



**Triangle Energy (Global) Limited**

ABN 52 110 411 428

**Interim Financial Report**

**31 December 2013**

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## CORPORATE DIRECTORY

### Directors

John E T Towner (Executive Chairman)  
Robert Lemmey (Non-Executive Director)  
Steven Hamer (Non-Executive Director)  
Lewis Johnson (Non-Executive Director)

### Company Secretary

Darren Bromley

### Registered Office

Unit 7, 589 Stirling Highway Cottesloe WA 6011  
Telephone: +61 (0)8 9286 8300  
Facsimile: +61 (0)8 9385 5184  
Email: [admin@triangleenergy.com.au](mailto:admin@triangleenergy.com.au)  
Website: [www.triangleenergy.com.au](http://www.triangleenergy.com.au)

### Principal Places of Business

**Australia:** Unit 7, 589 Stirling Highway Cottesloe WA 6011 (Head Office)  
**Indonesia:** Beltway Office Park, Tower A, 8th Floor Jln. TB Simatupang No. 41 Jakarta Selatan 12550 Indonesia

### Bankers

Westpac Banking Corporation  
275 Kent Street Sydney NSW 2000  
Australia

Bank Mandiri  
Mandiri: Graha Mandiri 1st floor, Imam Bonjol Street no 61  
Jakarta Pusat Code Post: 10310  
Indonesia

Menara Standard Chartered  
Ground Floor, Prof. DR. Satrio Street no 164. Jakarta.  
Code Post: 12930  
Indonesia

### Securities Exchange Listing

ASX Limited  
20 Bridge Street Sydney NSW 2000  
ASX Code: TEG

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway, Applecross WA 6153  
Telephone (61 8) 9315 2333  
Facsimile (61 8) 9315 2233

### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street Subiaco WA 6008

### Solicitors

Resources Legal  
1A Rosemead Road Hornsby NSW 2077  
Australia

## DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Triangle Energy (Global) Limited and the entities it controlled for the half-year ended 31 December 2013.

### Directors

The names of persons who were Directors of Triangle Energy (Global) Limited during the whole of the half-year and up to the date of this report are:

John Towner	Executive Chairman
Lewis Johnson	Non-Executive Director
Steven Hamer	Non-Executive Director
Robert Lemmey	Non-Executive Director (Resigned 18 November 2013)

### Principal Activities

The principal activities of the consolidated entity during the financial year were gas production and exploration.

### Review of Operations

In the half year ended December 2013 Triangle continued to successfully operate and produce gas from the Pase field and abide by all SKK Migas requirements to operate in a safe manner with zero incidents. The Company continues to secure a long term Pase PSC. In July 2013 Triangle and the Acehese Government formalised the Joint Venture Agreement to operate the new long term Pase PSC. Triangle is the first foreign company to partner with Aceh to operate an oil and gas field under the 2005 Helsinki Memorandum of Understanding.

In August 2013, Aceh Pase Global Energy Pte Ltd ("APGE") was incorporated in Singapore as the joint venture company to operate the new Pase PSC. APGE is 75% owned by Triangle and 25% by an Acehese Government owned company Perusahaan Daerah Pembangunan Aceh ("PDPA").

The Joint Venture has the full support of the Governor of Aceh, Dr Zaini Abdullah and the Acehese Government, on behalf of APGE, is in discussion with MIGAS to secure the award of a new long term Pase PSC. Triangle's Indonesian Management team led by General Manager, Mr Tony Anson and Triangle's Exploration Manager Mr Witan Ardjakusumah has increased open communications between Pase PSC stakeholders.

During the half year the Company raised \$1.5m in a placement to sophisticated investors at \$0.008 per share. Proceeds from the capital raising were used for working capital and specific work on the Pase A1 well.

Production for the half year totalled 165MMcf.

### Operating results

The net loss of the Consolidated Entity after income tax for the period was \$2.196M (2012 net loss: \$1.525M). The loss consisted mostly of:

- Oil and gas sales revenues reduced to \$2.710M (2012: \$3.989M) due to decline of wells production;
- Operating expenses increased to \$1.597M (2012: \$1.139M) due to maintenance on well A1 to restore production;
- Share-based payments reduced to \$0.268M (2012: \$0.349M);
- Interest derivative expenses in relation to redemption of a convertible note was nil (2012: \$1.745M) due to the full redemption of the convertible note in the previous year.

### Financial position

The net assets of the Consolidated entity at 31 December 2013 decreased to \$1.811M (2012: \$2.177M). This resulted mostly from a reduction in current assets \$3.045M (2012: \$3.474M).

The consolidated net assets consisting largely of the following:

- \$1.258M (2012: \$2.121M) held in cash assets;
- \$1.493M (2012: \$1.050M) being trade and other receivables;
- \$0.378M (2012: \$0.868M) being trade payables;
- \$0.654 (2012: \$0.235M) in other payables

**DIRECTORS' REPORT continued**

At 31 December 2013 the Consolidated Group had working capital of \$1.663M (2012: \$2.022M) and no debt. Additional funds will be required to finance Triangle's operations in 2014/15. The group raised \$1.5M via sophisticated investors during the reporting period to 31 December 2013.

**Dividends**

During the period the Company did not pay a dividend (2012: nil).

**Treasury Policy**

The Board is responsible for the treasury function and managing the Group's finance facilities. Treasury management is a recurring agenda item at meetings of the Board.

**Risk Management**

The Board takes a pro-active approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the Board.

**Corporate**

During the half year the Company reviewed a number of potential exploration and development opportunities.

**Business Strategy for future financial years**

The Company will continue to pursue its growth strategy of reviewing other projects and the formalisation of the new PSC in Aceh. Triangle has the experience and resources available to accelerate the operations of the Pase Field once a licence is granted for the PSC.

**Events Subsequent to Reporting Date**

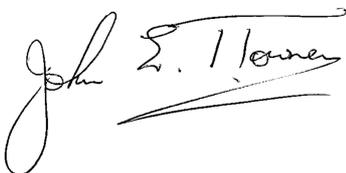
- SKK Migas extended Triangle's appointment as the operator of Pase Block for six months from 24 February 2014.

Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

**Auditor's Independence Declaration**

A copy of the independence declaration by the lead auditor under section 307C is included on page 6 these half-year financial statements.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



John E T Towner  
Executive Chairman  
13 March 2014



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Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF TRIANGLE ENERGY  
(GLOBAL) LIMITED

As lead auditor for the review of Triangle Energy (Global) Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Triangle Energy (Global) Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'BMcV' followed by a stylized flourish.

Brad McVeigh  
Director

Perth, 13 March 2014

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated Half-Year	
		2013 \$	2012 \$
Revenue		2,710,204	3,989,098
Interest revenue		8,212	3,638
<b>Total revenue</b>		<b>2,718,416</b>	<b>3,992,736</b>
Operating expenses	2(a)	(1,597,126)	(1,139,276)
Gross profit from operating activities		1,121,290	2,853,460
Exploration write off		-	(1,261)
Other expenses	2(b)	(3,317,781)	(4,377,959)
<b>Loss before income tax expense</b>		<b>(2,196,491)</b>	<b>(1,525,760)</b>
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		<b>(2,196,491)</b>	<b>(1,525,760)</b>
<b>Net Loss for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>(2,196,491)</b>	<b>(1,525,760)</b>
<b>Items that might be realised through profit and loss</b>			
Exchange differences on translation of foreign operations		120,180	(258,575)
<b>Other comprehensive income/(loss) for the half-year, net of tax</b>		<b>120,180</b>	<b>(258,575)</b>
<b>Total comprehensive income/(loss) for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>(2,076,311)</b>	<b>(1,784,335)</b>
Basic earnings per share (cents per share)		<b>(0.144)</b>	<b>(0.108)</b>
Diluted earnings per share (cents per share)		<b>N/A</b>	<b>N/A</b>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	Note	Consolidated	
		31 Dec 2013 \$	30 June 2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,257,531	2,120,609
Other receivables		1,492,777	1,050,355
Other assets		294,697	303,127
<b>Total Current Assets</b>		<b>3,045,005</b>	<b>3,474,091</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		19,762	27,563
PSC interest		127,551	127,551
<b>Total Non-Current Assets</b>		<b>147,313</b>	<b>155,114</b>
<b>TOTAL ASSETS</b>		<b>3,192,318</b>	<b>3,629,205</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables		378,634	868,449
Other payables		653,973	234,535
<b>Total Current Liabilities</b>		<b>1,032,607</b>	<b>1,102,984</b>
<b>Non-Current Liabilities</b>			
Provisions		349,013	349,013
<b>Total Non-Current Liabilities</b>		<b>349,013</b>	<b>349,013</b>
<b>Total Liabilities</b>		<b>1,381,620</b>	<b>1,451,997</b>
<b>Net Assets</b>		<b>1,810,698</b>	<b>2,177,208</b>
<b>EQUITY</b>			
Issued capital	4	8,761,852	7,101,732
Reserves		952,458	782,597
Accumulated losses		(7,903,612)	(5,707,121)
<b>Total Equity</b>		<b>1,810,698</b>	<b>2,177,208</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Consolidated	
	2013 \$	2012 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,338,424	3,972,117
Payments to suppliers and employees	(4,703,657)	(4,146,893)
VAT Refunds	-	721,848
Interest received	8,212	3,638
Income tax paid	-	-
Net cash provided from/(used in) operating activities	<b>(2,357,021)</b>	<b>550,710</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	-	-
Payments for plant, property and equipment	-	(6,968)
Net cash used in investing activities	<b>-</b>	<b>(6,968)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings – convertible note funding	-	(3,005,875)
Proceeds from the issue of shares (net of costs)	1,442,120	-
Dividends paid	-	(577)
Net cash provided from/(used in) financing activities	<b>1,442,120</b>	<b>(3,006,452)</b>
Net increase/(decrease) in cash held	(914,901)	(2,462,710)
Cash and cash equivalents at the beginning of the period	2,120,609	5,190,292
Effect of foreign exchange fluctuations on cash held	51,823	43,802
<b>Cash and cash equivalents at the end of the period</b>	<b>1,257,531</b>	<b>2,771,384</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Consolidated

	Issued Capital	Accumulated Profits/(Losses)	Foreign Currency Exchange Reserves	Share Based Payment Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2012</b>	7,101,732	(2,177,136)	(1,260,187)	1,699,184	5,363,593
- Profit/(Loss) for the period	-	(1,525,760)	-	-	(1,525,760)
- Exchange differences arising on translation of foreign operations	-	-	(258,575)	-	(258,575)
Total comprehensive income for the half-year	-	(1,525,760)	(258,575)	-	(1,784,335)
<b>Transactions with owners in their capacity as owners</b>					
- Shares issued during the half-year	-	-	-	-	-
- Options issued during the half year	-	-	-	44,696	44,696
- Share performance rights issued during the half-year	-	-	-	304,316	304,316
<b>At 31 December 2012</b>	7,101,732	(3,702,896)	(1,518,762)	2,048,196	3,928,270
<b>At 1 July 2013</b>	7,101,732	(5,707,121)	(1,265,598)	2,048,196	2,177,209
- Profit/(Loss) for the period	-	(2,196,491)	-	-	(2,196,491)
- Exchange differences arising on translation of foreign operations	-	-	120,180	-	120,180
Total comprehensive income for the half-year	-	(2,196,491)	120,180	-	(2,076,311)
<b>Transactions with owners in their capacity as owners</b>					
- Shares issued during the half-year	1,660,120	-	-	-	1,660,120
- Options issued during the half year	-	-	-	-	-
- Share performance rights issued during the half-year	-	-	-	49,680	49,680
<b>At 31 December 2013</b>	8,761,852	(7,903,612)	(1,145,418)	2,097,876	1,810,698

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### NOTE 1: BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

The half-year financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard 134 *Interim Financial Reporting*. The historical cost basis has been used, except for derivatives and available-for-sale financial assets that have been measured at fair value. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2013 and any public announcements made by Triangle Energy (Global) Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the Group in these half-year financial statements are consistent with the financial statements for the year ended 30 June 2013 except as follows:

- Principles of consolidation – new standards AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, and
- Accounting for employee benefits – revised AASB 119 *Employee Benefits*

Other new standards that are applicable for the first time for the December 2013 half-year report are AASB 13 *Fair Value Measurement*, AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*. These standards have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

(i) *Principles of consolidation – subsidiaries and joint arrangements*

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*. Under the new principles, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity

The group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Triangle Energy (Global) Ltd does not have any joint arrangements.

(ii) *Employee benefits*

The group has reviewed its employee benefits provisions in all entities AASB 119 *Employee Benefits*. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of revised AASB 119.

### Going Concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet the production budgets. In arriving at this position, the Directors recognise the Company is depending on various funding alternatives to meet these commitments including share placements or other methods.

The Directors believe that at the date of signing the financial statement there are reasonable grounds to believe that having regard to matter set out above, the Group will be able to raise sufficient funds to meet its obligations as and when they fall due. Triangle is dependent upon grant of a new PSC for its Indonesian operations.

In the event that the Group does not achieve the matters as set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### NOTE 2: PROFIT/(LOSS) FOR THE HALF YEAR

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
<i>(a) Operating Expenses:</i>		
Gas production costs	(751,841)	(303,739)
Field office administration	(845,285)	(835,537)
	<u>(1,597,126)</u>	<u>(1,139,276)</u>
<i>(b) Other Expenses:</i>		
Consultant cost	(164,226)	(166,095)
Employment benefits expense	(670,272)	(632,935)
Share based payments	(267,680)	(349,012)
Management fees	(575,196)	(336,683)
Directors fees	(50,000)	(50,000)
Travel expenses	(185,779)	(149,836)
General and administrative expenses	(484,196)	(333,634)
Geological and geophysical expense	(559,525)	(584,750)
Convertible note expenses	-	(1,226,842)
Due diligence and project generation expense	(44,519)	-
VAT revaluation and rejection expense	-	(193,319)
ASX and share registry fees	(41,528)	(26,598)
Audit fees	(29,044)	(32,016)
Telecommunications	(22,289)	(19,240)
Legal fees	(20,330)	(6,023)
Exxon Mobil production revenue payment expense	(60,526)	(61,632)
Depreciation and amortisation expense	(66,407)	(82,543)
Other expenses	(76,264)	(126,801)
	<u>(3,317,781)</u>	<u>(4,377,959)</u>

### NOTE 3: DIVIDENDS

The Company paid no dividend during the period (2012: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### NOTE 4: EQUITY SECURITIES ISSUED

	Half-Year		Half-Year	
	2013 Shares	2012 Shares	2013 \$	2012 \$
<b>Ordinary Shares</b>				
Opening balance	1,424,975,458	1,424,975,458	7,101,732	7,101,732
<i>Issue of Ordinary Shares During the Half-Year</i>				
- Shares issued for cash	187,500,000	-	1,500,000	-
- Shares issued for immediate vesting of rights	22,000,000	-	218,000	-
- Capital Raising Costs	-	-	(57,880)	-
Closing balance	1,634,475,458	1,424,975,458	8,761,852	7,101,732

### Share Based Payment Reserve

The Share Based Payment Reserve consists of Options and Performance Rights.

<b>Options</b>	2013	2012	2013	2012
	Options	Options	\$	\$
Opening balance	27,000,000	-	44,696	-
<i>Issue of Options During the Half-Year</i>				
- Options issued pursuant to placement	-	-	-	-
- Options issued pursuant to redemption of Convertible Note standstill agreement	-	27,000,000	-	44,696
Closing balance	27,000,000	27,000,000	44,696	44,696

<b>Performance Rights</b>	2013	2012	2013	2012
	Rights	Rights	\$	\$
Opening balance	56,750,000	59,250,000	2,003,500	1,699,184
<i>Issue of Share Rights During the Half-Year</i>				
- Performance rights issued	59,000,000	-	267,680	-
- Performance rights immediately vesting to shares	(22,000,000)	-	(218,000)	304,316
- Performance rights lapsed	(2,250,000)	(2,500,000)	-	-
Closing balance	91,500,000	56,750,000	2,053,180	2,003,500
<b>Total Share Based Payments Reserve</b>			2,097,876	2,048,196

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### NOTE 5: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short term nature the carrying amounts of current receivables and current payables are assumed to approximate their fair value.

### NOTE 6: SEGMENT REPORTING

#### Description of Segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Reportable segments have been identified as follows:

- Indonesian exploration
- Australian corporate

The Board monitors performance of each segment.

#### Segment Information

The following table presents the revenue and profit information regarding the segment information provided to the Board for the half-year periods ended 31 December 2013 and 31 December 2012.

#### Half year ended 2013

	Continuing operations			
	Australia	Indonesia	Unallocated	Consolidated
	\$	\$	\$	\$
Segment revenue	6,319	2,712,097	-	2,718,416
Segment result	(1,749,870)	(446,620)	-	(2,196,490)
Segment assets	1,050,975	2,131,343	-	3,192,318
Segment liabilities	804,604	577,016	-	1,381,620

#### Half year ended 2012

	Continuing operations			
	Australia	Indonesia	Unallocated	Consolidated
	\$	\$	\$	\$
Segment revenue	1,514	3,991,222	-	3,992,736
Segment result	(2,620,620)	1,094,860	-	(1,525,760)
Segment assets	450,363	5,123,599	-	5,573,962
Segment liabilities	1,199,240	446,452	-	1,645,692

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### NOTE 7: SHARE BASED PAYMENTS

The share based payments expense recognised for employee and consultant services received during the year is shown in the table below:

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
Expense arising from amortisation of equity-settled share-based payment transactions to employees and consultants	267,680	304,316
Expense arising from issue of 27,000,000 \$0.01 options to Standard Chartered Private Equity Limited	-	44,696
Total expense arising from share-based payment transactions	267,680	349,012

At the annual general meeting on 26 November 2010, shareholder approval was granted for the TEG Employee Rights Plan. The plan was authorised again by shareholder at the annual general meeting on 27 November 2013. The Employee Rights Plan is designed to provide incentives for employees and consultants (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted share rights some of which vested immediately and the remainder only vest if the Group achieves an extension of the Production Sharing Contract (PSC) in Indonesia. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

At the annual general meeting on 27 November 2013, shareholder approval was granted to issue share rights to Steve Hamer being a Director of the Company as per the following table:

Director	Number of Rights that vest immediately	Number of Rights that vest upon Performance Criteria	Total number of Rights
Steve Hamer	2,000,000	3,000,000	5,000,000

During the 2013 half-year, the board granted rights to employees and consultants as per the following table:

Recipient	Number of Rights that vest immediately	Number of Rights that vest upon Performance Criteria	Total number of Rights
Employees and consultants	20,000,000	34,000,000	54,000,000

During 2013 half-year, the board cancelled 2,250,000 rights due to the resignation of an employees and a consultant.

Pursuant to the above mentioned TEG Employee Rights Plan, during the 2012 half-year, the board did not grant any rights to employees and consultants. During 2012 half-year, the board cancelled 2,500,000 rights.

Rights granted to employees and consultants vesting immediately are valued at the 5 day VWAP share price of Triangle Energy (Global) Limited on the ASX on the acceptance date of the offer to recipients. Rights to vest upon the event of the PSC renewal have been fully amortised and expensed from the acceptance date to 31 December 2013.

In September 2012, the Parent Issued 27,000,000 options exercisable at \$0.01 to Standard Chartered Private Equity Limited as consideration for the implementation of a redemption standstill arrangement on convertible notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 8: RELATED PARTY TRANSACTIONS

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
<b>Transactions with related parties</b>		
<i>Mandolin Pty Ltd (a company of which Mr John Towner is a Director)</i>		
- Management and consulting fees	212,500	212,500
- Office rent (Perth)	-	15,000
<i>Cornerstone Corporate Pty Ltd (a company of which Mr Robert Towner is a Director)</i>		
- Management and consulting fees	81,252	-
<i>PT Prestige Petroleum (a company associated with Mr Steven Hamer)</i>		
- Consulting fees	22,242	44,000

#### Loans to related parties

At Balance Date, Triangle Energy (Global) Limited had borrowed \$2.724M from its wholly owned subsidiary Triangle Energy Limited to fund on-going operations. In December 2012, the Company had loaned \$0.508M to its wholly owned subsidiary Triangle Energy Limited to fund on-going operations. The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract. The balance is eliminated on Group consolidation.

### NOTE 9: COMMITMENTS AND CONTINGENCIES

There has been no change in commitments and contingent liabilities since the last annual reporting date.

### NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

- SKK Migas extended Triangle's appointment as the operator of Pase Block for six months from 24 February 2014.

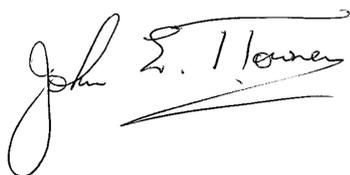
Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

**DECLARATION BY DIRECTORS**

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001 and:
  - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



John E T Towner  
Executive Chairman

13 March 2014



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Triangle Energy (Global) Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Triangle Energy (Global) Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Triangle Energy (Global) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Triangle Energy (Global) Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Triangle Energy (Global) Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

#### Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity is dependent upon grant of a new Pase PSC and various funding alternatives in order to continue to operate its project and fund working capital requirements. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'BDO' above 'BM' followed by a stylized flourish.

Brad McVeigh  
Director

Perth, 13 March 2014