

# ASX & Media Release TRIANGLE ENERGY (GLOBAL) LIMITED

## Quarterly Activities Report and Appendix 5B

For the 3 months ended 31 December 2010



**Triangle Energy (Global) Limited**  
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### COMPANY OVERVIEW\*

<b>ASX Code</b>	TEG
<b>Share Price*</b>	A\$0.053 per share
<b>Shares on Issue</b>	1,334b
<b>Unlisted Options</b>	21.6m
<b>Market Capitalisation</b>	A\$70.7m
<b>Average Stock Turnover**</b>	24.2m shares/month

\* Figures as at 31 Dec 2010      \*\* Based on the past 6 months

### DIRECTORS

Mr John Towner	Executive Chairman
Mr Robert Lemmey	Non-Executive Director
Mr Steve Hamer	Non-Executive Director
Mr Lewis Johnson	Non-Executive Director
Mr Adam Sierakowski	Non-Executive Director

### OPERATIONAL HIGHLIGHTS

#### Pase Gas Fields

- Production from the A-6, A-5 and A-1 wells totalled 521.75 MMcf for the December quarter.
- Combined gas production exceeded was 9 MMcf per day in September before declining later in the quarter ahead of planned work-overs of A-1 and A-2 wells in early 2011.



#### Pase Field Development

- Field preparation for the work-over of A-1 and A-2 wells including surveys, road repair and bridge repairs was started during the quarter.
- Preparation for fluid oscillation Acid treatment to stimulate A-1 upper producing zone.

#### Exploration Activity

- Work continued on prospect and lead identification and Pase Infill drill-locations.

#### 2011 Work-over program

- Drilling team formed the work-over program developed, budgeted and approved in full by BPMIGAS
- 16 tenders prepared.

### CORPORATE HIGHLIGHTS

#### PSC Renewal Application

- In October 2010 Triangle Energy's Robert Lemmey and Iqbal Assaat travelled to Aceh and met with the Governor of Aceh as well as the Head of Aceh DPR. Verbal approval to move forward with Triangle Energy's 20 year renewal application was given at this meeting and Triangle Energy was advised that the format of the recently approved PSC for Medco's Block A should be adopted.



Figure 1: Iqbal Assaat and Rob Lemmey of Triangle with Governor Irwandi and Dr Hasbi, October 2010

#### Financial Highlights

- At the end of the December quarter the Company had cash in bank of \$7.96 million and no corporate debt.
- Gross PSC revenue for the quarter was US\$4 million.

## OPERATIONAL ACTIVITIES

### Pase Field Production

Production during the quarter was from three wells, A-6, A-5 and A-1. Production was affected by declining flow-rates due to operational issues including power failures.

Total production for the quarter was as follows:

Month	MMcf
October 2010	228.05
November 2010	173.14
December 2010	120.56
<b>TOTAL:</b>	<b>521.75 MMcf</b>

### Pase Field Development Activities



Figure 2 Pontoon bridge

During the quarter the steel pontoon bridge connecting Pase field to main public road was repaired. This will provide access for work-over equipment in 2011.

A survey of the A-1 and A-2 locations was also completed together with extensive site clearing and road repairs ahead of the 2011 work-over program for both wells.

In December the Company commenced preparations for a fluid oscillation treatment on A-1 in order to Acid stimulate the well and increase production. Acid delivery through coil tubing, dispersed with fluid pulsation technology is designed to “jet” existing perforations to clear scale, while extending perforation formation invasion through acid channelling. The treatment will commence in January 2011.

### Exploration Activities

During the quarter the Company’s technical team focussed on providing support to the work-over activities including the acquisition of high resolution satellite imagery for drilling prospects and completion of work-over subsurface support data.

2011 Pase Infill drill-locations were refined in addition to continued work on prospect and lead identification in preparation for approval of the 20-year contract extension.

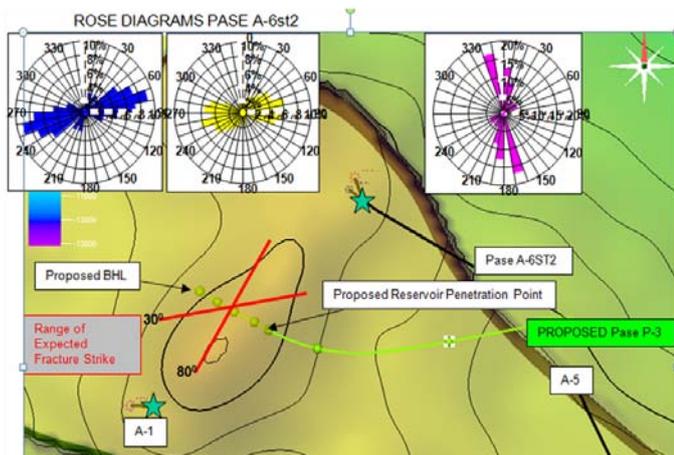


Figure 3 In-fill drilling target 2011

## 2011 Work-over program

The Company's 2011 work program and budget incorporating the 2011 work-over program of A-1 and A-2 wells was lodged with BPMIGAS and approved in full along with the entire PSC Administration, G&G, production and drilling/workover budget.

A work-over program to complement Pase's fractured reservoir and maximise production was developed during the quarter and the Company expects much higher production after working over the wells.



Pase A-1 will be worked over to remove a blockage inside the existing 7" production string, opening an additional 442 feet of existing lower open hole formations.

Pase A-2 will be worked over to drill out temporary cement plugs with a new 13% chrome production completion string to surface.

Triangle's drilling team prepared 16 tenders that will become contracts in preparation for the work-over program and were joined by a senior procurement contractor who will help ensure timely contract closure.

## Reid's Dome

The Company is a participant in the joint venture for the exploration and development of the Reid's Dome gas project in Queensland, Australia.

## CORPORATE ACTIVITIES

### PSC Renewal Application

The Company's application for a twenty year Production Sharing Contract (PSC) renewal, which was lodged with the Indonesian Oil & Gas Regulator, BPMIGAS, on 5 February 2010, continued to be processed during the quarter. Discussions with BPIMGAS were completed in July 2010 and BPMIGAS recommended to MIGAS (regulatory body for PSCs) that the Pase PSC be renewed for twenty years. Discussions with MIGAS and the Government of Aceh commenced during the quarter and were met positively. Negotiations and discussions regarding terms and conditions of the Pase PSC renewal have commenced with MIGAS and the Government of Aceh.

### Financial Highlights

At the end of the December quarter the Company had cash in bank of \$7.96 million and no corporate debt. Market capitalisation at 31 December was \$70.7 million based on a closing price of 5.3 cents.

Gross PSC revenue for the quarter was US\$4 million.

## Corporate Social Responsibility

The Company focussed its corporate social responsibility efforts on the following activities during the December quarter:

- Several schools were refurbished (painting, tiling, supply of equipment);
- Medical supplies were provided for local clinics;
- In December a well was drilled to provide fresh water for a school close to the Company's A-1 well. The well provides water for toilet and hand-washing facilities.



John Towner  
**Executive Chairman**  
Triangle Energy (Global) Limited

### About Triangle Energy:

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

Triangle Energy 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. The Pase PSC has considerable exploration and development opportunities which Triangle Energy will pursue once a 20 year PSC renewal is granted. Triangle Energy is continuing to review further acquisitions opportunities in the area.

Triangle Energy regularly updates its website at [www.triangleenergy.com.au](http://www.triangleenergy.com.au)

### For further information please contact:

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	4,256	9,668
1.2 Payments for (a) exploration & evaluation	(151)	(297)
(b) development	(269)	(313)
(c) production	(690)	(2,209)
(d) administration	(1,026)	(2,269)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(267)
1.7 Other -FX adjustments for the period	(77)	(275)
<b>Net Operating Cash Flows</b>	<b>2,056</b>	<b>4,063</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
- Cash acquired on acquisition of Triangle Energy Limited	-	-
- Cash advanced to Triangle energy Limited prior to acquisition	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>2,056</b>	<b>4,063</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	2,056	4,063
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	(1,407)	(2,933)
1.19	Other (provide details if material)		
	Exercise of options	650	650
	Capital raising fees	-	-
	<b>Net financing cash flows</b>	<b>(757)</b>	<b>(2,283)</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,299</b>	<b>1,780</b>
1.20	Cash at beginning of quarter/year to date	6,880	7,047
1.21	Exchange rate adjustments to item 1.20	(216)	(864)
1.22	<b>Cash at end of quarter</b>	<b>7,963</b>	<b>7,963</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(368)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included at 1.23 are:
<ul style="list-style-type: none"> <li>• Directors fees of \$30k</li> <li>• Payments made for professional services pursuant to consultancy agreements with Price Sierakowski Corporate, Mandolin Pty Ltd and PT Prestige Global Petroleum totalling \$267k</li> <li>• Expense reimbursements of \$71k</li> </ul>

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(165)
4.2 Development	(2,994)
4.3 Production	(755)
4.4 Administration	(3,202)
<b>Total</b>	<b>(7,116)</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,864	6,776
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other - Deposit as security for SBLC provided to Exxon Mobil Oil Indonesia	99	104
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,963</b>	<b>6,880</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	N/A	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	1,334,317,873	1,334,317,873	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	39,166,666	39,166,666	17,500,000 on vesting of Share Rights without performance vesting criteria.  21,666,666 via Exercise of unlisted options at \$0.03.	N/A
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	25,000,000	25,000,000	<i>Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria</i>	Nil
7.8 Issued during quarter	42,500,000	42,500,000	<i>Unlisted Share Rights issued under TEG Employee Rights Plan</i>	Nil
7.9 Exercised during quarter	17,500,000	-	17,500,000 on vesting of Share Rights without performance vesting criteria.	
	21,666,666		21,666,666 via Exercise of unlisted options at \$0.03.	<i>Expiry date 31/12/2010</i>
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2011  
(Company secretary)

Print name: Rae Clark

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.