

## Cliff Head Asset Life Extension Program

Triangle Energy (Global) Ltd (ASX:TEG) (**Triangle**, the **Company**) is pleased to provide an Operations Update on its Cliff Head Oil Field (Cliff Head; 78.75%) assets.

Triangle's Managing Director Mr Rob Towner said the Company had activated a comprehensive forward works program to upgrade reserves in the Cliff Head field. He said the Company was in the process of remodelling the subsurface Cliff Head reservoir to identify previously undrained sections of the field and that it had committed \$5.5 million to a 2018 Asset Life Extension Program.

"The current Cliff Head wells were drilled over 15 years ago when directional drilling technology was not as sophisticated and accurate as it is today. Once these reservoir extensions have been identified Triangle can then access the untapped pools of oil with new, more accurate and more economical drilling technology, increasing production and field life," Mr Towner said.

"Expanding the reservoir oil in place within an already existing developed oil field can result in a better return on investment capital.

"A reserves review upgrade is due for completion in the second Quarter 2018 and this, coupled with our Asset Life Extension Program should demonstrate that we are anticipating a substantial increase in production both in the short term and the longer term."

Mr Towner said Triangle had committed to a \$5.5 million investment from revenue (available cash from revenue) to an "Asset Life Extension Program - 2018" for the ongoing upgrade of the Arrowsmith infrastructure.

He said the investment in infrastructure would support future expected increases in field production and enable the handling of regional oil including Xanadu (TP-15) and other potential re-entering of mature oil fields in the Perth Basin.

"All energy supply related infrastructure requires maintenance and Arrowsmith is no different. It is important to make sure our facility is maintained to a high standard and preserve its integrity so it can operate optimally, be ready to accept greater volumes of product and operate well beyond the original Cliff Head field life," said Mr Towner.

Triangle is also analysing historical well and field performance data and developing a new reservoir management plan to better optimise the production of identified crude oil in the field.

Mr Towner said management expected Cliff Head to produce 2.5 million barrels from the existing wells and hopes to identify additional resources which will be developed through side-tracking and drilling new wells.

Based on the initial re-modelling work being done on Cliff Head, the first such fundamental reservoir and field level modelling update to be completed in many years on the field, several strategies have been identified including:

- improved reservoir management and optimisation of water injection;
- continued operational cost reduction which will result in extended economic field life;
- completion of workovers and infill wells; and,
- near-field appraisal and low-risk exploration

Management believes these strategies could extend the life of Cliff Head and generate additional reserves. Further details will be provided over the coming months.

“Our aim is to continue producing Cliff Head for many more years by operating more efficiently,” Mr Towner said.

A recent (February 2018) DJ Carmichael report stated “...The current operations and infield upgrades represent a near-term value driver that is relatively risk-free, it would be very unusual for there to be no oil behind the pipe beyond the initial reserves, especially when taking into the account a relatively small amount of work has been done on upgrading the recoverable resources. There are countless examples around the world of mature fields that have had their life extended thanks to technology.”

Mr Towner said Triangle had aggressively re-negotiated vendor contracts since taking over as Operator of Cliff Head in May 2017.

“We will continue to renegotiate several contracts including the transition out of the operating contract with Upstream Production Solutions to in-house operatorship with the benefit of securing Safety Cases directly from both DIMIRS and NOPSEMA,” Mr Towner said.

## ENDS

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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, and a 30% share of the Xanadu-1 Joint Venture in the Perth Basin. Triangle also has a substantial equity interest in State Gas Limited, a company with a 60% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.*

### Qualified Petroleum Reserves and Resources Evaluator Statement

*In accordance with ASX Listing Rules, information in this announcement that relates to proved and probable oil reserves has been reviewed and signed off by Mr James Tarlton (Tamarind Management, Director). Information that relates to reserves is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Tarlton. He has consented to the form and context in which the information that relates to the reserves presented. Mr Tarlton's qualifications include: Bachelor of Applied Science (Honours) from Queen's University at Kingston Ontario Canada. He has 34 years of operating company experience developed through drilling, production and reservoir engineering before transitioning to asset management in Canada, the North Sea and South East Asia. He is a member of the Society of Petroleum Engineers in Malaysia and he is also a registered professional engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA).*