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**Pilot
Energy**

**Announcement to ASX
ASX: PGY**

28 March 2025

REVISED CLIFF HEAD ACQUISITION TERMS AGREED WITH TRIANGLE ENERGY

Pilot Energy Limited (**ASX: PGY**) (**Pilot** or **Company**) is pleased to announce that revised terms have been agreed with Triangle Energy (Global) Limited (ASX:TEG) (**Triangle**) to acquire 100% of the interests in the Cliff Head Oil Joint Venture (**CHJV**) and assets. The Company refers to its previous announcements made on ASX:PGY 27 July 2023, 23 July 2024, 14 October 2024 and 3 December 2024.

Pilot and Triangle have agreed to amend the existing Sale and Purchase Deed to provide a clear pathway for the completion of the sale of the interests held by Triangle in the CHJV held by Triangle and the CHJV assets.

As previously agreed, the CHJV assets transfer to Pilot over two stages. Initially, ownership of the WA State based assets (Arrowsmith freehold land and facilities and infrastructure licences) will transfer to Pilot. Subject to the National Offshore Petroleum Titles Administrator (NOPTA) approving the transfer of the remaining CHJV assets and licences located in offshore Commonwealth waters (Condition Precedent), Triangle will transfer these remaining assets to Pilot at a later date.

Under the revised terms, Pilot will purchase the WA State based assets through a vendor financing arrangement pursuant to which Pilot will provide a secured note to Triangle in the amount of \$5,563,000. This note will have a maturity date of 30 September 2026 (or earlier in the event of a sale of a material interest in the CHJV by Pilot to a third party). The note will accrue interest from 30 June 2025 at 10% which will be capitalised to maturity. Pilot will make a one-off cash payment to Triangle of \$167,000 on 31 August 2025 in recognition of the deferred interest accrual under the note.

Details of the revised terms are set out in Attachment A to the announcement.

Other key terms of the sale of the CHJV to Pilot remain unchanged including the following:

Carbon Storage Injection License Payment – As previously announced, Pilot will pay Triangle an additional amount of \$4.0 million when the Cliff Head Carbon Storage project is awarded an injection licence.

Cliff Head Storage Project ORRI - As previously announced, Pilot will also pay a royalty to Triangle of 2% of third-party revenues associated with the proposed Cliff Head Carbon Storage project, subject to an aggregate cap of \$7.5 million.

Cliff Head Operating Costs - Pilot to continue paying the operating costs for the Cliff Head Facilities.

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Pilot's Executive Chairman, Brad Lingo said *"Reaching these revised terms is a positive development as it enables Pilot to acquire a 100% interest in the Cliff Head Oil Field Joint Venture and associated operating assets. Under these revised terms Pilot can continue progressing the proposed Cliff Head Carbon Storage project, which is a key component of the broader Mid West Clean Energy Project. We appreciate the cooperation and goodwill of Triangle in finalising these revised terms and providing the vendor financing arrangement."*

Mr. Lingo continued *"While NOPTA approvals are still required to complete the transfer of the CHJV assets under Commonwealth jurisdiction, the transfer of all the WA State-based assets and operations enables Pilot to begin the transition of these facilities and, most importantly, gives Pilot the flexibility to sell down an ownership interest to incoming joint venture parties. In addition, Pilot intends to explore how these facilities can also be used to support other productive operations. This also enables Pilot to execute the Commonwealth Grant funded carbon capture and water processing pilot project with Capture 6."*

ENDS

This announcement has been authorised for release to ASX by Brad Lingo, Chairman of the Company.

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 CO2 Storage Project through the conversion of the Cliff Head Oil field and associated infrastructure from oil production to CO2 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).

Attachment A
Cliff Head JV Revised Purchase Terms

Completion of Transfer of Cliff Head JV Arrowsmith Assets to Pilot

Stage 1 completion will occur for the Arrowsmith freehold land and facilities and infrastructure licenses ("Arrowsmith Assets" - i.e. WA State regulated assets) and will be conveyed to Pilot on satisfaction of the following conditions:

- Execution of amended sale and purchase deed
- Pilot raising a minimum of \$5 million (net of costs) in an equity issue
- Reinstatement of Pilot's shares to ASX quotation
- Issue of the Secured Note described below to Triangle
- Grant of securities in agreed form for the Secured Note

Vendor Financing Capital Component Note for Cliff Head Acquisition

As payment for Arrowsmith Assets, Pilot will issue a single secured promissory note ("Secured Note") to Triangle for the purchase of "Arrowsmith Assets" in amount of ~\$5.563 million.

- The maturity date of the note is the earlier of 30 September 2026 or the sale or disposal of a material interest (at least 25%) of Pilot's interest in Cliff Head/CH CCS Project to third party.
- Interest rate is 10% interest which will accrue quarterly from 30 June 2025 and be capitalised until maturity.
- Pilot to make a \$167,000 cash payment by 31 August 2025 in recognition of delayed interest accrual.
- Maturity and repayment in full on event of default, including non-payment of Opex, non-payment of \$167,000 or insolvency event.

Security

- The Secured Note will be secured by (1) general securities over the assets of Pilot and Royal Energy, including cash held, which will be released 12 months after completion of the sale and purchase of the Arrowsmith Assets and (2) specific securities over Pilot's shares in Royal Energy, Royal Energy's shares in TEO and the Arrowsmith Assets, which will be released on repayment in full of the Secured Note.

Cliff Head OPEX

- Pilot continues to fund 100% of Cliff Head operating/running costs.

Other Points

- All PRRT and other rebates associated with NPP and operating expenditures after 1 August 2025 are for Pilot's account and will be paid to Pilot as received.
- In the event of the sale of the Three Springs Solar Project, Pilot will pay up to 30% of the proceeds received from the sale to Triangle as payment of any outstanding balance on the Secured Note.