



Triangle Energy managing director Rob Towner. Picture: Simon Santi

# Triangle makes headway on oil

■ Peter Milne

In four years, ASX-listed Triangle Energy has swung from producing gas in Indonesia to chasing oil in the Perth Basin.

When Triangle Energy managing director Rob Towner started in 2014, gas production in Aceh, northern Sumatra, had stopped because of "roadblocks" in extending its production-sharing contract with the Indonesian Government.

By the time the contract was renewed, Triangle, with its share price at 2.5¢, did not have the funds the field required so it was sold in early 2016.

A few months later, Triangle used the cash to buy a 58 per cent interest in the Cliff Head oil field offshore near Dongara and the Arrowsmith onshore processing plant.

In May last year it moved to a 79 per cent interest in Cliff Head and took on the role of operator.

Four months later the Xanadu exploration well drilled from onshore

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discovered offshore oil south of Cliff Head.

Triangle shares soared as high as 22¢ because of its 30 per cent share of the find.

Triangle bought Whitebark Energy out of Xanadu last month in a \$3 million cash and scrip deal to take its equity to 45 per cent.

A week later Triangle announced a farm-in deal with Key Petroleum for 50 per cent of the onshore Mount Horner oil field that will cost up to \$US3 million (\$4.15 million).

Mr Towner said with the oil price about \$30 a barrel higher than when Triangle entered the Perth Basin he wanted to secure the deals this year before others did.

Triangle has an advantage over other growing

Perth Basin oil producers as its 15,000-barrels-a-day capacity Arrowsmith plant processes only 800 barrels a day.

"Logic tells me that with the way that government approvals go in this State, any new processing facility is not going to happen," he said.

Mr Towner said the plant would need to be upgraded if Triangle's focus on new oil production was successful.

"We're looking at development projects, not exploration," he said.

"We've had a crack at that and got lucky with Xanadu.

"In the good old days, I'd call it a wildcat."

The next step to advance Xanadu is seismic testing that is waiting on government approvals.

Mr Towner said a program to workover two existing wells at Mount Horner would start in May with a view to production starting soon afterwards.

Triangle shares closed yesterday down 0.2¢, or 2.4 per cent, to 8¢ a share.