Triangle Energy (Global) Limited

ABN 52 110 411 428

Interim Financial Report
31 December 2012

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DIRECTORS' REPORT

Your 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 2012.

Directors

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

John Towner	Executive Chairman
Robert Lemmey	Non-Executive Director
Lewis Johnson	Non-Executive Director
Steven Hamer	Non-Executive Director

Review and results of operations

Review of Operations

The half year ended December 2012 has seen continued cash flow from operations in Aceh, significant progress with securing a new 30 year Production Sharing Contract (PSC) and the implementation of a diversification strategy. The company signed a Letter of Intent covering six oil and gas exploration blocks in Morocco with Office National des Hydrocarburers et des Mines ("**ONHYM**") and then subsequently lodged a proposed work programme and application for each licence area to ONHYM.

Pase- Cashflow

The Pase PSC has generated a strong and consistent cash flow for Triangle over the past two years. Gross PSC revenue on production was US$3.175M for the reporting period. Additional receipts of US$1.312M were received from VAT and over-lifting refunds.

Pase - PSC Renewal

In August 2012 Triangle announced the Indonesian Upstream Oil & Gas Regulator BPMIGAS confirmed that Triangle should continue as operator of Pase until a definitive operator is selected. Triangle has been working closely with the Aceh Government to be selected as Operator.

A committee of Acehnese industry experts were appointed to carry out a tender process to seek the most qualified partner to operate the PSC with the Aceh Government. Triangle's successful rejuvenation and operation of the Pase field over the past three and a half years has been recognised and rewarded by the Acehnese Government with Triangle being selected in February 2013 as the most qualified partner to operate the PSC with the Acehnese Government. The Acehnese government is currently working with the Indonesian Government to execute the award of a new 30 year Pase PSC. When complete, Pase will be the first PSC awarded under the new collaborative regime between Indonesia and Aceh regional government.

DIRECTORS' REPORT – continued

Pase - Exploration and Production

The Pase field is 922km² and offers significant development and exploration opportunities. There is a large inventory of prospects and leads left by Mobil following the merger with Exxon with extensive seismic coverage. Triangle has assembled a very experienced subsurface team for the development of a leads database, selection of in-fill drilling locations, reprocessing of seismic data and selection of near-field drilling targets. Preliminary technical studies have already identified three potential undrained gas opportunities on the Pase field. Triangle is planning to carry out a four well drilling programme in 2013/14.

Further pursuit of exploration and production opportunities in Aceh is strongly reinforced by:

- existing infrastructure in place in Aceh which is currently under utilised;
- increasing unmet local demand for gas from three fertiliser plants and local energy;
- very high gas prices based on existing LNG contracts;
- strong south-east Asia LNG demand;
- Triangle's proven performance in Aceh;
- strong relationships with the Aceh government and local stakeholders;
- few producers in the area; and
- Aceh remains under explored.

The Aceh fertiliser plant is in close proximity to the Pase field and has a large unmet demand for natural gas

SKMIGAS approved Triangle's work programme and budget for 2013 and the organizational structure until 2015.

Production from the Pase A-1, A-5 and A-6 wells totalled 345.2 MMcf for the half-year. Production and maintenance activities were routinely conducted across the facilities and scale inhibitor injection continued on A1 well.

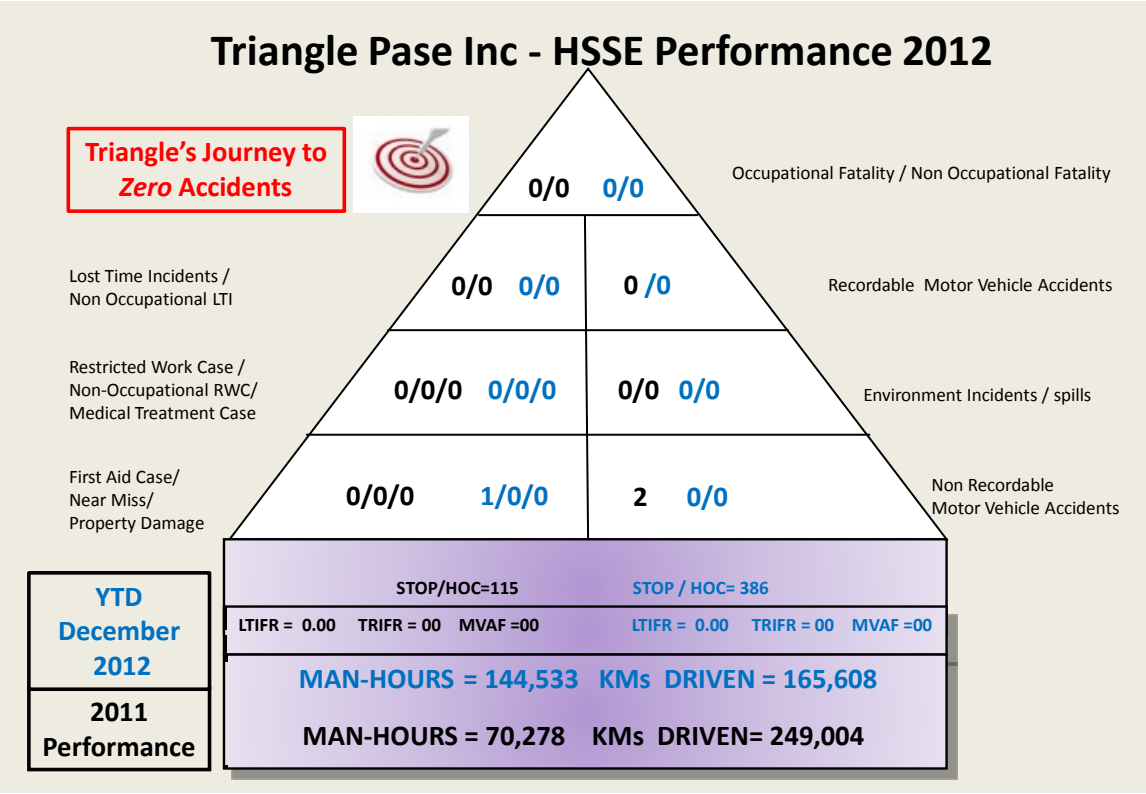
Total production for the half-year was as follows:

September quarter	183.5 MMCF
December quarter	161.7 MMCF
	345.2 MMCF

DIRECTORS' REPORT – continued

Pase - Health Safety Environment

Triangle Energy continued to maintain its excellent safety record during the half year with zero Lost Time Incidents, zero environment incidents and zero recordable motor incidents.



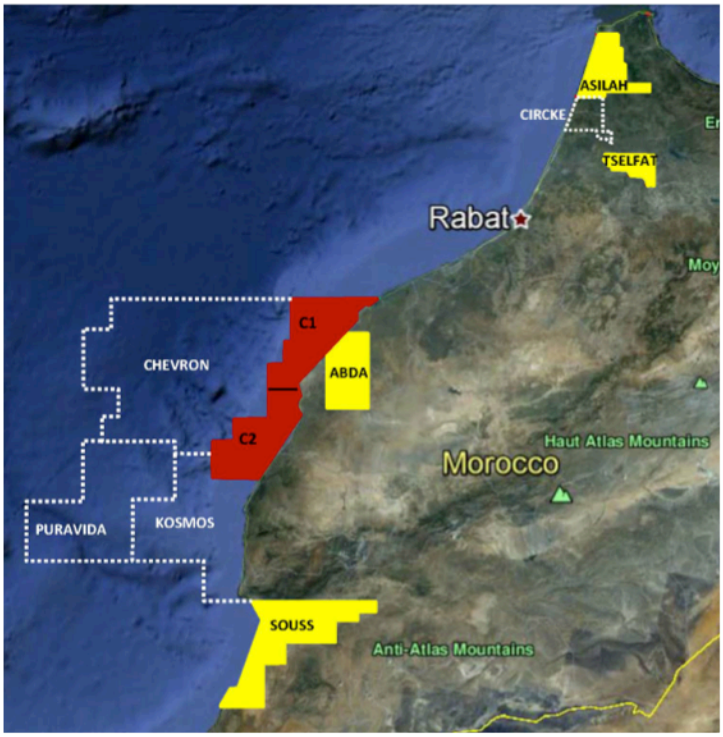
Pase - **Corporate Social Responsibility**

Triangle's Acehnese Community Development Program focuses on local health, education and economic development. During the half year, as part of this program, Triangle carried out maintenance on roads, bridges and local infrastructure, provided medical supplies for local clinics and continued its employment and training program of local village staff.

DIRECTORS' REPORT – continued

Morocco – Exploration

The implementation of a strategy to build a diversified portfolio of quality oil and gas assets has lead to the pursuit of opportunities in Morocco by Triangle. In December 2012 Triangle announced the signing of a Letter of Intent covering six Moroccan exploration blocks with Morocco's Mines and Petroleum Office, ONHYM. Triangle has since completed and submitted to ONHYM the proposed work programmes and applications for each licence. Triangle will be operator with a 75% interest in all blocks and ONHYM will hold a 25% interest through the exploration phase.



With the granting of the six licences, Triangle will secure a diverse area of interest and risk across a number of exploration basins, with both frontier blocks and blocks with historical production. This provides Triangle with a balanced portfolio of significant exploration opportunities.

The onshore blocks contain more than eleven exploration leads and prospects with a potential prospective resource in excess of 600 million barrels OIP and GIP of 140 Bcf. The TSELFAT block contains the Haricha, Boudraa and Tselfat fields that produced oil and gas up until 1990. Potential oil and gas targets have been mapped near the Haricha field that can be quickly drilled and exploited based on an extensive data base of 2D and 3D seismic with low capital development costs. The TSELFAT block provides Triangle with the ideal opportunity of replicating its success in Indonesia by rejuvenating and redeveloping an existing proven oil and gas field for early production and near term cash flow.

The two offshore blocks are high impact exploration opportunities due to the largely unexplored basin. The shelf setting provides the potential for very large traps with potential Devonian carbonate and Triassic sandstone reservoirs. The two blocks are offshore shallow coastal blocks (0-300 meters).

Morocco is a dynamic emerging country which has recently gained significant industry interest, investment and activity due mainly to the country's unexplored potential, stable political environment, excellent fiscal regime (gas royalty 5%, oil royalty 10%, 10 year corporate tax (30%) holiday on production and state participating 25% carried interest through exploration phase), huge domestic demand and infrastructure in-place to support an increasingly active oil and gas exploration and production industry.

DIRECTORS' REPORT – continued

Corporate

During the half year the Company reviewed a number of potential exploration and development opportunities.

Triangle appointed Canaccord Genuity Asia (Hong Kong) and Cornerstone Corporate Pty Ltd (Perth) as Corporate Advisors.

The following material corporate events occurred during the half year ended 31 December 2012:

- Triangle Energy signed a letter of intent (LOI) with Office National des Hydrocarbures et des Mines (ONHYN);
- During the reporting period, US$3.157M consisting of notes and interest was repaid to Standard Chartered Private Equity upon redemption of Convertible Notes. At 31 December 2012, 690,583 notes remained outstanding and were subsequently redeemed in full on 7 January 2013 via the final payment of $770,295. Triangle now carried no debt.

Business Strategy for future financial years

The Company will continue to pursue its growth strategy of expanding into Morocco and the formalisation of the new PSC in Aceh. Triangle has the experience and resources available to accelerate the operations of the company once the Moroccan licences are granted and the Pase PSC is formalised.

Operating results

The consolidated entity reported a net loss after tax of $1,525M (2011: loss of $7.614M) during the half year to 31 December 2012.

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

Significant post balance date events

- On 6 February 2013 Triangle announced that its 100% owned subsidiary, Triangle Pase Inc (TPI), has received notification that it will receive a payment of US$1.029M from the Government of Indonesia. In operating Indonesian PSCs, lifting variances occur between the Contractor and the Government and are settled at year-end. The variance is audited by Price Waterhouse Coopers. The US$1.029M payment is for the over/under lifting true up of the Arun Certificate for the 2010 & 2011 years.

- On 7 January 2013 a final redemption payment of US$770,295 was made on the remaining US$1M convertible note to Standard Chartered Private Equity (Singapore) Pte Ltd (SCPEL). Repayments on the US$3.5M facility total US$3,927,555 between 1 July 2012 and 7 January 2013. SCPEL now holds no Convertible Notes and Triangle Energy carries no debt

- On 18 February Triangle released an announcement stating the Aceh Government appoints Triangle as their partner to operate the Pase Block.

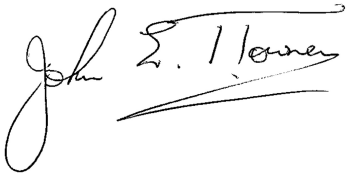
Other than as disclosed above, at the date of this report there were no significant events occurring after reporting date requiring disclosure.

DIRECTORS' REPORT – continued

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 9 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:



John E T Towner
Executive Chairman
15 March 2013

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

15 March 2013

The Board of Directors
Triangle Energy (Global) Limited
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 2012, 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

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	Consolidated Half-Year 2012 $	2011 $
Revenue		3,989,098	4,814,659
Interest revenue		3,638	17,388
Total revenue		**3,992,736**	**4,832,047**
Operating expenses	2	(1,139,276)	(1,873,587)
Gross profit from operating activities		2,853,460	2,958,460
Exploration write off		(1,261)	-
Other expenses	2	(4,377,959)	(10,121,000)
Profit/(loss) before income tax expense		**(1,525,760)**	**(7,162,540)**
Income tax expense		-	(450,719)
Profit/(loss) after tax from continuing operations		**(1,525,760)**	**(7,613,259)**
Net Profit/(loss) for the half-year attributable to the members of Triangle Energy (Global) Limited		**(1,525,760)**	**(7,613,259)**
Items that might be realised through profit and loss			
Exchange differences on translation of foreign operations		(258,575)	501,000
Other comprehensive income for the half-year, net of tax		**(258,575)**	**501,000**
Total comprehensive income for the half-year attributable to the members of Triangle Energy (Global) Limited		**(1,784,335)**	**(7,113,259)**
Basic earnings per share (cents per share)		**(0.108)**	**(0.536)**
Diluted earnings 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 2012

	Note	Consolidated 31 Dec 2012 $	Consolidated 30 June 2012 $
ASSETS			
Current Assets			
Cash and cash equivalents		2,771,384	5,190,292
Other receivables		2,344,064	3,233,001
Derivative financial instruments	6	9,387	245,731
Other assets		302,016	295,733
Total Current Assets		**5,426,851**	**8,964,757**
Non-Current Assets			
Property, plant and equipment		19,560	100,335
PSC interest		127,551	127,551
Exploration and evaluation expenditure		-	-
Total Non-Current Assets		**147,111**	**227,886**
TOTAL ASSETS		**5,573,962**	**9,192,643**
LIABILITIES			
Current Liabilities			
Trade and other payables		343,708	687,245
Other payables		391,871	217,473
Borrowings		561,100	2,575,319
Provisions		349,013	349,013
Total Current Liabilities		**1,645,692**	**3,829,050**
Non-Current Liabilities			
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**1,645,692**	**3,829,050**
Net Assets		**3,928,270**	**5,363,593**
EQUITY			
Issued capital	4	7,101,732	7,101,732
Reserves		529,434	438,997
Accumulated losses		(3,702,896)	(2,177,136)
Total Equity		**3,928,270**	**5,363,593**

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 2012

	Consolidated	
	2012 $	2011 $
Cash flows from operating activities		
Receipts from customers	3,972,117	4,903,062
Payments to suppliers and employees	(4,146,893)	(11,774,773)
VAT Refunds	721,848	
Interest received	3,638	17,388
Income tax paid	-	-
Net cash provided from/(used in) operating activities	**550,710**	**(6,854,323)**
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	-	-
Payments for plant, property and equipment	(6,968)	(81,526)
Net cash used in investing activities	**(6,968)**	**(81,526)**
Cash flows from financing activities		
Repayment of borrowings – convertible note funding	(3,005,875)	3,358,506
Proceeds from the issue of shares (net of costs)	-	2,000,000
Dividends paid	(577)	(55,566)
Net cash provided from/(used in) financing activities	**(3,006,452)**	**5,302,940**
Net increase/(decrease) in cash held	(2,462,710)	(1,632,909)
Cash and cash equivalents at the beginning of the period	5,190,292	8,967,556
Effect of foreign exchange fluctuations on cash held	43,802	355,943
Cash and cash equivalents at the end of the period	**2,771,384**	**7,690,590**

The above 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 2012

	Consolidated				
	Issued Capital	Accumulated Profits/(Losses)	Foreign Currency Exchange Reserves	Share Based Payment Reserve	Total Equity
	$	$	$	$	$
At 1 July 2011	5,093,232	3,420,401	(1,788,311)	572,737	7,298,059
Loss for the period	-	(7,613,259)	-	-	(7,613,259)
Exchange differences arising on translation of foreign operations	-	-	501,000	-	501,000
Total comprehensive income for the half-year	-	(7,613,259)	501,000	-	(7,112,259)
Transactions with owners in their capacity as owners					
Shares issued during the half-year	2,000,000	-	-	-	2,000,000
Share performance rights issued during the half-year	-	-	-	906,929	906,929
At 31 December 2011	7,093,232	(4,192,858)	(1,287,311)	1,479,666	3,092,729
At 1 July 2012	7,101,732	(2,177,136)	(1,260,187)	1,699,184	5,363,593
Loss for the period	-	(1,525,760)	-	-	(1,525,760)
Exchange differences arising on translation of foreign operations	-	-	(258,575)	-	(258,575)
Total comprehensive income for the half-year	-	(1,525,760)	(258,575)	-	(1,784,335)
Transactions with owners in their capacity as owners					
Shares issued during the half-year	-	-	-	-	-
Options issued during the half year	-	-	-	44,696	44,696
Share performance rights issued during the half-year	-	-	-	304,316	304,316
At 31 December 2012	7,101,732	(3,702,896)	(1,518,762)	2,048,196	3,928,270

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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

These general purpose financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The historical cost basis has been used, except for derivatives and available-for-sale financial assets which have been measured at fair value.

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 2012 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 2012 except as follows:

- AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.

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.

Going Concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet the production budgets. In arriving at this position, the Directors recognise the Company is depending on various funding alternatives to meet these commitments including share placements or other methods.

The Directors believe that at the date of signing the financial statement there are reasonable grounds to believe that having regard to matter set out above, the Group will be able to raise sufficient funds to meet its obligations as and when they fall due.

In the event that the Group does not achieve the matters as set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 2: PROFIT/(LOSS) FOR THE HALF YEAR

	Consolidated	
	31 December 2012 $	31 December 2011 $
Profit/(loss) for the half-year includes the following items:		
Consultant cost	(166,095)	(520,850)
Employment benefits expense	(632,935)	(443,584)
Share based payments	(349,012)	(906,929)
Management fees	(336,683)	(369,500)
Directors fees	(50,000)	(62,500)
Travel expenses	(149,836)	(238,525)
PR and community liaison Ache	-	(488,396)
Due diligence and project generation expense	-	(81,860)
Work-over geological and geophysical expense	(584,750)	(4,882,702)
VAT revaluation and rejection expense	(193,319)	-
ASX and share registry fees	(26,598)	(45,528)
Audit fees	(32,016)	(48,019)
Telecommunications	(19,240)	(40,437)
Legal fees	(6,023)	(81,860)
Convertible loan note fee	-	(68,180)
Exxon Mobil production revenue payment expense	(61,632)	(95,786)
Depreciation and amortisation expense	(82,543)	(873,846)

NOTE 3: DIVIDENDS

The Company paid no dividend during the period (2011: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 4: EQUITY SECURITIES ISSUED

	Half-Year		Half-Year	
Ordinary Shares	2012 Shares	2011 Shares	2012 $	2011 $
Opening balance	1,424,975,458	1,357,808,791	7,101,732	5,093,232
Issue of Ordinary Shares During the Half-Year				
Shares issued for cash	-	66,666,667	-	2,000,000
Closing balance	1,424,975,458	1,424,475,458	7,101,732	7,093,232

Options	2012 Options	2011 Options	2012 $'000	2011 $'000
Opening balance	-	-	-	-
Issue of Options During the Half-Year				
Options issued pursuant to placement	-	16,666,667	-	-
Options issued pursuant to redemption of Convertible Note standstill agreement	27,000,000	-	44,696	-
Closing balance	27,000,000	16,666,667	44,696	-

Performance Rights	2012 Rights	2011 Rights	2012 $'000	2011 $'000
Opening balance	59,250,000	34,250,000	1,699,184	775,922
Issue of Share Rights During the Half-Year				
Performance rights issued	-	15,000,000	-	906,929
Performance rights vesting	-	-	304,316	-
Performance rights lapsed	(2,500,000)	-	-	-
Closing balance	56,750,000	49,250,000	2,003,500	1,682,851

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 5: BORROWINGS

Convertible Notes

The parent entity issued 3,500,000 8% convertible notes for $3.409M (USD3.5M) on 8 December 2011. The notes are convertible into ordinary shares of the parent entity at the option of the holder, or repayable on 8 December 2014. The conversion price is $0.03 per share. The Notes are unsecured obligations of Triangle Energy (Global) Limited and the issue comprises of US$3.5m and was issued on 8 December 2011.

During the reporting period, US$3.157M consisting of notes and interest was repaid to Standard Chartered Private Equity upon redemption of Convertible Notes. At 31 December 2012, 690,583 notes remained outstanding

The convertible notes are presented in the balance sheet as follows:

	Note	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
Face value of notes issued		665,751	3,409,000
FX adjustment		46,092	(34,536)
Interest accrued		(160,129)	(308,123)
Derivative asset from forward foreign exchange rate	6	9,387	245,731
Derivative liability from conversion option	6	(55,479)	(438,553)
		505,621	2,873,519

Interest expense is calculated by applying the interest rate of 8% to the liability component.

NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

Current assets		
Forward foreign exchange contracts	9,387	245,731
	9,387	245,731
Current liabilities		
Option of conversion to shares	55,479	438,553
	55,479	438,553

(a) The forward foreign exchange contract asset represents the differential in the 2 year forward AUD/USD rate at 31 December 2012 of AUD/USD 0.9398 applied to the $665,751 (US$690,583) face value of the convertible note.

(b) The option of conversion to shares liability represents the Black Scholes valuation of the note holder's ability to convert as per the following variables:

Closing share price 7 December 2011	$0.007
Conversion price	$0.03
Interest rate	2.65%
Volatility	130%
Number of shares convertible	23,019,433

The underlying value of the option to convert is $0.0025 per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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 2012 and 31 December 2011.

Half year ended 2012

	Continuing operations			
	Australia	Indonesia	Unallocated	Consolidated
	$	$	$	$
Segment revenue	1,514	3,991,222	-	3,992,736
Segment result	(2,620,620)	1,094,860	-	(1,525,760)
Segment assets	450,363	5,123,599	-	5,573,962
Segment liabilities	1,199,240	446,452	-	1,645,692

Half year ended 2011

	Continuing operations			
	Australia	Indonesia	Unallocated	Consolidated
	$	$	$	$
Segment revenue	17,388	4,814,977	-	4,832,047
Segment result	(4,301,609)	(3,3121,650)	-	(7,613,259)
Segment assets	5,855,199	5,662,598	-	11,517,797
Segment liabilities	5,760,646	2,665,655	-	8,426,301

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 8: SHARE BASED PAYMENTS

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

	Consolidated	
	31 December 2012 $	31 December 2011 $
Expense arising from amortisation of equity-settled share-based payment transactions to employees and consultants	304,316	906,929
Expense arising from issue of 27,000,000 $0.01 options to Standard Chartered Private Equity Limited	44,696	-
Total expense arising from share-based payment transactions	349,012	906,929

At the annual general meeting on 26 November 2010, shareholder approval was granted for the TEG Employee Rights Plan. The Employee Rights Plan is designed to provide incentives for employees and consultants (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted share rights some of which vested immediately and the remainder only vest if the Group achieves an extension of the Production Sharing Contract (PSC) in Indonesia. 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.

In September 2012, the Parent Issued 27,000,000 options exercisable at $0.01 to Standard Chartered Private Equity Limited as consideration for the implementation of a redemption standstill arrangement on convertible notes.

Pursuant to the above mentioned TEG Employee Rights Plan, during the 2012 half-year, the board did not grant any rights to employees and consultants.

During the 2011 half-year, the board granted rights to employees and consultants as per the following table:

Recipient	Number of Rights that vest immediately	Number of Rights that vest upon PSC renewal	Total number of Rights
Employees and consultants	-	15,000,000	15,000,000

Rights granted to employees and consultants vesting immediately are valued at the 5 day VWAP share price of Triangle Energy (Global) Limited on the ASX on the acceptance date of the offer to recipients. Rights to vest upon the event of the PSC renewal have been fully amortised and expensed from the acceptance date to 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 9: RELATED PARTY TRANSACTIONS

Transactions with related parties	Consolidated 31 December 2012 $	Consolidated 31 December 2011 $
Mandolin Pty Ltd (a company of which Mr John Towner is a Director)		
- Management and consulting fees	212,500	212,500
- Office rent (Perth)	15,000	15,000
PT Prestige Petroleum (a company associated with Mr Steven Hamer)		
- Consulting fees	44,000	132,000
- Office rent (Jakarta)	-	40,170

Loans to related parties

At Balance Date, Triangle Energy (Global) Limited had loaned $0.508M from its wholly owned subsidiary, Triangle Energy Limited to fund on-going operations. In December 2011, the Parent had loaned $3.228M to its wholly owned subsidiary, Triangle Energy Limited to fund on-going operations. The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract. The balance is eliminated on Group consolidation.

At Balance Date, Triangle Energy Limited had loaned $7.553M (2011: $6.248M) from its wholly owned subsidiary, Triangle Pase Inc. to fund on-going operations. The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract. The balance is eliminated on Group consolidation.

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 6 February 2013 Triangle announced that its 100% owned subsidiary, Triangle Pase Inc (TPI), has received notification that it will receive a payment of US$1.029M from the Government of Indonesia. In operating Indonesian PSCs, lifting variances occur between the Contractor and the Government and are settled at year-end. The variance is audited by Price Waterhouse Coopers. The US$1.029M payment is for the over/under lifting true up of the Arun Certificate for the 2010 & 2011 years.

- On 7 January 2013 a final redemption payment of US$770,295 was made on the remaining US$1M convertible note to Standard Chartered Private Equity (Singapore) Pte Ltd (SCPEL). Repayments on the US$3.5M facility total US$3,927,555 between 1 July 2012 and 7 January 2013. SCPEL now holds no Convertible Notes and Triangle Energy carries no debt

- On 18 February Triangle released an announcement stating the Aceh Government appoints Triangle as their partner to operate the Pase Block.

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:

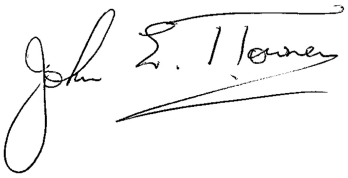
(a) The financial statements and notes set out on pages 10 to 20 are in accordance with the Corporations Act 2001 and:

(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 2012 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:



John E T Towner
Executive Chairman

15 March 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF TRIANGLE ENERGY (GLOBAL) LIMITED

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 2012, 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 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 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 2012 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.

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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 2012 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 opinion, we draw attention to Note 1 to the financial statements. The consolidated entity is dependent upon various funding alternatives in order to continue to operate its project and fund working capital requirements. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, Western Australia
Dated this 15th day of March 2013