

ARBITRATION UNDER THE HONG KONG INTERNATIONAL ARBITRATION CENTRE

Triangle Energy (Global) Ltd (ASX:TEG) (Triangle, the Company) provides the following update on the dispute between itself and Monterra Limited (Monterra) announced to the ASX on 21st December 2015, recently referred to in the Company's Annual Report 2016 and previously in the Company's Annual Report 2015.

The Company was in receipt of the Arbitration award (the "Award") at approximately 4.00pm (WST) on Monday 5th December 2016.

The Hong Kong International Arbitration Centre has made an award in favour of Monterra Limited.

Triangle is disappointed with this outcome. The Company strongly believed that Monterra's claims had no basis and the amounts determined as payable to MonTerra were not due and payable. The Company vigorously defended the claims made against it by MonTerra Ltd before and during the Arbitration hearing in October 2016.

Ultimately, the arbitration was initiated by Monterra as the Company was not prepared to enter into negotiations of a terminated contract.

The Company is currently considering the Award and is seeking advice in respect of all of its options, including but not limited to any avenues of appeal available to it or potential settlement arrangements. Further announcements will be made by the Company in due course.

Background

On 17 November 2014, Triangle Energy entered into a contract with MonTerra Ltd, who was to assist the Company in exploring possible joint ventures or strategic partnerships in Indonesia, developing strategies to secure a long-term PSC for the Pase gas project and securing investment into the Company or its projects. The contract provided for (i) an upfront fee of US\$250,000 to be payable to Monterra in certain circumstances (ii) a success fee of US\$750,000 to be payable within 60 days only in the event of the announcement of the Company securing for Pase advisory a Production Sharing Contract ("PSC") equal to or greater than 15 years and subject to all the consents and approvals from all the appropriate bodies and (iii) and, a. investment advisory, and only in the event MonTerra successfully introduces an investor or financier to the Company, a fee of 7% of the proceeds raised from the relevant investor or financier was to be payable at the time of completion.

On 20 April 2015, Triangle terminated the contract knowing there was a risk that there may be a future claim against the Company in relation to the termination and has disclosed it as a contingent liability in its financial accounts.

Termination was on the basis, amongst other things, that MonTerra Ltd had not provided services with the proper and reasonable care, skill and diligence required of a corporate adviser experienced in corporate oil and gas companies with operations in Indonesia.

About Triangle Energy:

Triangle Energy is an oil and gas production and exploration company based in Perth. The Company holds a 57.5% working interest in the producing Cliff Head oil field in the Perth Basin and a 60% operating interest in the Reids Dome Production Licence in Queensland. Triangle Energy continues to assess acquisition prospects to diversify and grow the portfolio of assets.

For Further information, please contact:

Robert Towner +61 414 594 868

Darren Bromley +61 419 940 587

admin@triangleenergy.com.au | www.triangleenergy.com.au