the Joint Feasibility Study Agreement?
4. If the answer to question 3 is 'yes', please provide details of where it is disclosed.
5. Please specify the date in (dd/mm/yyyy) format in February 2025 that the Study commenced?

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6. Please specify the date in (dd/mm/yyyy) format in September 2024 that PGY's board committed to proceed with the Study?
7. What date in (dd/mm/yyyy) format did PGY and South32 finalise the Joint Feasibility Study Agreement?
8. Did the Announcement disclose that the Joint Feasibility Study Agreement is 'non-binding'?
9. Does PGY consider the Announcement was accurate, complete and not misleading, having regard to PGY's response to question 7.1 of the Aware Letter that the Joint Feasibility Study Agreement with South32 is 'non-binding'?
10. Having regard to PGY's response to question 7.1 of the Aware Letter, is South32 providing any funding under the non-binding Joint Feasibility Study Agreement?
11. If the answer to question 10 is 'yes', please provide details.
12. Noting PGY's response to Question 7.1 of the Aware Letter indicates the Joint Feasibility Study Agreement is non-binding, please describe any resources or commitments South32 has made in relation to the conduct of the Study?
13. Please confirm that PGY is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
14. Please confirm that PGY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PGY with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Tuesday, 4 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PGY's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require PGY to request a trading halt immediately if trading in PGY's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PGY's securities under Listing Rule 17.3.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to PGY's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PGY's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

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ASX Compliance