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**Triangle Energy (Global) Limited**  
ABN 52 110 411 428

Interim Financial Report  
31 December 2014

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## CORPORATE DIRECTORY

### Directors

Edward (Ted) Farrell (Non-Executive Chairman)  
Robert Towner (Executive Director)  
Darren Bromley (Executive Director)

### Company Secretary

Darren Bromley

### Registered Office

Unit 7, 589 Stirling Highway Cottesloe WA 6011  
Telephone: +61 (0)8 9286 8300  
Facsimile: +61 (0)8 9385 5184  
Email: admin@triangleenergy.com.au  
Website: [www.triangleenergy.com.au](http://www.triangleenergy.com.au)

### Principal Places of Business

#### Australia (Head Office):

Unit 7, 589 Stirling Highway  
Cottesloe WA 6011  
Australia

#### Indonesia:

Beltway Office Park, Tower A, 8th Floor  
Jln. TB Simatupang No. 41  
Jakarta Selatan 12550 Indonesia

### Bankers

Westpac Banking Corporation  
275 Kent Street Sydney NSW 2000  
Australia

#### Bank Mandiri

Mandiri: Graha Mandiri 1st floor, Imam Bonjol Street no 61  
Jakarta Pusat Code Post: 10310  
Indonesia

#### Menara Standard Chartered Bank

Ground Floor, Prof. DR. Satrio Street no 164. Jakarta.  
Code Post: 12930  
Indonesia

### Securities Exchange Listing

ASX Limited  
20 Bridge Street Sydney NSW 2000  
ASX Code: TEG

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway, Applecross WA 6153  
Telephone (61 8) 9315 2333  
Facsimile (61 8) 9315 2233

### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street Subiaco WA 6008

### Solicitors

Jeremy Shervington Barrister & Solicitor  
52 Ord Street West Perth WA 6005  
Australia

## DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Triangle Energy (Global) Limited and the entities it controlled for the half-year ended 31 December 2014.

### Directors

The names of persons who were Directors and Company Secretary of Triangle Energy (Global) Limited during the whole of the half-year and up to the date of this report are:

Edward (Ted) Farrell	Non-executive Chairman
Robert Towner	Executive Director (Appointed 9 July 2014)
Darren Bromley	Executive Director (Appointed 9 July 2014) and Company Secretary
John Towner	Executive Chairman (Resigned 9 July 2014)
Steven Hamer	Non-Executive Director (Resigned 9 July 2014)

### Principal Activities

The principal activities of the consolidated entity during the financial half-year were gas production and exploration.

#### Review of Operations

##### Pase Production Sharing Contract, Indonesia

During the period, Triangle continued as the temporary Operator of the Production Sharing Contract ("PSC") over the Pase oil and gas fields in Aceh, Indonesia. The Company maintained its excellent operating record during the quarter with no lost time incidents, environment incidents or recordable motor incidents. The Pase Block production facility was shut in on 11th October 2014 due to a regular maintenance program of the Exxon Arun plant production facility. Triangle's Pase production feeds directly into this facility and will remain shut in due to the expiry of the export LNG contract and low production rates. Existing production facilities are being maintained and can be relocated, upgraded or refurbished if necessary for future projects. Production for the half year totalled 49.03 MMBTU.

In February 2015, the Company was informed by SKK Migas that it has been awarded the Pase PSC extension with joint venture partner, the Acehnese Government. The PSC extension period is for 20 years and will be extended from 24th February 2012, the date the original PSC expired. The Company is currently working through the formalities with SKK Migas and Migas.

This milestone is the culmination of an enormous amount of effort by Triangle's In-Country Management Team as well as our joint venture partner, the Acehnese Government. Pase is in a very prolific oil and gas area, Triangle is a proven operator of the Pase PSC and combined with our local government partnership we are uniquely positioned to develop the potential of the Pase field, and utilise the local gas market and existing infrastructure.

The new exploration campaign will be conducted by Triangle to discover new hydrocarbon reserves.

- Proven remaining recoverable reserves of 119 BCF in Pase A Field;
- Potential hydrocarbon resources of 730 BCF and 63 MMBO in three proven play types:
  - Peutu Reef Carbonate Play equivalent to Arun Giant Gas Field;
  - Peutu Fracture Carbonate Play, proven by Pase A Gas Field;
  - Clastic Julurayeu and Keutapang Play, proven by Pase Oil Field.

Triangle purchased the PSC from Exxon-Mobil in February 2009 and achieved operational excellence by developing the project from shut-in / brownfield stage to production within 6 months and generating over \$65M in revenue from a project depleted and shut in by a multi national operator.

Recently elected Indonesian President Joko Widodo's is a strong political leader focused on accelerating the country's energy sector. His initiatives to open the Indonesian economy, encouraging investment and improve underdeveloped infrastructure to feed the growing domestic consumption, provides Triangle with a huge opportunity as an established oil and gas Operator in country.

Pase is located in an area with an established gas infrastructure and supply facilities to cater to the growing Asian energy markets and local gas demand. The Aceh region is now linked to the central Sumatra Corridor via a new 370km 24" gas pipeline with 400 MMSCFD capacity, completed in December 2014.

Domestic gas sales will be regional to Aceh fertilizer plants and local power stations which are currently realising premium prices of \$9.00/MMBTU.

### ATP1186, Stuart Basin, Queensland, Australia

Triangle has entered into an agreement with Goshawk E&P Pty Ltd ("Goshawk Energy") to farm into ATP1186 in the Surat Basin, Queensland ("the Licence"). ATP1186 is located 100km west of the Moonie oil field, one of Queensland's oldest and largest oil fields, and is proximal to the Alton and Fairymount fields, both of which have produced in excess of 1 million barrels of oil.

There is a significant amount of geological information for the area that will now be used to progress the understanding of the Licence with a view to identifying prospects and drilling targets. The principal targets for exploration will be the same formations as the oil accumulations discovered in the surrounding oil fields.

Triangle will acquire a 75% ownership of ATP1186 in two phases. Triangle will acquire a 50% interest in the Licence in return for repayment of past costs of \$73,830 and the issue of 120,000,000 Triangle shares to Goshawk Energy. Triangle will earn the remaining 25% upon completion of the 4 year work program which includes acquisition of 105km of new 2D seismic and drilling two exploration wells.

Triangle has also executed a consulting agreement with Goshawk Energy for the provision of Geological and Geophysical services including progressing to exploration drilling and the identification of future projects for the Company.

The acquisition of this licence is in line with the Company's strategy of finding low cost prospective or near production assets to grow its portfolio. ATP1186 complements the Company's existing Queensland licence, PL231 (Reids Dome Project). In August 2014, Triangle updated a Later Development Plan (LDP) for the Reids Dome licence and submitted the plan to the Queensland Department of Natural Resources and Mines. The LDP outlines the Company's future plans to drill and produce from the Reid's Dome gas field.

### Corporate

During the half year the Company raised \$0.421M in placing the remaining shortfall of the non-renounceable pro-rata entitlement offer and share placement announced in May 2014. This capital raising totalled \$0.882M.

Mr Robert Towner and Mr Darren Bromley were appointed as Directors of Triangle's Board of Directors during the period. Mr John Towner and Mr Steve Hamer resigned from the Board. Triangle's Board and Management would like to thank Mr Towner and Mr Hamer for their service to the Company. Mr Ted Farrell will remain on the Board as the Company's Non-Executive Chairman.

Mr Rob Towner was appointed as Managing Director and Chief Executive Officer of the Company in February 2015.

### Operating results

The net loss of the Consolidated Entity after income tax for the period ended 31 December 2014 was \$1.717M (2013 stated net loss: \$2.196M). The loss consisted mostly of:

- Oil and gas sales revenues reduced to \$0.831M (2013: \$2.710M) due to decline of well production and ceasing of production in October 2014;
- Operating expenses decreased to \$0.944M (2013: \$1.597M) again due to decline of well production and ceasing of production in October 2014.

### Financial position

The net assets of the Consolidated entity at 31 December 2014 decreased to (\$0.362M) (June 2014: \$0.898M). This resulted mostly from a reduction in current assets \$0.968M (June 2014: \$2.663M).

The consolidated net assets consisting largely of the following:

- \$0.683M (June 2014: \$1.510M) held in cash assets;
- \$0.08M (June 2014: \$0.950M) being trade and other receivables;
- \$0.987M (June 2014: \$1.555M) being trade payables;

At 31 December 2014 the Consolidated Group had cash of \$0.683M (June 2014: \$1.510M) and no debt. Additional funds will be required to finance Triangle's operations in 2015/16.

### Dividends

During the period the Company did not pay a dividend (2013: nil).

## DIRECTORS' REPORT continued

### Treasury Policy

The Board is responsible for the treasury function and managing the Group's finance facilities. Treasury management is a recurring agenda item at meetings of the Board.

### Risk Management

The Board takes a pro-active approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the Board.

### Business Strategy for future financial years

The Company will continue working through formalities with SKK Migas and Migas towards the formalisation of the new PSC in Aceh. Triangle has the experience and resources available to accelerate the development of the Pase Field. The Company is considering several options at present to fund the proposed work programme to develop the asset. Additional funding can be derived from either one or a combination of capital raisings, a farm-in or debt financing.

The Company will also continue to pursue its growth strategy of reviewing other projects

### Events Subsequent to Reporting Date

On 5 February 2015, the Company and its joint venture partner, the Aceh Government were notified of an award of the Pase Production Sharing Contract ("PSC") extension of 20 years from 24 February 2012 (the date the original PSC expired). The Company is currently working through the formalities with SKK Migas and Migas.

On 3 March 2015, the Company executed a mandate with Mac Equity Partners Pty Ltd on a best efforts basis to facilitate a capital raising via a placement for the Company under its 15% capacity pursuant to ASX LR 7.1. If required shareholder approval will be sought for any additional placement capacity.

Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

### Qualified Petroleum Reserves and Resources Evaluator Statement

Information in this report that relates to exploration has been reviewed and signed off by Mr Witan Odakar Ardjakusumah (Triangle Pase Inc. Exploration Manager). Information that relates to exploration is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Ardjakusumah and he has consented to the form and context in which the information that relates to exploration is presented. Witan's qualifications include: Master of Science in Petroleum Geology, Bandung Institute of Technology Bandung, Indonesia. Witan has over 34 years' experience in the oil & gas industry working globally for KAPEX, EMP, Lasmo, Kondur and Semco. For in excess of 26 years, he has been working on significant New Ventures and Exploration projects in Indonesia and SE Asia. Witan is a Member of American Association of Petroleum Geologist, Indonesian Association of Geologist, Indonesian Association of Geophysicist and IPA (Indonesia Petroleum Association)

### Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 7 these half-year financial statements.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Edward (Ted) Farrell  
Non-executive Chairman  
10 March 2015

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DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF TRIANGLE ENERGY (GLOBAL) LIMITED

As lead auditor for the review of Triangle Energy (Global) Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Triangle Energy (Global) Limited and the entities it controlled during the period.



Brad McVeigh  
Director

BDO Audit (WA) Pty Ltd

Perth, 10 March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	31 Dec 2014	31 Dec 2013
		\$	\$
Revenue	2(a)	830,594	2,710,204
Interest revenue	2(a)	5,977	8,212
<b>Total revenue</b>	2(a)	<b>836,571</b>	<b>2,718,416</b>
Operating expenses	2(c)	(944,426)	(1,597,126)
Gross (loss)/profit from operating activities		(107,855)	1,121,290
Exploration write off	2(d)	(28,960)	-
PSC interest write off	2(f)	(127,551)	-
Other income (expense)	2(b)	320,345	1,857
Other expenses	2(e)	(1,900,530)	(3,319,638)
<b>Loss before income tax expense</b>	2(g)	<b>(1,844,551)</b>	<b>(2,196,491)</b>
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		<b>(1,844,551)</b>	<b>(2,196,491)</b>
<b>Net Loss for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>(1,844,551)</b>	<b>(2,196,491)</b>
<b>Other comprehensive income</b>			
<b>Items that might be realised through profit or loss</b>			
Exchange differences on translation of foreign operations		(227,484)	120,180
<b>Other comprehensive (loss)/income for the half-year, net of tax</b>		<b>(227,484)</b>	<b>120,180</b>
<b>Total comprehensive loss for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>(2,072,483)</b>	<b>(2,076,311)</b>
Basic loss per share (cents per share)		(0.069)	(0.144)
Diluted loss per share (cents per share)		N/A	N/A

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	31 Dec 2014	30 June 2014
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		683,293	1,509,987
Other receivables		87,820	950,065
Other assets		196,663	202,815
<b>Total Current Assets</b>		<b>967,776</b>	<b>2,662,867</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		6,555	12,775
PSC interest		-	127,551
<b>Total Non-Current Assets</b>		<b>6,555</b>	<b>140,326</b>
<b>TOTAL ASSETS</b>		<b>974,331</b>	<b>2,803,193</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		987,710	1,555,710
<b>Total Current Liabilities</b>		<b>987,710</b>	<b>1,555,710</b>
<b>Non-Current Liabilities</b>			
Provisions		349,013	349,013
<b>Total Non-Current Liabilities</b>		<b>349,013</b>	<b>349,013</b>
<b>Total Liabilities</b>		<b>1,336,723</b>	<b>1,904,723</b>
<b>Net (Liabilities)/Assets</b>		<b>(362,391)</b>	<b>898,470</b>
<b>EQUITY</b>			
Issued capital	6	9,832,088	8,949,870
Reserves		396,400	1,010,124
Accumulated losses		(10,590,879)	(9,061,524)
<b>Total (Deficiency)/Equity</b>		<b>(362,391)</b>	<b>898,470</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,587,613	2,338,424
Payments to suppliers and employees	(2,937,172)	(4,703,657)
Interest received	5,977	8,212
Net cash outflows from operating activities	<b>(1,343,582)</b>	<b>(2,357,021)</b>
<b>Cash flows from investing activities</b>		
Net cash flows from investing activities	-	-
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares (net of costs)	421,232	1,442,120
Net cash inflows from financing activities	<b>421,232</b>	<b>1,442,120</b>
Net increase/(decrease) in cash held	(922,350)	(914,901)
Cash and cash equivalents at the beginning of the period	1,509,987	2,120,609
Effect of foreign exchange fluctuations on cash held	95,656	51,823
<b>Cash and cash equivalents at the end of the period</b>	<b>683,293</b>	<b>1,257,531</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>Issued Capital \$</b>	<b>Accumulated Profits/(Losses) \$</b>	<b>Foreign Currency Exchange Reserves \$</b>	<b>Share Based Payment Reserve \$</b>	<b>Total Equity \$</b>
<b>At 1 July 2013</b>	<b>7,101,732</b>	<b>(5,707,121)</b>	<b>(1,265,598)</b>	<b>2,048,196</b>	<b>2,177,209</b>
- Loss for the period	-	(2,196,491)	-	-	(2,196,491)
- Exchange differences arising on translation of foreign operations	-	-	120,180	-	120,180
Total comprehensive income/(loss) for the half-year	-	(2,196,491)	120,180	-	(2,076,311)
<b>Transactions with owners in their capacity as owners</b>					
- Shares placements	1,660,120	-	-	-	1,660,120
- Recognition of share based payments	-	-	-	49,680	49,680
<b>At 31 December 2013</b>	<b>8,761,852</b>	<b>(7,903,612)</b>	<b>(1,145,418)</b>	<b>2,097,876</b>	<b>1,810,698</b>
<b>At 1 July 2014</b>	<b>8,949,870</b>	<b>(9,061,524)</b>	<b>(1,164,116)</b>	<b>2,174,240</b>	<b>898,470</b>
- Loss for the period	-	(1,844,551)	-	-	(1,844,551)
- Exchange differences arising on translation of foreign operations	-	-	(227,484)	-	(227,484)
Total comprehensive income/(loss) for the half-year	-	(1,844,551)	(227,484)	-	(2,072,035)
<b>Transactions with owners in their capacity as owners</b>					
- Shares placements	882,218	-	-	-	882,218
- Recognition of share based payments	-	-	-	26,156	26,156
- Transfer of reserves due to cancelled/lapsed rights and options	-	315,196	-	(412,396)	(97,200)
<b>At 31 December 2014</b>	<b>9,832,088</b>	<b>10,590,879</b>	<b>(1,391,600)</b>	<b>1,788,000</b>	<b>(362,391)</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 1: BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

The half-year financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard 134 Interim Financial Reporting. The historical cost basis has been used, except for derivatives and available-for-sale financial assets that have been measured at fair value. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Triangle Energy (Global) Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied by the Group in these half-year financial statements are consistent with the financial statements for the year ended 30 June 2014 except as follows:

The following amended Standards have been adopted from 1 July 2014. Adoption of these Standards did not have any material impact on the financial position or performance of the Group.

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Comparatives have been reclassified to be consistent with the current year presentation. The reclassification does not have an impact on the results presented.

### Impacts of standards issued but not effective

From 1 July 2015, the Group is required to adopt Standards and Interpretations for annual periods beginning on or after 1 January 2015. The Group has reviewed the impact of the these Standards and Interpretations and are continuing to assess whether they will have a significant effect on the financial position or performance of the Group.

### Going Concern

The ability of the consolidated entity to continue as a going concern is dependent on it being able to raise additional funds as required to meet ongoing commitments in Indonesia and for working capital. The Company is also required to make certain payments upon the final formalisation and documentation of the Pase PSC, which was awarded in February 2015. These payments have been mentioned as commitments in note 9 and are; a signature bonus of US\$1.5M and a success fee to a consultant for US\$0.75M.

The Directors believe that they will be able to raise additional capital through either one or a combination of capital raisings, a farm-in, debt financing or a sale of assets. The Board believe that the consolidated entity will continue as a going concern.

As a result the financial statements have been prepared on the going concern basis of accounting, which contemplates the continuity of normal business activity and the Group being able to realise its assets and the settlement of its liabilities in the ordinary course of business. Should the Group be unable to obtain sufficient funding, there is significant uncertainty whether the Group will continue as a going concern.

No adjustments have been made as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

As at 31 December 2014, the Group had cash available of \$0.683M and for the half-year ended 31 December 2014, the Group incurred a loss of \$1.844M and a net cash outflow from operating activities of \$1.343M.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 2: REVENUE AND EXPENSES**

	31 Dec 2014	31 Dec 2013
	\$	\$
<b>(a) Revenue</b>		
Sale of gas	743,614	2,364,377
Sale of condensate	86,980	345,827
<b>Revenue from sales</b>	<u>830,594</u>	<u>2,710,204</u>
Bank interest	5,977	8,212
<b>Total revenue</b>	<u>836,571</u>	<u>2,718,416</u>
<b>(b) Other income</b>		
Foreign exchange gains	320,345	1,857
	<u>320,345</u>	<u>1,857</u>
<b>(c) Operating expenses</b>		
Production operating costs	226,580	751,841
Field office administration	717,846	845,285
	<u>944,426</u>	<u>1,597,126</u>
<b>(d) Impairment losses</b>		
Reid's Dome impairment	28,960	-
	<u>28,960</u>	<u>-</u>
<b>(e) Other expenses</b>		
Jakarta administration	310,577	484,196
Consulting expenses	377,530	164,226
Accounting expenses	4,080	-
Audit fees	20,831	20,944
Legal expenses	13,616	20,330
Employee benefits expense	569,634	1,215,422
Share based payments	(71,044)	267,680
Superannuation	10,107	14,337
Directors fees	25,000	50,000
Depreciation of non-current assets	6,221	66,407
ASX and share registry fees	16,104	41,528
Telecommunications	5,884	22,289
Exxon Mobil production revenue payments expense	20,319	60,526
Travel	53,660	185,779
Geological and geophysical expenses	483,890	559,526
Due Diligence and project generation expense	2,010	44,519
Rental expense	19,273	15,203
Other administration expenses	32,838	86,726
	<u>1,900,530</u>	<u>3,319,638</u>
<b>(f) PSC Interest write off</b>	<u>127,551</u>	<u>-</u>
<b>(g) Net Loss for the half-year</b>	<u>(1,844,551)</u>	<u>(2,196,491)</u>

**NOTE 3: DIVIDENDS**

The Company paid no dividend during the period (2013: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 4: SEGMENT REPORTING

#### Description of Segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Reportable segments have been identified as follows:

- Indonesian exploration
- Australian corporate

The Board monitors performance of each segment.

#### Segment Information

The following table presents the revenue and profit information regarding the segment information provided to the Board for the half-year periods ended 31 December 2014 and 31 December 2013.

#### Half year ended 31 December 2014

Continuing operations	Australia	Indonesia	Unallocated	Consolidated
	\$	\$	\$	\$
Segment revenue	-	830,594	-	830,594
Segment result	(920,499)	(924,052)	-	(1,844,551)
Segment assets	338,192	636,139	-	974,331
Segment liabilities	870,402	466,321	-	1,336,723

#### Half year ended 31 December 2013

Continuing operations	Australia	Indonesia	Unallocated	Consolidated
	\$	\$	\$	\$
Segment revenue	6,319	2,712,097	-	2,718,416
Segment result	(1,749,870)	(446,620)	-	(2,196,491)
Segment assets	1,050,975	2,131,343	-	3,192,318
Segment liabilities	804,604	577,016	-	1,381,620

### NOTE 5: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short term nature the carrying amounts of current receivables and current payables are assumed to approximate their fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 6: ISSUED CAPITAL

	31 Dec 2014	31 Dec 2013
	\$	\$
<b>Ordinary shares</b>		
Opening balance at 1 July: 1,822,494,339		
(Dec 2013: 1,634,475,458) issued and fully paid shares	8,949,870	7,101,732
Share issues	882,218	1,718,000
Capital raising costs	-	(57,880)
<b>Net equity</b>	<b>9,832,088</b>	<b>8,761,852</b>
<b>Movements in ordinary shares on issue</b>		
<b>At 1 July 2013</b>		
September 2013 share placement	1,424,975,458	7,101,732
Capital raising costs	173,750,000	1,390,000
September 2013 vested performance rights	-	(57,880)
November 2013 share placement	20,000,000	200,000
December 2013 vested performance rights	13,750,000	110,000
<b>At 1 December 2013</b>	<b>1,634,475,458</b>	<b>8,761,852</b>
<b>At 1 July 2014</b>	<b>1,822,494,339</b>	<b>8,949,870</b>
Shares issued during the reporting period:		
July 2014 share placement	882,218,043	882,218
<b>AT 31 December 2014</b>	<b>2,704,712,382</b>	<b>9,832,088</b>

### NOTE 7: SHARE BASED PAYMENTS

The Share Based Payment Reserve consists Performance Rights.

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	No.	No.	\$	\$
<b>Options</b>				
Opening balance	27,000,000	27,000,000	44,696	44,696
- Options lapsed	(27,000,000)	-	(44,696)	-
Closing balance	-	<b>27,000,000</b>	-	<b>44,696</b>
<b>Performance Rights</b>				
Opening balance	91,500,000	56,750,000	2,129,544	2,003,500
<i>Issue of Share Rights During the Half-Year</i>				
- Performance rights issued	-	59,000,000	26,156	267,680
- Performance rights immediately vesting to shares	-	(22,000,000)	-	(218,000)
- Performance rights cancelled	(32,000,000)	(2,250,000)	(97,200)	-
- Transfer of reserves due to cancelled rights in prior period	-	-	(270,500)	-
Closing balance	<b>59,500,000</b>	<b>91,500,000</b>	<b>1,788,000</b>	<b>2,053,180</b>
<b>Total Share Based Payments Reserve</b>			<b>1,788,000</b>	<b>2,097,876</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 7: SHARE BASED PAYMENTS (CONTINUED)

The establishment of the TEG Employee Rights Plan was approved by shareholders at the 2010 Annual General Meeting and approval was renewed at the 2013 Annual General Meeting. The Plan is designed to provide incentives for Directors, employees and consultants to deliver long-term shareholder returns. Under the plan, participants are granted share rights, some which may vest immediately and the remainder have vesting conditions with performance criteria.

Current vesting criteria is as follows:

- The renewal of the Pase PSC

Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The share based payments expense recognised in the profit or loss during the half-year is shown in the table below:

	31 Dec 2014	31 Dec 2013
	\$	\$
Expense arising from amortisation of equity-settled share-based payment transactions to employees and consultants	26,156	267,680
Transfer of reserves due to cancelled performance rights	(97,200)	-
<b>Total expense arising from share-based payment transactions</b>	<b>(71,044)</b>	<b>267,680</b>

During the 2014 half year, the board did not grant any rights to Directors, employees or consultants and 27,000,000 options exercisable at \$0.01 lapsed.

During the 2013 half-year, the board granted rights to employees and consultants as per the following table:

<b>Recipient</b>	<b>Number of Rights</b>
(a) Rights that vest to ordinary shares immediately	22,000,000
(b) Rights that vest to ordinary shares upon PSC renewal*	14,000,000
(c) Rights that vest to ordinary shares upon other project acquisition criteria*	18,000,000
(d) Rights that vest to ordinary shares upon 12 months service to 31 August 2014*	5,000,000
	<b>59,000,000</b>

- \*The rights with performance criteria granted during the 2014 financial year all had 12 month expiry dates to 31 August 2014.
- Vesting criteria (b) and (c) above lapsed on 31 August 2014 and were cancelled (2013: 2,250,000 rights due to the resignation of an employee and a consultant).
- Vesting criteria (d) all vested to ordinary shares immediately and will be issued in due course.

#### Valuation

Rights granted to employees and consultants vesting immediately are valued at the closing share price of Triangle Energy (Global) Limited on the ASX on the acceptance date of the offer to recipients.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 8: RELATED PARTY TRANSACTIONS

	31 Dec 2014	31 Dec 2013
	\$	\$
<b>Transactions with related parties</b>		
<i>Hammergin Pty Ltd (a company of which Mr Ted Farrell is a Director)</i>		
- Directors fees	25,594	-
<i>Cornerstone Corporate Pty Ltd (a company of which Mr Robert Towner is a Director)</i>		
- Management and consulting fees	145,000	81,252
<i>Mandolin Pty Ltd (a company of which Mr John Towner is a Director)</i>		
- Management and consulting fees	56,000	212,500
<i>PT Prestige Petroleum (a company associated with Mr Steven Hamer)</i>		
- Consulting fees	-	22,242

### Loans to related parties

At 31 December 2014, Triangle Energy (Global) Limited (parent company) had borrowed \$2.9M from its wholly owned subsidiary Triangle Energy Limited to fund on-going operations (December 2013: \$2.724M). Whilst Triangle Energy Limited has borrowed \$10.488M from Triangle Pase Inc during the half year ended 2014 (December 2013: \$10.344M). The loans are non-interest bearing and has no specific repayment date nor is it subject to any contract. The balance is eliminated on Group consolidation.

### NOTE 9: COMMITMENTS AND CONTINGENCIES

#### Commitments

On 17 November 2014, Triangle Energy entered into a contract with MonTerra Ltd who is 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. For Pase advisory and only in the event of Triangle Energy securing a Production Sharing Contract ("PSC") equal to or greater than 15 years, a success fee of US\$750,000 will be payable within 60 days of the announcement and includes all the consents and approvals from all the appropriate bodies. At the date of this report, there had been no formal signature in relation to the Pase PSC from SKK Migas. For investment advisory and only in the event MonTerra successfully introduces and investor or financier to the Company, a fee of 7% of the proceeds raised from the relevant investor or financier are payable at the time of completion.

Upon issuance of the PSC and formal signature being made by SKK Migas, a signature bonus of US\$1.5M will be payable by Triangle Energy.

During the half-year ended 31 December 2014, the Company entered into an agreement with Goshawk E & P Pty Ltd ("Goshawk Energy") to farm into ATP 1186 in the Surat Basin, Queensland ("the licence"). Upon satisfaction of the conditions precedent (which include all necessary approvals of the farmin from the Queensland Government), Triangle will repay past costs incurred by Goshawk Energy and issue 120 million ordinary shares in Triangle Energy for an initial 50% ownership interest in the licence.

To maintain its 50% interest in the licence, Triangle will pay Goshawk \$150,000 (\$12,500 per month) for the first year work programme which includes geology and geophysics desk top studies and all other work required in fulfilment of the for the first year work programme. The agreement for the work to be conducted can be terminated at any time by mutual consent of both Triangle and Goshawk (provided it is in writing and signed by both parties).

#### Contingent liabilities

The Directors are not aware of contingent liabilities as 31 December 2014.

### NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2015, the Company and its joint venture partner, the Aceh Government were notified of an award of the Pase Production Sharing Contract ("PSC") extension of 20 years from 24 February 2012 (the date the original PSC expired). The Company is currently working through the formalities with SKK Migas and Migas.

On 3 March 2015, the Company executed a mandate with Mac Equity Partners Pty Ltd on a best efforts basis to facilitate a capital raising via a placement for the Company under its 15% capacity pursuant to ASX LR 7.1. If required shareholder approval will be sought for any additional placement capacity.

Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

### DECLARATION BY DIRECTORS

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 8 to 17 are in accordance with the Corporations Act 2001 and:
- (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Edward (Ted) Farrell  
Non-executive Chairman

10 March 2015

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Triangle Energy (Global) Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Triangle Energy (Global) Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Triangle Energy (Global) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Triangle Energy (Global) Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Triangle Energy (Global) Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

**Emphasis of matter**

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon it being able to raise additional funds as required to meet ongoing commitments in Indonesia and for working capital. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd



Brad McVeigh  
Director

Perth, 10 March 2015