ASX Announcement

22 September 2020

TriangleEnergy

ANNUAL REPORT TO SHAREHOLDERS

The Board of Triangle Energy (Global) Limited (**Triangle / the Company**) (ASX:**TEG**) is pleased to provide the Company's Annual Report for the period ending 30 June 2020.

ENDS

Approved for Release by: The Board of Directors

ENDS

Further Enquiries

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About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX:TEG) oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant. Triangle also has a 50% share of the Mt Horner L7 production licence and a 45% share of the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has a 100% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN 52 110 411 428

ANNUAL REPORT 2020

For the year ended 30 June 2020

CORPORATE DIRECTORY

DIRECTORS

Timothy Monckton (Non-Executive Chairman)
Robert Towner (Executive Director)
Malcolm King (Non-Executive Director) – Appointed 1 June 2020
Wai-Lid Wong (Non-Executive Director)
Edward "Ted" Farrell (Non – Executive Director) – Resigned 30 June 2020
Jason Peacock (Non – Executive Director) – Resigned 11 March 2020
Darren Bromley (Executive Director) – Resigned 18 November 2019

COMPANY SECRETARY

Lucy Rowe

REGISTERED OFFICE

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Email: info@triangleenergy.com.au
Web: www.triangleenergy.com.au

PRINCIPAL PLACE OF BUSINESS
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BANKERS
Westpac Banking Corporation
275 Kent Street Sydney NSW 2000, Australia

SECURITIES EXCHANGE LISTING
ASX Limited
20 Bridge Street Sydney NSW 2000, Australia
ASX Code: TEG

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SOLICITORS
HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace, Perth WA 6000, Australia

TriangleEnergy

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CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Triangle Energy (Global) Limited (Triangle, the Company, Consolidated Entity or the Group) it is my pleasure to present the 2020 Annual Report.

The last twelve months has been challenging for your Company, but through excellent stewardship of the flagship Cliff Head operations and assets, and other strategic moves, it has strengthened its position in the Perth Basin.

The global pandemic of Covid-19 has impacted all companies and businesses across Australia, some more than others. For energy companies, the biggest and most immediate impact was in the falling oil price. From more than US$60 a barrel in January this year, we saw it fall to less than US$19 a barrel in April. At the time of writing, the oil price was around US$40 and there was plenty of speculation as to which way it was heading.

Importantly, your company acted quickly to implement a Covid-19 plan to ensure the safety of its employees and contractors, and the ongoing safe operation of its offshore and onshore assets in the Perth Basin. Immediate action from your management team also resulted in Triangle's operating costs being reduced to a level that was sustainable in the changed economic environment.

I am pleased to report another cloud that was potentially hanging over your company was satisfactorily resolved in July when arbitration proceedings held in the BANI Arbitration Centre in Jakarta, Indonesia, resulted in the tribunal finding in favour of Triangle.

Triangle had been the recipient of a claim by Perusahaan Daerah Pembangunan Aceh (PDPA) relating to the Production Sharing Contract for the Pase Concession (in which Triangle sold its interest in February 2016). The tribunal rejected PDPA's claim and ordered PDPA to pay Triangle's arbitration costs of approximately AUD$60,000.

Non-Executive directors Mr Darren Bromley resigned in November 2019 and Mr Jason Peacock and Mr Edward "Ted" Farrell resigned in March and June respectively and I wish to take this opportunity to thank them all for their significant contributions to the Company. The Board was bolstered in June with the appointment of Mr Malcolm King as Non-Executive Director. Mr King has over 30 years' experience in the upstream oil and gas industry in both technical and commercial leadership roles, mostly with Shell in assignments across Australia and Asia. The Board believes that given the current environment in which we are operating that the size and experience of the Board is appropriate to operate efficiently and effectively.

In April, Triangle completed the Cliff Head Renewal Project identifying three key opportunities that can be drilled and developed from the existing Cliff Head Alpha platform, and two new longer-term development prospects. We are actively progressing on these drilling opportunities.

In August, subsequent to the end of the reporting period, your company completed a $2.2 million capital raising through a placement of shares and launched a Share Purchase Plan (SPP). I would encourage all shareholders to take the opportunity to participate in the SPP which closes at 5pm (AWST) 2 October 2020. Thank you to our new shareholders and those existing shareholders that are looking to participate in the SPP.

Funds raised will go towards workover planning and long lead equipment purchases for production wells CH6, CH7 and CH10 at Cliff Head, planning and initial tabletop activities for the South East Nose, West High and Mentelle drilling campaigns and general working capital.

I would like to acknowledge the Managing Director, Rob Towner and the entire team at Triangle for the quality of this work which positions your company for ongoing growth, development and expansion in the Perth Basin. In a difficult external environment, the focus Rob and all the team have placed on the safe and efficient operation of Cliff Head, while progressing potential expansion options, has been remarkable.

I would like to again take this opportunity, as always, to thank the Company's shareholders for their support as well as my fellow Board members for their ongoing counsel.

Timothy Monckton
Non-Executive Chairman

DIRECTORS' REPORT

Your directors submit the annual report of the consolidated entity consisting of Triangle Energy (Global) Limited (the **Company, Group, Consolidated entity or TEG**) and the entities it controlled during the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Timothy Monckton

Non - Executive Director appointed 17 July 2018 and appointed Non – Executive Chairman 21 March 2019

Length of Service: 2 years and 2 months

Tim has been in the Stockbroking Industry for over 25 years starting his career as an analyst before moving into sales. Tim is currently an Equity Partner with EL&C Bailieu.

Tim spent eleven years with ABN AMRO/ Royal Bank of Scotland where he was Head of Domestic Sales for six years before being promoted to Managing Director Corporate Broking.

Prior to moving his family to Australia Tim worked for the Albert Abela Corporation. He was employed as Head of Local Human Resources and sat as Chairman of the Albert Abela Group UK.

Mr Monckton does not currently, nor has he held, in the 3 last years, any other listed company directorships.

Mr Monckton is a member of the Remuneration and Nomination Committee and the Audit and Risk Management Committee

Robert Towner

Executive Director - Appointed 9 July 2014

Length of Service: 6 years and 2 months

Rob has over 21 years' experience in the corporate advisory and finance sectors. He was appointed Managing Director & CEO of Triangle Energy (Global) Limited in July 2014 and managed the Company's transition from operating Indonesian based assets to establishing a portfolio of Australian oil and gas projects, including the producing Cliff Head Oil Field and associated infrastructure in the Perth Basin, Western Australia.

Rob has extensive experience in the oil and gas sector and has been involved in a number of capital raisings for projects throughout Australia, Canada, Asia and the USA since the early 1990's.

Rob represents Triangle's 32.7% interest on the board of State Gas Limited as a non-executive Director a non-executive director of the unlisted Telethon Type 1 Diabetes Family Centre. Rob resigned as non – executive director of Botanix Pharmaceuticals Limited in February 2020.

Darren Bromley

Executive Director - Appointed 9 July 2014 resigned 18 November 2019

Chief Financial Officer - Appointed 12 April 2010, Chief Operating Officer - Appointed 18 December 2017, Company Secretary - 29 June 2012 - 20 November 2017, resigned 18 November 2019

Length of Service: 5 years and 5 months (9 years and 8 months as CFO)

Mr Bromley has over 27 years' experience in business management and the corporate sector. He was appointed Executive Director of Triangle Energy (Global) Limited in July 2014, and also holds the positions of Chief Financial Officer (April 2010) and Chief Operations Officer (January 2018). He was Company Secretary from June 2012 to November 2017.

His executive capacity at Triangle included strategy, financial management, operational management and corporate governance functions

His experience includes corporate transactions, mergers and acquisitions, business start-ups capital raisings, financial modelling, business development, operational management and company administration.

Darren Bromley (continued)

Darren previously held CFO positions at ASX listed entities Prairie Downs Metals Limited and QRSciences Holdings Limited as well as numerous company directorships and secretary positions. He is currently a non-executive director at Appwell Pty Ltd (Openn Negotiation), a technology start-up company.

He holds a Bachelor of Business Degree in Finance, a Master of e-Business and has a great depth of business management and financial experience.

Mr Bromley did not hold in the last 3 years any other listed company directorships.

Mr Bromley was a member of the Audit Committee.

Edward ('Ted') Farrell

Non-executive Director - Appointed Non – Executive Chairman 26 May 2014, resigned as Non – Executive Chairman 21 March 2019 and resigned as a director on 30 June 2020

Length of Service: 6 years and 1 month

Mr Farrell's career includes over 27 years' experience owning and managing a private client share broking and financial advisory practise. He currently provides corporate consultancy services and international consultancy services with relation to Financial Services Industry and Trade, and Economic development projects, between Asia and Australia.

He has been substantially involved with capital raisings, initial public offerings, and company reconstructions over the past 26 years. Mr Farrell brings to the Company extensive experience from the financial services, corporate financing and capital management sectors.

Mr Farrell has held various directorships with private and public companies. He is a Fellow of the National Institute of Accountants, a member of the Australian Institute of Management and a Justice of the Peace.

Mr Farrell had not held any listed company directorships in the last three years.

Mr Farrell was a member of the Audit Committee.

Jason Peacock

Non - Executive Director appointed 11 April 2018 and resigned on 11 March 2020

Length of Service: 1 year and 11 months

Jason has 19 years of oil and gas experience across production operations, reservoir engineering and petroleum development, and was appointed a Non-Executive Director of Triangle Energy (Global) Limited in April 2018.

Jason has extensive leadership and management experience with both onshore and offshore exploration and development projects with Chevron in the North Sea, Shell in Asia and more recently with AWE in NZ, where he provided technical support and assurance across many of AWE's assets, including Cliff Head.

Jason assumed the role of Asset Manager for the Tui Field in 2009, was promoted to the role of General Manager NZ for AWE in 2015 and in early 2017 commenced the role as NZ Country Manager for Tamarind Resources Pte Ltd.

He holds a Bachelor of Science in Geology from the University of Canterbury, NZ and a Master of Science (Honours) in Petroleum Engineering from Heriot-Watt University, Scotland.

Mr Peacock did not hold any other listed company directorships in the last 3 years.

Mr Peacock was the Chair of the Remuneration and Nomination Committee until his resignation in March 2020.

Wai-Lid Wong

Non-Executive Director appointed 11 April 2018

Length of Service: 2 years and 5 months

Wai-Lid has over 18 years' oil and gas experience in process engineering, operations and asset management roles. He was appointed a Non-Executive Director of Triangle Energy (Global) Limited in April 2018.

Currently, Wai-Lid holds the position of Chief Executive Officer for Tamarind Resources Pte Ltd. In this role, he is responsible for the delivery of all aspects of Tamarind's operated business, working closely with Tamarind's Regional leadership.

DIRECTORS' REPORT (continued)

Wai-Lid Wong (continued)

Prior to this, Wai-Lid held Asset Management roles for two Malaysian PSCs and headed all Asset Development and CAPEX Project activity for Talisman / Repsol in Malaysia. Wai-Lid has also spent a period of time within Schlumberger's strategic advisory arm (Asia and Australia) where he assisted a number of Regional E&P Players drive major strategic transformation and performance improvement programs.

Wai-Lid has a PhD and Masters of Engineering (M.Eng.) in chemical engineering from Imperial College, London.

Dr Wong does not currently, nor has he held, in the last 3 years, any other listed company directorships.

Dr Wong is the Chair of the Audit and Risk Management Committee and is a member of the Remuneration and Nomination Committee.

Malcolm King

Non-Executive Director appointed 1 June 2020

Length of Service: 4 months

Mr King has over 30 years of upstream oil, gas and power and LNG experience in technical, commercial and management roles, most of this with Shell in Australia and across Asia. He was appointed a Non-Executive Director of Triangle Energy (Global) Ltd in June 2020.

Mr King is currently based between Perth and Brisbane providing consulting to the energy industry with key focus areas being commercial, strategy, business development, exploration, and project management services and advice. Recent prior roles include director of ASX listed Emperor Energy Limited and heading up the Commercial and Business Development/New Ventures areas for Senex Energy Limited.

Mr King has a Bachelor of Applied Science (Geology) degree from the University of Southern Queensland and a Masters of Science (Petroleum Geology) from the University of Aberdeen, Scotland. He is a member of AICD and a graduate of the AICD Director Program.

Mr King was a Non – Executive Director of Emperor Energy Limited from April 2019 to March 2020. Mr King has not held any other listed public company Directorships in the last 3 years.

Mr King is the Chair of the Remuneration and Nomination Committee and Member of the Audit and Risk Management Committee.

Marvin Chan

Chief Financial Officer - 18 November 2019

Length of Service: 10 months

Marvin has over 20 years' experience in the energy industry including 9 years in the Oil and Gas sector. Prior to joining Triangle, Marvin held the financial controller position of a Perth-based oil and gas company with service contracts in the Philippines and Indonesia. Marvin joined Triangle in February 2019 as manager for finance and subsequently repositioned as Chief Financial Officer in November 2019.

Marvin is a Fellow of Certified Practicing Accountants in Australia, a member of the Philippine Institute of Certified Public Accountants and member of the Integrated Bar of the Philippines.

Lucy Rowe

Company Secretary – Appointed 20 November 2017

Length of Service: 2 years and 10 months

Lucy was appointed Company Secretary of Triangle Energy (Global) Limited in November 2017.

Lucy is an experienced compliance professional, with 20 years' experience in the financial services, oil and gas, and IT industries. Lucy has held the position of Company Secretary of a number of listed and unlisted public companies over the last 11. Lucy gained her PS 146 securities adviser accreditation in 2002 and holds a Graduate Diploma in Legal Studies majoring in financial services law.

DIRECTORS' REPORT (continued)

Interests in the shares and options of the company and related bodies corporate

The following relevant interests in shares and rights of the Company or a related body corporate held as at the date of this report.

Directors	Number of performance rights	Number of fully paid ordinary shares	Options over fully paid shares ($0.12)
Timothy Monckton	-	-	
Robert Towner	24,292,237	14,436,931	1,069,600
Wai-Lid Wong	-	-	
Malcolm King	-	-	

REVIEW OF OPERATIONS

Company Overview

Triangle is an experienced and successful oil production and exploration company based in Perth, Western Australia. The Company currently has a 78.75% interest in, and is the Registered Operator of, the producing Cliff Head Oil Field, which includes the onshore Arrowsmith Stabilisation Plant and offshore Alpha Platform, located in the Perth Basin. Triangle has a 45% joint venture interest in the Xanadu-1 Joint Venture oil discovery (TP/15), and a 50% interest in the Mt Horner Production Licence (L7(R1)) also in the Perth Basin. The Company holds 32.7% equity interest in State Gas Limited which has a 100% operating interest in the Reids Dome production licence (PL231) in Queensland. The Company continues to assess acquisition and joint venture prospects to expand its portfolio of assets.

Triangle has eleven years of operational experience in the oil and gas sector in Australia and Indonesia. The Company has a track record of performing ahead of industry averages in safety performance and will continue to pursue the highest standards in HSE.

Cliff Head, Perth Basin, Western Australia

The Cliff Head Oil Field (**Cliff Head**) is located approximately 270 kilometres north of Perth and 12 kilometres off the coastal town of Dongara in Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km² and the oil field covers 6km². It was the first commercial oil discovery developed in the offshore Perth Basin and the development cost of the field was A$327m with first oil production commencing in May 2006.

On 17 July 2018, Triangle announced that its operating associate Triangle Energy (Operations) Pty Ltd (**TEO**) became the Registered Operator of the Cliff Head Joint Venture (**CHJV**) after it successfully developed two Safety Cases for the Cliff Head facilities which were accepted and approved by the relevant Regulatory Authorities: the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) for the onshore ASP, and the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) for the offshore Cliff Head Alpha Platform.

Approval of the Safety Cases demonstrated that TEO, as the new Operator of Cliff Head, has properly identified hazards and risks, can describe how the risks are controlled, and has defined the safety management system in place to ensure these controls are effectively and consistently applied.

To strengthen the Company's accountability as the Registered Operator, Triangle commissioned a full and independent Operational Readiness Review. This successful review ensures that TEO has the capabilities to not only comply with the approved Safety Cases but also has the full suite of processes, systems and competent people to seamlessly and safely execute production operations upon operatorship handover. Approval of the two Safety Cases by the Regulators was a major milestone and becoming the Registered Operator of Cliff Head provides Triangle with more control to manage infrastructure in a manner consistent with the Company's operational philosophy.

Cliff Head Well Intervention

On 13 March 2019, the Company announced that a technical issue had occurred during steady state operations which caused production well CH13 to stop producing. It was confirmed by both Company and service personnel that the issue was associated with the downhole electric submersible pump (ESP).

The Company had evaluated several alternate technologies to replace downhole ESPs. A Hydraulic Jacking Unit or Platform (HJU) had been selected being both technically superior and cost effective to the Coiled Tubing Unit retrieval and deployment method that had been historically used to workover the well ESPs.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Cliff Head, Perth Basin, Western Australia (continued)

The CH-13 well was returned to production on the evening of 13 December 2019 following the installation of an ESP replacement which was tested over the weekend 14-15 December. On 16 December 2019, the Company announced that steady-state production rates for the field were 970bopd with the CH-13 well producing 150bopd.

The ESP was brought up to full speed over the following four days and the field total production optimised at over 1000bopd as announced on 20 December 2019.

The Company has completed a program of works to review the methodology of ESP replacement. The successful resumption of production on the CH-13 well validates the Company's decision to move to an alternative system for workover operations, ESP design and replacement which will technically and financially benefit future workovers.

The Company believes, this change in methodology will deliver:

- a safer and more reliable operation under a revised Safety Case.
- an increase in the well uptime that arises from being positioned to maintain inventory and reduce turnaround time post an ESP failure; and
- a significant reduction in capital expenditure on future workovers of the Cliff Head wells.

The Company is well positioned to utilise the HJU method for future workovers and is finalising a strategy to significantly reduce the cost and downtime of any future well ESP workover.

Cliff Head Renewal Project

Throughout 2019 and 2020, work has been progressing to identify opportunities to transform production rates and the economic life at Cliff Head **(Cliff Head Renewal Project or CHRP).** During the second half of 2019 and the first quarter of 2020, Triangle undertook a range of sub-surface studies to mature several previously identified opportunities which are now contingent on an investment decision. These included a review of the mapping and reservoir interpretation, reprocessing of the Cliff Head 3D seismic data, depth conversion studies, and dynamic modelling of the field and satellite opportunities. The result of this work was announced on 23 April 2020.

The CHRP work confirmed three priority drilling targets. The West High and SE Nose opportunities are low risk appraisal/development opportunities that can be immediately completed for production and could provide a substantial production uplift, while the Mentelle Updip prospect has the potential to materially impact the life-cycle of the Cliff Head asset.

South East Nose (SE Nose) Appraisal/Development

SE Nose is a low relief structure updip of the Cliff Head 1 discovery well. The depth conversion studies also addressed the structural uncertainty of SE Nose and confirmed the presence of a structure updip of Cliff Head 1. SE Nose is assessed to have Best Estimate Contingent Resources of 1.01 MMstb with the conversion to Reserves dependent on a formal Cliff Head Joint Venture approval of a development well. The design of a horizontal well that would be drilled and completed from Cliff Head Alpha platform to develop the SE Nose area has commenced.

West High Appraisal/Development

The West High appraisal/development opportunity is a probable extension of Cliff Head field to a western culmination. It could be drilled by a deviated appraisal well from Cliff Head platform and then completed as a production well in the event of success. Triangle completed a detailed depth conversion review using the reprocessed Cliff Head 3D seismic data to reduce this key uncertainty with the opportunity. The depth conversion work has defined the uncertainty range for West High structure which is now sufficiently delineated to justify drilling. A Best Estimate Contingent Resource of 0.95 MMstb is assessed for West High. The design of a West High appraisal well that could be completed as an oil producer has commenced.

High Potential Mentelle Updip Prospect

The high potential Mentelle Updip prospect was reviewed with a focus on the reservoir interpretation which had been a key uncertainty in the past. Triangle's work indicates that good quality Irwin River Coal Measures sandstone reservoirs could be expected within the prospect and confirmed the large structure as previously mapped. Best Estimate Prospective Resources have been upgraded to 5.15 MMstb, from 3.3 MMstb previously. The chance of discovery for Mentelle Updip is assessed to be 38% and a 34% chance of a commercial discovery.

Cliff Head, Perth Basin, Western Australia (continued)

Acquisition of additional 2D and/or 3D seismic data before drilling was evaluated for the prospect but found not to be justified because of the relative cost and time delays. The Mentelle Updip prospect is mature and justified for drilling with sufficient resource potential to materially impact the life-cycle of Cliff Head asset. The planning for an exploration well to test Mentelle Prospect has commenced.

New Opportunities - Catts Prospect and Far North

In addition to the previously identified opportunities two new features were identified from the CHRP, the Catts exploration prospect and the Far North opportunity north of Cliff Head 10.

A new exploration prospect, Catts, immediately north of SE Nose and 1.4 kms South South-West of Cliff Head platform was identified by the depth conversion work. It is a subtle two-way-time closure that is enhanced with depth conversion and analogous to the SE Nose structure and can also be developed from Cliff Head platform in the event of exploration success. Best Estimate Prospective Resources for Catts are assessed to be 0.77 MMstb, the chance of discovery to be 45% and the chance of a commercial discovery to be 35%. Catts is a follow-up to the results of a SE Nose development well.

Far North is a possible structural culmination on the northern limit of the field that is indicated by upside scenarios of the depth conversion work. The upside depth model is also supported by the production performance of the Cliff Head 10 well, which has exceeded the volumes indicated by the Best Estimate depth conversion. Far North is in its early stages of evaluation with a Best Estimate (2C) Contingent Resource estimated to be 0.4 MMstb. The Far North Contingent Resources are contingent on further dynamic modelling studies and a viable development concept.

Workover and Reservoir Management Opportunities

The Company is continuing to evaluate several workover and reservoir management opportunities. Water injection into the upper perforations of Cliff Head 11 and water flood optimisation were evaluated as part of the CHRP but failed to develop into economically attractive targets.

Cliff Head (WA-31-L)

Gross Contingent Resources			
(MMstb Oil)	1C (Low)	2C (Best)	3C (High)
SE Nose	0.50	1.01	2.07
West High	0.00	0.95	2.27
West Flank	0.00	0.79	1.14
Far North		0.41	
East Horst K Sand		0.36	
CH11 Block	0	0.06	0.69
Total (Gross)	**0.50**	**3.58**	**6.17**

Net TEG (78.75%) Contingent Resources			
(MMstb Oil)	1C (Low)	2C (Best)	3C (High)
SE Nose	0.39	0.80	1.63
West High	0.00	0.75	1.79
West Flank	0.00	0.62	0.90
Far North		0.32	
East Horst K Sand		0.28	
CH11 Block	0.00	0.05	0.54
Total TEG Share		**2.82**	

Gross Prospective Resources**			
(MMstb Oil)	Low	Best	High
Mentelle Updip	1.98	5.15	9.18
Catts	0.35	0.77	1.42
Southern Extension		0.54	
South Cliff Head		3.00	
Total (Gross)		**9.46**	

Net TEG (78.75%) Prospective Resources**			
(MMstb Oil)	Low	Best	High
Mentelle Updip	1.56	4.06	7.23
Catts	0.28	0.61	1.12
Southern Extension		0.43	
South Cliff Head		2.36	
Total TEG Share		**7.45**	

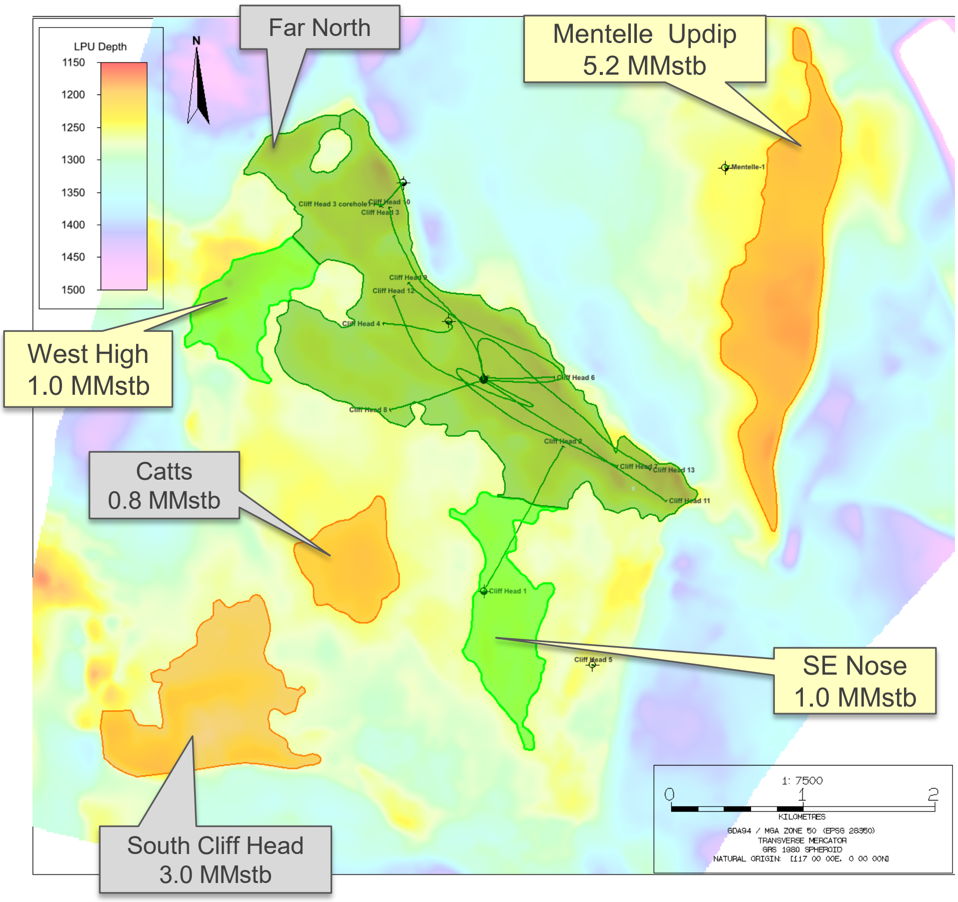
Cliff Head Area Contingent and Prospective Resources

***The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Cliff Head, Perth Basin, Western Australia (continued)



Cliff Head area structure map

Production

Production during the year is mostly from four electric submersible pump production wells out of the five wells. CH13 well was offline until Dec 2019 while CH6 and CH7 were shut-in in the last few weeks of the year. Produced water is reinjected into two injection wells. Produced crude oil is trucked to the BP refinery in Kwinana, 42kms south of Perth.

To 30 June 2020, the field has produced and sold 16.35 mmbbls and continues to produce at above originally forecasted rates.

Cliff Head Joint Venture (**CHJV**) production 12 months to 30 June 2020: 276,452 bbls.

CHJV oil sales revenue 1 July 2019 - 30 June 2020 was $21.30 million at an annual average production rate of 755 bopd.

Facilities and Infrastructure

The Cliff Head facilities are the only offshore and operational onshore infrastructure in the highly prospective and under-explored Perth Basin, and are therefore important for any exploration success or development in the surrounding area. An unmanned platform in 15m to 20m of water with a 14km pipeline, carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith with a production capacity of 15,000bopd. The crude oil is trucked 350km to the BP refinery in Kwinana. The Arrowsmith stabilisation processing plant has the capacity to process third party crude.

The remotely operated unmanned offshore platform has 5 production wells and 2 water injection wells. The two 14km, 250mm diameter pipelines connect the offshore platform to the onshore crude stabilisation plant. The facility operates on a closed loop water re-injection system.

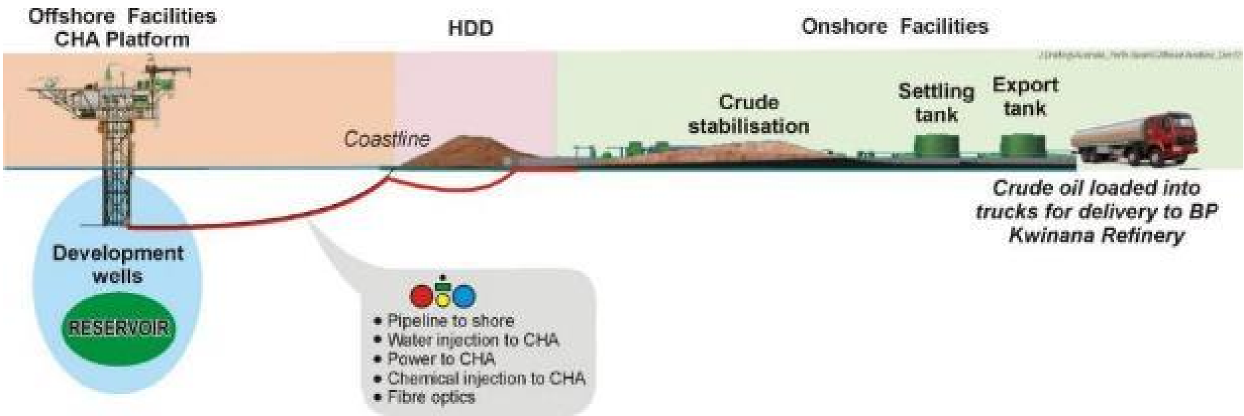
DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Cliff Head, Perth Basin, Western Australia (continued)

The Asset Life Extension Program announced on 6 March 2018 provides investment into the ongoing upgrade of the onshore and offshore infrastructure to support future expected increases in oil production.

Triangle continues to work with stakeholders to deliver further operational efficiencies in the facility.



The CHJV is dedicated to HSE and Asset Integrity Management.

The facility at Cliff Head has been producing oil since May 2006 and the operation has been without significant safety or operation incident since start-up. Offshore Australian projects are subject to the OPGGSA safety case regime and all requirements are being implemented at the offshore and onshore facilities.

All environmental requirements (EIAs, EMPs, Oil Pollution Emergency Plans, carbon emissions reporting) are being met.

Through its existing Cliff Head oil field production operations, the CHJV has established good relations with the regulators, fishing community, landholding sectors, tourism stakeholders and other operators in the area.

Notes Regarding Contingent and Prospective Resources

1. *The Prospective Resources and Contingent Resources were reported to the ASX on 23 April 2020 and lie within the Cliff Head Production Licence WA-31-L*
2. *Gross Prospective and Contingent Resources are attributed to 100% joint venture interest in WA-31-L.*
3. *Net Prospective and Contingent Resources are attributed to Triangle Energy's 78.75% net interest in WA-31-L.*
4. *The updated resource estimates here result from a range of sub-surface studies undertaken as part of the Cliff Head Renewal Project, including a review of the mapping and reservoir interpretation, reprocessing of the Cliff Head 3D seismic data, depth conversion studies, and dynamic modelling.*
5. *The Contingent and Prospective Resources are estimated using the probabilistic methodology that incorporates ranges of uncertainty for the reservoir parameters that determine the range of resource outcome, except for Far North, East Horst K Sand, Southern Extension and South Cliff Head which are estimated using the deterministic method.*
6. *Summations of resources, where present, are arithmetic.*
7. *The evaluation date for the Contingent Resources and Prospective Resources reported here is 20 April 2020.The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).*

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

TP/15 Xanadu Joint Venture

Triangle has a 45% interest in the TP/15 Xanadu Joint Venture which is located in the Perth Basin about 300 kms north of Perth. The permit occupies the three nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covering an area of 645km^2. Norwest Energy NL (**Norwest**; ASX:**NWE**) is the Operator of the Joint Venture.

The permit contains the Xanadu oil discovery. Xanadu-1 was spudded on 4 September 2017, and the well reached a total depth of 2035 MDRT, when it was confirmed that the Xanadu-1 well intersected hydrocarbon bearing reservoirs demonstrated by elevated gas readings, oil shows, fluorescence and cut-fluorescence whilst drilling. On 25 September 2017, Triangle announced that an oil discovery at Xanadu-1 was confirmed. This was an outstanding achievement and the first oil discovery in the offshore Perth Basin since Cliff Head more than 15 years ago.

A 40km^2 Xanadu 3D Transition Zone seismic survey was completed in July 2019 over the Xanadu structure, and was designed to fully delineate the 2017 Xanadu-1 oil discovery, focusing on the northern updip region, and the southern downdip region extending out to the western flank of the structure. Xanadu was drilled based on very limited 2D seismic coverage, insufficient to provide the high-resolution subsurface model required to guide future appraisal drilling.

The Xanadu structural model was substantially revised based upon the 3D seismic data. In particular the fault geometry that defined the updip structure changed such that the updip area to the north of the Xanadu-1 well intersection was reduced and commerciality of the updip resource is therefore likely to be marginal. Appraisal and commercialisation of the updip area is challenged by possible distribution across three reservoirs, each of limited thickness and each likely requiring a horizontal well completion. Further engineering and commercial studies are required in this regard, before Contingent Resources can be determined and a decision made on whether future appraisal can be justified.

The good quality and coverage of the new 3D seismic data has provided a far clearer understanding of the structuring surrounding the Xanadu-1 well, and supports the Joint Venture decision to acquire the survey before further drilling.

The company also undertook a regional evaluation of the remaining prospectivity of TP/15 during the year. Two large structural leads are mapped west and south of Xanadu (Xanadu West and Xanadu South). Reservoir quality is expected to improve west of Xanadu and within these leads which offer the potential for significant volumes. A low-cost seismic acquisition program is being considered to develop these leads into drillable prospects. The Company is encouraged by the additional prospectivity in the permit and is working with our joint venture partners to agree a budget and programme of work to further define this additional prospectivity.

Final Joint Venture interests

JV Participant	ASX Code	Percentage Interest
Norwest (via subsidiary) (Operator)	ASX:NWE	25%
Triangle (Global) Energy Ltd (via subsidiary)	ASX:TEG	45%
3C Group IC Limited (via subsidiaries)		30%

Farmout Agreement with Key Petroleum Limited for Production Licence L7(R1)

On 31 October 2018, Triangle announced that it entered into a Farmout Agreement with Key Petroleum Limited (**Key**) (**ASX:KEY**) to acquire a 50% participating interest in Production Licence L7(R1). Key is the operator of the joint venture. A wholly owned subsidiary of Triangle holds the relevant interest earned under the Farmout Agreement,

The Farmout is approved by the West Australian Department of Mines, Industry Regulation and Safety (DMIRS). Finalisation of the landowner consent is ongoing.

The Company has identified multiple "attic" locations for infill development wells with Mt Horner field and, subject to the completion of the Farmout Agreement, anticipates undertaking 3D seismic as soon as possible and the drilling of at least two in-fill development wells thereafter, subject to normal regulatory and joint venture approvals.

Assessment indicates that L7(R1) captures the bulk of the underexplored Bookara Shelf oil fairway. On 16 June 2020 Key Petroleum Limited, Operator of L7, announced updated prospective resource estimates for the Triassic and Permian targets of the Bookara Fairway indicating substantial oil and gas resource potential. On 2 October 2019, the Company announced that the Farmout Agreement had completed with all approvals received. Upon completion and earning a 50% stake in the Mount Horner Production Licence, the Company will have the right to assume Operatorship of L7.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

L7(R1) Mt Horner (continued)

Under the terms of the L7 Agreements, Triangle is obliged to prepare a work program and budget (WP&B) in respect of the farm-in work and provide it to KEY for comment. Triangle retains the right, at its sole discretion, to determine the final WP&B. In compliance with this obligation, Triangle issued its WP&B to KEY in December 2019.

Notwithstanding that the Farmout Agreement states that the WP&B will be prepared by Triangle at its sole discretion, KEY is disputing Triangle's WP&B. Triangle disputes that Key has the right to do this under the terms of the L7 Agreements.

Triangle and KEY have attempted to resolve this dispute since earlier this year but to have not been able to come up with a solution. As a consequence, Triangle has commenced a formal dispute resolution process in order to resolve this matter.

Investments

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Limited (**State Gas**) (**ASX:GAS**) with an 32.7% holding.

State Gas now holds 100% majority interest in, and is operator of, the Reid's Dome Gas Project (PL 231) in central eastern Queensland, approximately 545 km northwest of Brisbane and 50 km southwest of Rolleston, in the Bowen Basin Central Queensland. The permit hosts both conventional and unconventional gas and is less than 50 km from the high-pressure gas pipeline network in Queensland.

In November-December 2018 State Gas, as operator of the Reid's Dome Joint Venture, drilled the Primero West-1 and Nyanda-4 wells. The Primero West-1 appraisal well confirmed expectations, encountering the "Primero" gas sand in the Cattle Creek Formation at 131.5m depth, and identifying a net gas bearing zone of up to 12.5m. Gas flowed at a maximum rate of .436 mmscf/d through a 48/64" choke, and laboratory analysis of the composition confirmed it to be 96.7% methane (pipeline quality), a result similar to offset well data.

The Nyanda-4 corehole was the first dedicated coal seam gas well at Reid's Dome. Earlier drilling undertaken in close proximity to the Nyanda-4 site encountered gas shows in association with coal seams. However, that drilling was prior to the establishment of the east coast gas market and related pipeline infrastructure and the coals were not evaluated. Logging and testing activities at Nyanda-4 confirmed a material gas content in the coals and established the potential for a significant coal seam gas project in PL 231.

On 9 September 2019, State Gas announced the planned drilling of Aldinga East 1A to investigate the gas potential of the Reid's Dome Beds coal measures in the northern area of the PL 231. The presence of gas in the coal measures was confirmed at Nyanda-4 (drilled by the Company in 2018), within the permit approximately 12km to the south of proposed Aldinga East 1A. Following the drilling of Aldinga East-1A, State Gas was planning to drill Serocold-1, approximately half way between Aldinga East-1A and Nyanda-4, to explore the central portion of the Reid's Dome anticline.

On 4 November 2019, State Gas received the final Gas Content Testing report in the core samples obtained from Nyandra-4 well. The final average of the measured has content from the coal desorption testing was 13.75 m3/t from 10 samples. Gas content for the thickest cored seam was 16.94 m3/t. the highest value obtained was 17.16 m3/t and lowest value was 8.30 m3/t. These data replaced all prior advices as to the content from Nyanda-4 well.

In the same month, it announced the initial positive results of the Aldinga East 1A drilling. Aldinga East 1A well was drilled to 884 metres. Logging has identified 10 metres to 14 metres of net coal in the well. The best permeabilities in the well occur between 592 metres to 753 metres. The logging and permeability testing has established the discovery of a conventional gas pool located in approximately 9 metres of gas sand in the Cattle Creek Formation. Within the Reid's Dome Beds, deeper drilling in Aldinga East 1A encountered approximately 9 metres of gas sands between 732 metres and 802 metres. A total of 18 metres of gas sands were intersected in the Aldinga East 1A well.

On 27 November 2019, State Gas announced that the re-entry and completion of Nyanda-4 well was completed. The well was completed for production testing by installing a pump to enable dewatering of the coals. Drill stem tests will be undertaken of the new conventional gas discovery in the Cattle Creek Formation in the well, as well as the gas sands and coal seams in the Reid's Dome Beds.

DIRECTORS' REPORT (continued)

State Gas Limited (ASX: GAS) (continued)

In December 2019, Serocold-1 was spudded and reached a total depth of 1200 metres on 13 December 2019. Serocold-1 is located in the centre of PL 231, approximately half way between the Aldinga East 1A and Nyanda-4 wells. Wireline logs have indicated 27m net coal between the depths of 515 m and 1185m in seams of up to 4.5 m thick. The well also contains two gas sands of ~3m thick each in the Reid's Dome Beds. Permeability testing was undertaken of 13 seams and one gas sand. A significant number of the seams has shown promising permeability, more than justifying a production test of the well.

Nyanda-4 was placed on production test on 4 December 2019 with water being pumped-down in a controlled manner to decrease the hydrostatic pressure within the well in order to release gas in the coal seams. Gas production from the well commenced on 9 December 2019.

Following the success of Nyanda-4, State Gas embarked on Phase 1 of an exploration and appraisal programme to confirm the widespread presence of Coal Seam Gas ("CSG") across the Reid's Dome Gas Project (PL231). The successful Phase 1 has included a corehole at Aldinga East-1A in the north, a well and production testing in the centre of PL231 (Serocold-1), and production testing of the Nyanda-4 well in the south. On 18 August 2020, State Gas was pleased to advise that the objective of the Phase 1 programme has been accomplished, following confirmation of the presence of CSG across the PL231 permit over at least 12 kilometres, from north to south. Importantly, CSG has been confirmed, and gas has been produced at all three locations. With this success, State Gas commissioned Netherland Sewell and Associates Inc. to undertake the certification of Reid's Dome, with the results expected to be available for release by late September 2020. Customised pumps were installed in July 2020 and production testing continued at both Serocold-1 and Nyanda-4, with gas flows at both wells gradually increasing. State Gas intends to cease production testing of Nyanda-4 once it reaches stabilised flows to enable the performance of a Production Log Test ("PLT"). The PLT will enable the Company to determine the relative gas contribution of individual seams in the well, which will help on the optimal well design for Phase 2.

On 26 August 2020, State Gas provided an update that the testing indicated increased growth in gas production at the Nyanda-4 well, with each day's production rate above 3% more than the day prior and water flows continue to register at very low levels. Gas production at the Serocold-1 well in the centre of the permit also continues to build.

State Gas announced on 11 September 2020 that gas flow rates at its Nyanda-4 and Serocold-1 wells continue to build, with the Nyanda-4 well flowing gas at 128 mscf (or 128,000 standard cubic feet) per day. Gas production at the Serocold-1 well is also increasing. Previously advised damage to the well bore limited the depth at which the pump could be placed, resulting in approximately 46% of the targeted coal seams below the pump and unlikely contributors to this test. The gradual increase in flow rates is encouraging. Water production at both wells remains low, providing further positive signs for future production from the Reid's Dome CSG field.

Corporate

General Meeting

On 25 October 2019 a General Meeting of the Company was held, and shareholders ratified the issue of the above tranches of shares, as well as the further tranche issued in November 2018 in order that its placement capacity under ASX Listing Rules 7.1 and 7.1A be restored to 15% and 10% respectively.

Annual General Meeting

Triangle held its Annual General Meeting of shareholders on 19 November 2019, and all resolutions were passed unanimously.

Capital Raising

Placement of Shares to Sophisticated and Professional Investors

On 3 September 2019, the Company announced it had received irrevocable commitments to raise approximately AU$3.6 million (before costs) from both professional and sophisticated investors who subscribed for 48,000,000 new ordinary shares at AU$0.075 per new share (**Placement**).

10,064,476 of the Placement shares was issued on 11 September 2019 under the Company's placement capacity under ASX Listing Rule 7.1A, and the remaining 37,935,524 Placement shares was issued under the Company's placement capacity under ASX Listing Rule 7.1.

Upon completion of the Placement, the 48,000,000 new shares represented approximately 13.3% of the share capital of the Company, which as at the date of this report has 360,753,682 ordinary shares on issue.

The funds were used to replenish funds following the acquisition of long lead items to return CH-13 to production and provide working capital to allow the Company to progress the Cliff Head Renewal Project.

DIRECTORS' REPORT (continued)

Capital Raising (continued)

Pro Rata Non – Renounceable Entitlement Offer

On 8 November 2019, the Company was pleased to announce a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders of quoted options in the Company at an issue price of $0.001 each and on the basis of 1 new quoted option (**New Option**) for every 5 shares held on the record date. Each New Option having an exercise price of $0.12 and an expiry date of 30 September 2020.

Pursuant to the Entitlement Offer, the Company announced it would issue up to 72,150,736 New Options to raise up to approximately $72,150 (before costs).

The Entitlement Offer was available to all shareholders (**Shareholders**) registered on the record date on 13 November 2019 (**Record Date**) whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

On 2 December 2019 the Company was pleased to announce that it had received valid applications under the Entitlement Offer for 47,576,398 Options pursuant to eligible shareholders' entitlements, raising a total of $47,577 and leaving a shortfall of 24,574,182 Options. Allotment of the New Options occurred in accordance with the timetable on 4 December 2019.

The Directors reserved the right to issue Options pursuant to the shortfall at their absolute discretion within three months of the closing date subject to any restrictions imposed by the Corporations Act and the Listing Rules and on 29 January 2020, the Company announced all the shortfall under the Entitlement Offer had been placed.

Funds raised from the issue of the New Options was used towards the costs of the Entitlement Offer and for general working capital. Funds raised from the exercise of the New Options (if any) will be used towards continued development of the Company's existing projects, evaluation of new opportunities and for general working capital.

Placement of Shares to Sophisticated and Professional Investors (Subsequent to balance sheet date)

On 27 August 2020, the Company announced a funding initiative to raise gross proceeds of up to approximately $3.2 million by way of a share placement to professional and sophisticated investors and share purchase plan (**SPP**). Funds raised under the share placement and SPP are intended to be applied towards workover planning and long lead equipment purchases for production wells CH6, CH7 and CH10, planning and initial tabletop activities for South East Nose, West High and Mentelle drilling campaigns and general working capital. CH6 and CH7 have been shut in since June this year. The workovers for these wells will return approximately 400 barrels of oil per day to Cliff Head's production, taking total production close to approximately 1000 barrels of oil per day.

The Company was pleased to advise that it had successfully received AU$2.2 million (before costs) from professional and sophisticated investors who subscribed for approximately 73 million new ordinary shares at AU$0.03 per new share (**Placement**). The 73,346,667 new shares representing approximately 17% of the share capital of the Company, which have 434,100,349 ordinary shares on issue. 21,037,383 of the Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A, and the remaining 52,309,284 Placement shares were issued under the Company's remaining 15% placement capacity under ASX Listing Rule 7.1. The issue price of AU$0.03 per share is an 18% discount to the 5-trading day VWAP, 9.5% discount to the 15-trading day VWAP prior to the date of the announcement and a 23% discount to the closing price of the Company's shares on 21 August 2020. The Company issued the shares under the Placement on 4 September 2020. The Placement was company-led and supported by Fresh Equities Pty Ltd who provided a cornerstone bid for the offer. There were no underwriting arrangements entered into for the Placement. A fee of 6% of all funds raised were paid to advisors who assisted in the Placement.

Share Purchase Plan

The Company currently has an SPP underway to raise up to approximately AU$1 million (before costs) via the issue of shares at an issue price of AU$0.03 per new share. The SPP will enable existing eligible shareholders, irrespective of the size of their holding, to participate in the capital raising at the same issue price as the Placement, and not incur any brokerage or transaction costs. Eligible shareholders, being those holders of shares with an address in Australia or New Zealand as at 5.00pm (WST) on 26 August 2020, will have the opportunity to apply for up to AU$30,000 worth of new shares in the Company. The shares issued under the SPP will rank equally with existing ordinary shares of the Company. The maximum gross amount raised under the SPP will be capped at a total of AU$1,000,000, though the Company reserves the right to change this cap at its discretion by announcement to ASX. The Closing Date of the SPP has been extended from 18 September 2020 to 2 October 2020.

DIRECTORS' REPORT (continued)

Pase PSC

Enso Asia Inc.

Triangle is owed US$1.02 million, held in escrow, in relation to the Sale and Purchase Agreement of the Pase Production Sharing Contract (**PSC**) by Enso Asia Inc. which completed in February 2016. The US$1.02 million held under contract, is to be released to Triangle after the Indonesian Ministry of Energy and Resources (**ESDM**) or Special Unit for Upstream Oil and Gas Operations (**SKKMIGAS**) provides written approval of the Change of Control of the Pase PSC.

On 3 August 2020, Triangle initiated a formal communication to Enso Asia on the withdrawal of the US$1.02 million. In the notice sent to Enso, the Company reiterated its position that based on Article 8 of Regulation 48/2017 by the Minister of Energy and Resources, the only requirement for an indirect change of control is a notification in writing to the Minister.

The Company is continuing the communication with Enso Asia.

Request for Arbitration from Perusahaan Daerah Pembangunan Aceh

On 6 March 2019, the Company advised shareholders that it had received a request for arbitration from former joint venture partner Perusahaan Daerah Pembangunan Aceh (PDPA), an Acehnese government - owned company, with PDPA filing an application for arbitration with the BANI Arbitration Centre located in Jakarta.

The claim related to the Production Share Contract for the Pase Concession (in which the Company sold its interest in February 2016, as stated above), with PDPA alleging the Company did not comply with various obligations to make its corporate social responsibility contributions to a community development fund (as to approximately $1.1M) and to build a road (with PDPA claiming, on the basis of a quote, approximately $4.8M).

Subsequent to the end of the reporting period, the Company was pleased to announce the results of the award hearing in respect of the arbitration proceedings held in the BANI Arbitration Centre in Jakarta on Friday 24 July 2020.

The Tribunal found in favour of Triangle, rejecting the claim of PDPA, in its entirety. The Tribunal also ordered PDPA to pay Triangle's arbitration costs of IDR490,303,550 (approximately AU$47,380).

Capital and Management Expenditure

As at 30 June 2020, Triangle had a cash balance of AU$2.41M of which AU$1.49M is held in escrow.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd and the CHJV which had AU$0.77M in cash attributed to Triangle at 30 June 2020. This investment is equity accounted for in the Company's financial statements.

The Company continues to implement initiatives to reduce operating expenditure and has achieved significant cost reductions across all aspects of the Cliff Head joint venture.

On 3 April 2020, the Company was pleased to provide an update on its Perth Basin Cliff Head oil project operations, exploration interests and operating budget.

A strong focus on reducing operating costs even before the current low oil price saw Triangle's lifting costs at Cliff Head decrease from more than US$40 a barrel in 2017 to just US$21.46 (average) in the last quarter of this financial year.

Amidst the continuing low oil price environment due to over-supply and weak demand, Triangle announced that it had negotiated improved contracts with many of its major suppliers, whilst extending our commitment to valued suppliers and contractors during this challenging period. These negotiations have resulted in substantial and immediate cost savings to the business.

The Company also implemented a 30% salary deferment in respect of executive salaries for the Managing Director, Chief Financial Officer and Chief Operating Officer, as well as Directors' fees by the same amount, which came into effect from 1 May 2020.

On 18 June 2020, the Company announced that the planned work programme for the 2021 financial year for CH6 and CH7 has been brought forward, with production from each of these wells currently shut in.

The Company is evaluating the options to return CH7 to production at the earliest opportunity, including near term return to production and/or a workover pre-scheduled for October 2020.

Production is currently stabilised at approximately 585 bopd from the other primary producing wells while these maintenance issues are resolved.

DIRECTORS' REPORT (continued)

Changes in Capital

Shares and Options

- On 6 November 2019 the Company issued 1,803,768 unlisted Consultant Options at 10c with a two-year expiry to its investor relations Company.
- On 11 September 2019 the Company issued 48,000,000 fully paid ordinary shares at an issue price of $0.075 per share to sophisticated investors and professional investors.
- On 4 December 2019, the Company issued 47,576,398 unlisted options at $0.12 expiring on 30 September 2020, to eligible shareholders who participated in a Non – Renounceable Rights Issue announced on 7 November 2019.
- On 29 January 2020, the Company issued 24,574,182 Shortfall Options at $0.12 expiring on 30 September 2020 under the Prospectus for the Non – Renounceable Rights Issue.
- On 30 June 2020, 400,000 Performance Shares were redeemed by the Company upon the resignation of Mr Edward Farrell as Non - Executive Director.

Loan and borrowings

The Company considers loans to be part of its capital management. There are no loans other than the AU$870,976 with Triangle Energy (Operations) Pty Ltd.

Shareholder Analysis

As at 30 June 2020 the Company had 1033 shareholders and 360,753,682 ordinary fully paid shares on issue with the top 20 shareholders holding 53.29% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 30 June 2020, the Company held:

Licence	Percentage Interest
WA-31-L	78.75%
TP15	45%
L7(R1)	50%

The Group has not acquired or disposed of any other tenements during the financial year.

Principal Activities

During the year, the principal continuing activities of the Group was the sale of oil from its 78.75% share of the Cliff Head producing oil field.

Operating results

The net loss of the Consolidated Entity after income tax for the year was $3.787M (2019 net loss: $1.764M) which mostly consists of non-cash expenditure. The key reasons for the result for the year ended 30 June 2020 are set out below:

- The Company experienced significant one-off costs within its cost of sales of $0.274 million in relation to an incident with the electrical fault;
- The Company wrote-off part of its deferred tax asset relating to the PRRT credits after a revision downward to the carrying value of the provision for rehabilitation. The total write-off was $0.448 million;
- The Company had $1.32 million of non-cash amortisation and interest (relating to the unwind of the discount factor on the rehabilitation provision); and
- The Company incurred a loss from associates of $0.493 million for the full year (2019: loss of $0.408); and
- The Company undertook a review of its impairment indicators and recognised an impairment loss of $2.647 million for the period.

DIRECTORS' REPORT (continued)

Financial position

The Company has a 50% interest in the Cliff Head's operating company, Triangle Energy (Operations) Pty Ltd. The Company currently accounts for this investment as an associate on the basis that it is jointly controlled by both shareholders.

The Company holds an investment in State Gas Limited of 32.7% as at 30 June 2020. The investment is considered to be an associate given the Company's significant shareholding and one director on the board.

The Company financial statements show the following key movements in the Group's assets and liabilities over the two periods:

- Decrease in cash assets by $0.084M to $2.405M (2019: $2.49M);
- Decrease in trade receivables by $0.505M to $0.631M (2019: $1.136M);
- Decrease in trade and other payables by $0.149M to $3.663M (2019: $3.813M);
- Increase in other receivables by $0.484M to $0.955M (2019: $0.470M);
- Non-current assets increased to $24.379M (2019: $24.230M); and
- Non-current liabilities increased to $22.392M (2019: $21.1M).

At 30 June 2020 the Consolidated entity had a working capital surplus of $0.296M (2019: deficiency of $0.586M).

Dividends

During the financial year the Company did not pay a dividend (2019: nil).

Treasury Policy

The Board is responsible for the treasury function and managing the Group's finance facilities.

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 for the reporting period had not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the board.

Subsequent to the end of the reporting period, the Board conferred on the Audit Committee the responsibility and oversight of the Company's Risk Management, adopted a Risk Management Policy and amended the Audit Committee Charter to reflect these changes. The Audit Committee is therefore now referred to as the Audit and Risk Management Committee.

Environmental Regulations

Occupational Health and Safety

The Consolidated Entity has an excellent safety record and focuses on safety awareness and safe work processes especially in the field. Occupational health and safety performance is continually monitored. Triangle Energy (Operations) Pty Ltd is the operator of the Cliff Head asset and works closely with the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) guidelines to monitor and approve safety practices.

The Consolidated Entity's operations are subject to environmental and other regulations. The Consolidated Entity has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. The Company monitors compliance with relevant legislation on a continuous basis and maintained its excellent operating record during the year of zero environment incidents.

Greenhouse gas and energy data reporting requirements

The National Greenhouse and Energy Reporting Act 2007 requires the group to report its annual greenhouse gas emissions use. The group has implemented systems and processes for the collection and calculation of the data required and will be submitting its 2019/2020 report to the Greenhouse and Energy Data Officer on 31 October 2020.

State of Affairs

During the year, the Consolidated Entity continued to participate in the Cliff Head oil production asset in Western Australia through its 78.75% interest. The Company also participated in the acquisition of a 3D seismic program with the TP/15 Xanadu Joint Venture.

Triangle continued to hold an investment in State Gas Limited which operates the Reid's Dome exploration asset in Queensland and holds an 100% interest in this permit.

Qualified Petroleum Reserves and Resources Evaluator Statement

Information in this report that relates to prospective resources has been reviewed and signed off by Mr Matt Fittall, the Company's Subsurface Manager. Information that relates to the prospective resources is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Fittall. He has provided his written consent to the form and context in which the information that relates to the reserves presented. Matt Fittall is a geologist and senior industry executive of over 30 years standing. He has a foundation of 25 years' experience in a range of technical, operational and management roles with major Operators, primarily BHP Billiton, and also Delhi Petroleum (now a subsidiary of Beach Energy). Mr Fittall is a Geologist BSc(hons)Geology with more than 30 years' experience, practising in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australian (**PESA**). He consents to that information in the form and context in which it appears.

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of **Triangle Energy (Global) Limited** (**Triangle**, **The Company**, **Consolidated Entity** or **The Group**) for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

In this financial year, the Board continued with the engagement of Godfrey Remuneration Group Pty Ltd (GRG) to review its existing remuneration policies and develop a Rights Plan and Short-Term Variable Remuneration policy. GRG was paid $26,400 as at 30 June 2020 to perform these services.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- GRG was engaged by, and reported to, the Chair of the Remuneration Committee. The agreement for the provision of the remuneration consulting services was executed by the Chair of the Remuneration Committee under delegated authority on behalf of the Board;
- The report containing the remuneration recommendations was provided by GRG directly to the Chair of the Remuneration Committee; and
- GRG were permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives, if so required. However, GRG was not permitted to provide any member of management with a copy of their draft or final report that contained remuneration recommendations.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

The following table shows the gross revenue, losses and share price of the Consolidated Entity at the end of the respective financial years.

REMUNERATION REPORT (continued)

	30 June 2020	30 June 2019
Revenue from continuing operations	$12.3M	$13.2M
Net loss	($3.787M)	($1.764M)
Share price (cents)	$0.033	$0.076

Key Management Personnel

(i) Directors

Timothy Monckton	Non-Executive Chairman	(appointed Non – Executive Director 17 July 2018, appointed Non – Executive Chairman 21 March 2019)
Robert Towner	Managing Director	(appointed 9 July 2014)
Wai-Lid Wong	Non-Executive Director	(appointed 11 April 2018)
Malcolm King	Non-Executive Director	(appointed 1 June 2020)
Darren Bromley	Executive Director	(appointed 9 July 2014), (resigned 18 November 2019)
Edward Farrell	Non-Executive Director	(appointed 26 May 2014), (resigned 30 June 2020)
Jason Peacock	Non-Executive Director	(appointed 11 April 2018), (resigned 11 March 2020)

(ii) Executives

Robert Towner	Corporate and Strategy	(appointed 1 January 2013)
	Managing Director	(appointed 9 July 2014)
Marvin Chan	Chief Financial Officer	(appointed 18 November 2019)
Troy Brice	Chief Operating Officer	(appointed 23 February 2020) (resigned 14 August 2020)
Darren Bromley	Chief Financial Officer	(appointed 12 April 2010), (resigned 18 November 2019) and
	Chief Operating Officer	(appointed 18 December 2017), (resigned 18 November 2019).

Remuneration Philosophy

The Consolidated Entity's policy for determining the nature and amount of remuneration of board members and senior executives is as follows:

(i) Non-Executive Directors

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to its non-executive directors and reviews their remuneration annually.

The maximum aggregate annual remuneration of non-executive directors is subject to approval by the shareholders in general meeting. The shareholders have approved the maximum aggregate remuneration amount to be $500,000 per year. The directors have resolved that fees payable to the non-executive chairman is $72,000 per year and non-executive directors for all board activities are to receive $49,000 per year. As at 1 May 2020 a 30% reduction in Non – Executive Directors' Fees was imposed by the Company in order to assist the Company navigate through the dual impacts of Covid-19 and the sharp drop in the oil price. This 30% deferment is still in place as at the date of this report.

(ii) Key management personnel

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) Competitiveness and reasonableness;
(ii) Acceptability to shareholders;
(iii) Performance linkage / alignment of executive compensation to key strategic goals on a case by case basis;
(iv) Transparency;
(v) Capital management

REMUNERATION REPORT (continued)

(vi) Focuses on sustained growth in shareholder wealth;
(vii) Attracts and retains high calibre executives;
(viii) Alignment to program participants' interests;
(ix) Rewards capability and experience;
(x) Provides a clear structure for earning rewards; and
(xi) KPIs are not used to determine remuneration.

Base pay and benefits

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the board's discretion. Base pay is reviewed annually to ensure the executives' pay is competitive with the market. There are no guaranteed base pay increases included in any executives' contracts.

Incentive compensation

Incentive compensation can be provided using a combination of the Triangle Energy Employee Rights Plan and short-term cash payments.

The TEG Employee Incentive Scheme under the TEG Rights Plan (**the Plan**) are designed to provide incentives for executives to deliver shareholder returns. Under the plan, participants are granted Performance Rights which vest if certain performance hurdles are met and the employees are still employed by the group at the end of the vesting period unless the board determines otherwise. Participation is at the board's discretion and no individual has a contractual right to receive any guaranteed benefits.

Where rights have been issued under the Plans, the board may vest some or all of the Rights of a participant even if a performance condition or other vesting condition has not been satisfied. There are no other Long-Term incentives.

The relative proportions of executive and applicable non-executive remuneration that are linked to performance is nil. The amount of fixed and at risk remuneration is set out below:

	Fixed Remuneration		At risk		
	2020	**2019**	**2020**	**2019**	
				LTI	**STI**
Directors and Key Management Personnel of Triangle Energy (Global) Limited					
Edward Farrell (non-executive)	100%	92%	0%	8%	-
Robert Towner	77%	89%	23%	-	11%
Marvin Chan	88%	-	12%	-	-
Troy Brice	100%	-	0%	-	-
Darren Bromley	100%	89%	0%	-	11%

Service agreements

There are no retirement allowances or other benefits paid to non-executive directors.

Remuneration and terms of employment for other key management personnel are formalised in consultancy and employment agreements. The major provisions relating to remuneration to existing directors are set out below.

REMUNERATION REPORT (continued)

Robert Towner, Executive Director

- Term of agreement – indefinite;
- Base fee of $350,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Troy Brice, Chief Operating Officer (resigned 14 August 2020)

- Term of agreement – indefinite;
- Base fee of $325,000;
- Superannuation of 9.5% is payable under the agreement;
- Provision of a motor vehicle lease, annual cost $23,890
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Marvin Chan, Chief Financial Officer

- Term of agreement – indefinite;
- Base fee of $200,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Darren Bromley, Executive Director / Chief Financial Officer and Chief Operating Officer *Resigned 18 November 2019. Annual package was as outlined below.*

- Term of agreement – indefinite;
- Base fee of $350,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Termination benefits

Post-employment benefits include accrued long service leave to Mr Towner, which is due and payable after three consecutive years of service. No other termination benefits are payable.

Employee Incentive Plan

The Company has the TEG Employee Incentive Scheme as part of the TEG Rights Plan approved by shareholders in November 2019 under which the Board of Directors are able to offer rights in respect of ordinary shares in the Company to eligible persons.

REMUNERATION REPORT (continued)

	Cash Salary & fees $	Cash benefits[5] $	Non-cash benefits	Super-annuation $	Long Service Leave[3] $	Security-based payments[4] $	Total $	% of Remunera-tion linked to performance
2019/20 Directors and Key Management Personnel								
E Farrell[10.]	[1]36,000	-	-	-	-	[2](37,950)	(1,950)	-
R Towner	[1]349,999	-	-	33,250	8,551	[2]114,382	506,182	-
D Bromley[5]	[1]209,580	175,000	-	29,371	84,000	-	497,951	-
W Wong	[1]36,000	-	-	-	-	-	36,000	-
J Peacock[6]	[1]27,866	-	-	-	-	-	27,866	-
Malcolm King[7]	[1]4,083	-	-	-	-	-	4,083	-
Marvin Chan[8]	[1]118,333	-	-	11,241	-	[2]17,559	147,133	-
Troy Brice[9]	[1]115,104	-	6,195	10,935	-	-	132,234	-
T Monckton	[1]72,000	-	-	-	-	-	72,000	-
	968,965	175,000	6,195	84,797	92,551	[4]93,991	1,421,499	-

[1] Amounts paid and payable – directors and executives listed above agreed to a 30% deferment of fees for May and June;
[2] Performance rights issued on 19 November and 17 February and rights forfeited on 30 June 2020, refer to the share tables on the next page;
[3] Long service leave amounts calculated in accordance with AASB 119 with reference to the contracts;
[4] The annual value of performance rights in accordance with AASB 2 Share-based Payment;
[5.] Mr Bromley resigned on 18 November 2019 and was paid all outstanding leave balances and six months salary in lieu.
[6.] Mr Peacock resigned on 11 March 2020;
[7.] Mr King was appointed on 1 June 2020;
[8.] Mr Chan was appointed on 18 November 2019;
[9.] Mr Brice was appointed on 23 February 2020. Included in the package was the provision of a car which is noted as a non-cash benefit;
[10.] Mr Farrell resigned on 30 June 2020 and the rights lapsed on this day;

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Details of the remuneration of the key management personnel of the Consolidated Entity are set out in the following tables.

	Cash Salary & fees $	Cash benefits[5] $	Super-annuation $	Long Service Leave[3] $	Security-based payments[4] $	Total $	% of Remuneration linked to performance
2018/19							
Directors							
E Farrell	[1]63,000	-	-	-	[2]5,283	68,283	-
R Towner	[1]350,000	52,500	38,237	25,653	-	466,390	-
D Bromley	[1]350,000	52,500	38,237	12,827	-	453,564	-
W Wong	[1]36,000	-	-	-	-	36,000	-
J Peacock	[1]36,000	-	-	-	-	36,000	-
T Monckton	[1]45,000	-	-	-	-	45,000	-
	880,000	105,000	76,474	38,480	[4]5,283	1,105,237	-

[1] Amounts paid and payable;
[2] Performance rights issued on 30 November, refer to the share tables on the next page;
[3] Long service leave amounts calculated in accordance with AASB 119 with reference to the contracts;
[4] The annual value of performance rights in accordance with AASB 2 Share-based Payment;
[5] The executive directors have been provided with a short-term cash incentive bonus paid as a result of the review by an external remuneration consultant;

Share-based compensation

The following rights have been issued during the period.

2020	Number of rights granted during the year	Value of rights at grant date* $	Number of rights vested during the year	Value of rights at vesting date* $	Number of rights lapsed during the year	Value at lapse date $
Directors of the Company						
Robert Towner (ATSR)	12,146,119	198,849	-	-	-	-
Robert Towner (RRR)	12,146,118	327,945	-	-	-	-
Executive						
Marvin Chan (ATSR)	2,397,260	30,525	-	-	-	-
Marvin Chan (RRR)	2,397,260	50,343	-	-	-	-
	29,086,757	607,661	-	-	-	-

* The value at grant date calculated in accordance with AASB 2 Share-based payment of rights granted during the year as part of remuneration. These have been valued based on the following inputs and methodology:

Further information on the rights is set out in note 3.2 and 3.7 to the annual financial report.

The assessed fair value at grant date of rights granted to the individual is allocated equally over the period from grant date to expected vesting date, and the amount is included in the remuneration tables above.

Fair values of Rights have been determined based on the market price of the shares at grant date taking into account the market conditions hurdle for the ATSR hurdle within the rights. For the Rights above, the fair value was determined as follows:

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

1) Absolute Total Shareholder Return – the Company used a statistical model to review the likely outcomes of the share price after 3 years based on the previous 12 month historical share price movements in a simple Monte Carlo simulation model. Taking the combined average and standard deviation over 10,000 iterations, the result was compared to the share price hurdles to determine the ultimate fair value of Rights. The fair value was $0.01637.

Period: Grant Date Fair value: Number of rights Hurdles	3 years from 1 July 2019 19 November 2019 and 17 February 2020 $0.01637 & $0.01273 ATSR 14,543,379 (max) with expected target of 0-50% range
- Absolute Total Shareholder Return (ATSR)	100% of the rights vest if the compound annual growth rate (CGAR) of the ATSR increases by 25% or more; 50%-100% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 15%-24.99%; 50% of the rights vest if the CAGR of the ATSR increases by 15%; 0%-50% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 10%-14.99%;

2) Reserves replacement ratio (RRR) – the fair value of Rights was determined using the closing share price at grant date, which was $0.054 and $0.042 respectively per share.

Period: Grant Date Fair value: Number of rights Hurdles	3 years from 1 July 2019 19 November 2019 and 17 February 2020 $0.054 and $0.042 RRR: 14,543,378 (max)
- Reserves replacement ratio (RRR)	100% of the rights vest if the RRR increases by 25% or more; 50%-100% of the rights vest (on a pro-rata basis) if the RRR increases by 15%-24.99% 50% of the rights vest if the RRR increases by 15% 0%-50% of the rights vest (on a pro-rata basis) if the RRR increases by 10%-14.99%
Probability	44%

Fair values of Rights with performance criteria are determined at grant date that takes into account the vesting conditions, the term of the right and the share price at grant date.

Details of remuneration: Share based compensation benefits

The table below shows the vesting period of the Rights.

Share-based compensation benefits (rights)

	Year granted	Vested %	Forfeited %	Financial years in which rights vest	Maximum total value of grant yet to vest %
Edward Farrell[1]	2017/2018	50%	50%	-	-
Robert Towner[2]	2019/2020	0%	0%	2022	100
Marvin Chan[3]	2019/2020	0%	0%	2022	100

[1] Mr Farrell resigned on 30 June 2020 and the Rights were forfeit on that date;
[2] Mr Towner was issued 24,292,237 Rights during the period which are subject to performance hurdles;
[3] Mr Chan was issued with 4,794,520 Rights during the period which are subject to performance hurdles;

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Additional disclosures relating to key management personnel

Related party transactions

There have been no other transactions or loans with key management personnel during the reporting period.

Shareholdings

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity including their personally related parties, is set out below:

Ordinary Shares 2020	Balance at beginning of year or appointment date	Rights vested to shares	Issued on exercise of options	Purchased or acquired	Other changes	Balance at end of year or date of resignation
Directors						
T Monckton	-	-	-	-	-	-
R Towner	13,214,458	-	-	1,022,473	-	14,436,931
M King	-	-	-	-	-	-
W Wong	-	-	-	-	-	-
J Peacock[1]	913,794	-	-	-	913,794	-
D Bromley[2]	12,284,734	-	-	-	12,284,734	-
E Farrell[3]	3,324,411	-	-	-	3,324,411	-
T Monckton	-	-	-	-	-	-
Total	29,737,397	-	-	657,473	16,522,939	13,871,931

[1] Mr Peacock resigned on 11 March 2020 and held shares at that date;
[2] Mr Bromley resigned on 18 November 2019 and held shares at that date;
[3] Mr Farrell resigned on 30 June 2020 and held shares at that date;

Option holdings

The Company had the following options on issue as at the date of this report:

- 72,150,580 listed options exercisable at $0.12 which expire on 30 September 2020; and
- 1,803,768 unlisted options exercisable at $0.10 which expire on 6 November 2021.

Share rights

The number of rights over shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity including their personally related parties, is set out below:

Share rights 2020	Balance at beginning of year or appointment date	Granted as compensation	Rights vested to shares	Net change Other	Balance at end of year or date of resignation
Directors					
E Farrell	400,000	-	-	-	400,000
R Towner	-	24,292,237	-	-	24,292,237
M Chan	-	4,794,520	-	-	4,794,520
Total	400,000	29,086,757	-	-	29,486,757

[1] Mr Farrell resigned on 30 June 2020 and held Rights at that date, however, a condition of the Rights is continued service as a director. As such, the Rights have been forfeited and subsequent to year end the Right were redeemed;
[2] Mr Towner was granted Rights during the period;
[3] Mr Chan was granted Rights during the period;

REMUNERATION REPORT (continued)

Voting of shareholders at last year's annual general meeting

The Company received more than 89% of 'yes' votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings*		Remuneration and Nomination Committee		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
T Monckton	7	7	2	2	1	1
R Towner	7	7	-	-	-	-
W Wong	7	7	2	2	2	2
M King[1]	1	1	-	-	-	-
J Peacock[2]	5	4	2	2	-	-
D Bromley[3]	2	2	-	-	1	1
E Farrell[4]	7	5	-	-	2	1

*Board business during the year has also been affected by execution of circulated resolutions by directors.

[1] Mr King was appointed on 1 June 2020;
[2] Mr Peacock resigned on 11 March 2020;
[3] Mr Bromley resigned on 18 November 2019;
[4] Mr Farrell resigned on 30 June 2020;

Indemnification and insurance of Directors and Officers

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against a liability incurred by such directors and officers to the extent permitted by the Corporations Act 2001. The nature of the liability and the amount of the premium has not been disclosed due to confidentiality of the insurance contracts. The Company has not otherwise during or since the end of the year, indemnified, or agreed to indemnify an officer or an auditor of the Company, or of any related body corporate, against a liability incurred by such an officer or auditor.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of the proceedings.

The Company was not a party to any such proceedings in the year.

Events subsequent to the end of the financial year

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years, other than the following:

- On 24 July 2020, the Company received the results of the award by the BANI Arbitration Centre finding in favour of Triangle. The Tribunal rejected the claim of PDPA in its entirety and ordered to pay Triangle arbitration cost. Details are discussed above; and
- On 27 August 2020, the Company announced the successful placement to sophisticated investors that raised AU$2.2 million (before cost). On 4 September 2020, the Company also announced the opening of the Share Purchase Plan ("SPP") to eligible shareholders. The maximum gross amount under the SPP is capped at AU$1 million. The funds raised under the share placement and SPP are intended to be applied towards workover planning and long lead equipment purchases, table-top works for South East Nose, West High and Mentell drilling campaign and general working capital.

DIRECTORS' REPORT (continued)

Likely Developments

The Company's focus for the next year will include:

(a) the continued operation of the Cliff Head oil field;
(b) commencing exploration activity within the Cliff Head production licence;
(c) working with its joint venture partners to progress the Xanadu discovery; and
(d) progress the Mt Horner joint venture farmout activities.

The Company may also look for additional opportunities within the oil and gas sector.

Corporate Governance

The Company's corporate governance statement can be found on the Company's website, in a section titled 'Corporate Governance': http://triangleenergy.com.au/about/corporate-governance/

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd (WA) Partnership to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 29 and forms part of this directors' report for the year ended 30 June 2020.

HLB Mann Judd (WA) Partnership and their related entities received or are due to receive the following amounts for the provision of non-audit services:

	2020 $	2019 $
HLB Mann Judd associated entities:		
Tax Compliance and advice	-	-
	-	-

Signed in accordance with a resolution of the directors.

Timothy Monckton
Chairman
Date: 22nd September 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Triangle Energy (Global) Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**B G McVeigh**
22 September 2020	**Partner**

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TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(INCOME STATEMENT)
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Revenue	1.1	12,255,139	13,174,305
Cost of sales		(7,814,496)	(9,750,172)
Gross profit		4,440,643	3,424,133
Other income	1.1	366,496	161,513
Employment expenses	1.2	(2,594,220)	(1,683,120)
General and administration expenses	1.2	(1,089,152)	(1,200,000)
Occupancy costs		-	(5,995)
Impairment expense	2.1	(2,647,209)	-
Interest expense		(1,592)	(444,680)
Amortisation and depreciation		(1,010,639)	(644,701)
Share of associate's loss	2.3	(493,026)	(407,968)
Interest – unwind of discounts for provision for restoration	4.6	(310,023)	(304,711)
(Loss) before income tax expense		(3,338,722)	(1,105,529)
Income tax (expense)	1.3	(447,842)	(659,041)
(Loss) after tax from continuing operations		(3,786,564)	(1,764,570)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax			
Owners of Triangle Energy (Global) Limited		(3,786,564)	(1,764,570)
Continuing operations (cents)			
Basic earnings per share	1.4	(1.08)	(0.66)
Diluted earnings per share		(1.08)	(0.66)

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

TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)
AS AT 30 JUNE 2020

	Notes	30 JUNE 2020 $	30 JUNE 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.1	2,405,103	2,490,036
Trade receivables	4.1	631,092	1,136,967
Other receivables and assets	4.2	955,188	470,443
Total current assets		3,991,383	4,097,446
NON-CURRENT ASSETS			
Plant and equipment	4.4	184,024	76,347
Exploration and evaluation expenditure	2.2	12,450,472	10,784,264
Fair value through other comprehensive income	4.3	110,000	110,000
Investment in associates	2.3	-	493,026
Oil and gas properties	2.1	4,264,580	4,950,760
Deferred tax assets	1.3	7,370,109	7,817,951
Total non-current assets		24,379,185	24,232,348
TOTAL ASSETS		28,370,568	28,329,794
LIABLITIES			
CURRENT LIABILITIES			
Trade and other payables	4.5	3,663,462	3,813,010
Borrowings	3.3	-	870,967
Lease liability	3.4	31,530	-
Total current liabilities		3,694,992	4,683,977
NON-CURRENT LIABILITIES			
Provisions	4.6	21,436,622	21,126,599
Borrowings	3.3	870,967	-
Lease liability	3.4	84,598	-
Deferred tax liabilities	1.3	-	-
Total non-current liabilities		22,392,187	21,126,599
TOTAL LIABILITIES		26,087,179	25,810,576
NET ASSETS		2,283,389	2,519,218
EQUITY			
Issued capital	3.2	36,715,029	33,357,938
Reserves	3.6	770,934	577,290
Retained earnings / (Accumulated losses)	3.7	(35,202,574)	(31,416,010)
TOTAL EQUITY / (DEFICIENCY)		2,283,389	2,519,218

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

TriangleEnergy

TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		13,910,491	13,805,045
Payments to suppliers and employees		(12,983,715)	(13,172,586)
Interest paid		(1,592)	(313,513)
Income tax (paid)/received and PRRT paid		(279,920)	1,027,871
interest received		6,013	7,403
Net cash inflows from operating activities	3.1	651,277	1,354,220
Cash flows from investing activities			
Payments to acquire associates		-	(15,000)
Payments for exploration expenditure		(1,666,208)	(3,229,242)
Payments for development expenditure		(2,528,874)	(2,157,754)
Net cash (outflows) from investing activities		(4,195,082)	(5,401,996)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		3,357,091	5,065,468
Proceeds from the issue of options		72,151	
Proceeds from borrowings		-	500,000
Repayment of borrowings		(3,037)	(2,103,933)
Net cash inflows from financing activities		3,426,205	3,461,535
Cash and cash equivalents at the beginning of the year		2,490,036	2,959,183
Net (decrease) in cash and cash equivalents		(117,600)	(586,241)
Effect of exchange rate fluctuations on cash held		32,667	117,094
Cash and cash equivalents at end of year	3.1	2,405,103	2,490,036

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

TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital $	Accumulated losses $	Share based payment reserve $	Convertible note reserve $	Option Reserve $	Total equity $
Balance at 1 July 2019	33,357,938	(31,416,010)	570,287	7,003	-	2,519,218
Transactions with shareholders in their capacity as shareholders						
Issue of shares (cash) (net of costs)	3,357,091	-	-	-		3,357,091
Issue of options – consultants	-	-	27,503	-	-	27,503
Issue of options to shareholders	-	-	-	-	72,151	72,151
Cost of Performance Rights	-	-	93,990	-		93,990
Comprehensive Income						
Loss for the year	-	(3,786,564)	-	-	-	(3,786,564)
Total comprehensive loss for the year		(3,786,564)				(3,786,564)
Balance at 30 June 2020	36,715,029	(35,202,574)	691,780	7,003	72,151	2,283,389

	Issued capital $	Accumulated losses $	Share based payment reserve $	Convertible note reserve $	Option Reserve $	Total equity $
Balance at 1 July 2018						
Transaction with shareholders in their capacity as shareholders	27,486,714	(29,651,440)	565,004	7,003	-	(1,592,719)
Issue of shares (cash) (net of costs)	4,705,468	-	-	-	-	4,705,468
Issue of shares – conversion of options	360,000	-	-	-	-	360,000
Issue of shares – acquisition of tenements	805,756	-	-	-	-	805,756
Cost of Performance Rights	-	-	5,283	-	-	5,283
Comprehensive Income						
Loss for the year	-	(1,764,570)	-	-	-	(1,764,570)
Total comprehensive income/(loss) for the year	-	(1,764,570)	-	-	-	(1,764,570)
		-		-		
Balance at 30 June 2019	33,357,938	(31,416,010)	570,287	7,003	-	2,519,218

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

TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Table of Notes

NOTE A: BASIS OF PREPRATION AND COMPLIANCE STATEMENT

The annual report of Triangle Energy (Global) Limited (the **Company, Group or Triangle Energy**) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of directors on 22 September 2020.

The Company is a public company limited by shares incorporated and domiciled in Australia whose securities are traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the directors' report above.

(a) Basis of Preparation

The annual report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The annual report has also been prepared on a historical cost basis except for assessing the fair value of the Groups financial assets.

As at 30 June 2020, the Company has the following interests:

(a) Oil production and exploration through the Company's 78.75% interest in the Cliff's Head asset in WA;

(b) An interest in the Reid's Dome tenement (PL 231) in the Bowen Basin in Queensland through its equity investment in State Gas Limited;

(c) A 45% interest in TP/15 Xanadu Joint Venture.; and

(d) A 50% interest in the L7(R1) Joint Venture with Key Petroleum Limited;

Basis of measurement and reporting convention

This annual report has been prepared on an accruals basis and is based on historical cost except for assessing the fair value of the Group's derivative financial instruments, compound financial instruments, borrowings and share based payments. The annual report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) as adopted by the AASB.

1 Profit and loss items

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
1.1 Revenue		
Sales of oil	12,255,139	13,174,305
	12,255,139	13,174,305

Total number of barrels produced and sold by the Company was 158,959 (57.5%) at an average sales price of AU$77.10.

Other income

Interest income	6,013	11,032
Other income	360,483	150,481
	366,496	161,513

Revenue from contracts with Customers

The Group derives revenue from the transfer of hydrocarbons at a point in time. The Group operates in one geographical location being Western Australia. The total revenue for the year from this contract is $12,255,139.

Revenue is derived from a single customer. The revenue is recognised on delivery of the hydrocarbons to the customers location. There are no judgements related to the first time adoption of this standard and there has been no material change to the balances with the adoption of this standard

Assets recognised in relation to contracts with customers can be found in note 4.1 below.

The Group does not have any expected credit losses in relation to its customer as historically the Group receives all of its cash within 30 days of month end. There is no history of default with the Groups customer.

1 Profit and loss items

		Year ended 30 June 2020 $	Year ended 30 June 2019 $
1.2	**Expenses**		
	(a) Employment expenses		
	Salaries and wages	2,143,180	1,389,894
	Other personnel costs	108,490	91,831
	Superannuation	201,675	155,945
	Increase in leave liabilities	46,885	40,167
		2,500,230	1,677,837
	Share based payment expenses	93,990	5,283
	Total	2,594,220	1,683,120
	(b) General and administration costs		
	Accounting expenses	48,327	69,544
	Audit fees	45,300	56,245
	Consulting expenses	506,225	299,229
	Legal expenses	277,547	124,526
	Arbitration expenses	107,133	172,528
	Foreign exchange (gains) losses	(189,471)	(45,400)
	Other administration expenses	294,091	523,328
		1,089,152	1,200,000
	(c) Cost of sales		
	Significant one-off costs		
	Repairs and maintenance	274,201	760,597
		274,201	760,597

1 Profit and loss items

1.3 Taxation

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
Income tax recognised in profit or loss		
The components of tax expense comprise:		
Statement of profit or loss and comprehensive income		
Current income		
Current income tax	-	-
Adjustments in respect of previous current income tax	-	-
Receipt of Research and development tax incentive	-	-
Deferred tax		
Decrease / (increase) in deferred tax assets	654,717	1,358,850
(Decrease) / increase in deferred tax liabilities	-	-
Income tax expense (benefit) reported in statement of comprehensive income	654,717	1,358,850
Petroleum resource rent tax		
Current income		
Current income tax		-
Deferred tax		
Decrease / (increase) in deferred tax assets	(206,875)	(699,809)
(Decrease) / increase in deferred tax liabilities	-	-
PRRT Income tax expense (benefit) reported in statement of profit or loss	(206,875)	(699,809)
Total Income tax expense for the year	447,842	659,041
Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax expense	(3,338,723)	(1,105,528)
Income tax (benefit) calculated at 27.5%. (2019: 27.5%)	(918,149)	(304,020)
Effect of non-deductible item		
Total non-deductible items	895,386	142,787
Movements in unrecognised temporary differences	22,763	161,233
Research and development tax incentive	-	-
Non-assessable income	-	-
Movement in deferred income tax	654,717	1,358,850
Movement in deferred PRRT tax	(206,875)	(699,809)
Income tax expense reported in profit or loss and other comprehensive income	447,842	659,041
At effective income tax rate	19.61%	59.61%

1 Profit and loss items

1.3 Taxation (continued)

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
Deferred tax assets DTA/(DTL) have not been recognised in respect of the following items:		
Trade and other payables	135,904	192,300
Capital losses	1,947,452	1,947,452
Tax Losses	7,464,105	5,877,261
Leases	(75)	-
Provision for restoration	5,895,071	5,809,815
Project pools	10,020,190	9,688,953
Black hole expenditure	69,290	-
Net deferred tax not recognised	25,531,937	23,515,781

The balance comprises temporary difference attributable to:

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
PRRT (net credit on decommissioning) (DTA)	6,677,210	6,470,335
Project Pool costs (DTA) (a)	3,653,517	4,251,343
Assessable receipts PRRT (DTL) (a)	(1,836,233)	(1,779,342)
Tax losses (DTA) (a)	1,676,958	1,061,891
Exploration assets (DTL) (a)	(2,801,343)	(2,186,276)
Total deferred taxes	7,370,109	7,817,951

Set-off deferred tax liabilities pursuant to off-set provisions

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
Deferred tax asset on project pool costs (oil and gas properties)	2,960,618	2,903,727
Assessable receipts PRRT	(1,836,233)	(1,779,342)
Deferred tax asset on carry forward tax losses	1,676,958	1,061,891
Deferred tax liability on exploration asset	(2,801,343)	(2,186,276)
	-	-

(a) The Company has incurred additional costs in exploring the Xanadu prospect which has resulted in an increase in the deferred tax liability. A corresponding increase in recognised tax losses was been recorded to off-set this increase in the deferred tax liability.

1 Profit and loss items

1.3 Taxation (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 June 2020 $	30 June 2019 $	30 June 2020 $	30 June 2019 $	30 June 2020 $	30 June 2019 $
CONSOLIDATED						
Project Pool Costs	6,677,210	6,470,335	-	-	6,677,210	6,470,335
PRRT	3,653,517	4,251,343	-	-	3,653,517	4,251,343
Assessable receipts PRRT	-	-	(1,836,233)	(2,186,276)	(1,836,233)	(2,186,276)
Tax losses	1,676,958	1,061,891	-	-	1,676,958	1,061,891
Exploration Expenditure	-	-	(2,801,343)	(1,779,342)	(2,801,343)	(1,779,342)
Tax (assets) liabilities	12,007,685	11,783,599	(4,637,576)	(3,965,619)	7,370,109	7,817,951
Set off of tax			4,637,576	3,965,619		-
Net tax assets (liabilities)	12,007,685	11,783,599	-	-	7,370,109	7,817,951

Movement in temporary differences during the year

	Balance 1 July 2019 $	Recognised in Income $	Recognised on Acquisitions $	Balance 30 June 2020 $
Project Pool Costs	4,251,343	(597,826)	-	3,653,517
PRRT	6,470,335	206,875	-	6,677,210
Assessable receipts PRRT	(1,779,342)	(56,891)	-	(1,836,233)
Tax losses	1,061,891	615,066	-	1,676,957
Exploration Expenditure	(2,186,276)	(615,066)	-	(2,801,342)
	7,817,951	(447,842)	-	7,370,109

The potential deferred tax asset has not been brought to account at 30 June 2020 as the directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

(a) The Company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses to be realised;

(b) The Company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and

(c) No changes in tax legislation adversely affect the Company and its controlled entity in realising the benefit from the deductions for the tax losses.

Estimates and judgements
Assumptions used to carry forward deferred taxes

Deferred tax assets are recognised for deductible temporary differences, taxation losses and PRRT decommissioning credits when the directors consider that it is probable that sufficient future tax profits or costs will be available to utilise those temporary differences, losses and credits. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next few years together with future tax planning strategies. There are significant variables relating to generating taxable profits in the future and while the directors take care in assessing the current available information, by its nature any forecast may be materially different to the final actual outcome.

1 Profit and loss items

1.4 Loss per share

	2020 ($) / Cents	2019 ($) / Cents
Continued Operations		
(a) Basic Loss Per Share		
Profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company	(3,786,564)	(1,764,570)
Cents per share	(1.08)	(0.66)
(b) Diluted Loss Per Share		
Cents per share	(1.08)	(0.66)

(c) Weighted Average Number of Shares Used as the Denominator	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	351,179,912	267,045,898
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	351,179,912	267,045,898
Calculation of weighted average number of shares		
Number of shares at the beginning of the period	312,753,682	218,115,544
Shares issued but adjusted (pro-rata) for the period of issue	38,426,230	48,930,354
Number of shares used to calculate the loss / profit per shares for the year	351,179,912	267,045,898
Add		
Dilutive instruments issued (options / rights) and adjusted for the period on issue	-	-
Number of instruments used to calculate the dilutive profit per share for the year	351,179,912	267,045,898

(d) Information Concerning the Classification of Securities

Options

On 4 December 2019 and 29 January 2020, the Company issued a total of 72,150,580 options at an exercise price of $0.12 per option which are still outstanding as at the date of this report. The Company also issued 1,803,768 options at an exercise price if $0.10 per option which are also outstanding at the date of this report.

Rights

Unvested rights are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The unvested rights have not been included in the determination of basic earnings per share.

2 Significant assets

2.1 Oil and gas properties

	30 June 2020 $	30 June 2019 $
Oil and gas properties carried forward – Cliff Head	4,264,580	4,950,760
Reconciliation – Cliff Head		
Carrying amount at the beginning of the year	4,950,760	3,697,689
Additions to the oil and gas properties	2,960,180	1,890,442
Less: Amortisation	(999,151)	(637,371)
Less: Impairment	(2,647,209)	-
Less: Abandonment adjustment	-	-
Carrying amount at end of the year	4,264,580	4,950,760

The original Oil & Gas properties were acquired on 30 June 2016 as part of the purchase of the Cliff's Head production licence. Additional capital expenditure has been added over the last 3 years as the Group reinvests in more plant and equipment.

Impairment assessment

During the year the Company undertook an impairment assessment for its oil and gas assets as a consequence of identifying impairment indicators including the current COVID 19 crisis affecting the price of oil. As a consequence of the review, the Company has recognised an impairment of $2,647,209 for the year ended 30 June 2020. The key inputs used for the impairment assessment include:

Forecast	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025
Pricing (US$ / bbl)	43.3	60.0	73.8	75.0	75.0
Foreign currency exchange rates	0.72	0.75	0.76	0.76	0.76

Estimates and judgements

The assessment of impairment requires the Company to make judgements related to the likely forecast of pricing for oil and foreign currency. These forecasts are based on the most appropriate third party information available at the time of the assessment. The forecast may not be accurate and may result in a material variance to the expected outcome noted above.

Estimates and judgements
Assumptions used to carry forward the oil and gas properties

The write-off or impairment of oil and gas properties is based on a periodic assessment of pre-determined impairment indicators relevant to the operating asset and with the information available at the time of preparing this report. The directors assess whether there are any clear indicators of impairment and if they exist a value in use calculation is prepared to assess the carrying value of the operating assets. The assessment of impairment indicators requires the directors to make judgements in relation to internal and external factors that impact the assets, however, information may come to light in subsequent periods which the directors were unable to predict at the time of making the assessment of indicators. The recoupment of costs carried forward in respect of each area of interest is dependent on the successful development and/or commercial exploitation or sale of the respective areas of interest.

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make as assessment of the size, share, depth and quality of reservoirs and their anticipated recoveries. Estimates have been used to determine the fair value of the oil and gas properties for the purpose of the business combination and the assessment of depletion and amortisation charges.

TriangleEnergy

2 Significant assets

2.2 Exploration and evaluation assets

	30 June 2020 $	30 June 2019 $
Exploration, evaluation and development costs carried	12,450,472	10,784,264
Reconciliation – Mentelle & West High prospects (i)		
Carrying amount at the beginning of the year	3,776,364	3,747,951
Additions to the exploration and evaluation asset	592,550	28,413
Less: Exploration impairment -	-	-
Carrying amount at end of the year	4,368,914	3,776,364
Reconciliation –TP/15 Xanadu Joint Venture (ii)		
Carrying amount at the beginning of the year	7,007,900	3,001,315
Additions to the exploration and evaluation asset	939,991	1,200,830
Acquisition of 15% interest	-	2,805,755
Less: Exploration impairment	-	-
Carrying amount at end of the year	7,947,891	7,007,900
Reconciliation –Mount Horner Joint Venture (iii)		
Carrying amount at the beginning of the year	-	-
Additions to the exploration and evaluation asset	133,667	-
Less: Exploration impairment	-	-
Carrying amount at end of the year	133,667	-

(i) Triangle Energy (Operations) Pty Ltd

The entity name is Triangle Energy (Operations) Pty Ltd which the Company has a 50% shareholding as at 30 June 2020 and one of two directors. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method. The carrying value is listed above.

(ii) State Gas Ltd

The Company holds an interest of 32.7% as at 30 June 2020. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method as a consequence of its holding and one common director. The carrying value is listed above.

(iii) Mount Horner

The Company has a 50% interest in the Mount Horner licence and must spend US$3 million to maintain that interest over a 2-year period from the date of the contract.

Estimates and judgements
Assumptions used to carry forward the exploration assets

The write-off, impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors were unable to predict the outcome

2.2 Exploration and evaluation assets

The value of the exploration, evaluation and development costs carried forward is dependent upon the continuance of the Company's rights to tenure of the area of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

2.3 Investment in Associates and Joint Arrangement

	30 June 2020 $	30 June 2019 $
Triangle Energy (Operations) Pty Ltd (i)	-	493,026
State Gas Ltd (ii)	-	-
	-	493,026

(i) Triangle Energy (Operations) Pty Ltd

The entity name is Triangle Energy (Operations) Pty Ltd which the Company has a 50% shareholding as at 30 June 2020 and one of two directors. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method. The carrying value is listed above.

(ii) State Gas Ltd

The Company holds an interest of 32.7% as at 30 June 2020. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method as a consequence of its holding and one common director. The carrying value is listed above.

(iii) Reconciliation of movements of the investments in associates

Reconciliation - Triangle Energy (Operations) Pty Ltd (i)		
Carrying amount at beginning of the year	493,026	300,373
Profit / (Loss) for the year	(493,026)	192,653
Carrying amount at end of the year	-	493,026
Reconciliation - State Gas Ltd (ii)		
Carrying amount at beginning of the year	-	585,622
Loss for the year	-	(600,622)
Investment in associate	-	15,000
Carrying amount at end of the year	-	-

(iv) Summarised financial information

The tables below show the summarised financial information for the associates that are material to the group. The information disclosed is the total value of the relevant associate adjusted by the Company to reflect the equity method including fair values and modifications for differences in accounting policies.

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

	30 June 2020 $	30 June 2019 $
Triangle Energy (Operations) Pty Ltd		
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	189,303	501,523
Other receivables	4,149,906	3,947,777
Inventory	58,356	208,973
TOTAL CURRENT ASSETS	4,397,565	4,685,273
NON CURRENT ASSETS		
Oil and gas properties	3,800,566	4,852,701
Exploration assets	448,015	-
Other receivables	1,741,934	-
Deferred tax assets	5,893,950	6,025,874
TOTAL NON CURRENT ASSETS	11,884,465	10,878,575
CURRENT LIABILITIES		
Trade and other payables	4,334,722	2,751,036
Provisions	-	-
TOTAL CURRENT LIABILITIES	4,334,722	2,751,036
NON-CURRENT LIABILITIES		
Provisions	15,844,460	15,615,313
TOTAL NON-CURRENT LIABILITIES	15,844,460	15,615,313
NET ASSET DEFICIENCY	(3,897,153)	(2,829,501)

(v) Commitment and contingencies

The operator of the Cliff head joint venture, Triangle Energy (Operations) Pty Ltd, has the following capital commitments as at 30 June 2020:

	850,924	-
	850,924	-

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

(vi) Summarised financial information

The tables below show the summarised financial information for the associates that are material to the group. The information disclosed is the total value of the relevant associate adjusted by the Company to reflect the equity method including fair values and modifications for differences in accounting policies.

STATE GAS LTD – Balance sheet	**30 June 2020 $**	**30 June 2019 $**
CURRENT ASSETS		
Cash and cash equivalents	875,048	6,344,568
Trade and other receivables	115,340	49,407
TOTAL CURRENT ASSETS	990,388	6,393,975
NON-CURRENT ASSETS		
Exploration and evaluation assets	11,827,879	5,985,990
Other assets	35,000	35,000
Plant and equipment	617	1,844
TOTAL NON-CURRENT ASSETS	12,853,496	6,022,834
CURRENT LIABILITIES		
Trade and other payables	258,354	577,220
TOTAL CURRENT LIABILITIES	258,354	577,220
NON-CURRENT LIABILITIES		
Provisions	915,389	505,467
TOTAL NON-CURRENT LIABILITIES	915,389	505,467
NET ASSETS	11,680,141	11,334,122

(vii) Commitment and contingencies

The Associate has notice of the existence of a potential royalty payable in respect of petroleum produced from PL 231, being an overriding royalty interest in seven percent (7%) of the gross production of oil, gas and associated hydrocarbons produced and saved pursuant to the terms of the authority to prospectus (ATP 333-P, as it was at the time), calculated on the arm's length sale price of petroleum less: (i) all costs and expenses incurred in or attributable to the treating, processing dehydrating, compressing and transporting such petroleum; (ii) levies and other taxes on production; and (iii) all fuel oil and gas used in conducting exploration, drilling, completion, equipping, producing, and other operations pursuant to the authority (Override). The royalty interest appears to have been established as part of a transfer of ATP 333-P in 1983. It requires each subsequent assignor of the authority to make the conveyance subject to the assignee covenanting to pay the Override and the assignor remains obliged to pay the Override until such agreement has been consented to by the Override holder. Given the time that has passed since the Override was created, and the fact that State Gas Limited does not have records evidencing each transfer of the authority, State Gas Limited is unable to determine if the Override remains on-foot.

The Associate has disclosed calculated work commitments of $6,570,000 on the assumption that the current LDP will continue until its expiry in December 2022 and that the Associate has spent $986,697 to date.

As at balance date, the Company held 47,830,148 fully ordinary shares representing 32.7% of the issued capital of State Gas Limited (ASX:GAS). The fair value of the Company's holding as at 30 June 2020 was $17,690,625 (at $0.37 per share). The Company's holding are not subject to an escrow.

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

General information

The Group has a 57.5% interest which it accounts for as a joint operation is an unincorporated joint venture at Cliff Head in Western Australia to produce oil and sell to a local refinery. The Group accounts for its interest in the joint arrangement as a joint operation and records its share of the assets, liabilities, revenue and expenses.

Commitments and contingencies

There are no capital commitments or contingencies as at 30 June 2020.

(i) Summarised financial information

The tables below show the summarised financial information for the joint arrangement that is material to the group. The information disclosed is the total value of the relevant joint arrangement.

Cliff Head Joint Venture	30 June 2020 $	30 June 2019 $
Profit or loss statement		
Operating expenses	(14,864,770)	(15,626,662)
Repairs and maintenance	(476,871)	(1,322,778)
Capital expenditure	(5,147,892)	(2,784,520)
Operating restructure costs	-	-
Result from the Joint Venture	(20,489,533)	(19,733,960)

	30 June 2020 $	30 June 2019 $
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	82,128	206,992
Other receivables	406,230	345,001
TOTAL CURRENT ASSETS	488,358	551,993
CURRENT LIABILITIES		
Trade and other payables	5,959,309	3,697,958
Provisions	-	-
TOTAL CURRENT LIABILITIES	5,959,309	3,697,958

(ii) Total share of loss for the year

	30 June 2020 $	30 June 2019 $
Loss from joint operation	(8,821,443)	(9,745,773)

Estimates and judgements

Assumptions used to assess the recognition of associates and joint arrangements

The assessment to classify an investment as an associate or the assessment of a joint venture as a joint operation requires a review of the facts and circumstances surrounding the agreements that governs the arrangements and the structure of the investment vehicle. The Company has assessed the arrangements and has determined that it has joint control of the operating company and has direct rights to the assets and liabilities (due to the nature of the joint venture) for the unincorporated joint venture.

3 Financing – Capital, debt and risk management

3.1 Cash

	30 June 2020 $	30 June 2019 $
(a) Reconciliation to cash at the end of the year		
Cash at bank and in hand	870,634	918,958
Joint Venture cash	47,222	119,020
Restricted cash (i)	1,487,247	1,452,058
Balances per statement of cash flows	2,405,103	2,490,036

(i) As part of the disposal of the Pase PSC assets the Company agreed to place in an escrow (trust) account an amount of US$1.02 million which will be released after the governmental administration processes. As at reporting date, the funds remain in the escrow account.

	30 June 2020	30 June 2019
(b) Reconciliation of (loss) after income tax to net cash flows provided by operating activities		
(Loss) for the year	(3,786,564)	(1,764,570)
Non-cash flows in operating loss:		
Depreciation and loss on sale	11,488	7,330
Amortisation	999,151	637,371
Unwind of discount	310,023	304,711
Share based payments expense	121,494	5,283
Impairment	2,647,209	-
Loss from associate	493,026	407,968
Foreign currency	(32,667)	(117,094)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors	505,875	(311,648)
(Increase)/decrease in other receivables	(639,033)	1,478,391
Increase/(decrease) in trade and other payables	(146,646)	47,437
Increase in tax balances	167,922	659,041
Net cash outflows from operating activities	651,277	1,354,220

	30 June 2020 $	30 June 2019 $
(c) Credit risk		
A-1+ 1	917,856	1,037,978
B 1	1,487,247	1,452,058

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

3 Financing – Capital, debt and risk management

3.1 Cash (continued)

(d) Non-cash items

During the period the Company entered into one non-cash transactions which were:

On 6 November 2019 the Company issued 1,803,768 unlisted options exercisable at $0.10 which expire on 6 November 2021 to external consultants.

Prior period non-cash transactions

On 24 December 2018 the Company issued the final Whitebark Energy Limited consideration shares for the purchase of the 15% of exploration licence TP/15.

(e) Reconciliation of financing activities

The Company did not have any movements in the loans during the year with the amount of $3,037 relating to the repayment of lease liability.

3 Financing – Capital, debt and risk management

3.2 Equity

(a) Number of shares on issue and the amount paid (or value attributed) for the shares

360,753,682 fully paid ordinary shares (30 June 2019: 312,753,682)

The following changes to the shares on issue and the attributed value during the year:

	30 June 2020 Number	30 June 2019 Number	30 June 2020 $	30 June 2019 $
Balance at the beginning of the year	312,753,682	218,115,544	33,357,938	27,486,714
Issue of shares (placement) [1]	-	19,282,629	-	1,253,371
Issue of Shares Rights Issue [2]	-	58,165,457	-	3,780,690
Issue of Shares Whitebark Energy [3]	-	11,191,052	-	805,756
Issue of shares on conversion of options [4]	-	6,000,000	-	360,000
Issue of shares (placement) [5]	48,000,000	-	3,600,000	-
Share issue costs [6]	-	-	(242,909)	(328,593)
Balance as at 30 June	360,753,682	312,753,682	36,715,029	33,357,938

1. On 20 November 2018 the Company issued 19,282,629 at an issue price of $0.065 per share to sophisticated investors.

2. On 24 December 2018 the Company issued 58,164,457 at an issue price of $0.065 per share to existing shareholders under a rights issue.

3. On 24 December 2018 the Company issued the consideration share of 11,191,052 for the purchase of 15% of exploration licence TP/15. The fair value of the shares at the date of issue was $0.072 per share.

4. On 1 April 2019 the Company issued 6,000,000 fully paid ordinary shares following the exercise of options at $0.06.

5. On 11 September 2019 the Company issued 48,000,000 at an issue price of $0.075 per share to sophisticated investors.

6. The Company incurred costs in issuing the shares on 20 November and 24 December 2018 and 11 September 2019.

3 Financing – Capital, debt and risk management

3.2 Equity (continued)

(b) Options

	30 June 2020 Number	30 June 2019 Number	30 June 2020 $	30 June 2019 $
Balance at the beginning of the year	11,155,908	17,155,908	532,337	532,337
Conversion of options to shares 1		(6,000,000)	-	-
Issue of options – consultants 2	1,803,768		27,503	
Lapse of options 3	(11,155,908)			
Balance as at 30 June	1,803,768	11,155,908	559,840	532,337

1. On 1 April 2019 the Company issued 6,000,000 fully paid ordinary shares following the exercise of options at $0.06.

2. On 6 November 2019 the Company issued 1,803,768 options with an exercise price of $0.10 per option to external consultants.

3. On 19 January 2020, options issued in prior periods lapsed without being exercised.

(c) Performance Rights

	30 June 2020 Number	30 June 2019 Number	30 June 2020 $	30 June 2019 $
Balance at the beginning of the year	400,000	400,000	37,950	32,667
Rights granted during the year 1	-	-	(37,950)	-
Rights vested to shares	-	-	-	-
Rights granted during the year 2 3	24,292,237	-	114,382	-
Rights vested to shares	-	-	-	-
Rights granted during the year 2 3	4,794,520	-	17,558	5,283
Balance as at 30 June	29,486,757	400,000	131,940	37,950

1. Rights issued (after obtaining shareholder approval) based on the performance hurdle of a share price greater than $0.15 for an average of 30 days. On 30 June 2020, Mr Farrell resigned as a director of the Company. The Rights require continued service to be maintained and therefore the Rights have been forfeited at this date. Subsequent to year end the Rights have been redeemed.

2. Rights issued based on the following performance hurdles:

Period:	3 years from 1 July 2019
Grant Date	19 November 2019 and 17 February 2020
Fair value:	$0.01637 & $0.01273 with expected target of 0-50% range (refer section 3.7)
Number of rights	ATSR 14,543,379 (max)
Hurdles	
- Absolute Total Shareholder Return (ATSR)	100% of the rights vest if the compound annual growth rate (CGAR) of the ATSR increases by 25% or more; 50%-100% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 15%-24.99%; 50% of the rights vest if the CAGR of the ATSR increases by 15%; 0%-50% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 10%-14.99%;

3 Financing – Capital, debt and risk management

3.2 Equity (continued)

2. Rights issued based on the following performance hurdles:

Period:	3 years from 1 July 2019
Grant Date	19 November 2019 and 17 February 2020
Fair value:	$0.054 and $0.042 (refer section 3.7)
Number of rights	RRR: 14,543,378 (max)
Hurdles	
- Reserves replacement ratio (RRR)	100% of the rights vest if the RRR increases by 25% or more; 50%-100% of the rights vest (on a pro-rata basis) if the RRR increases by 15%-24.99% 50% of the rights vest if the RRR increases by 15% 0%-50% of the rights vest (on a pro-rata basis) if the RRR increases by 10%-14.99%
Probability	44%

3. The Company issued 24,292,237 Rights to the Managing Director (after shareholder approval) on 19 November 2019. On 17 February 2020, the Company issued 4,794,520 Rights to the Chief Financial Officer after approval from the Board. The annual cost of amortising the fair value over the vesting period has been recorded in this period.

(d) Option Reserve

	30 June 2020 Number	30 June 2019 Number	30 June 2020 $	30 June 2019 $
Balance at the beginning of the year	-	-	-	-
Rights granted during the year [1]	72,150,580	-	72,151	-
Balance as at 30 June	72,150,580	-	72,151	-

1. The Company issued 72,150,580 listed options at $0.001 per option exercisable at $0.12 which expire on 30 September 2020 for cash to existing shareholders under a Rights issue in October 2019.

3.3 Borrowings

	30 June 2020 $	30 June 2019 $
Borrowings – current	-	870,967
Borrowings – non-current [1]	870,967	-
Reconciliation of movements in the balances – current		
Opening balance	870,967	2,319,510
Amounts borrowed	-	500,000
Amount repaid	-	(2,103,933)
Movement in Foreign currency	-	155,390
Transferred to non-current	(870,967)	
Closing balance at end of year	-	870,967
Reconciliation of movements in the balances – non-current		
Transfer from current liability	870,967	-

3 Financing – Capital, debt and risk management

3.3 Borrowings

(1) Related party loan

The Company has received a loan from its Joint Venture, Triangle Energy (Operations) Pty Ltd of $870,967. During the period the Company entered into a formal agreement with the entity which is subject to an interest rate based on the RBA rate as at March 2020 (compounded daily), unsecured and repayable after 5 years or upon a default event.

The total value of the loan is $870,967 and there is no further unused draw down amount available.

3.4 Leases

	30 June 2020 $	30 June 2019 $
Lease – current [1]	31,530	-
Lease – non-current [1]	84,598	-
Reconciliation of movements in the balances – current		
Opening balance	-	-
Additions	119,165	-
Less: Amount repaid	(3,037)	-
Closing balance at end of year	116,128	-

(1) Leases

The Group has changed its accounting policy for leases where the Group is the lessee. The impact of the change is described in note 6.1.

The Group has assessed the new leasing standard, AASB 16 Leases, and has determined that it is applicable for inputs to the calculation as follows:

Motor vehicles
Time Period: 36 months
Rate: 4.55%
Fair Value at lease date: $119,165

3 Financing – Capital, debt and risk management

3.5 Risk management

General
Triangle's risk management assessment is conducted by the Board and management and together they are responsible for approving and reviewing the Company's risk management strategy and policy. The Board and management are responsible for monitoring appropriate processes and implementing controls to ensure an effective and efficient risk management structure is in place. The Board is responsible for identifying, monitoring and managing significant business risks faced by the Company and considering the effectiveness of its internal control system.

	30 June 2020 $	30 June 2019 $
Categories of financial instruments		
Financial assets		
Cash and cash equivalents	2,405,103	2,490,036
Trade and other receivables	791,610	1,259,084
Investments	110,000	110,000
	3,306,713	3,859,120
Financial liabilities		
Trade and other payables	2,443,658	2,041,901
Derivative financial instrument through profit or loss	987,095	870,967
	3,430,753	2,912,868

Capital – (company's ability to raise equity (issue shares) or obtain loans (borrowings) as and when needed)

The capital of the Company consists of issued capital (shares) and borrowings. The directors aim to maintain a capital structure that ensures the lowest cost of capital available to the entity at the time when funds are obtained. The directors will assess the options available to the company to issue more shares while taking into account the effect on current shareholder ownership percentages (dilution) or alternatively assess the ability of the company to access debt (borrowings) where the cost associated of borrowing these funds (interest) is not considered excessive.

Liquidity – (the ability of the company to pay its liabilities as and when the fall due)

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.

3 Financing – Capital, debt and risk management

3.5 Risk management (continued)

Contractual maturities of financial liabilities At 30 June 2020	Less than 1 year $	6 – 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying Amount (assets)/ liabilities $
Trade payables	2,436,521	-	-	-	2,436,521	2,436,521
Borrowings 1	870,967	-	-	-	892,960	892,960
Total	3,307,488	-	-	-	3,329,481	3,329,481
At 30 June 2019						
Trade payables	2,041,901	-	-	-	2,041,901	2,041,901
Borrowings 2	870,967	-	-	-	870,967	870,967
Total	2,912,868	-	-	-	2,912,868	2,912,868

1. This loan is subject to a fixed rate based on the RBA rate in March 2020, unsecured and payable after 5 years.

2. This loan was interest free and repayable on demand.

Credit – (the ability of the company to manage the risk that third parties which hold assets on behalf of the company will not return them at the value recorded in the financial statements)

The two major current assets of the company is its cash at bank and debtors. The assessment of the credit risk based on a rating agencies review of the financial institution has been included in note 3.1 above.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. To date, exchange rate exposures are not managed by utilising forward foreign exchange contracts. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date explained in Australian dollars are as follows:

Table A	Liabilities		Assets	
	2020 **$**	**2019** **$**	**2020** **$**	**2019** **$**
US dollars				
Cash at bank	-	-	2,234,176	1,483,462
Other receivables	-	-	-	-
Trade receivables	-	-	631,092	1,136,967
Other payables	-	294,159	-	-
	-	294,159	2,865,268	2,620,429

The derivative financial instrument, compound financial instruments and borrowings are not subject to variable foreign currency movements.

3 Financing – Capital, debt and risk management

3.5 Risk management (continued)

Foreign currency sensitivity analysis
As at 30 June the Group's exposure to foreign currency relates to USD in a number of asset and liability categories.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar weakens against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

Table B	Impact Profit Consolidated		Impact Equity Consolidated	
	2020 $	**2019 $**	**2020 $**	**2019 $**
Profit or loss				
US dollar assets and liabilities (net) increase 10%[1]	286,528	232,627	286,528	232,627
US dollar assets and liabilities (net) decrease 10%[1]	(286,528)	(232,627)	(286,528)	(232,627)

[1] This is attributable to the exposure in USD on key assets and liabilities within the Group at year end.

Interest rate risk sensitivity analysis
Weighted average interest rate exposure for 2020 is 0.0% (2019: 0.0%). The sensitivity analysis is not material due to the low returns currently available in the market.

Commodity and foreign currency price risk

During the current financial year, the Group was exposed to significant commodity and foreign currency price risk within the sale of oil. The movement in oil price over the 12 months was 73.74% (high to low) and the movement in the average exchange rates for the same period was 11.01%. The impact of a 73.74 % movement on the monthly average USD oil price from the actual USD oil price received would have resulted in the commodity price risk values below. The impact of a 11.01 % foreign currency movement from the actual sales recorded would have resulted in a currency risk value below:

Table C	Commodity price risk US$ movement		Foreign currency risk A$ movement	
	73.74 % **increase**	73.74 **% decrease**	11.01 % **increase**	11.01 **% decrease**
Sales of oil	9,037,387	(9,037,387)	1,349,458	(1,349,458)
	9,037,387	(9,037,387)	1,349,458	(1,349,458)

3 Financing – Capital, debt and risk management

3.5 Risk management (continued)

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The Company also has exposure to price risk relating to available for sale investments. These are investments in other oil and gas companies listed on the Australian Stock Exchange within the same sector as The Company and are subject to movements in equity prices in the normal course of business.

Financial Instruments Measured at Fair Value

To provide an indication of the reliability of inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

During the year, the Company held financial instruments carried at fair value in the form of investments, Fair value through other comprehensive income. These assets were measured using level 2, observable prices at an arm’s length price.

3 Financing – Capital, debt and risk management

3.6 Reserves

	30 June 2020 $	30 June 2019 $
Convertible Note reserve	7,003	7,003
Share based payments reserves	691,780	570,287
Option reserve (v)	72,151	-
	770,934	577,290

Convertible Note reserve		
Reconciliation of movements in the balance		
Opening balance	7,003	-
Convertible note equity portion (i)	-	7,003
Closing balance at end of year	7,003	7,003

Reconciliation of movements in the balance		
Opening balance	570,287	565,004
Prior period rights (iii)	(37,950)	5,283
Additional options (ii)	27,503	-
Additional rights (iv)	131,940	-
Less: Reversal of cancelled options	-	-
Closing balance at end of year	691,780	570,287

The summary of the Company's share-based payment transactions during the period are as follows:

Type of instrument	Number	Issue date	Value at Grant Date	Expense recorded
Performance Rights	400,000	11/12/17	$0.14	(37,950)
Performance Rights	12,146,119	19/11/19	$0.01637	66,283
Performance Rights	12,146,119	19/11/19	$0.054	48,098
Performance Rights	2,397,260	17/02/20	$0.01273	10,175
Performance Rights	2,397,260	17/02/20	$0.042	7,384
Consultants options	1,803,768	6/11/19	$0.0152	27,503

(i) The Company calculated the fair value of the convertible note as $1,014,488 with the residual value being $7,003.

(ii) On 6 November 2019 the Company issued 1,803,768 unlisted options exercisable at $0.10 which expire on 6 November 2021 to external consultants Issue of 1,803,768 options were issued to consultants with a fair value of $0.0152. The input using the Black Scholes Pricing Model were:
(a) Grant Date – 6 November 2019
(b) Exercise date – 6 November 2021
(c) Market price of securities - $0.051
(d) Exercise price of securities - $0.10
(e) Risk free rate – 0.90%
(f) Volatility – 88.33%

(iii) During a prior period the Company issues performance rights to its then Chairman, Mr E Farrell. The rights were issued after the Company received approval at its Annual General Meeting of shareholders on 29 November 2017. The share price at the grant date was $0.14 per share valuing the rights at $56,000. The rights are subject to a hurdle being the share price must be above a VWAP of $0.15 for 30 consecutive days. On 30 June 2020 Mr Farrell resigned as a director. The Rights require continued service to be maintained and therefore the Rights have been forfeited at this date. Subsequent to year end the Rights have been redeemed.

3 Financing – Capital, debt and risk management

(iv) Additional Rights

During the period the Company issued the following Rights:

2020	Date Issued	Number of rights granted during the year	Value of rights at grant date $
Directors of Triangle Energy (Global) Limited			
Robert Towner (ATSR)	19/11/19	12,146,119	198,849
Robert Towner (RRR)	19/11/19	12,146,118	327,945
Executive			
Marvin Chan (ATSR)	17/02/20	2,397,260	30,525
Marvin Chan (RRR)	17/02/20	2,397,260	50,342
		29,086,757	607,661

Fair value of Rights

Absolute Total Shareholder Return (ATSR) – the Company used a statistical model to review the likely outcomes of the share price after 3 years based on the previous 12-month historical share price movements in a simple Monte Carlo simulation model. Taking the combined average and standard deviation over 10,000 iterations, the result was compared to the share price hurdles to determine the ultimate fair value of Rights. The fair value was $0.01637 and $0.01273.

Reserves replacement ratio (RRR) – the fair value of Rights was determined using the closing share price at grant date, which was $0.054 and $0.042 respectively per share

(v) Option reserve

The Company announced a non-renounceable rights issue to Shareholders on 8 November 2019 which was a 1 new option for every 5 shares held to issue up to 72,150,736 at an issue price of $0.001 to raise $72,150 before costs.

Nature and purpose of reserves
The share based payment reserve is used to record the value of share based payments provided to employees, including key management Personnel, as part of their remuneration and securities (other than shares) issued to consultants. The convertible note reserve recorded the fair value of the equity portion of the compound financial instrument on recognition.

3.7 Accumulated losses

	30 June 2020 $	30 June 2019 $
Accumulated losses at the beginning of the year	31,416,010	29,651,440
Loss for the year	3,786,564	1,764,570
Accumulated losses at the end of the year	35,202,574	31,416,010

3.8 Commitments

The Group has entered into a Farmout Agreement with KEY Petroleum. As a consideration for the assignment of the 50% interest in the L7 Mt Horner licence, the Group will implement a farm-in programme with a cost of up to a limit of US$3 million.

4 Other assets and liabilities

	30 June 2020 $	30 June 2019 $
4.1 Trade and other receivables		
Trade receivables	631,092	1,136,967
	631,092	1,136,967
Credit risk		
A- (i)	631,092	1,136,967

(i) The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

(i) The From 1 July 2019, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For current trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

No impairment loss was recognised by the Group for the financial year (2019: $nil).

There has been no material change after the adoption of AASB 9 financial instruments.

Estimates and judgement
Recoverability of the assets

The accrued revenue has been received in cash post year end. Due to the short-term nature of the current receivables, their carrying amounts approximate their fair value.

Refer to Note 3.6 for more information on the risk management policy of the group and the credit quality of the group's trade receivables

	30 June 2020 $	30 June 2019 $
4.2 Other receivables and assets		
GST receivable	16,468	19,369
Prepayments	2,898	-
JV GST receivable	73,065	76,260
JV other receivables	160,518	122,117
Income tax incentive receivable	279,920	-
Deposits and guarantees	198,262	206,562
Other assets	224,057	46,135
	955,188	470,443

Due to the short term nature of the receivables, their carrying amounts approximate their fair value.

4 Other assets and liabilities

4.3 Fair Value through Other Comprehensive income

	30 June 2020 $	30 June 2019 $
Non-current assets		
Equity Securities		
Investments	110,000	110,000
	110,000	110,000
Investments		
Reconciliation of movements in the balance		
Opening balance	110,000	110,000
Additional purchases	-	-
Disposals	-	-
Closing balance at end of year	110,000	110,000

The profit on sale of investment can be found in the statement of profit or loss for the prior year.

Information relating to the fair value methodology and the risk exposure can be found in note 3.6 above.

4.4 Plant and equipment

	30 June 2020 $	30 June 2019 $
Administration office – Plant and Equipment		
Right of use asset	119,165	-
Accumulated depreciation	(3,310)	-
	115,855	-
Office equipment	7,625	7,625
Accumulated depreciation	(5,007)	(4,135)
	2,618	3,490
Furniture and fittings	78,747	78,747
Accumulated depreciation	(13,196)	(5,890)
	65,551	72,857
Total administration assets	184,024	76,347

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and at the end of the current period.

4 Other assets and liabilities

4.4 Plant and equipment (continued)

	Right of use assets $	Furniture & Fittings $	Office Equipment $	Total $
Opening net book value at 1 July 2019	-	72,857	3,490	76,347
Additions during the year	119,165	-	-	119,165
Disposals during the year	-	-	-	-
Depreciation expenses	(3,310)	(7,306)	(872)	(11,488)
Closing net book value at 30 June 2020	115,855	65,551	2,618	184,024

4.5 Trade and other payables (debts)

	30 June 2020 $	30 June 2019 $
Current liabilities (debts payable within 12 months)		
Trade payables	348,025	448,443
JV trade payables	2,095,633	1,593,458
Accrued expenses	406,531	654,323
JV accruals	630,232	532,866
Payroll liabilities	27,850	135,346
Dividend payable in trust	7,044	7,044
Share buy-back funds in trust	6,796	6,796
GST liabilities	53,685	155,408
Employee entitlements	87,666	200,197
Customer payable	-	79,129
	3,663,462	3,813,010

Due to the short term nature of current payables, the carrying amount of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

4 Other assets and liabilities

4.6 Provisions

	30 June 2020 $	30 June 2019 $
Restoration provision (Cliff Head) – non-current	21,436,622	21,126,599
	21,436,622	21,126,599

Restoration provisions – non-current liabilities (debts payable after 12 months)

	30 June 2020 $	30 June 2019 $
Reconciliation		
Balance brought forward	21,126,599	20,821,888
Additions for the year		
Unwind of discount (Cliff Head)	310,023	304,711
Adjustment to the restoration provision (i)	-	-
Balance carried forward	21,436,622	21,126,599

The non-current provision relates to the Cliff Head production licence WA-31-L (located in the Perth Basin, WA).

Under the terms within the Joint Venture agreement relating to WA-31-L, Triangle is liable to pay rehabilitation cost of 57.5% relating to the licence.

(i) During a prior period the Joint Venture Parties commissioned an independent study to review the previous rehabilitation estimate prepared in 2015. The review highlighted a number of steps that could be taken to reduce the cost of the rehabilitation for the site. The Company has re-adjusted the provision in line with the new study which has resulted in a reduction to the liability of $5.1 million (57.5% share) for the year ended 30 June 2018.

Estimates and judgement

Assumptions used to assess the rehabilitation provision

The updated study has a substantial number of assumptions embedded in the cost estimate all of which could change and result in the actual amount paid to restore the site being materially different to the carrying value of the liability.

The provision for future restoration costs is the best estimate of the present value (including an appropriate discount rate relevant to the time value of money plus any risk premium associated with the liability) of the expenditure required to settle the restoration obligation at the balance date.

5 Additional disclosures

5.1 Subsequent events

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in subsequent financial years, other than the following:

- On 24 July 2020, the Company received the results of the award by the BANI Arbitration Centre finding in favour of Triangle. The Tribunal rejected the claim of PDPA in its entirety and ordered to pay Triangle arbitration cost; and
- On 4 September 2020, the Company issued 73,346,667 fully paid shares to sophisticated and professional investors as a result of the placement announced on 27 August 2020. The successful placement raised AU$2.2 million (before cost).

5.2 Contingent liabilities

Royalty
As part of the acquisition of the Cliff's Head production licence the Company agreed to pay a royalty of US$5 per barrel to the seller of the asset when the oil price reaches US$70 per barrel. At the date of the acquisition, the short to medium term forecast oil price has not reach US$70/bbl and the Company has not recognised a potential liability for this contingency.

Contingent payable
During the period the Group completed the acquisition of a 15% interest in TP/15 from Whitebark Energy Limited (subject to regulatory procedural approvals). The sale and purchase agreement include clauses for the payment of two amounts which are contingent on the milestones below:

- $1 million payable on a successful appraisal outcome which is to be settled either 100% in cash or 50% in cash and shares in the Company (at the election of the seller); and
- $1 million on the delivery of first oil from the prospect.

Indonesian arbitration
Subsequent to year end the Company received a positive judgement from the Indonesian court of arbitration that the Company had been successful in defending a claim from a former overseas joint venture partner whom alleged that the Company had failed to comply with certain obligations related to corporate social responsibility contributions and an infrastructure requirement. The Company has been award costs which it is seeking to revcover.

5 Additional disclosures

5.3 Segment reporting

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

- WA Oil Production
- Australian corporate

The board monitors performance of each segment.

Segment information
The following table present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2020 and 30 June 2019.

	WA Oil Production $	Australian Corporate $	Consolidated $
Year ended 30 June 2020			
Segment Revenue	12,255,139	-	12,255,139
Expenses			
Significant income and expenses			
Interest income	3,777	2,236	6,013
Interest expenses	(1,014)	(578)	(1,592)
Depreciation and amortisation	(999,151)	(11,488)	(1,010,639)
Share of associates Profit / (loss)	(493,027)	-	(493,027)
Impairment loss	(2,647,209)	-	(2,647,209)
Income tax, deferred taxes and PRRT	(447,842)	-	(447,842)
Segment net operating profit/(loss) after tax	(1,726,389)	(2,060,175)	(3,786,564)
Year ended 30 June 2019			
Segment Revenue	13,174,305	-	13,174,305
Expenses			
Significant income and expenses			
Interest income	7,403	-	7,403
Interest expenses	-	(444,680)	(444,680)
Depreciation and amortisation	(637,371)	(7,330)	(644,701)
Share of associates Profit / (loss)	192,653	(600,620)	(407,967)
Income tax, deferred taxes and PRRT	(659,041)	-	(659,041)
Segment net operating profit/(loss) after tax	(1,343,754)	(3,108,324)	(1,764,570)
Segment assets			
At 30 June 2020	21,025,006	7,345,562	28,370,568
At 30 June 2019	22,433,836	5,895,958	28,329,794
Segment liabilities			
At 30 June 2020	(25,283,985)	(803,194)	(26,087,179)
At 30 June 2019	(24,966,625)	(843,951)	(25,810,576)

5 Additional disclosures

5.4 Related party transactions

The consolidated financial statements include the financial statements of Triangle Energy (Global) Limited and the subsidiaries listed in the following table. The interest in these subsidiaries and associates is ordinary shares.

Name	Country of Incorporation	% Equity Interest 2020	% Equity Interest 2019	$ Investment 2020	$ Investment 2019
Triangle Energy (QLD) Pty Ltd	Australia	100	100	2	2
Triangle (Perth Basin) Pty Ltd	Australia	100	100	100	100
A.C.N. 008 988 930 Pty Ltd	Australia	100	100	1,136,624	1,136,624
A.C.N. 008 939 080 Pty Ltd	Australia	100	100	1,136,624	1,136,624
Associates					
Triangle Energy (Operations) Pty Ltd	Australia	50	50	-	493,026
State Gas Pty Ltd	Australia	32.5%	33.34	-	-

Triangle Energy (Global) Limited is the ultimate Australian Parent Entity and ultimate Parent of the Group.

Total amount of transactions that were entered into with related parties for the relevant financial year.

Related party	Income from Related Parties $	Expenditure Related Parties $	Amounts Owed by Related parties $	Amounts Owed to Related parties $
Consolidated				
No related party transactions				

Additional transactions with related parties of the Group
There were no additional transactions outside the Consolidated Entity during the year not already disclosed above.

5 Additional disclosures

5.4 Related party transactions (continued)

Key management personnel compensation

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	1,150,160	985,000
Post-employment benefits	84,797	76,474
Long-term benefits	92,551	38,480
Termination benefits	-	-
Share-based payments	93,990	5,283
	1,421,498	1,105,237

Details of the remuneration amounts can be found in the remuneration report within the directors' report.

Transactions with related parties

There are no additional related party transactions during the year.

5.5 Dividends

No dividend has been paid by the Group in respect of the year ended 30 June 2020. (2019: Nil)

5.6 Parent Entity Disclosure

	30 June 2020 $	30 June 2019 $
Financial position		
Assets		
Current assets	508,815	678,580
Non-current assets	2,567,473	2,465,079
Total assets	3,076,288	3,143,659
Liabilities		
Current liabilities	708,300	995,551
Non-current liabilities	84,598	-
Total liabilities	792,898	995,551
Equity		
Issued capital	36,715,029	33,357,938
Accumulated losses	(35,202,574)	(31,787,120)
Reserves	770,935	577,290
Total equity	2,283,390	2,805,756

Commitments and contingencies

The parent entity does not have any commitments as at 30 June 2020. As at reporting date, the Company was involved in arbitration proceedings, however, subsequent to year end the Company successfully defended the claim.

5 Additional disclosures

5.6 Parent Entity Disclosure (continued)

Financial performance	Year ended 30 June 2020	Year ended 30 June 2019
(Loss) for the year	(3,415,454)	(3,112,896)
Other comprehensive income	-	-
Total comprehensive loss	(3,415,454)	(3,112,896)

5.7 Auditor's Remuneration

	30 June 2020 $	30 June 2019 $
Assurance Services		
Amounts received or due and receivable by HLB Mann Judd (WA) Partnership for:		
An audit or review of the financial report of the entity and any other entity in the Group	45,300	56,245
Non- Assurance Services		
Amounts received or due and receivable by HLB Mann Judd (WA) tax:		
Australian Tax Compliance	-	-
Corporate advice	-	-
	45,300	56,245

6.1 Accounting Policies

(a) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the fair value of assets transferred, liabilities incurred to the former owner, equity interests issued and the fair value of any contingent consideration.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as an intangible asset. Dependent on the type of asset or entity acquired, this will either be oil and gas properties, exploration and evaluation expenditure or goodwill. If those amounts are less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the profit and loss as a bargain purchase.

(b) Principles of Consolidation

Consolidation process for the year ended 30 June 2020

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2018 and the results of all of the Parent's subsidiaries for the year then ended. The Parent and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

The Parent entity is identified when the consolidation process occurs and is considered to be a presentation of the Parent and its subsidiaries at that point in time. As at the reporting date (30 June 2016) the Group has a new Parent entity (**New Parent**) for the purpose of accounting, being TEG, as the legal Group had disposed of the Old Parent during the period. A consolidation requires the Parent entity to identify the subsidiaries over which the Consolidated Entity has control throughout the period. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. These subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity and are de-consolidated from the date that control ceases.

Under the reverse acquisition accounting, the Old Parent was deemed to control the entire group including the legal parent and its subsidiaries. However, as a consequence of the disposal of the Pase Group, the Consolidated Entity has a New Parent which, for accounting purposes, is not deemed to control the Pase Group during the periods presented. The result is that the Consolidated Entity presents its consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity on a restated basis as if the previous Pase Group's financial information did not exist, (consistent with the reverse acquisition accounting principle at the commencement of the acquisition).

General consolidation principles

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

6.1 Accounting Policies (continued)

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Triangle Energy (Global) Limited. When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Critical accounting judgements and key sources of estimation uncertainty (not disclosed in notes 1.1 to 5.7)

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contingent consideration

The Company sold its interest in the Indonesian Pase PSC assets during the period. As part of the sale process the Company obtained the right to receive a production royalty from the purchaser of the asset of 5% of its net profit share (excluding cost recoveries) up to a cap of US$2 million per annum and in aggregate to US$25 million. The ability of the Company to obtain any element of the royalty is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.

The Company has also obtained the right to receive a cost recovery split for previously incurred exploration and development costs from the purchaser up to a value of US$7 million. The ability of the Company to obtain any cost recovery split is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.

6.1 Accounting Policies (continued)

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of Triangle Energy (Global) Limited.

(e) Foreign Currency Translation

Both the functional and presentation currency of Triangle Energy (Global) Limited and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

At the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of Triangle Energy (Global) Limited at the exchange rate on that date. The Group’s profit or loss is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component and recognised in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(f) Revenue recognition (AASB 15)

The Company currently has one contract for the delivery of hydrocarbons to a local refinery. The Company has assessed the performance obligations under the contract and these relates specifically to the delivery of all product produced by the Cliff Head joint venture to this refinery. The customer takes delivery of this product at the refinery gate and at this point the Company’s obligations end.

(i) Sale of oil

Revenue is recognised when the Company completes its obligations to deliver its hydrocarbons which has been produced to its customer at a local refinery.

6.1 Accounting Policies (continued)

(f) Revenue Recognition (AASB 15)

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(g) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The Company also recognises the Petroleum Resources Rent Tax (PRRT) paid and payable within tax expense.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

6.1 Accounting Policies (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Derivative financial instruments through profit or loss and hedging

The Group has not used derivative financial instruments such as forward currency or commodity contracts and interest rate swaps to hedge its risks associated with foreign currency, commodity or interest rate fluctuations.

Where a derivative has been identified, it is initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The fair value movement in subsequent periods is recognised in the profit or loss.

6.1 Accounting Policies (continued)

(j) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.

(m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Oil and gas production activities

Cost is allocated on a production basis and includes direct material, labour, related transportation costs to the point of sale and other fixed and variable overhead costs directly related to oil and gas production activities.

6.1 Accounting Policies (continued)

(n) Financial assets

Financial assets in the scope of AASB 9 *Financial Instruments* are classified as either financial assets measured at fair value through either profit and loss of other comprehensive income or measured at amortised cost. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets

There are 3 measurement categories for financial assets, these are:

(a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments for principal and interest, are measured at amortised cost. Interest income from those financial assets is included in the finance income using the effective interest rate method. Any gains or losses arising on derecognition is recognised directly in the profit and loss.

(b) Fair value through other comprehensive income: assets that are held for collection of contractual cash flows and for selling the financial asset, where the assets cash flows represent solely payments for principal and interest are measured at Fair value through other comprehensive income. Movements in the carrying value are taken through other comprehensive income, other than impairment gains and losses, interest income and foreign exchange which are recognised in the profit and loss. When the financial asset is derecognised, the cumulative gains or losses recognised in other comprehensive income are reclassified from equity to profit and loss and recognised on a gain or loss on sale.

(c) Fair value through profit and loss: assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit and loss. All movements are recognised in the profit and loss.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

From 1 July 2018 the Group assesses on a forward looking basis the expected credit losses associated with its financial assets that are not carried at fair value through profit and loss. The impairment methodology will depend on the financial asset. For trade and other receivables, the group will use an expected lifetime losses model upon initial recognition. However, for a specific class of asset the Company may use the general approach (stage 1) to assess the expected credit losses for this receivable. Where there is evidence that a credit worthiness of the counterparty has deteriorated the Group will move to stage 2 and stag 3 assessments.

6.1 Accounting Policies (continued)

(o) Interest in a joint arrangement

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangements. In a joint operation, the Group recognises its direct right to the assets, liabilities, revenues and expenses, these have been included in their separate classification categories in the statement of financial position as at 30 June. Interests in a joint venture are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(p) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 2 - 15 years depending upon the nature of the asset;

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

6.1 Accounting Policies (continued)

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Restoration of exploration and operating locations

Provision is made for the obligation to restore exploration and operating locations. The provision is first recognised in the period in which the obligations arises. The nature of the restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated periodically, with a corresponding movement recognised against the related exploration and evaluation asset or oil and gas properties.

Over time, the liability is increased for a change in the present value based on a pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the asset (based on the production profile).

6.1 Accounting Policies (continued)

(s) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits however due to the infancy of the Group, no long service leave has been accrued.

(t) Share-based payment transactions

Share-based compensation benefits are provided to employees via the TEG Employee Rights Plan. Information relating to these schemes is set out in Note 3.2.

The fair value of options granted under the TEG Employee Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

6.1 Accounting Policies (continued)

(w) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.
Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development

(y) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

6.1 Accounting Policies (continued)

(z) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB reference	Nature of Change	Impact on Initial Application
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle Amendments - Disclosure Initiative: Amendments to AASB 112 and 123	This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and an entity will be required to clarify income tax consequences of payments on financial instruments classified as equity and that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings..	The entity does not recognise all of its deferred taxes on borrowings and does not expect this amendment to have a material impact on the tax balance.

6.1 Accounting Policies (continued)

New standards and interpretations not yet adopted (continued)

AASB reference	Nature of Change	Impact on Initial Application
This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and the Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments.	The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances.	The Consolidated Entity is yet to fully assess the impact of this interpretation.

6.1 Accounting Policies (continued)

(aa) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recoverable principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.
An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of the disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

(bb) Oil & Gas properties

Oil & Gas properties are stated as cost less accumulated depreciation and impairment charge (unless they have been acquired as part of a business combination). Oil & Gas properties include initial cost to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, transfers from exploration and evaluation assets, development of wells and estimates of costs for dismantling and restoring sites.

Subsequent capital costs, including major maintenance, are included in the assets carrying value only when it's probable that future economic benefits associated with the item will flow to the Group and the costs can be reliably measured.

Oil & gas properties (including all categories within the classification) are depreciated to their estimated residual value at a rate based on their expected useful lives with reference to the unit of production basis over proven reserves or proven plus probable.

(cc) Investments in associates

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the impairment policy above.

(dd) The adoption of AASB 15 and AASB 9 have been covered in notes 1.2 and 4.1 above**.**

DIRECTORS' DECLARATION

In the opinion of the directors of Triangle Energy (Global) Limited:

(a) the financial statements and notes set out on pages 30 to 82 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

(d) this declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

This declaration is signed in accordance with a resolution of the board of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

Tim Monckton

Chairman

Dated at Perth, Western Australia this 22nd day of September 2020.

INDEPENDENT AUDITOR'S REPORT
To the members of Triangle Energy (Global) Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Triangle Energy (Global) Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 2.2 of the financial report	
The Group has capitalised exploration and evaluation expenditure of $12,450,472. In accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Group capitalises acquisition costs and then expenses further exploration and evaluation	Our audit procedures included but were not limited to: • Obtained and understanding of the key processes associated with management's review of the carrying values of each are of interest

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 2.2 of the financial report	
expenditure as incurred. The cost model is applied after recognition. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset. We considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. We considered this to be a key audit matter due to its size and importance to the users' understanding of the financial statements.	• Substantiated a sample of exploration and evaluation expenditure; • Obtained evidence that the Group has current rights to tenure of its areas of interest; • Considered the Directors' assessment of potential indicators of impairment under AASB 6 *Exploration for and Evaluation of Mineral Resources*; • Examined the exploration budget for the year ending 30 June 2021 and discussed with management the nature of planned ongoing activities; and Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.
Going concern	
At 30 June 2020 the Group has incurred a loss of $3,786,564 after tax as well as net decrease in cash and cash equivalents of $117,600 for the year. Based on the above factors, in addition to reduced oil prices and macroeconomic uncertainty, we considered the appropriateness of the going concern basis of preparation for the financial statements. The going concern basis of accounting was a key audit matter due to the significance and importance to the users of the financial statements.	Our procedures included but were not limited to: • We considered the appropriateness of the going concern basis of accounting by evaluating and testing the cash flow projections for the relevant period as prepared by management. • We vouched subsequent cash receipts and placement funds to be received of $2.2 million to supporting documentation, assessed the reasonableness of forecast expenditure and obtained representations from the directors as to the adequacy of cash resources and the completeness of financial statement disclosures in respect of going concern. • We note that the Group has marketable securities with a market value of $17.7 million as at 30 June 2020. • We have performed sensitivities on the cashflow forecast provided by management as well as assessed the Group's ability to raise capital. • We have confirmed with the directors and management the appropriateness of the going concern basis.

Oil and gas properties
Note 2.1 of financial report

The carrying value of the oil and gas development asset is $4,264,580. We considered this to be a key audit matter due to its size and importance to the users' understanding of the financial statements and the degree of audit effort directed towards this area.	Our audit procedures included but were not limited to: • Substantiated a sample of oil and gas development expenditure capitalised; • Obtained evidence that the Group has current rights to tenure of its development area; • Validated the amortisation rate applied is relative to production; • Critically evaluated management's assessment of impairment indicators and consequential impairment model under AASB 136 *Impairment of Assets*; and Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Triangle Energy (Global) Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
22 September 2020

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION IN ACCORDANCE WITH LISTING RULES OF THE ASX LIMITED.

Substantial Shareholder Information as at 16 September 2020

Shareholder Name	Securities	%
Michael Norman Arnett	60,478,841	13.93%
Robert Ian Angell	50,195,579	11.56%
Tamarind Resource Pte Ltd	50,195,579	11.56%

Distribution of Shareholders as at 16 September 2020

Spread of Holdings	Holders	Securities	%
NIL holding	-	-	
1 - 1,000	59	4,030	0.00%
1,001 - 5,000	49	161,564	0.04%
5,001 - 10,000	76	608,516	0.14%
10,001 - 100,000	521	22,501,913	5.18%
100,001 - 9,999,999	399	410,824,326	94.64%
	1,104	**434,100,349**	**100.00%**

Holder of 20% or more Options expiry 6 November 2020.

As at 16 September 2020

Options Holder Name	Securities	%
Purple Communication Australia Pty Ltd	1,803,768	100.00

Distribution of Options holders as at 16 September 2020

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	15	6,207
1,001 - 5,000	39	108,977
5,001 - 10,000	18	149,763
10,001 - 100,000	123	4,816,455
100,001 - 9,999,999	65	67,069,178
Total	**260**	**72,150,580**

Top Twenty Shareholders as at 16 September 2020

Rank	Holder Name	Securities	%
1	Tamarind Resources Pte Ltd	50,195,579	11.56%
2	Citicorp Nominees Pty Limited	14,321,443	3.30%
3	BNP Paribas Nom Pty Ltd <DRP>	12,600,000	2.90%
4	Mr Darren Michael Bromley	12,034,234	2.77%
5	Cowen Investments Pty Ltd	11,185,399	2.58%
6	Sochrastem SAS	11,076,924	2.55%
7	Mr Darren John Hall	11,020,583	2.54%
8	J P Morgan Nominees Australia Pty Ltd	11,019,237	2.54%
9	BNP Paribas Nom Pty Ltd <UOB Kay Hian Priv Ltd DRP>	9,400,000	2.17%
10	Jarrad Street Corporate Pty Ltd	8,800,000	2.03%
11	Whitebark Energy Limited	8,126,988	1.87%
12	Mr Michael Arnett	7,600,000	1.75%
13	Mr Darren John Hall	6,876,752	1.58%
14	CS Third Nominees Pty Limited <HSBC Cust Non Au Ltd 13 A/C>	6,666,667	1.54%
15	Yucaja Pty Ltd <The Yoegiar Family A/C>	6,350,000	1.46%
16	Austin 4 Pty Ltd	5,206,04	1.20%
17	Ardan Nominees Limited	5,159,718	1.19%
18	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient Drp>	4,873,848	1.12%
19	Mr Robert Towner	4,066,451	0.94%
20	Mr Kenneth Joseph Hall	4,000,000	0.92%
	Twenty Largest Shareholders	210,580,292	48.51%
	Others	223,520,057	51.49%
	Total	**434,100,349**	**100.00%**

Top Twenty Option Holders as at 16 September 2020

Rank	Holder Name	Securities	%
1	Tamarind Resources Pte Ltd	10,039,115	13.91%
2	Ms Lee Gardiner	4,982,861	6.91%
3	Mr Darren John Hall	4,400,059	6.10%
4	Ocean View W A Pty Ltd	4,269,182	5.92%
5	Mr Darren Michael Bromley	3,406,846	4.72%
6	Double Eagle Pty Ltd	2,741,139	3.80%
7	Mr Darren John Hall	2,621,350	3.63%
8	BNP Paribas Noms Pty Ltd <DRP>	2,520,000	3.49%
9	Sochrastem SAS	2,215,384	3.07%
10	Mr Michael Jeremy Thomas Stokes	2,000,000	2.77%
11	Jarrad Street Co	1,760,000	2.44%
12	Mr Alexander Hood	1,645,000	2.28%
13	Whitebark Energy Limited	1,625,397	2.25%
14	Mr Michael Arnett	1,520,000	2.11%
15	Mr Matthew Seymour Rowe	1,500,000	2.08%
15	Black Planet Thoroughbreds Pty Ltd	1,500,000	2.08%
16	Jetosea Pty LTd	1,296,519	1.80%
17	Mr Alan Mathew Fittall	1,000,000	1.39%
18	Austin 4 Pty Ltd	836,717	1.16%
19	Mr Robert Towner	813,290	1.13%
20	J P Morgan Nominees Australia Pty Lrd	800,050	1.11%
	Twenty Largest Option Holders	53,492,909	74.14%
	Others	18,657,671	25.86%
	Total	**72,150,580**	**100%**

Top Twenty Rights Holders as at 16 September 2020

Rank	Holder Name	Securities	%
1	Mr Robert Towner	24,292,237	83.52%
2	Mr Marvin Acosta Chan	4,794,520	16.48%
	Total	29,086,757	100.00%

Distribution of rights holders as at 16 September 2020

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 - 9,999,999	-	-
10,000,000 – 19,999,999	1	4,794,52
20,000,000 – 29,000,000	1	24,292,237
Total	2	29,086,757