

# QUARTERLY REPORT

For the period ended 30 September 2014



## HIGHLIGHTS

### Indonesia

- The Directors of Triangle and the Governor of Aceh met on 17th October 2014 to confirm their joint commitment to secure the award of a long term PSC over the Pase field in Aceh
- Triangle's in-country Management team attended formal meetings with Indonesian government department representatives to present Triangle's 10 year work programme for the Pase PSC
- The Pase Block production facility was shut in on 11<sup>th</sup> October 2014 due to a regular maintenance program of the Exxon Arun plant production facility
- Gas production from Pase fields during the September quarter totaling 32.2 MMcf
- Gross PSC revenue on gas production for the quarter was US\$0.531M (no condensate was lifted)

### Australia

- In line with Triangle's strategy of finding low cost prospective or near production assets, the company has entered into an agreement with Goshawk E&P Pty Ltd to farm into ATP1186 in the Surat Basin, Queensland
- Triangle updated and submitted to the Queensland Department of Natural Resources and Mines a Later Development Plan for the Reids Dome Project which outlines future plans to drill and produce from the existing gas field

### Corporate

- 30 September 2014 cash balance of \$1.590M
- Cost Reduction Program delivers significant savings to the Company in Australia and Indonesia

## COMPANY UPDATE

### Indonesia

Triangle Energy (Global) Limited ("Triangle" or the "Company") continues to pursue the award of a new long term Production Sharing Contract ("PSC") to develop the Pase field in Aceh Province, North Sumatra, Indonesia.

Directors of Triangle and the Governor of Aceh, Dr Zaini Abdullah met in the Hall of Governors in Aceh on 17th October 2014 to confirm their joint commitment to secure the award of a long term PSC over the Pase fields in Aceh. The new PSC is to be awarded under the collaborative regime between the Indonesian Central Government and the Acehnese Government. Triangle and the Acehnese Government have formed a joint venture company, Aceh Pase Global Energy Pte Ltd ("APGE") to operate a new PSC. Dr Zaini Abdullah continues to give the Joint Venture his full support and both Triangle and the Acehnese Government are working with the Indonesian Government to execute the award of a new PSC to APGE.



*Mr Darren Bromley, Dr Zaini Abdullah and Mr Robert Towner meet at the Hall of Governors in Banda Aceh*

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Triangle's in-country Management team and representatives from the Government of Aceh Regional Company have recently attended formal meetings with Indonesian government department (Ditjen Migas) representatives to present Triangle's 10 year work programme and other future plans for the Pase PSC. The opportunity to formally present to the relevant Indonesian government departments (post the recent elections) is a significant development in securing the PSC. The temporary licence expires on 23 February 2015 and prior to this date, all stakeholders are working towards finalising the award of the PSC.

The Pase Block production facility was shut in on 11th October 2014 due to a regular maintenance program of the Exxon Arun plant production facility. Triangle's Pase production feeds directly into this facility and will remain shut in due to the expiry of the export LNG contract.

Triangle's 10 year work programme for the Pase PSC has been designed on domestic gas prices where demand remains strong with robust price structures. Domestic gas sales will be negotiated at a price in the US\$6 - \$8/mmbtu range.

The new gas pipeline between Arun and Medan, the largest city in Sumatra and the fourth largest city in Indonesia has been completed, and is currently undergoing testing and commissioning. Triangle Pase is ideally positioned to take advantage of this new gas infrastructure, the pipeline follows the Pase block from the Northern to southern boundaries. Upon PSC award and a successful drilling campaign the pipeline offers an immediate tie in opportunity.

Since 2009 Triangle has successfully operated and produced gas from the Pase field and continues to abide by all SKK Migas requirements to operate the PSC in a safe manner with zero incidents.

## Australia

Triangle has entered into an agreement with Goshawk E&P Pty Ltd ("Goshawk Energy") to farm into ATP1186 in the Surat Basin, Queensland ("the Licence").

ATP1186 is located 100km west of the Moonie oil field, one of Queensland's oldest and largest oil fields, and is proximal to the Alton and Fairymount fields, both of which have produced in excess of 1 million barrels of oil.

There is a significant amount of geological information for the area that will now be used to progress the understanding of the Licence with a view to identifying prospects and drilling targets. The principal targets for exploration will be the same formations as the oil accumulations discovered in the surrounding oil fields.

Triangle will acquire a 75% ownership of ATP1186 in two phases. Triangle will acquire a 50% interest in the Licence in return for repayment of past costs of \$73,830 and the issue of 120,000,000 Triangle shares to Goshawk Energy. Triangle will earn the remaining 25% upon completion of the four year work program which includes acquisition of 105 km of new 2D seismic and drilling two exploration wells.

Triangle has also executed a consulting agreement with Goshawk Energy for the provision of Geological and Geophysical services including progressing to exploration drilling and the identification of future projects for the Company.

The acquisition of this licence is in line with the Company's strategy of finding low cost prospective or near production assets to grow its portfolio. ATP1186 complements the Company's existing Queensland licence, PL231 (Reids Dome Project). Triangle has recently updated a Later Development Plan for the Reids Dome licence and submitted this plan to the Queensland Department of Natural Resources and Mines. The Later Development Plan outlines the Company's future plans to drill and produce from the Reid's Dome gas field.

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## PASE PSC (Aceh Province, North Sumatra, Indonesia)

### Pase Production

Production during the September quarter totalled 32.2 MMcf from three wells, A-1, A-5 and A-6.

### Development Activities

During the quarter the Company continued technical studies over the Pase Field with the intent of maturing in-fill drilling opportunities to access up-dip gas adjacent to existing producing wells.

### Health, safety & environment

Triangle maintained its excellent operating record during the quarter with zero Lost Time Incidents, zero environment incidents and zero recordable motor incidents.

### Corporate Social Responsibility

Corporate social responsibility activities continued during the quarter these included maintenance on roads, bridges and local infrastructure and the restocking of medical supplies in local clinics.

### Pase PSC

#### *Current Status:*

- On behalf of APGE, the Acehese Government is in discussion with MIGAS to secure the award of a new PSC.
- Triangle is the first foreign company to form a JV with the Acehese Government to operate an oil and gas field and provides further exploration and production opportunities for Triangle in the Pase Block.

#### *August 2014:*

- MIGAS extends Triangle's appointment as the temporary Operator of the Pase Block for a further 6 months or until the appointment of a definitive operator. This is the sixth PSC extension and expires February 2015

#### *July 2013:*

- Triangle and the Acehese Government entered into a Joint Venture to operate the new PSC. Triangle is the first oil and gas company to partner with Aceh under the 2005 Helsinki Memorandum of Understanding.
- Aceh Pase Global Energy Pte Ltd ("APGE") is incorporated in Singapore as the joint venture company to operate the new PSC. APGE is 75% owned by Triangle and 25% by an Acehese Government owned company Perusahaan Daerah Pembangunan Aceh ("PDPA").

#### *February 2013:*

- Triangle is selected as the most qualified partner to operate the new long term PSC with the Aceh Government. Triangle was selected by a committee of government appointed Acehese industry experts following an open tender process.

#### *February 2012:*

- Pase PSC expires and MIGAS appoints Triangle as temporary Operator of the Block.

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## CORPORATE & FINANCIAL

### Board Changes

On 9 July 2014, Mr John Towner and Mr Steve Hamer resigned from Triangle's Board of Directors. Mr Ted Farrell was appointed Non-Executive Chairman and Mr Robert Towner and Mr Darren Bromley were appointed as Directors.

### New Ventures

Triangle has entered into an agreement with Goshawk E&P Pty Ltd to farm into ATP1186 in the Surat Basin, Queensland.

Triangle's Management team continue to assess acquisition prospects to diversify and grow the Company's portfolio of assets.

### Revenue

Gross PSC revenue on production for the quarter was US\$0.531M.

### Cash

At the end of September 2014, the Company had cash at bank of \$1.590 million. The Company has undertaken a Cost Reduction Program in Australia and Indonesia and achieved significant savings in corporate and staffing costs in both jurisdictions.

### Changes in Capital

As at 30 September 2014 the Company had 1,077 shareholders and 2,704,712,382 ordinary fully paid shares on issue with the top 20 shareholders holding 68.75% of the total issued capital.

## INFORMATION IN RELATION TO ASX LISTING RULE 5.4.3

Triangle holds a 20% beneficial interest in PL231 located in Queensland, Australia.

Upon the payment of \$73,830, and the issue of 120,000,000 TEG shares, Triangle will acquire a 50% interest in ATP1186 in Queensland, Australia.

The Group has not acquired or disposed of any other tenements during the September 2014 quarter.

### **About Triangle Energy:**

*Triangle Energy is a gas production and exploration company based in Perth. The Company operates the Pase Production Sharing Contract located in Aceh Province, North Sumatra, Indonesia. Triangle Energy continues to assess acquisition prospects to diversify and grow the portfolio of assets.*

### **For Further information, please contact:**

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

30 September 2014

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	962	962
1.2 Payments for (a) exploration & evaluation	(145)	(145)
(b) development	(404)	(404)
(c) production	(448)	(448)
(d) administration	(452)	(452)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
• VAT refunded	57	57
<b>Net Operating Cash Flows</b>	<b>(426)</b>	<b>(426)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(426)</b>	<b>(426)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(426)	(426)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	422	422
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	422	422
	<b>Net increase (decrease) in cash held</b>	(4)	(4)
1.20	Cash at beginning of quarter/year to date	1,510	1,510
1.21	Exchange rate adjustments to item 1.20	84	84
1.22	<b>Cash at end of quarter</b>	1,590	1,590

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(164)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included at 1.23 are:

- Directors fees of \$8k
- Payments made for professional services pursuant to consultancy agreements totalling \$156k

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(110)
4.2 Development	(220)
4.3 Production	(450)
4.4 Administration	(480)
<b>Total</b>	<b>(1,260)</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,474	1,403
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	116	107
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,590</b>	<b>1,510</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	2,704,712,382	2,704,712,382	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	882,218,043	882,218,043	\$0.001	N/A
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	59,500,000	-	Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria	Nil
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	(27,000,000)  (32,000,000)	-  -	Unlisted \$0.01 Options expiring 26 September 2014  Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria	Nil
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 October 2014  
(Director/Company secretary)

Print name: Darren Bromley

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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