

Quarterly Activities Report & Appendix 5B

For the period ending 31 December 2025

Highlights

- **Mid West ‘Dongara’ Data Centre JV** – Pilot and Kala Data agreed JV to develop multi-staged modular data centre within the existing Arrowsmith facility, targeting early cash flow. The initial 1 MW module installation is targeted for commencement of operations by end of March 2026.
- **Three Springs joint development partner** – After the reporting period, Pilot entered into a binding heads of agreement with SN Energy Australia Pty Ltd for the development of a hybrid solar and battery energy storage (BESS) and a data centre project.
- **WA-481P farmout** – Formal farmout process seeking exploration joint venture partners for extensive offshore Perth Basin WA-481P advancing with short list of participants. Prospective JV partners provided with a conceptual fast-track development programme based on exploration success at the Leander Prospect.
- **Solar development site sale** – Pilot entered into an agreement to sell its option agreement covering land earmarked for renewable solar development to Strike Energy Limited (ASX:STX).

Corporate

- **\$5.9 million Finport Capital PRRT refund debt financing** – Pilot secured a multi-year facility available through FY2027 to fund 40% of ongoing Cliff Head Oil JV expenditures as incurred.
- **\$1.5 million R&D refund facility** - Pilot secured a \$1.52 million R&D Tax Incentive refund debt financing facility from Radium Capital Pty Ltd, a specialist Perth-based R&D financier.
- **\$3.44 million placement and share consolidation** – After the reporting period, Pilot received firm commitments from new and existing shareholders and sophisticated investors to raise \$3.44 million (before costs), accompanied by a proposed 25:1 share consolidation.

Pilot Energy Limited (ASX:PGY) (Pilot or Company) is pleased to provide the following update on its operational and corporate activity for the quarter ended 31 December 2025 (and post quarter events to date).

Pilot Energy’s Managing Director, Brad Lingo, said:

“The December quarter marked a period of strong strategic and commercial progress for Pilot. We launched the Mid West ‘Dongara’ Data Centre joint venture with Kala Data aiming at early cash flows in 2026, secured a joint development partner for a newly configured Three Springs solar-BESS and data centre development and advanced the WA-481P farmout process with high-quality joint venture interest supported by having secured key environmental approvals to acquire 3D seismic over the Leander Gas Prospect and the main Kingia Gas Play Fairway.

“Importantly, we also strengthened our balance sheet through non-dilutive PRRT and R&D funding facilities, positioning the Company well to execute our growth strategy into 2026.”

OPERATIONAL ACTIVITIES

Mid West 'Dongara' Data Centre JV

The Company formed a strategic partnership with Kala Data FZCO (Kala Data) to install and operate a modular data centre at the Arrowsmith facility (ASP). The newly named 'Dongara Data Centre' project is anticipated to be the first live data centre in Mid West Western Australia and one of the State's top 10 live data centre facilities¹.

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

Kala Data is leading the deployment utilising its proprietary modular data centre system, with the initial 1 MW modular data centre anticipated to commence operations in March 2026. Subject to the satisfactory operational and financial performance, Pilot and Kala Data intend to expand the data centre to 4 MW.

Execution Plan

The assembly of the first 1 MW data centre module and associated immersion thermal management systems has been completed in Shenzhen, China, and Kala is awaiting shipment to the Port of Kwinana (Photo 1).

Pilot has completed a site assessment at the Arrowsmith facility and identified an optimal location for the installation of multiple 1 MW data centre modules adjacent to the existing central control and operations.



Photo 1: Photo of Kala Data Centre Modules final pre-shipment inspection in Shenzhen, China awaiting shipment

¹ Business News, October 6-19, 2025 – Who's planning watts in data drive – Efforts to develop the state's next generation of digital infrastructure are gathering pace (www.businessnews.com.au)

Initial engineering work for installation of the data centre modules and connection to the existing power generation facilities has been completed. Minor civil works for the 1 MW data centre module are expected to commence in mid-February and take approximately 2 weeks to complete.

Table 1: Dongara Data Centre Project Schedule*

Activity	Forecast Date
Kala Data container is complete in China (awaiting shipping)	Completed
Geotechnical soil samples for civil work	26 January
Civil works commence (2 weeks to complete)	Mid-February
Electrical installation (ASP switchgear)	Early March
Kala Data container mobilised to site (ASP)	Early March
Kala Data start-up	Week commencing 23 March

* Dates are subject to change

Transport of the data centre module to site is expected to occur in early March 2026 upon the completion of the civil works.

Following installation of the data centre module, final electrical works for the connection of the module to the existing Arrowsmith gas-fired generating plant is expected to be completed in mid-March 2026. Once the electrical connection is complete, the first 1 MW data centre module is expected to be commissioned and commence operation by mid-March 2026.

The data centre module will connect to international data communications networks via a Starlink satellite connection. The existing fibre in Mid West region of WA, provides an alternative communication pathway to service future expansions of capacity at the DDC or the proposed Three Springs data centre site. Figure 1 highlights the Vocus fibre network which is estimated to be within 10km of the DDC site, providing a connection to international data centre customers throughout Asia the existing Australia to Singapore high-capacity fibre cable.

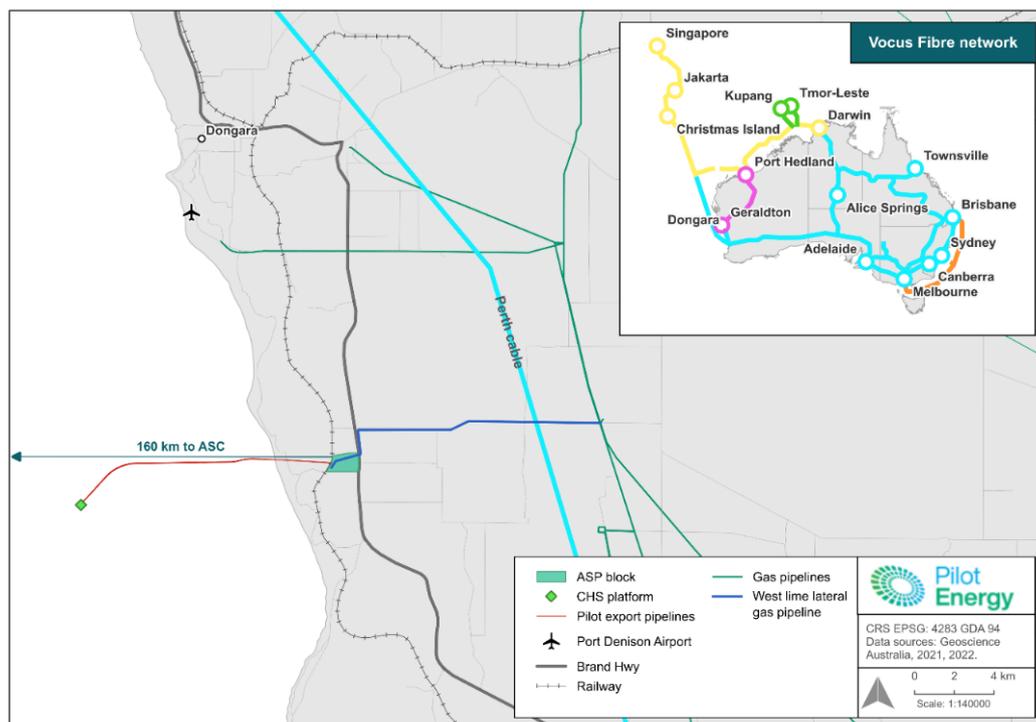


Figure 1: Vocus Group Fibre Optic Network – Western Australia-Singapore

WA-481P Perth Basin Exploration Farmout²

The Company is the 100% owner and operator of WA-481-P which sits in Commonwealth Waters covering 130 graticular blocks (8,605km²) and is the largest Commonwealth offshore exploration permit. Located in shallow waters extending from North of Oakajee to south of Cervantes, WA-481-P covers approximately 200km of the Mid West Coast of Western Australia (Figure 2). WA-481-P encompasses the Dunsborough oil field and Frankland gas field and is strategically positioned adjacent to the onshore Perth Basin oil and gas discoveries on the Beagle Ridge and Dandaragan Trough respectively.

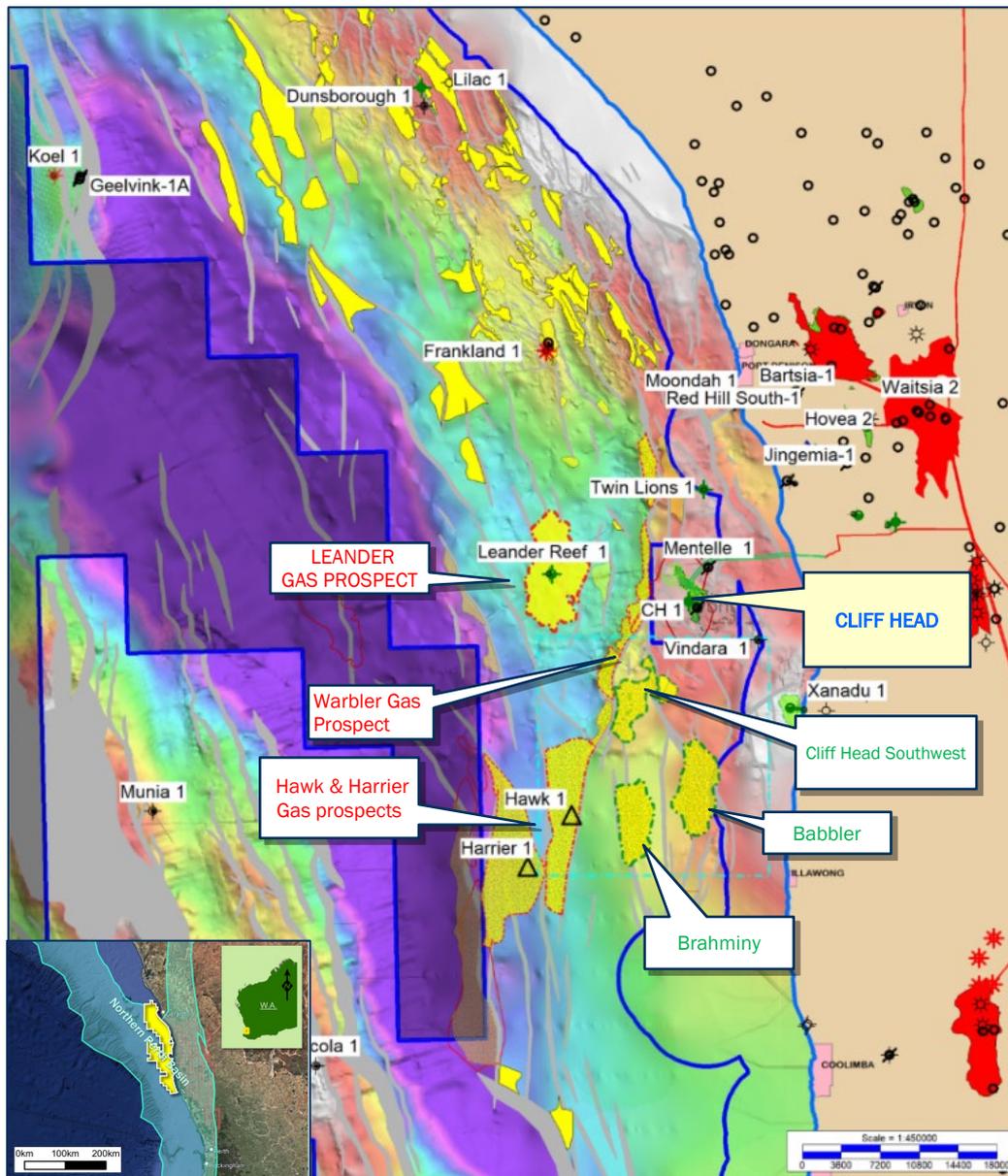


Figure 2: WA-481P Permit Area – Gas Prospects & Leads

² ASX Announcement 23 July 2025 - Pilot commences Perth Basin exploration farmout

Farmout Process – Pilot is nearing the completion of the formal farmout process seeking exploration joint venture partners for its extensive exploration holding in the offshore North Perth Basin. The farmout process aims to secure JV partners interested in conducting a focussed exploration program centred around the Leander Gas Prospect located approximately 15km due west of the Cliff Head A Platform.

The Leander Prospect is a large 4-way dip, faulted anticline structure sitting in the central portion of the highly prospective Kingia Gas Fairway with three main stacked-pay reservoir targets. The Leander Prospect has an estimated 1.1 TCF of recoverable gas (Mean) with an estimated probability of success (POS) ranging from 24% to 36%¹. The Leander Gas Prospect is expected to contain low CO₂ content gas based on the results of the Frankland Gas Discovery located due north and up dip of the Leander Prospect that holds 45 BCF (2C) of recoverable gas with a CO₂ content of 1.5%, which is well below the required sales gas pipeline specifications for the Dampier-Bunbury Gas Pipeline and the Parmelia Gas Pipeline.

Leander Discovery Fast-track Conceptual Development Plan - As part of the farmout process, Pilot has provided prospective JV partners with a conceptual fast-track development programme based on exploration success at the Leander Prospect, which would enable a gas discovery to be developed through utilisation of existing Cliff Head Oil Field offshore pipeline and infrastructure easements (Figure 3). Through this conceptual development plan the Leander Prospect could be developed to commence initial production at an estimated production rate of 150 mmscf/day aiming for commencement of development in 2029 with first gas production by 2030.

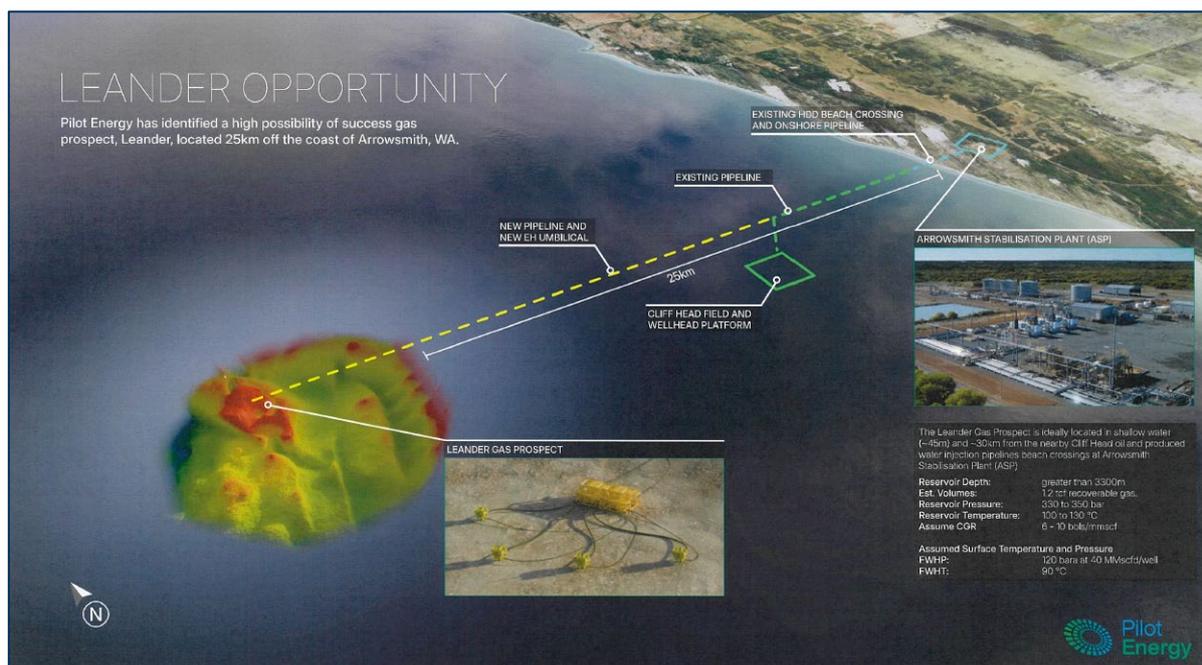


Figure 3: Leander Conceptual Development Plan

Leander Prospect seismic and exploration drilling – In late October 2025 Pilot received environmental approval from NOPSEMA to conduct a 3D seismic survey covering the Leander Gas Prospect and a large portion of the Kingia Gas Fairway³. As outlined in the environmental approval, due only to environmental and operational weather-related constraints, there is a very limited

³ PGY Announcement 21 October 2025 - Environmental approval for Offshore Perth Basin 3D seismic survey

operational window to conduct a seismic survey in the permit area being restricted to late in the first quarter of each year.

The Company has commenced engagement with multiple seismic contractors to determine availability to conduct the Eureka 3D seismic programme within this limited operational window in CY2026. It has been determined that there were no seismic crews available in the region in the CY2026 window, and the nearest available vessel would be required to be mobilised from West Africa at a prohibitive cost. Multiple contractors did however indicate that there was schedule availability to acquire the 3D seismic in the CY2027 operational window. Pilot may be required to reassess environmental risks ahead of this window where circumstances or information change over time.

Due to the advanced state of the farmout process and the potential strong interest in drilling the Leander Gas Prospect on the existing seismic coverage due to the large nature of the 4-way dip closure of the structure, the Company has determined at this stage that the timing of both the seismic acquisition and the drilling campaign should be determined as part of the farmout commercial negotiations. The Company is of the view that the Leander Gas Prospect is drill-ready based on the existing seismic coverage. The Company has a strong preference for drilling the Leander Prospect as soon as possible, which can potentially be undertaken in advance of the Eureka 3D seismic survey.

Three Springs joint development partner⁴

After the reporting period, Pilot announced it had entered into a binding head of agreement with SN Energy Australia Pty Ltd (SNE) for the development of a hybrid solar and battery energy storage (BESS) and a data centre project.

Under the agreement, Pilot and SNE will jointly develop a new Hybrid solar BESS and Pilot will receive total consideration of \$10.75 million in upfront and milestone payments plus costs for progressing the grid connection along with a new Development Application for the Hybrid Solar BESS Project and the proposed 50MW data centre project.

As part of these arrangements, SNE will fund the acquisition of the land near Three Springs which was originally designated for the development of a DA-approved, stand-alone solar project only.

The HoA is binding on the Parties subject to customary conditions precedent including completion of definitive documents and confirmatory due diligence. The definitive Joint Development Agreement is expected to be completed during February 2026.

Solar development site sale⁵

Pilot entered into an agreement to sell its option agreement covering land earmarked for renewable solar development to Strike Energy Limited (ASX:STX). Pilot held the option to lease the site to develop a solar farm intended to provide renewable power directly to the Mid West Clean Energy.

The site is adjacent to Strike Energy's South Erregulla Peaking Power project transmission corridor connecting the power project to the SWIS 132 KV transmission line.

With the exclusion of blue hydrogen production from the Commonwealth Government Hydrogen Production Tax Incentive (HPTI), Pilot's need for this development site as part of the Mid West Clean Energy Project was greatly reduced and as such the Company determined the best option was to sell the agreement to Strike.

⁴ ASX Announcement 6 January 2026 - Pilot Secures JV Partner for Three Springs Solar Project

⁵ ASX Announcement 10 December 2025 - Pilot divests renewable land to Strike Energy

CORPORATE ACTIVITIES

\$5.9 million Finport Capital PRRT refund debt financing^{6,7}

The Company completed a \$5.9 million PRRT refund debt financing facility (“PRRT refund facility”) for Triangle Energy Operations Pty Ltd (TEO), as Borrower from Finport Finance Pty Ltd guaranteed by Pilot and its wholly owned subsidiary, Royal Energy Pty Ltd.

The PRRT refund facility will be provided directly to TEO as the operator of the Cliff Head oil field to finance PRRT refundable expenditures to be claimed by TEO attributable abandonment, decommissioning and rehabilitation expenditures (ADRE) associated with the historic oil production from the Cliff Head Oil Field operations.

The PRRT refund facility runs through 31 August 2027 and applies to PRRT refunds that TEO will claim for ADRE expenditures made throughout the FY2026 and FY2027 tax years. The function of the facility is similar to a conventional receivable financing facility. The facility enables TEO to fund a significant portion of the ongoing ADRE expenditure as they are incurred through a drawdown under the facility.

Pilot will fund ADRE expenditures as they are incurred through existing funding arrangements and by TEO drawing down on the PRRT refund facility. The amount of ADRE expenditures covered by the PRRT refund facility will be 40% (before costs), which is equal to the amount of the PRRT refund that can be recovered by TEO at the end of each tax year.

As demonstrated recently, TEO has recovered a PRRT refund based on the full amount of the claimed ADRE expenses incurred for the FY 2025 tax year (see ASX:PGY announcement 19 August 2025). At the conclusion of the tax year, TEO will lodge the PRRT return with the Australian Tax Office (ATO) applying for a refund of 40% of the ADRE expenditures incurred during the tax year. Upon the receipt of the PRRT refund from the ATO, the facility will be repaid in full, after which new advances will be made for ADRE expenditures incurred during the next tax year.

During the quarter, Triangle Energy Operations Pty Ltd (TEO) completed the first drawdown under PRRT refund facility. The initial drawdown of \$957,438 under the PRRT refund facility was completed on 29 October 2025. The amount of the drawdown covers 100% of the PRRT refundable expenditures made by the Company since 1 July 2025.

\$1.5 million R&D Debt facility⁸

Pilot secured a \$1.52 million R&D Tax Incentive refund debt financing facility (“R&D refund facility”) from Radium Capital Pty Ltd (Radium), a specialist Perth-based R&D financier.

Pilot has previously received R&D Incentive refunds from the ATO of \$1.3 million for FY2023 and \$1.5 million for FY2024. As a continuation of the R&D program and activities covered by the previous FY2023 and 2024 refund applications, Pilot will be applying for a FY2025 R&D Tax Incentive refund of approximately \$1.8 million.

To accelerate the receipt of the FY2025 R&D Tax Incentive refund, Pilot has entered the R&D refund facility with Radium. Under the R&D refund facility, Pilot will receive approximately \$1.52 million from Radium as an advance of 85% of the \$1.8 million R&D Tax Incentive refund to be claimed under the Australian Government’s R&D Tax Incentive scheme.

The full amount of the R&D Tax Incentive refund is expected to be received in Q1 2026 based on the timing of the receipt of the previous refunds applied for the FY2023 and FY2024 periods. Upon

⁶ ASX Announcement 17 October 2025 – Pilot secures \$5.9 million PRRT refund debt facility

⁷ ASX Announcement 30 October 2025 - Initial funds under \$5.9m PRRT refund facility

⁸ ASX Announcement 11 December 2025 – Pilot secures \$1.52m R&D tax incentive refund debt facility

receipt of the refund, the R&D refund facility will be repaid in full, and Pilot will receive the balance of the refund amount after costs under the facility.

\$3.44 million Equity Placement⁹

After the reporting period, Pilot announced it had received \$3.44 million (before costs) in binding commitments for a two-tranche placement of 955,554,882 new fully paid ordinary shares (**Shares**) in the Company at \$0.0036 per share to sophisticated, professional and institutional investors (**Placement**). The Placement received strong support, with firm commitments received in excess of the amount sought.

The Placement comprises the issue of 955,554,882 Shares to raise a total of \$3.44 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 527,390,794 shares to raise \$1.90 million. Under Tranche Two (Tranche 2) of the transaction the Company will issue 428,164,088 shares, to raise \$1.54 million. Tranche 2 includes approximately \$200,000 in participation from Directors and Management of the Company subject to receiving shareholder approval.

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

- Settlement of Tranche 1 is expected to take place on Monday 2 February 2026, with allotment expected to occur on Tuesday 3 February 2026; and
- Settlement of Tranche 2 is expected to take place on or about 27 February 2026, following shareholder approval at the Company's AGM.

The \$0.0036 issue price per Share represents a 10.0% discount to the last traded price on Thursday 22 January 2026 and a 19.9% discount to the 15-day volume 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 one (1) free attaching unlisted option for every (1) new Share issued with an exercise price of \$0.0036 (Attaching Options), subject to shareholder approval at the Company's AGM. Participants in the Offer will also receive one (1) free unlisted option for every two (2) Attaching Options exercised, expiring 3 years from the date of issue with an exercise price of \$0.0050 ("Piggyback Options"). Issuance of the Piggyback Options pursuant to the Placement will be conditional on shareholder approval at the Company's AGM. The Attaching Options and the Piggyback Options will not be quoted on the ASX.

Bell Potter Securities Limited acted as Sole Lead Manager to the Placement and will receive fees in accordance with standard commercial terms and, subject to shareholder approval at the Company's AGM, will be issued 40,000,000 Adviser Options which will be issued on the same terms as the Attaching Options.

Share Consolidation¹⁰

After the reporting period, Pilot proposed in the Annual General Meeting of Shareholders Notice of Meeting to be held on 24 February 2026 that Shareholders approve the issued capital of the Company be altered by consolidating the existing securities, including shares, listed options, unlisted options and convertible notes on a 1:25 basis (Consolidation). The Consolidation is intended to reduce the number of securities on issue, resulting in a more appropriate capital structure, a higher nominal share price and increased attractiveness to a broader range of investors, including institutional

⁹ ASX Announcement 28 January 2026 – \$3.44m Placement to underpin Cliff Head Operations and Corporate Activity

¹⁰ ASX Announcement 23 January 2026 – Consolidation of Securities

investors. The Consolidation will not affect the percentage interest of each shareholder in the Company, other than as a result of rounding of fractional entitlements.

Share Capital

As at the date of this Report, the Company has the following capital structure:

- 2,170,934,218 shares on issue
- 637,091,607 outstanding (listed options PGYOA expiring Dec 2026 EX\$0.033)
- 88,846,153 outstanding (unlisted options) PGYAH expiring 30-Apr 2026 EX \$0.02
- 6,000,000 outstanding (unlisted options) PGYAS expiring 1 Nov 2026 EX \$0.05
- 20,000,000 outstanding (unlisted options) PGYAT expiring 7-Feb-2027 EX \$0.0405
- Convertible Notes as described in section 7.6 of Appendix 5B.

RESERVES AND RESOURCES

Carbon Storage Resource

The Company confirms there are no changes to the WA 31-L Licence Area Carbon Storage Resource and Prospective Resource previously announced to the market (ASX:PGY Cliff Head Carbon Storage Resource Upgrade 24 December 2024 and ASX:PGY Major increase to Cliff Head Carbon Storage Resource 1 July 2024).

WA 31-L Carbon Storage Resources ¹¹ (31 August 2024, 100% basis)					
SPE SRMS Classification	Structure	Reservoir	Storage Resource (Mt of CO ₂ Equivalent)		
			1C P90	2C P50	3C P10
Contingent Resource (Development Pending)	Cliff Head & Mentelle	IRCM & HCS	34.2	72.2	110.2
Prospective Resource (Lead)	Illawong	IRCM & HCS		50.4	

Oil & Gas

The Company confirms there are no changes to WA-481-P Contingent Resource information which was previously presented to the market in the Company's ASX:PGY "Resources Update" dated 23 April 2021. The Contingent Resource estimates set out in the following tables are based on the Independent Technical Specialist Report prepared by RISC dated 28 January 2021 relating to the Company's Australian exploration assets.

¹¹ Following completion of the acquisition of the remaining Cliff Head interests from Triangle Energy (Global) Limited, Pilot will hold a 100% interest in the Cliff Head oil project and proposed Cliff Head Carbon Storage project. Prior to completion, Pilot holds a 21.25% interest in the projects and the Storage Resources.

WA-481-P Contingent Resources - Pilot interest: 100%

WA-481-P Contingent Oil Resources (MMbbl)				
Accumulation		1C	2C	3C
Dunsborough	Gross (100%)	3.3	6	9.8
WA-481-P Contingent Gas Resources (Bcf)				
Accumulation		1C	2C	3C
Frankland	Gross (100%)	29.4	41.6	58.9

The updated prospective resources are in addition to the existing Dunsborough and Frankland contingent gas resources above.

The Company confirms there are no changes to the prospective gas and oil resources in WA-481-P previously presented to the market in the Company's ASX: PGY Announcement "**Material Upgrade to WA-481-P Gas Resource – Leander Gas Prospect Now Targeting Over 1 TCF**" (dated 10 April 2025). The WA-481-P Leander gas prospect prospective resources, along with the prospective oil resources, are summarized in the following table:

WA-481-P Prospective Resources

Accumulation	Prospective Resource (Mean)
Leander (Gas)	1,116 Bcf
Leander (Condensate)	18 million bbls
Cliff Head SW (Oil)	18 million bbls
Babbler (Oil)	27 million bbls
Brahminy (Oil)	21 million bbls

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees, paid to directors.

Environmental, Social and Corporate Governance (ESG)

Pilot is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. To progress the Company's commitment, Pilot has commenced a process which will facilitate the Company reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF). By integrating ESG metrics into the Company's governance, business strategy, and performance management process, Pilot diligently considers all pertinent risks and opportunities in running its business.

ASX Listing Rule 5.3.3: Tenement Details

The following table summarises Pilot’s interest in its Oil and Gas tenements which are also presented on the map below.

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
G-12-AP	Western Australia – Offshore Commonwealth Waters	100%	100%
WA-31-L(i)	Western Australia – Offshore Commonwealth Waters	21.25%	21.25%
WA-481-P	Western Australia – Offshore Commonwealth Waters	100%	100%
i) The Company currently holds a 50% interest in TEO which has a 42.5% direct interest in WA-31-L. Participating interest is subject to completion of the Triangle restructure as noted in this Report.			

Material Risks

The material risks that could adversely affect the achievement of the financial prospects of the Company as required by sections 296 and 297 of the *Corporations Act 2001* (Cth) and ASIC Regulatory Guide 247, are as set out in Annexure 1.

Competent Person Statement

This announcement contains information on conventional petroleum and carbon Storage prospective and contingent resources which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years’ experience and holding a Master’s degree in petroleum engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

- END -

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

Enquiries

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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.

Assumptions and Forward-Looking Statements

Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions, known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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Annexure 1

Material Risk Factors

Introduction

As with any investment in Securities, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated using safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This Annexure identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should consult their professional adviser before deciding whether to acquire securities in the Company.

Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company's future financial performance, financial position and prospects.

There can be no guarantee that the Company will achieve its stated objective or that forward-looking statements will be realised.

Specific risks

Additional requirements for capital

The funding of any further ongoing capital requirements will depend upon several factors, including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty. Any future additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop its projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion, and it may affect the Company's ability to continue as a going concern.

Exploration, operations and activities risk

There is no assurance that any exploration or feasibility assessment on current or future interests will result in the discovery of an economic energy project. Even if an apparently viable resource is identified, there is no guarantee that it can be economically developed. The future profitability of the Company and the value of its Securities are directly related to the results of exploration, development and production activities.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction or resource capture costs, adverse weather conditions, industrial and environmental accidents, industrial disputes

and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Environmental matters

The Company's operations are subject to environmental risks that are inherent in the energy industry. The Company is subject to environmental laws and regulations in connection with any operations that it may pursue. The Company conducts all its activities in an environmentally responsible manner and in accordance with all relevant laws. However, accidents, breaches, non-compliance, unforeseen circumstances or changes to the laws and regulations could result in the Company facing penalties, revocation of permits or extensive liabilities for damages, clean-up costs and/or penalties relating to environmental damage.

Commodity and currency price risks

The profitability of the Company's operations is directly related to the market price of the commodities. The demand for, and price of oil, gas and energy generally is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company.

International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil prices are unrest and political instability in countries that have increased concern over supply. As oil is principally sold throughout the world in US dollars, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar, could have a materially adverse effect on the Company's operations.

Reliance on key management

The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Company cannot secure external technical expertise, or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents during operations may adversely affect the Company's performance.

Regulatory risk

The Company's project interests are governed by Commonwealth and Western Australian acts and regulations that apply to the oil, gas and energy industries, and are evidenced by the granting of approvals, licences or leases. If these approvals, licenses or leases are revoked, then the Company may be unable to fulfil its operational objectives, which will likely have a material adverse effect.

There is also the risk that projects which the Company may undertake from time to time do not have a legislative regime which provides operational and legal certainty for the Company in relation to the development of future projects.

The Company's licenses or leases may be subject to ongoing obligations to satisfy minimum activities and expenditure obligations. If these obligations are not satisfied, the relevant license or lease may expire or be forfeited, which would result in a loss of the reserves and resources that may be attributable to the Company's interest in the licenses or leases areas.

Project development

Production risks associated with marketability and commerciality of oil, gas and energy to be produced include but are not limited to, reservoir characteristics, market fluctuations, proximity and capacity of infrastructure and process equipment, government regulations and the market price of oil, gas and energy.

Decreases of production or stoppages may result from fluctuations in permeability and flow rates, impurities in the product, facility shut-downs, natural decline, mechanical and technical failures, subsurface complications or other unforeseeable events outside the control of the Company.

Government policy changes

The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Policy and legislation may affect the viability and profitability of the Company, and the value of its Shares. Amongst other things, taxation including carbon taxes, permitting and licenses, environmental laws, and labour laws are all affected by legislation and regulation and may have an adverse impact.

General risks

Investment risk

The securities in the Company should be considered highly speculative. The issued shares in the capital of the Company carry no guarantee as to payment of dividends, return of capital or the market value. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

Share market

Share market conditions may affect the value of securities in the Company regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- general economic outlook in both Australia and internationally;
- introduction of tax reform or other new legislation, regulation, or policy;
- interest rates and inflation rates;
- changes in exchange rates, interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- the global security situation and the possibility of terrorist disturbances or other hostilities; and
- other factors beyond the control of the Company.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Economic and government risks

The future viability of the Company is also dependent on several other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

Taxation

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities in the Company from a taxation point of view and generally.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may materially affect the financial performance of the Company and the value of securities in the Company.

The risks set out in this Annexure are not to be taken as an exhaustive list of the risk faced by the Company. There may be other risks of which the Directors are unaware at the time of issuing this report which may impact on the Company and its operations, and on the valuation and performance of securities in the Company.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

31 Dec 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	10
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(216)	(216)
(e) administration and corporate costs	(1,070)	(1,070)
(f) professional fees	(221)	(221)
1.3 Dividends received (See note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(177)	(177)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,184)	(1,184)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1,056)	(1,056)
(d) exploration & feasibility expenditure (if capitalised)	-	-
(e) investments	(300)	(300)
(f) other non-current assets	(233)	(233)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	700	700
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(350)	(350)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(1,239)	(1,239)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,520	1,520
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(59)	(59)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,461	1,461

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,310	1,310
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,184)	(1,184)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,239)	(1,239)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,461	1,461

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	347	347

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	347	1,310
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	347	1,310

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

267

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	8,583	8,583
7.2 Credit standby arrangements	5,900	957
7.3 Other (please specify)	12,886	12,886
7.4 Total financing facilities	27,369	22,426

7.5 **Unused financing facilities available at quarter end** 4,943

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Other financing facilities include the following:

A. Convertible Notes on issue

1. Convertible notes – Face Value \$3,000,000 – This convertible note facility (**Notes**) was announced on ASX:PGY on 4 May 2023. The facility has been partially converted. The remaining balance is \$2,900,000. The Notes were issued following shareholder approval on 27 June 2023 and had a term of two years maturing in June 2025 and were convertible into ordinary shares of the Company at \$0.02 per share. However, as approved at the general meeting on 4 June 2025, the maturity date of these Notes has been extended to 31 December 2026 in consideration for the conversion price being reduced from \$0.02 to \$0.015. The Notes carry a 12% per annum coupon which will be paid quarterly.
2. Convertible notes – Face Value \$3,500,000 – This convertible note facility (**Notes**) was announced on ASX:PGY on 15 December 2023 and the notes were issued on 19 February 2024 following shareholder approval at the 2025 AGM. The facility has been partially converted and the remaining balance is \$3,200,000. The Notes had a term of two years, maturing in Feb 2026 and were convertible into ordinary shares of the Company at \$0.03 per share. However, as approved at the general meeting on 4 June 2025, the maturity date of these Notes has been extended to 31 December 2026 in consideration for the conversion price being reduced from \$0.03 to \$0.015. The Notes carry a 12% per annum coupon which will be paid quarterly.
3. Convertible notes – Face Value \$3,000,000 – This convertible note facility (**Notes**) was announced on ASX:PGY on 11 November 2024 and the notes were issued on several dates during March and April 2025 following shareholder approval at the 2025 AGM. The Notes have a term of two years, maturing in December 2026 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2026 to 31 December 2027, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.
4. Convertible notes – Face Value \$1,805,000 – This convertible notes facility (**Notes**) was announced on ASX:PGY on 23 January 2025. The Notes were issued to two sophisticated investors on 17 February 2025 following shareholder approval for the issue at the 2025 AGM. Each of the Notes have a term of two years, maturing in February 2027 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2026 to 31 December 2027, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.
5. Convertible notes – Face Value \$1,800,000 – This convertible note facility (**Notes**) was announced on ASX:PGY on 12 May 2025 and was re-stated and announced on 23 June 2025. These Notes were issued following shareholder approval at the 4 June EGM. The Notes have a maturity date of 31 December 2027 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2027 to 31 December 2028, subject to the

Company having the capacity to issue the shares under ASX Listing Rule 7.1.

6. Convertible notes – Face Value \$180,943 – This convertible notes facility (**Notes**) was announced on ASX:PGY on 24 July 2025. The Notes were issued on 24 July 2025 following shareholder approval for the issue at the 2025 AGM. Each of the Notes have a term of two years, maturing in February 2027 and are convertible into ordinary shares of the Company at \$0.02 per share. Subject to the Initial Term Redemption Option, the investor can, in the alternative, elect to convert the Notes into a participating interest share in an 0.4% overriding royalty interest in the Cliff Head Carbon Storage Project (on a pro rata basis as between the holders of the Notes) and a right to subscribe for new shares to the same value as the Face Value of the Notes each investor holds, at a subscription price of \$0.025 per share any time from the period 31 December 2027 to 31 December 2028, subject to the Company having the capacity to issue the shares under ASX Listing Rule 7.1.

B. Loan facilities

1. Debt Note – \$1,500,000 – This debt note facility to a syndicate of private credit investors was announced on ASX:PGY on 31 July 2025. There is a 6% establishment fee which was capitalised on commencement date. The note carries a 15% per annum coupon which will be paid quarterly. The term of the loan ends 25 January 2026.
2. Promissory note – \$5,563,000 – This promissory note was issued to Triangle Energy (Global) Limited as consideration for the purchase of the Arrowsmith land and fixtures as announced on ASX:PGY on 24 June 2025. The note carries an interest rate of 12% per annum which will be calculated monthly and accrued and capitalised quarterly until the payment date being 30 September 2026 or the sale of a material share (over 25%) of Pilot's interest in the CH CCS Project.
3. R&D Refund Loan - \$1,520,005 - This debt financing facility from a specialist R&D financier was announced on ASX:PGY on 11 December 2025. The facility carries a 16% per annum interest rate payable at maturity. The term of the loan ends 31 March 2026 or upon receipt of the R&D Refund.
4. Debt Note – \$500,000 – This debt note facility to a syndicate of private credit investors was announced on ASX:PGY on 6 January 2026. The note carries a flat \$50,000 interest paid at maturity. The term of the loan ends 31 March 2026.

C. Credit Standby Arrangements

1. Pilot signed a binding offer for a Trade Finance Facility on 26 September 2025 to fund ADRE for the ongoing closure of the Cliff Head Oil Field. As announced on 17 October 2025, the Company had secured a \$5.9 million PRRT refund debt financing facility (“PRRT refund facility”) from Finport Finance Pty Ltd, an Australian private credit lender. The PRRT refund facility runs through 31 August 2027 and applies to PRRT refunds that TEO will claim for ADRE expenditures made throughout the FY2026 and FY2027 tax years. The function of the facility is similar to a conventional revolving receivable financing facility. The facility enables TEO to fund a significant portion of the ongoing ADRE expenditure as they are incurred through a drawdown under the facility. Pilot will fund ADRE expenditures as they are incurred through existing funding arrangements with TEO and by drawing down on the PRRT refund facility. The amount of ADRE expenditures covered by the PRRT refund facility will be 40% (before costs), which is equal to the amount of the PRRT refund that can be recovered by TEO at the end of each tax year. Subject to the agreement of Finport, the amount of this facility can be significantly increased to match the planned PRRT refundable expenditures over the next two years through 30 June 2027.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	1,184
8.2 Capitalised exploration & feasibility expenditure (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	1,184
8.4 Cash and cash equivalents at quarter end (Item 4.6)	347
8.5 Unused finance facilities available at quarter end (Item 7.5)	4,943
8.6 Total available funding (Item 8.4 + Item 8.5)	5,290
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.47

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

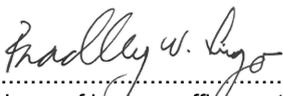
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: 
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

[name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.