

Pilot and Kala Data target early cash flow via Arrowsmith Data Centre JV

- Pilot and Kala Data to jointly develop data centre at Arrowsmith Production Facility
- Initial deployment leverages Pilot's existing Arrowsmith surplus gas-fired power generation
- Initial 1 MW modular data centre unit to be installed early 2026 expanding to 4 MW by mid-2026
- Pilot and Kala assessing potential data centre expansion to 30-35 MW across Arrowsmith or Pilot's Three Springs Solar project
- Data centre operations to provide near term positive cash flow to Pilot, supporting the transition of Cliff Head to carbon storage

Pilot Energy Limited (ASX:PGY) (Pilot or Company) is pleased to announce that it has formed a strategic partnership with Kala Data FZCO (Kala) to install and operate a modular data centre at Pilot's Arrowsmith Production Facility (ASP).

Given the Cliff Head oil field's transition to carbon storage, 90% of the installed ASP generating capacity is underutilised, opening the opportunity to establish data centre operations with Kala. The modular data centre will be powered using the existing gas-fired 4.4 MW generators and utilise the existing ASP operating team.



Figure 1: Photo of a Kala Data modular data centre installation, similar to the system proposed for Arrowsmith planned for Q1 2026.

Kala will lead the deployment utilising its proprietary modular data centre system (Figure 1), initially installing a 1 MW modular data centre at ASP in Q1 2026. Subject to the satisfactory operational and financial performance and outcome of the initial modular data centre, Pilot and Kala intend to expand the data centre to 4 MW within 6 months of the initial installation.

The Arrowsmith data centre will be supplied with power from the existing 4.4 MW gas-fired generators with Pilot procuring gas supply on behalf of the project and Kala arranging the deployment of the data centre modules to ASP. Kala will remotely control the data centre system with onsite operations management provided by Pilot's current ASP operating team.

Data centre operations will initially be commercialised through supporting high-performance computing operations. The infrastructure can be reconfigured over time to also support AI driven computing demand. Kala will fund the initial capital cost, with Pilot's 50% share funded through the issue to Kala of approximately 38 million new Pilot Energy shares at 2.0 cents per share.

These shares will not be issued until completion of the installation of the data centre equipment and successful commissioning, and these shares will be escrowed for a period of one year from the date they are issued. Net before tax cashflows (revenue net of gas costs and hardware upgrade reserving) will be distributed monthly on a 50:50 basis.

Once the 4 MW data centre is fully operational and depending on the operational and financial performance and outcome, Pilot and Kala aim to expand the data centre to approximately 30 MW either within the ASP facility or pursue a larger deployment at Pilot's Three Springs Solar Project or another Pilot location.

Pilot estimates that its share of profits from a 30MW data centre operation could generate sufficient pre-tax cash flows to internally fund the Cliff Head operating costs while the Company transitions these operations to the Carbon Storage Project.

Pilot Energy Managing Director, Brad Lingo, stated:

"This partnership with Kala Data represents an innovative and commercially attractive use of Pilot's Arrowsmith facilities. By leveraging surplus gas-fired power and the existing Cliff Head operations team, we aim to generate an early and material positive cash flow while laying the foundation for long-term growth in renewable energy and carbon storage."

"The initial 1 MW modular data centre, with capacity to expand to 4 MW in 2026 and potentially up to 30 MW across our Arrowsmith and Three Springs sites, highlights the scale of this opportunity."

"The integration of existing gas-fired generation, solar developments and future carbon storage enables the Kala-Pilot partnership to establish one of Western Australia's first green data centres with significant expansion potential."

This announcement has been authorised for release to ASX by the Board of the Company.

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About Pilot Energy

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 in exploration permits WA-481-P and G-12 AP, located offshore Western Australia.

About Kala Data

Kala Data is a funded, private UAE-based technology company specialising in the monetisation of energy assets through high-performance computing. The Kala leadership team brings expertise in technology, finance, and geology, allowing us to identify strategic partnership opportunities with energy companies. With strong financial backing and advanced technology, Kala assists in early-stage revenue generation and helps diversify income streams beyond traditional downstream pathways. Alongside the development and operation of data centres, Kala is focused on integrating renewable energy solutions with traditional baseload power to further reduce energy costs and enhance sustainability. By leveraging synergistic energy strategies, Kala aims to maximize efficiency and create long-term value for our partners. Kala is continuously seeking partnerships with energy producers to develop and operate cutting-edge computational infrastructure, driving innovation at the intersection of energy and technology.

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