



## Announcement to ASX

15 November 2022

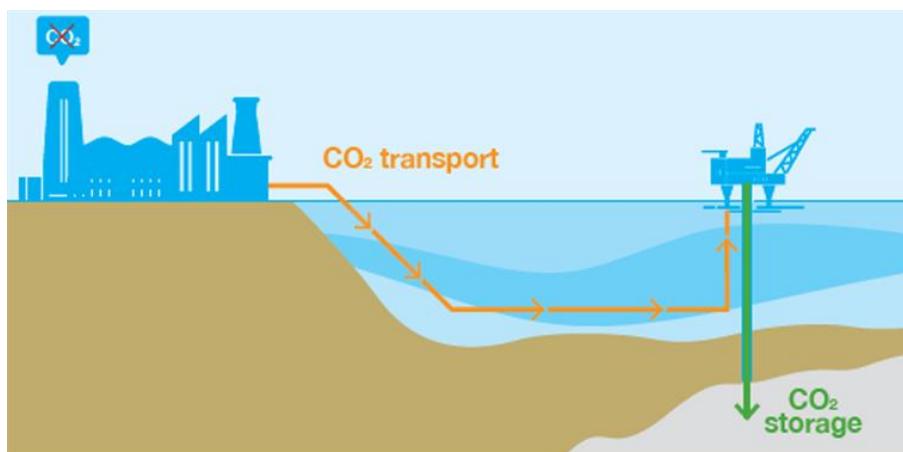
### MID WEST CLEAN ENERGY PROJECT PROGRESS UPDATE

#### HIGHLIGHTS

- Pilot and Triangle Energy together with CO2Tech are finalising the submission for initial regulatory approvals required for the Cliff Head CCS project - Submission expected to be lodged with NOPTA in the coming weeks.
- Key executive appointments made to the Mid West Clean Energy Project (**MWCEP**) execution team.
- 8 Rivers appointed as a hydrogen technology adviser for the design of the hydrogen and ammonia production facilities.
- Pilot and 8 Rivers have entered into definitive agreements for equity placement to 8 Rivers and ammonia offtake option.
- Ammonia marketing to be accelerated following the appointment of New Energy Technology Ltd as Pilot's ammonia market adviser.

Pilot Energy Limited (**ASX:PGY**) (**Pilot** or the **Company**) is pleased to provide an update on the MWCEP following the appointment of key resources to the project. In parallel with expanding the project team, the Company and Cliff Head joint venture partner, Triangle Energy (Global) Limited, are finalising the initial regulatory submissions required for Stage 1 (Cliff Head CCS project). The Company also continues to engage with potential project partners and customers for both Carbon Capture & Storage (CCS) and ammonia offtake.

#### MWCEP: Stage 1 CCS project



CO2Tech (CO2 storage and technical adviser) and the Cliff Head JV technical teams have finalised the reservoir and geo-mechanical modelling required to support the application to declare formations within the WA 31-L area as identified greenhouse gas formations. Technical analysis was presented to NOPTA during October 2022, ahead of submitting the formal application to declare an 'Identified Greenhouse Gas Storage Formation' within the WA 31-L tenement. The Cliff Head JV expects to lodge the submission with NOPTA in the coming weeks.

### Project Team update

As the MWCEP progresses from feasibility into execution, Pilot will expand the dedicated project team. The following appointments have been made with a focus on resourcing project leadership and supporting the engineering effort. The expanded team will focus on preparing for Stage 1 (Cliff Head CCS) to enter Front End Engineering Design (FEED) in 2023 (timing linked to the grant of the Declaration of a Greenhouse Gas Storage formation over the Cliff Head WA 31-L tenement). Pilot is pleased to confirm the following appointments:

- **Development Director:** Jonas Jacobsen has been appointed as Development Director with the primary responsibility of leading the execution of the MWCEP. Prior to joining Pilot, Jonas was the Technical Director of the Star of the South offshore wind development in Victoria and was heavily involved in Pilot's Mid West Renewable Energy feasibility study. Jonas will also assist with the planning and execution of offshore and onshore wind resource monitoring programs.
- **Owners Engineer:** The Genesis ([www.genesisenergies.com](http://www.genesisenergies.com)) team in Perth, Australia, has played a significant role to date as the lead consultant on Pilot's recently completed feasibility studies. The Genesis team's deep understanding of Pilot's study results and corporate strategy coupled with the extensive technical and operational knowledge base within Genesis and the broader T.EN Group, resulted in Pilot selecting Genesis as its owners engineer for the MWCEP.
- **Hydrogen Technology Adviser:** As previously announced, 8 Rivers ([www.8rivers.com](http://www.8rivers.com)) will provide technical resources to the project. Commencing November 2022, 8 Rivers will assign key personnel to the MWCEP for an initial period of six months, assisting in the preparation of a basis of design for the MWCEP hydrogen production facilities. The basis of design is required to support the CCS FEED and Pre-FEED for the hydrogen and ammonia facilities.

### 8 Rivers Investment and Offtake Agreement

Following previous announcements (refer ASX 30 June & 11 July 2022), 8 Rivers Capital has closed on its strategic investment of A\$500,000 in Pilot in exchange for 29,411,765 ordinary shares in the Company and three-year options for 14,705,882 ordinary shares exercisable at A\$0.033 per ordinary share. 8 Rivers and Pilot have also entered into a definitive agreement for priority rights to ammonia, with Pilot providing an option for 50% of its blue ammonia production to 8 Rivers (up to 250,000 tonnes per annum).

## Ammonia Marketing

Pilot has engaged New Energy Technology (**NET**) to market ammonia volumes from the MWCEP, with a particular focus on the rapidly growing markets in Asia. NET is a diversified global hydrogen business with deep and targeted networks in the energy and technology sectors in Australia and globally which includes the marketing of ammonia to various international destinations. The NET marketing arrangements involve a balanced remuneration structure with a majority of the marketing fee linked to future ammonia sales. This structure aligns the success of the marketing arrangements with the success of the project.

Pilot Chairman, Brad Lingo commented; *“Pilot (as operator of the CH CCS project) is extremely excited by the progress of the technical advisers for this project and in particular the imminent submission of the Stage 1 regulatory approval for the CCS project (the Declaration of Greenhouse Storage Formation).*

*The project is progressing in all material aspects, from regulatory requirements to ammonia offtake arrangements which has laid the platform for the commencement of FEED in 2023. The MWCEP will provide for the direct ability to reduce significant and growing CO<sub>2</sub> emissions in the Mid West region of Western Australia. The project will provide a safe and permanent solution to make a material contribution to Australia meeting its greenhouse gas emissions reduction commitments.”*

**ENDS**

This announcement has been authorised for release to ASX by the Chairman, Brad Lingo and Managing Director, Tony Strasser.

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### Enquiries

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**About Pilot:** Pilot is currently a junior oil and gas exploration and production company that is pursuing the diversification and transition to the development of carbon management projects, hydrogen and integrated renewable energy by leveraging its existing oil and gas tenements and infrastructure to cornerstone these developments.

Pilot holds a 21.25% interest in the Cliff Head Oil field and Cliff Head Infrastructure, material working interests in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia, which form foundation assets for the potential development of clean energy projects in Western Australia.