

## Triangle to increase stake in Cliff Head Oil Field to 78.75% and take Operational Control

### HIGHLIGHTS

- Triangle has jointly (50/50) executed a Share Purchase Agreement in partnership with Royal Energy Pty Ltd (“Royal”) to acquire the 42.5% balance of the Cliff Head Oil Field from ROC Oil Company Limited (“ROC”)
- On completion of the transaction Triangle will hold a majority 78.75% stake in the Cliff Head Oil Field
- Headline consideration is US\$3,750,000 (US\$1,875,000 by Triangle) and a deposit of US\$200,000 has been paid by Triangle and Royal (“the Partners”)
- Triangle’s acquisition costs will be funded via a Convertible Loan Agreement with Tamarind Classic Resources Limited (“Tamarind”) and existing Triangle cash
- Current production at Cliff Head 1,300 bopd (>1,000 bopd 78.75% net to Triangle)
- Cash flow positive and significant leverage with current oil prices
- Continued near-term focus on cost and operational efficiency
- Expected field life of 10 years with opportunities to extend through numerous exploration and extension projects
- Potential to grow oil production via improved and enhanced recovery opportunities
- Appraisal and exploration upside with Mentelle-1 (previous oil discovery) and West High area within the production license
- Effective date of the transaction is 1st January 2017. Cash benefit to the Partners during the period to 31 March 2017 totals AU\$1.15 million
- Tamarind, Operator of the Tui Oil Field in New Zealand, to be appointed Operator on behalf of the Partners on completion of the transaction

Triangle Energy (Global) Limited (“Triangle” or the “Company”) is pleased to announce the execution of a Share Purchase Agreement (“SPA”) with ROC Oil Company Limited (“ROC”) for the purchase of its 42.5% Participating Interest in and Operatorship of the Cliff Head Oil Field, located in the offshore Perth Basin, Western Australia. Triangle has jointly (50/50) executed the SPA in partnership with Royal.

Managing Director, Mr Robert Towner said Triangle was pleased to have entered into this agreement with ROC and Royal.

“The Board sees great value in the Cliff Head Oil Field and looks forward to progressing exploration and production opportunities within the license area and the larger offshore Perth Basin .” Mr Towner said.

“Since Triangle acquired the 57.5% of the Cliff Head Oil Field in July 2016, oil prices have stabilised giving Triangle confidence to proceed with further exposure to this producing field. Also, during this time, the Joint Venture with ROC has successfully reduced operating costs and implemented significant operational efficiencies. With the acquisition, we will be able to further drive these efficiencies.

"The acquisition of ROC's 42.5% interest and operatorship of the Cliff Head Oil Field with Royal demonstrates Triangle's commitment to the offshore Perth Basin and provides greater financial flexibility for the Company into 2017 and 2018. It also allows Triangle to unlock the potential of near-by appraisal wells and exploration opportunities within the Perth Basin. With the current oil price environment, coupled with the Company's production and infrastructure profile we provide exceptional leverage for renewed interest in the Australian Oil and Gas sector.

"In addition, our 30% farmin interest in the TP/15 Joint Venture with Norwest Energy NL ("NSE") to drill the neighbouring Xanadu-1 field 160mmbbl prospect (see NWE's ASX announcement dated 10 February 2017 for ASX Listing Rule 5.25.3 requirements), helps position Triangle as a lead player in the resurgence of interest and consolidation in the offshore Perth Basin."

### **SHARE PURCHASE AGREEMENT**

Under the SPA, the headline consideration is US\$3,750,000 (Triangle 50%). The Partners have paid a deposit of US\$200,000. The effective date of the transaction is 1 January 2017. Settlement of the acquisition is expected to occur on or before 31 May 2017.

### **CONVERTIBLE LOAN AGREEMENT**

Triangle has entered into a Convertible Loan Agreement ("Agreement") with Tamarind for US\$1,215,000 for a period of 12 months (31 March 2018) at an interest rate of 10%. Under the terms of the Agreement, it is convertible at \$0.04 per share at a mid point spot AUD/USD exchange rate on the draw down date, subject to obtaining shareholder approval under the ASX Listing rules.

Triangle will issue Tamarind six million options to subscribe for shares in the Company at an exercise price of \$0.06 per share with a term of two years.



*Cliff Head Offshore Platform*



*Helicopter at Cliff Head Offshore*

## CLIFF HEAD OIL FIELD

The Cliff Head Oil Field is located 10 kilometres off the coast of Dongara Western Australia at a water depth of 15-20 meters. The field covers 6km<sup>2</sup> in the Commonwealth exploration permit WA-286-P and was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was A\$327 million with first oil production commencing in May 2006. To date the field has produced over 15.27 mmbbl and continues to produce at above originally forecast rates.

Oil production from the Cliff Head Oil Field is produced via an unmanned offshore platform connected to the Arrowsmith onshore processing plant by twin 14 kilometre production and injection pipelines. Crude oil is trucked to BP at their Kwinana refinery south of Perth.

## OPERATORSHIP and ASSUMPTION OF OPERATIONS

The Partners will appoint Tamarind as the Operator on behalf of the Joint Venture. Tamarind is currently the Operator of the Tui Oil Field in New Zealand and has proven offshore and onshore operating experience including significant experience with safe and effective ownership transitions. Importantly, the existing arrangements with the certified operating subcontractors will remain in place. Triangle intends to maintain all key contracts and staff via a transitional arrangement with ROC.

**For further information, please contact:**

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In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this announcement has been reviewed and signed off by Jim Tarlton of Tamarind Management, who is an Oil & Gas Engineer and has over 30 years experience in the sector. He consents to that information in the form and context in which it appears.

## ABOUT TRIANGLE ENERGY

*Triangle Energy is an experienced Australian based oil and gas production and exploration company. The Company has operated assets in Australia and Indonesia and positioned to further demonstrate its success in exploration, development and operation. Triangle Energy continues to assess acquisition prospects to diversify and grow the portfolio of assets.*

