

# TRIANGLE ENERGY ANNOUNCES LANDMARK INVESTMENT BY STANDARD CHARTERED PRIVATE EQUITY (SINGAPORE) PTE LTD

- Leading international bank and financial partner to bolster the position of Triangle Energy (Global) Limited
- Triangle Energy (Global) Limited to issue up to US\$10 million of convertible unsecured notes

8 December 2011: Triangle Energy (Global) Limited (ASX: TEG) ("Triangle Energy") is pleased to announce that it has agreed to issue Convertible Unsecured Notes to Standard Chartered Private Equity (Singapore) Pte Ltd ("SCPE"). SCPE is a wholly owned private equity arm of Standard Chartered Bank. The convertible note issue comprises a first tranche of US\$3.5m and a second tranche of US\$6.5m. The first tranche is expected to be issued tomorrow. The second tranche will be subject to a number of conditions, including Triangle Energy shareholder approval (under ASX Listing Rule 7.1), FIRB approval and Pase PSC renewal conditions.

A notice of meeting of Triangle Energy shareholders to consider and if thought fit to approve the issue of the second tranche of convertible notes to SCPE will be despatched shortly.

The maturity date for the notes is 3 years from the date of issue of the first tranche. The notes are convertible into ordinary shares in the capital of Triangle Energy at a conversion price of A\$0.03 per share (subject to standard adjustment mechanisms) representing a 20% premium to yesterday's closing price for TEG shares. A coupon rate of 8% per annum is payable annually in arrears.

Assuming that the Tranche 2 Notes are issued and that all of the Tranche 1 Notes and Tranche 2 Notes are converted, SCPE would have an approximate 18.3% shareholding interest in Triangle Energy (based on Triangle Energy's current issued share capital and assuming that all options and performance rights currently on issue are converted or exercised).

The key terms of the Note issue are detailed in the appendix to this announcement.

The Board of Triangle Energy considers this transaction with SCPE as extremely positive for Triangle Energy and brings a number of benefits to Triangle Energy including:

- Enabling Triangle Energy to continue with the development of the Pase field and exploration on the Pase PSC area.
- Addition of a renowned, cornerstone investor.
- Strategic and financial input from a highly experienced and internationally active private equity team through Board representation. Alastair Morrison will join the Board of Triangle Energy. Alastair is the global head of Standard Chartered Private Equity. He has worked in private equity for over 25 years in the UK and Asia, and has broad experience of growing companies across a range of industrial sectors.

"This is the first of several value-enhancing steps being taken to transform Triangle Energy into a leading, upstream oil and gas developer focused in Indonesia" says Executive Chairman John Towner.

## About Triangle Energy:

Triangle Energy is a gas production and exploration company based in Perth. Its wholly-owned subsidiary, TPI, is based in Jakarta and is the 100% holder and operator of the Pase PSC which covers an area of 922km<sup>2</sup> in Aceh Province, North Sumatra, Indonesia.

## For Further information, please contact:

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## APPENDIX - Convertible Unsecured Unlisted Notes – summary details and key terms

Issuer	Triangle Energy (Global) Limited
Subscriber	Standard Chartered Private Equity (Singapore) Pte Ltd
Issue size	3.5M Notes = US\$3.5M, drawn immediately ( <b>Tranche 1 Notes</b> ). 6.5M Notes = US\$6.5M, subject to conditions including Triangle Energy shareholders & FIRB approvals and Pase PSC renewal conditions ( <b>Tranche 2 Notes</b> ).
Maturity date	3 years after the date of issue of the Tranche 1 Notes. This is expected to be 7 December 2014.
Coupon	8%pa, paid annually in arrears.
Conversion by SCPE	Notes are convertible, at the conversion price, into Triangle Energy ordinary shares at any time post renewal of the Pase PSC and FIRB approval and prior to maturity.
Conversion price	A\$0.03 per share, subject to standard adjustment mechanisms for capital reorganisations, etc.
Redemption at maturity	If not converted, the Notes must be redeemed at maturity on the maturity date to provide an IRR of 15% per annum on the face value of the Notes to the Noteholder.
Early Redemption of Notes	Noteholder will have rights to require early redemption of notes in certain circumstances, including: (i) at an IRR of 15% per annum on face value of notes if the Pase PSC is not renewed, or FIRB approval is not obtained or there is an event of default; and (ii) at a 1.5x multiple on face value of notes if Triangle Energy shareholder approval for Tranche 2 Notes issue is not obtained.
Security	The Notes are unsecured obligations of Triangle Energy.
Change of control	Upon a person acquiring Voting Power (as defined in the Corporations Act) in 40% or more of Triangle Energy, the Noteholder has the right to be redeemed at an IRR of 15% per annum on the face value of the notes.
Participation rights	Certain participation rights are granted to SCPE in relation to any equity capital raisings during the period of 18 months after the date of issue of the Tranche 1 Notes, subject to certain conditions including issues under an employee incentive scheme or conversion of convertible securities. The participation rights lapse if the number of Notes held by SCPE and the number of Notes which are converted into Triangle Energy shares together do not exceed 50% of the total number of Notes issued.
Board representation	While the Notes remain outstanding and for so long as the number of Notes which are held and the number of Notes which are converted into Triangle Energy shares together exceed 50% of the total number of Notes issued, and provided that FIRB approval has been obtained, SCPE has the right to nominate one person to the Board.
Covenants, warranties and representations	The terms will include covenants, representations and warranties by Triangle Energy in favour of SCPE which are customary for this type of transaction, including covenants not to make certain major changes to Triangle Energy's business or capital structure without obtaining SCPE's consent (for so long as the number of Notes which are held and the number of Notes which are converted into Triangle Energy shares together exceed 50% of the total number of Notes issued).



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