



Triangle Energy looking to Perth Basin's oil future

After being a steady and stable oil producer in the Perth Basin for 5 years, Triangle Energy is looking to new opportunities and energy technologies to prepare itself for future oil markets and a gradual energy transition.

THE PERTH BASIN CLIFF HEAD oilfield was discovered in 2001 and production began in 2006.

Triangle acquired a 78.75% interest in the field between 2016 and 2017 and became operator on 17th of July 2018.

The US\$240 million worth of infrastructure of the offshore unmanned platform which currently produces ~800 barrels of oil per day, and connects to a 12-kilometre pipeline onshore to the Arrowsmith stabilisation plant. The plant has a 15,000 barrels of oil per day capacity – which splits the oil and the water, with the water reinjected back into the reservoir and the oil trucked to BP's Kwinana refinery.

However, the Perth Basin community was shocked last year when BP announced its refinery, south of Perth, was going to be converted into a fuel import terminal, leaving producers nowhere to have their crude refined – a scenario that is playing out across the country as refineries continue to shutter.

Triangle has successfully negotiated an agreement with BP to continue to produce, deliver and store its crude at Kwinana, but also saw the shut down as an opportunity and a chance to strategise.

Triangle managing director Rob Towner noted the company has also agreed terms in a non-binding

offtake agreement to allow the company to export the crude to Singapore for refinement.

"I think the change in the refining area and energy area in Australia has seen a big redirection of funds into renewables over the last 25 years, and to be honest, that has come lacking for the existing refineries...it's provided us with an opportunity to look at how we could potentially process and handle our crude ourselves," he said.

Towner noted there has been an uptick in investment by companies exploring for oil projects in other parts of the WA coastline – saying the company was exploring using its excess capacity at Arrowsmith to refine oil products.

"The model of adding a refinery onto that Arrowsmith processing facility to take the next stage to, for example diesel could make Arrowsmith quite valuable," he said.

Towner highlighted the lack of onshore oil exploration in the Perth Basin, but said converting Arrowsmith into a refinery could be a good insurance policy if interest picks up again in the future.

"It's an infrastructure asset that's important for the industry," he said.

"Given the high level of interest in the closure and funding of refineries in Australia we see Arrowsmith as one step away before refining.

"Arrowsmith should not be dismantled or decommissioned – it should actually be supported because looking forward 20 years any further crude oil discoveries or developments in the Perth Basin could be processed through Arrowsmith – it's got a real case for being repurposed."

The company has continued with its Perth Basin expansion strategy to consolidate other oil and gas permits and licences and having recently entered into agreements for further permit percentage interests, the Company now has just under 10,000 square kilometres of permits across the Perth Basin, both onshore and offshore.

"My job at hand now is to get drilling and seismic programs completed in the next three years so that we can have that opportunity for Triangle to also find new oil," Towner said.

Triangle has already identified three prospects, two of which can be drilled from the Cliff Head Alpha platform.

"To bring them online could take our production to 3000 barrels per year in 2024-25 and would extend the life of that field to 2030," Towner said.

"Once these agreements complete, we will have a dominant position in terms of percentage ownership, so we've got a lot of options as to how we might fund and how we might partner them."

The company also plans to begin an exploration campaign at its 50%-owned onshore Mount Horner acreage in the Mid-West later this year – with a commitment to drill a well by mid-2022.

"I think that's a great position to be in at the moment, there's a lot of interest coming back into the oil sector for exploration and Mount Horner is a field that's produced 1.2-1.3MMbbls," Towner said.

Meanwhile the company is looking beyond its oil and refinery assets, announcing plans to develop offshore wind and even hydrogen assets with fellow Perth Basin operator, Pilot Energy.

In May Triangle and Pilot executed their joint venture agreements and access deeds formalising its Cliff Head Wind and Solar joint venture in WA-481-P.

Under the WA-481-P sale, Triangle acquires a 78.75% interest and is appointed as operator and Pilot retains a 21.25% interest in the tenement in return for A\$300,000



in cash and a free carrying of Pilot over the next three years, which includes acquisition and processing of extensive 2D and 3D seismic surveys. The Cliff Head oil field includes the onshore Arrowsmith Stabilisation Plant.

Under the Cliff Head Wind and Solar joint venture, Pilot will hold an 80% interest and is appointed as operator and Triangle a 20% interest and Pilot is free carry in Triangle on a renewables feasibility study.

The wind and solar feasibility study is expected to kick off next month.

"The consolidation of WA-481-P combined with the partnership at the Cliff Head Oil field marks a new era for the Mid-West energy sector and Perth Basin," Towner said.

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