

# ASX & Media Release

## TRIANGLE ENERGY (GLOBAL) LIMITED

### Quarterly Activities Report and Appendix 5B

For the 3 months ended 30 September 2010



**Triangle Energy (Global) Limited**  
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#### COMPANY OVERVIEW\*

<b>ASX Code</b>	TEG
<b>Share Price*</b>	A\$0.029 per share
<b>Shares on Issue</b>	1,295b
<b>Unlisted Options</b>	21.6m
<b>Market Capitalisation</b>	A\$37.5m
<b>Average Stock Turnover**</b>	14.9m shares/month

\* Figures as at 30 Sept 2010      \*\* Based on the past 6 months

#### OPERATIONAL HIGHLIGHTS

##### Pase Gas Fields

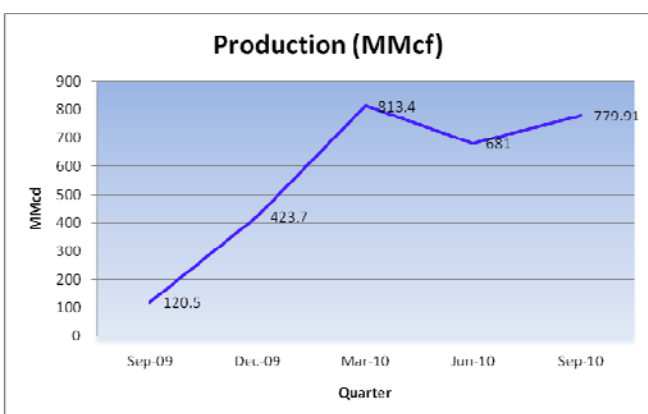
- Production from the A-6, A-5 and A-1 wells totalled 779.91 MMcf for the September quarter
- Combined gas production as at 30 September was 9.7 MMcf per day

##### Pase Field Development

- A-5 was reconnected early in the quarter
- Down Hole Video Surveys were carried out on A-1 and A-5 to determine if an obstruction could be identified. As a result of a confirmed blockage in A-1 with partial blockage in A5 the Company is planning to conduct a work-over on the A1 and A2 wells.
- Water pump modifications were carried out to increase water handling capacity.

##### Exploration Activity

- Work continued on prospect and lead identification and Pase Infill drill-locations



#### DIRECTORS

Mr John Towner	Executive Chairman
Mr Robert Lemmey	Non-Executive Director
Mr Steve Hamer	Non-Executive Director
Mr Lewis Johnson	Non-Executive Director
Mr Adam Sierakowski	Non-Executive Director

#### CORPORATE HIGHLIGHTS

##### PSC Renewal Application

- During the September quarter BPMIGAS recommended that the Pase PSC be renewed for twenty years. Discussions with MIGAS and the Government of Aceh commenced during the quarter and were met positively.

##### Financial Highlights

- At the end of the September quarter the Company had cash in bank of \$6.88 million and no corporate debt
- Gross PSC revenue for the quarter was US\$4.7 million
- The Company paid a dividend of \$0.002316 (0.2316 cents) per share on 30 September totalling \$3 million of which \$1.4 million had not been presented at 30 September.



Figure 1: Pase A Cluster after sunset

## OPERATIONAL ACTIVITIES

### Pase Field Production

Production during the quarter was from three wells, A-6, A-5 and A-1. Combined production at the end of September 2010 was approximately 9.7 million cubic feet (MMcf) per day of gas with water output of approximately 2,200 barrels per day.

Total production for the quarter was as follows:

Month	MMcf
July 2010	236.39
August 2010	246.14
September 2010	297.38
<b>TOTAL:</b>	<b>779.91 MMcf</b>

### Pase Field Development Activities



Figure 2: TPI team member in front of A-1 wellhead

Technical adjustments allowing for greater control were made to A-6 similar to those made to A-5 however the same results have not been achieved on A-6 as for A-5 and gas and water production from A-6 is unchanged.

Modifications were made to the Pase water pumps which have allowed Triangle to increase its water handling capacity.

In early July 2010 A-5 was reconnected with new parts incorporating technical adjustments that have allowed for greater control, resulting in increased gas and reduced water production.

In August 2010, Down Hole Video Surveys were carried out on wells A-1 and A-5. The objective was to identify an obstruction. An obstruction was confirmed in A-1 with a partial obstruction confirmed in A-5. As a result the Company is planning to conduct a work-over of A-1 (together with nearby A-2). At the end of September A-1 was producing approximately 8.1 MMcf per day however at its peak it was producing at a rate of approximately 25 MMcf per day (June 2003).



Figure 3: New adjustable choke installed on A-6

### Jakarta Office Activities

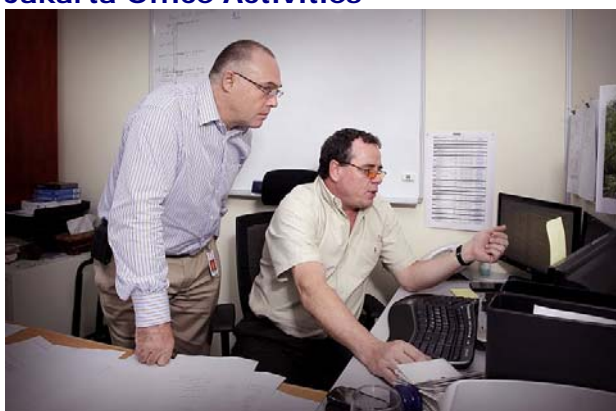


Figure 4: Drilling Team reviews work-over data

During the quarter a Drilling Manager and Drilling Engineer were hired to join the Jakarta office and prepare for the work-over of A-1 and A-2 which the Company expects to carry out in Quarter 1 of 2010.

The Pase PSC 2011 Work Program and Budget was prepared during the quarter and lodged with BPMIGAS. The Work Program and Budget includes the work-overs of A1 and A2.

## Exploration Activities

During the quarter the Company's technical team continued work on prospect and lead identification and Pase Infill drill-locations in preparation for approval of the 20-year contract extension. Legacy Data has been digitised, organised and indexed. High resolution satellite imagery has been acquired for drilling prospects and work-over subsurface support data has been completed.



Figure 5: Prospect and lead identification

## Reid's Dome

The Company is a participant in the joint venture for the exploration and development of the Reid's Dome gas project in Queensland, Australia.

## CORPORATE ACTIVITIES

### PSC Renewal Application

The Company's application for a twenty year Production Sharing Contract (PSC) renewal, which was lodged with the Indonesian Oil & Gas Regulator, BPMIGAS, on 5 February 2010, continued to be processed during the quarter. Discussions with BPIMGAS were completed in July 2010 and BPMIGAS recommended to MIGAS (regulatory body for PSCs) that the Pase PSC be renewed for twenty years. Discussions with MIGAS and the Government of Aceh commenced during the quarter and were met positively. Negotiations and discussions regarding terms and conditions of the Pase PSC renewal are ongoing with MIGAS and the Government of Aceh.

### Financial Highlights

At the end of the September quarter the Company had cash in bank of \$6.88 million and no corporate debt. Market capitalisation at 30 September was \$37.5 million based on a closing price of 2.9 cents.

Gross PSC revenue for the quarter was US\$4.7 million.

On 30 September 2009 the Company paid a dividend of \$0.002316 (0.2316 cents) per share totalling \$3 million.

John Towner

**Executive Chairman**

Triangle Energy (Global) Limited

## Quarterly Gross Natural Gas Production

Triangle Energy (Global) Limited – Summary of Quarterly Production				
Quarter	Dec. 2009	Mar. 2010	Jun. 2010	Sept. 2010
Production (MM cf)	423.7	813.4	681.0	779.91
Production (boe)	70,631	135,594	113,517	130,004

### **About Triangle Energy:**

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

Triangle Energy has three producing wells. It has been cash-flow positive since early 2010 and continues to operate profitably. Approximately 90% of the gas produced is sold at premium LNG prices. The Pase PSC has considerable exploration and development opportunities which Triangle Energy will pursue once a 20 year PSC renewal is granted. Triangle Energy is continuing to review further acquisitions opportunities in the area.

Triangle Energy regularly updates its website at [www.triangleenergy.com.au](http://www.triangleenergy.com.au)

### **For further information please contact:**

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

30 September 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	5,411	5,411
1.2 Payments for (a) exploration & evaluation	(146)	(146)
(b) development	(43)	(43)
(c) production	(1,519)	(1,519)
(d) administration	(1,281)	(1,281)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(267)	(267)
1.7 Other -FX adjustments for the period	(160)	(160)
<b>Net Operating Cash Flows</b>	<b>2,007</b>	<b>2,007</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)		
- Cash acquired on acquisition of Triangle Energy Limited	-	-
- Cash advanced to Triangle energy Limited prior to acquisition	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>2,007</b>	<b>2,007</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	2,007	2,007
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	(1,526)	(1,526)
1.19	Other (provide details if material)	-	-
	Reconstruction costs	-	-
	Capital raising fees	-	-
	<b>Net financing cash flows</b>	<b>(1,526)</b>	<b>(1,526)</b>
	<b>Net increase (decrease) in cash held</b>	<b>481</b>	<b>481</b>
1.20	Cash at beginning of quarter/year to date	7,047	7,047
1.21	Exchange rate adjustments to item 1.20	(648)	(648)
1.22	<b>Cash at end of quarter</b>	<b>6,880</b>	<b>6,880</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to 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	(327)
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 \$26k
- Payments made for professional services pursuant to consultancy agreements with Price Sierakowski, Mandolin Pty Ltd, PT Prestige Global Petroleum, and PT Himalaya Asset totalling \$254k
- Expense reimbursements of \$47k

**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	237
4.2 Development	-
4.3 Production	1,235
4.4 Administration	1,571
<b>Total</b>	<b>3,043</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	6,776	6,922
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other - Deposit as security for SBLC provided to Exxon Mobil Oil Indonesia	104	124
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,880</b>	<b>7,046</b>

### Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining 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 securities</b> <i>(description)</i>	N/A	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	1,295,151,207	1,295,151,207	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	21,666,666	21,666,666	<i>Exercise price</i> \$0.03	<i>Expiry date</i> \$0.03
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.



7.12	Unsecured notes (totals only)		
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## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29 October 2010  
(Company Secretary)

Print name: Rae Clark

## 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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+ See chapter 19 for defined terms.