Triangle Energy Completes Cliff Head Oil Field Acquisition

HIGHLIGHTS

• Triangle jointly (50/50) completes Share Purchase Agreement (SPA) with Royal Energy Pty Ltd to acquire the 42.5% balance of the Cliff Head Oil Field and associated production facilities from Roc Oil Company Limited

• Triangle now holds a majority 78.75% of the Cliff Head Oil Field and is the Operator

• Headline consideration paid under the SPA was US$3.750M (US$1.875M / AUD$2.5M by Triangle)

• Effective date of the transaction was 1st January 2017. Cash flow benefit to Triangle during the period to completion totals approximately US$1.2M

• Triangle’s Cliff Head Oil Field contains the only offshore and operating onshore crude oil facilities including the Arrowsmith Stabilisation Plant and pipeline in the Perth Basin

Triangle Energy (Global) Limited (Triangle or the Company) is pleased to announce the completion of the 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 and associated production facilities (Cliff Head), located in the offshore Perth Basin, Western Australia. Triangle jointly (50/50) completed the SPA in partnership with Royal Energy Pty Ltd (Royal).

Under the SPA, the headline consideration was US$3.750M (Triangle US$1.875M), effective from 1 January 2017. Triangle has received a cash flow benefit of approximately US$1.2M from that date to completion.

In completing the acquisition, Triangle and Royal have purchased the operating entity of Cliff Head, Roc Oil (WA) Pty Ltd, to be renamed Triangle Energy (Operations) Pty Ltd, which also comes with AU$0.669M cash at bank (Triangle AU$0.527M).

Director and Chief Financial Officer, Mr Darren Bromley said Triangle was pleased to have completed the acquisition and looks forward to working with stakeholders to deliver further operations efficiencies in the facility.

“The Company now controls 78.75% of the Cliff Head and we see a great opportunity to progress exploration of nearby appraisal targets and the larger offshore Perth Basin while maintaining strong cash flow from our current production.

“This acquisition, together with our 30% farm-in interest in the TP/15 Joint Venture with Norwest Energy NL (NWE) to drill the neighbouring 160mmbbl Xanadu-1 prospect, provides Triangle immediate exposure to exploration upside along with additional strong exploration targets within the Cliff Head Oil

Cliff Head Alpha offshore platform
Triangle’s 78.75% interest in Cliff Head has cost approximately AU$5.7M. Estimated annual revenue from Cliff Head crude oil production is AU$30.4M (Triangle AU$24.0M) based on US$50/bbl and $0.75 AUD/USD exchange rate.

In June 2016 Triangle acquired a 57.5% interest in the Cliff Head Oil Field from AWE Limited (ASX: AWE), an Australian oil and gas company.

The Cliff Head facilities are the only offshore and operating onshore infrastructure in the Perth Basin and are therefore important for any development in the surrounding area.

“Cliff Head’s onshore Arrowsmith Stabilisation Plant is the only operating crude oil plant in the Perth Basin and is vital infrastructure in the development of exploration success by any explorer in the area,” Mr Bromley said.

“The Cliff Head Oil Field currently produces approximately 1,300 bopd gross through the Arrowsmith facility, which has a processing capacity of up to 15,000 bopd, so is more than capable of processing third party crude.

“The acquisition of Cliff Head, in partnership with Royal, provides Triangle with a cash flow generating operation, strong production rates, exploration opportunities and the capacity to service third party crude in the highly prospective and underexplored Perth Basin,” Mr Bromley said.

**CLIFF HEAD OIL FIELD**

The Cliff Head Oil Field is located 10 kms off the coast of Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km² and the oil field covers 6km² in the Commonwealth Exploration Permit WA-286-P. It was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was A$327m with first oil production commencing in May 2006. To date, the field has produced over 15.46 million barrels and continues to produce at above originally forecast rates.

Current oil production of approximately 1,300 bopd gross from the Cliff Head field is produced via an offshore platform connected to the onshore Arrowsmith Stabilisation Plant by twin 14 km production and injection pipelines. Crude oil is trucked to BP at its Kwinana refinery south of Perth.

The Cliff Head acquisition by Triangle as Operator has reinstated the Company’s status as a producer of hydrocarbons following the sale of its Indonesian interests in February 2016.
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ABOUT TRIANGLE ENERGY (GLOBAL) LTD

Triangle Energy (Global) Ltd is an ASX listed (ASX: TEG) oil and gas producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant located in the Perth Basin, has an operating interest in the Reids Dome production licence in Queensland, and has a number of highly prospective exploration programs. The Company continues to assess acquisition prospects to expand its portfolio of assets.

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 year’s experience in the sector. He consents to that information in the form and context in which it appears.