

# Interim Financial Report

## Half year ended 31 December 2010

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16 March 2011: The Board of Triangle Energy (Global) Limited (ASX:TEG) is pleased to present the Interim Financial Report for the Company for the half year ended 31 December 2010.

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Cottesloe WA 6011 Australia

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### Results Summary

- Net profit after tax of \$1,842,966 during the half year
- Total gas production of 1,301.6 MMCF during the half year
- Total condensate production of 12,092 BBLs during the half year, increasing condensate inventories at 31 December 2010 to 21,483 BBLs.
- Down hole video surveys and work-over program development funded via production revenues.
- Continued progress towards achieving 20 year renewal of Pase PSC.

### About Triangle Energy:

Triangle Energy is a gas production and exploration company based in Perth. Its wholly-owned subsidiary, TPI, is based in Jakarta and is the 100% holder and operator of the Pase PSC which covers an area of 922km<sup>2</sup> in Aceh Province, North Sumatra, Indonesia.

Triangle Energy has two producing wells. It has been cash-flow positive since early 2010 and continues to operate profitably. Approximately 90% of the gas produced is sold at premium LNG prices. Triangle Energy is continuing to review further acquisition opportunities in the area.

### For Further information, please contact:

#### Triangle Energy (Global) Limited

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John Towner – Executive Chairman



**Triangle Energy (Global) Limited**

ABN 52 110 411 428

**Interim Financial Report**

**31 December 2010**

<b>Contents</b>	<b>Page</b>
Directors' Report	3
Auditor's Independence Declaration	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Cash Flows	9
Consolidated Statement of Changes in Equity	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Review Report	18

**DIRECTORS' REPORT**

Your directors submit the financial report of the consolidated entity (Group) consisting of Triangle Energy (Global) Limited and its controlled entities for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Directors**

The names of directors who held office during or since the end of the period and until the date of this report are as follows.

John Towner	Executive Chairman	Appointed 19 November 2009
Robert Lemmey	Non-Executive Director	Appointed 28 January 2010
Adam Sierakowski	Non-Executive Director	Appointed 9 October 2009
Lewis Johnson	Non-Executive Director	Appointed 19 November 2009
Steven Hamer	Non-Executive Director	Appointed 19 November 2009

**Review and results of operations**

**Review of Operations**

During the half year the Group continued to concentrate its focus on the Pase Production Sharing Contract (PSC) in the Aceh Province of Indonesia. The Pase PSC presently encompasses 922km<sup>2</sup>. It was acquired from ExxonMobil and the acreage has only been explored once and this was specifically for augmentation of gas supply to the Arun LNG plant.



**DIRECTORS' REPORT - continued*****Production***

Production from the A-6, A-5 and A-1 wells totalled 1,301.6 MMcf for the half year. Combined gas production exceeded 9 MMcf per day in September before declining later in the year.

During the half year Triangle Pase Inc ("TPI") reinvested a portion of its production revenues into the Pase field. Down Hole Video Surveys were carried out on wells A-1 and A-5 which confirmed an obstruction in A-1 with a partial obstruction confirmed in A-5. As a result of these surveys TPI is planning to conduct a work-over of A-1 (together with nearby A-2).

Field preparation for the work-over of A-1 and A-2 wells including surveys, road repair and bridge repairs was started during the half year (and also fully funded from production revenues). Preparation for fluid oscillation acid treatment to stimulate A-1 upper producing zone was also conducted.

These activities were funded via the positive cashflows obtained via the continued production and gas sale receipts.

***Exploration Activity***

During the half-year TPI's exploration team focussed its efforts on prospect and lead identification and development of Pase In field drill-locations in preparation for their exploration activities after renewal of the current PSC.

***Work-over Activity***

Following the identification of the obstruction in A-1 in August 2010, TPI established its Drilling team and developed a work-over program for its A-1 and A-2 wells which was approved in full by Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi ("BPMIGAS") the regulator for oil and natural gas in Indonesia.

16 tenders in relation to the work-over program were prepared during the half-year.

***PSC renewal***

Efforts towards the renewal of the Pase PSC continued in the half year. In October Robert Lemmey and Iqbal Assaat of Triangle met with the Governor of Aceh and Head of DPR and further advanced renewal negotiations. The Company was advised that Medco's recently renewed PSC for Block A (a neighbouring PSC to Pase) would be the basis for the Pase renewal and economic modelling and negotiations were commenced on this basis during the half-year.

Total production for the half-year was as follows:

July 10	236.4 MMCF
August 10	246.1 MMCF
September 10	297.4 MMCF
October 10	228.0 MMCF
November 10	173.1 MMCF
December 10	120.6 MMCF
	1,301.6 MMCF

## DIRECTORS' REPORT – continued

### Corporate

The following material corporate events occurred during the half year ended 31 December 2010:

- The Group announced a maiden dividend of 0.2316 cents per share in respect of the 2010 financial year.
- The Group raised \$650,000 by way of security holders exercising unlisted \$0.03 options that were due for expiry on 31 December 2010.
- BDO Audit (WA) Pty Ltd was appointed as auditor at the Annual General Meeting held on 26 November 2010.

### Operating results

The consolidated entity reported a net profit after tax of \$1,842,966 (2009: \$1,059,503) during the half year to 31 December 2010.

The principal activities of the consolidated entity are onshore petroleum production and exploration.

### Significant post balance date events

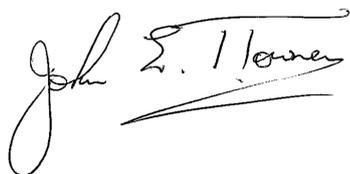
- On 24 February 2011, the Company announced a Share Purchase Plan to allow eligible members the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares in the Company (Plan Shares) at a price of \$0.055 per Plan Share (Offer Price).

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

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors BDO Audit (WA) Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



John E T Towner  
Executive Chairman  
16 March 2011

16 March 2011

Triangle Energy (Global) Limited  
The Board of Directors  
Unit 7, 589 Stirling Highway  
COTTESLOE, WA 6011

Dear Sirs,

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 2010, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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, Western Australia

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Notes	Consolidated	
		2010 \$'000	2009 \$'000
Revenue		8,579	3,391
Interest revenue	2	21	2
<b>Total revenue</b>		<b>8,600</b>	<b>3,393</b>
Operating expenses	2	(1,443)	360
Gross profit from operating activities		7,157	3,033
Other expenses	2	(4,458)	(1,300)
<b>Profit/(loss) before income tax expense</b>		<b>2,699</b>	<b>1,733</b>
Income tax expense		(856)	(673)
<b>Profit/(loss) after tax from continuing operations</b>		<b>1,843</b>	<b>1,060</b>
<b>Net Profit/(loss) for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>1,843</b>	<b>1,060</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(1,298)	(109)
<b>Other comprehensive income for the half-year, net of tax</b>		<b>(1,298)</b>	<b>(109)</b>
<b>Total comprehensive income for the half-year attributable to the members of Triangle Energy (Global) Limited</b>		<b>545</b>	<b>951</b>
Basic earnings per share (cents per share)		<b>0.002</b>	<b>0.34</b>
Diluted earnings per share (cents per share)		<b>0.002</b>	<b>0.34</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010**

		Consolidated	
	Note	31 Dec 2010 \$'000	30 June 2010 (Restated) \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		7,960	7,047
Other receivables	9	1,951	3,689
Other assets		244	198
<b>Total Current Assets</b>		<b>10,155</b>	<b>10,934</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		272	217
PSC interest		154	154
Exploration and evaluation expenditure		375	370
<b>Total Non-Current Assets</b>		<b>801</b>	<b>741</b>
<b>TOTAL ASSETS</b>		<b>10,956</b>	<b>11,675</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		541	473
Other payables		808	847
Provision for income tax		1,591	1,218
<b>Total Current Liabilities</b>		<b>2,940</b>	<b>2,538</b>
<b>Non-Current Liabilities</b>			
Provisions		308	304
<b>Total Non-Current Liabilities</b>		<b>308</b>	<b>304</b>
<b>Total Liabilities</b>		<b>3,248</b>	<b>2,842</b>
<b>Net Assets</b>		<b>7,709</b>	<b>8,833</b>
<b>EQUITY</b>			
Issued capital	4	3,868	2,606
Reserves	9	(1,026)	203
Accumulated profits	9	4,867	6,024
<b>Total Equity</b>		<b>7,709</b>	<b>8,833</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	9,668	824
Payments to suppliers and employees	(5,068)	(1,115)
Interest received	25	2
Income tax paid	(267)	-
Net cash provided from/(used in) operating activities	<b>4,358</b>	<b>(289)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(297)	(138)
Net cash used in investing activities	<b>(297)</b>	<b>(138)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings – convertible note funding	-	860
Cash on acquisition of subsidiary	-	62
Proceeds from the issue of shares (net of costs)	650	641
Dividends paid	(2,933)	-
Net cash provided from/(used in) financing activities	<b>(2,283)</b>	<b>1,563</b>
Net increase in cash held	1,778	1,136
Cash and cash equivalents at the beginning of the period	7,047	252
Effect of foreign exchange fluctuations on cash held	(865)	11
<b>Cash and cash equivalents at the end of the period</b>	<b>7,960</b>	<b>1,399</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Consolidated					
Note	Issued Capital	Accumulated Profits/(Losses)	Foreign Currency Exchange Reserves	Share Based Payment Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2009</b>	1,043	(390)	(4)	-	649
Profit for the period	-	1,060	-	-	1,060
Exchange differences arising on translation of foreign operations	-	-	(109)	-	(109)
Total comprehensive income for the half-year	-	1,060	(109)	-	951
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the half-year	1,563	-	-	-	1,563
<b>Balance at 31 December 2009</b>	2,606	670	(112)	-	3,163
<b>(Restated)</b>					
<b>Balance at 1 July 2010</b>	2,606	6,572	220	-	9,398
Adjustment to revenue arising from a correction of error	9	(548)	(17)	-	(565)
Restated total equity at the beginning of the financial year	9	2,606	6,024	203	8,833
Profit for the period	-	1,843	-	-	1,843
Exchange differences arising on translation of foreign operations	-	-	(1,298)	-	(1,298)
Total comprehensive income for the half year	-	1,843	(1,298)	-	545
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(3,000)	-	-	(3,000)
Shares issued during the half-year on exercise of options	650	-	-	-	650
Shares issued during the half-year immediate vesting of rights	612	-	-	-	612
Share rights issued during the half-year	-	-	-	69	69
<b>Balance at 31 December 2010</b>	3,868	4,867	(1,095)	69	7,709

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, accounting standard AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These consolidated half-year financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial statements.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the reporting period ended 30 June 2010 and any public announcements made by Triangle Energy (Global) Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### **Basis of preparation**

The half-year financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

#### **Significant accounting judgments and key estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-year financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 30 June 2010.

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 2: PROFIT BEFORE INCOME TAX EXPENSE**

	Consolidated	
	31 December 2010 \$'000	31 December 2009 \$'000
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest received	21	2
Consultant cost	(313)	(349)
Employment expense	(620)	(357)
Share based payments	(682)	-
Management fees	(307)	(185)
Travel	(101)	(100)

**NOTE 3: ACQUISITION OF SUBSIDIARIES**

**Triangle Energy Limited**

In the previous year, on 19 November 2009, shareholders approved the acquisition of all the issued share capital in Triangle Energy Limited, and its 100% owned subsidiary company, Triangle Pase Incorporated, the consideration being the issue of 1,018,300,000 Ordinary shares. The acquisition was completed on 3 December 2009 with the issue of 92,000,000 shares as a result of the conversion of convertible notes.

Due to the material nature of the acquisition, the acquisition of Triangle Energy Limited was deemed a reverse acquisition for accounting purposes. Therefore the following represents the net assets of Triangle Energy (Global) Limited and the consideration paid by Triangle Energy Limited.

The major classes of assets and liabilities comprising the acquisition of the companies as at the date of acquisition are as follows:

	19 November 2009 \$'000
Cash and cash equivalents	62
Trade and other receivables	13
Other financial assets	860
Deferred exploration expenditure	138
Trade and other payables	(192)
Net assets acquired	<u>881</u>
Consideration paid	
Ordinary shares	<u>881</u>
	<u>881</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 4: ISSUED CAPITAL**

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
<i>Ordinary shares</i>		
1,334,317,873 (2009: 1,295,151,207) issued and fully paid shares	2,606	2,686
Share issue costs		(80)
Shares issued during the half year	650	-
Share rights issued during the half year	612	-
<b>Net equity</b>	<b>3,868</b>	<b>2,606</b>
	No.	\$
<i>Movements in ordinary shares on issue</i>		
<b>At 1 July 2009</b>	57,126,667	1,094
Shares issued during the reporting period for cash		
- August 2009	107,837,873	114
- December 2009	19,886,667	597
1,110,300,000 shares were issued as consideration for the acquisition of Triangle Energy Limited	1,110,300,000	881
Less share issue expenses	-	(80)
<b>At 1 July 2010</b>	<b>1,295,151,207</b>	<b>2,606</b>
Exercise of \$0.03 options – December 2010	21,666,666	650
Share rights vesting immediately - December 2010	17,500,000	612
<b>At 31 December 2010</b>	<b>1,334,317,873</b>	<b>3,868</b>

**NOTE 5: DIVIDENDS**

The Company announced a maiden unfranked dividend of 0.2316 cents per share in respect of the 2010 financial year (2009: \$nil). The total dividend paid was \$3,000,000.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 6: OPTIONS

	No.	\$'000
<i>Movement in options over ordinary shares on issue</i>		
<b>At 1 July 2009</b>	-	-
Options recognised on completion of acquisition of subsidiary \$0.03 unquoted options expiring 31 December 2010	21,666,666	-
<b>At 31 December 2009</b>	<u>21,666,666</u>	<u>-</u>
<b>At 1 July 2010</b>	21,666,666	-
Exercise of \$0.03 unquoted options expiring 31 December 2010	(21,666,666)	-
<b>At 31 December 2010</b>	<u>-</u>	<u>-</u>

### NOTE 7: 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 2010 and 31 December 2009.

#### Half year ended 2010

	Continuing operations			
	Australia \$'000	Indonesia \$'000	Unallocated \$'000	Consolidated \$'000
Segment revenue	21	8,579	-	8,600
Segment result	(1,953)	4,068	(272) <sup>1</sup>	1,843
Segment assets	1,781	9,175	-	10,956
Segment liabilities	1,467	1,781	-	3,248

#### Half year ended 2009

	Continuing operations			
	Australia \$'000	Indonesia \$'000	Unallocated \$'000	Consolidated \$'000
Segment revenue	-	3,391	-	3,391
Segment result	(455)	2,188	-	1,733
Segment assets	1,202	3,378	-	4,579
Segment liabilities	291	1,124	-	1,416

(1) Unallocated results refer to FX movements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 8: SHARE BASED PAYMENTS

The share based payments expense recognised for consultant services received during the year is shown in the table below:

	Consolidated	
	31 December 2010 \$'000	31 December 2009 \$'000
Expense arising from equity-settled share-based payment transactions	682	-
Total expense arising from share-based payment transactions	682	-

At the annual general meeting on 26 November 2010, shareholder approval was granted to issue share rights to John Towner and to Robert Lemmey as per the following table:

Director	Number of Rights that vest immediately	Number of Rights that vest upon PSC renewal	Total number of Rights
John Towner	7,500,000	15,000,000	22,500,000
Robert Lemmey	10,000,000	10,000,000	20,000,000

Rights vesting immediately are valued at the closing share price of Triangle Energy (Global) Limited's on the ASX on the date of the AGM (\$0.035). Rights to vest upon the event of the PSC renewal have been calculated at \$0.035 proportionally from the approval date, to the expiry of the current PSC on 12 February 2012.

### NOTE 9: CORRECTION OF ERROR

Revenue of \$548,335 and a corresponding receivable asset in relation to condensate sales was recognised in the 30 June 2010 annual report. This revenue was calculated on TPI's share of 9,391 barrels of condensate at an estimated sale price of \$65 per barrel minus costs. The condensate is stored awaiting shipment in the Exxon Mobile tanks at the Arun LNG plant in Ache, North Sumatra.

At 31 December 2010 the condensate stocks that TPI is entitled to have increased to 21,483 barrels. TPI expects to receive \$101 per barrel to be lifted in March 2011 and incur costs in relation to the sale of the concentrate. The Group estimates that the value of condensate at 31 December 2010 is approximately \$1.6M.

The Group expects the sale of the condensate to occur via shipment in March 2011 with receipt of proceeds due in May 2011.

Based on a further review of the PSC contract, it was determined that title does not pass to TPI until such time as the condensate is shipped. As a shipment has not yet occurred, no revenue attributable to condensate should have been recognised. Therefore, it has been determined that this revenue should not have been recognised at 30 June 2010, however will be recognised upon the shipment of the condensate in March 2011.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 9: CORRECTION OF ERROR (continued)

The error has been corrected by restating each of the affected financial statement line items for the prior year, as described above. The impact of the restatement is as follows:

	previously reported balance	Consolidated impact	restated balance
	\$'000	\$'000	\$000
<i>Statement of financial position as at 30 June 2010</i>			
Trade and other receivables	4,254	(565)	3,689
Retained earnings	6,572	(548)	6,024
Reserves	220	(17)	203
 <i>Statement of comprehensive income for the year ended 30 June 2010</i>			
Revenue	14,430	(548)	13,882

### NOTE 10: COMMITMENTS AND CONTINGENCIES

There has been no change in commitments and contingent liabilities since the last annual reporting date.

### NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

- On 24 February 2011, the Company announced a Share Purchase Plan to allow eligible members the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares in the Company (Plan Shares) at a price of \$0.055 per Plan Share (Offer Price).

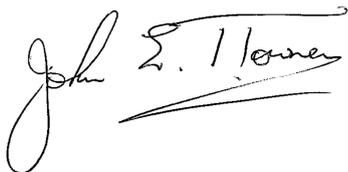
Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements of the consolidated entity are in accordance with the Corporations Act 2001; including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Triangle Energy (Global) Limited 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 Directors.



John E T Towner  
Executive Chairman

16 March 2011

## 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 statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity 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 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 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 2010 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 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 2010 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*.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The word 'BDO' is written in a simple, blocky font. Below it, the name 'Brad McVeigh' is written in a cursive, flowing script.

Brad McVeigh  
Director

Perth, Western Australia  
Dated this 16<sup>th</sup> day of March 2011