

RESPONSE TO PILOT ENERGY TRANSACTION TERMINATION AND UPDATE ON TRIANGLE'S CLIFF HEAD JV STRATEGY

- Triangle retains 78.75% majority ownership of the Cliff Head Joint Venture; a producing oil field with critical infrastructure to the Western Australian economy. Triangle believes that the Cliff Head Oil Field infrastructure assets have significant value for future renewable energies, and has been investigating the possibility for some time independently of Pilot
- Triangle is focused on securing storage and export/offtake alternatives for the Cliff Head Joint Venture and its production profile is leveraged to the current and foreseeable strong oil prices
- Triangle is highly leveraged to the recent upward revaluation in Crude Oil prices and is benefiting from the soft Australian Dollar. This is buoying the existing production profile and is providing perfect timing for the Cliff Head Mark II drilling program anticipated to commence in 1H 2023
- Triangle sees this as an opportunity to fully exploit and leverage existing assets, personnel and knowledge. With this, Triangle will optimise its opportunities in the future energies space

Triangle Energy (Global) Limited (**Triangle / the Company**) (ASX:TEG) provides the following clarification of details and update regarding the WA-481-P exploration permit transaction and the wind and solar joint venture with Pilot Energy Limited (**Pilot**) (ASX: PGY).

Background

Cliff Head Joint Venture

The Cliff Head operations and assets comprise Triangle's flagship project, with Triangle being the 78.75% majority participant in the Cliff Head Joint Venture (**Cliff Head JV**).

The Cliff Head JV holds, amongst other things, the operating and producing crude oil asset WA-31-L and key offshore and onshore infrastructure including the Cliff Head Offshore Platform, the Arrowsmith Stabilisation Plant Crude Oil Production Separator, wells infrastructure, pipelines and cables, easements and federal and state pipeline licences.

The Cliff Head facilities are the only offshore and operating onshore infrastructure in the Perth Basin available for the production of crude oil. It is anticipated that this infrastructure will be critical

for any future green energies focused development in Western Australia, whether it be wind, solar or hydrogen.

Triangle is the majority owner of the Cliff Head JV, with a 78.75% interest. The structure of the Cliff Head JV is as follows:

- 57.5% is held directly by wholly owned subsidiaries of Triangle; and
- 42.5% is held directly by Triangle Energy (Operations) Pty Ltd (**TEO**), which is also the registered operator of the Cliff Head JV.

TEO is indirectly held on a 50/50 basis by Triangle and Pilot.

Accordingly, Triangle holds a total majority interest of 78.75% in the Cliff Head JV while Pilot retains a minority interest of 21.25%.

WA-481-P Exploration Permit and Wind and Solar Joint Venture

On 9 November 2020, Triangle announced that:

- Triangle had entered into an agreement with Pilot pursuant to which Triangle would acquire a 78.75% interest in offshore Perth Basin exploration permit WA-481-P, which is located immediately adjacent to, and is contiguous with the Cliff Head Oil Field (**Sale & Purchase Agreement**).
- Pilot was the 60% owner and operator of WA-481-P and had entered into agreements with Key Petroleum Limited (ASX: KEY) (**Key**) to acquire the remaining 40%. Completion of the transaction between Pilot and Triangle was subject to completion of the agreement between Pilot and Key. Triangle understands that as at today, the transfer from Key to Pilot has not been approved by NOPTA.
- The transfers of WA-481-P from Key to Pilot and in turn from Pilot to Triangle, remained subject to regulatory approvals.
- Triangle and Pilot also agreed to form a joint venture to assess the feasibility of a large-scale wind and solar project that would utilise the Cliff Head JV infrastructure (**Wind & Solar JV**).

Refer to Triangle's announcements of 9 November 2020 and 11 May 2021 and quarterly activities reports of 31 January 2022, 29 October 2021, 30 April 2021, and 29 January 2021 for additional background information.

On 21 January 2022, Triangle announced that the National Offshore Petroleum Titles Administrator (**NOPTA**) had notified Triangle and Pilot that, based on the information that it had received to date, it presently intended to refuse to approve the transfers of WA-481-P involving Key, Pilot, Triangle and TEO. NOPTA invited further submissions to be made, which would be considered in deciding whether to approve or refuse the transfer application. Triangle representatives subsequently met with representatives from NOPTA and NOPTA granted Pilot and Triangle until 4 March 2022 to provide submissions.

Termination of Sale & Purchase Agreement

On 2 February 2022, Pilot notified Triangle that it elected to terminate the Sale & Purchase Agreement, purportedly on the basis of NOPTA's position and the conditions precedent to the Sale & Purchase Agreement not being satisfied before the cut-off date.

That Pilot chose to take this action, before the NOPTA regulatory approval process had completed, is contrary to Triangle's strategy and disappointing. The inference by Pilot in its announcement of 2 February 2022 that NOPTA was unlikely to approve the transfer fails to address the fact that the process had until recently been managed by Pilot. Triangle was in the process of providing NOPTA the information it had requested, within the agreed timeframe. Based on the latest discussion between Triangle and the authorities (NOPTA) and the progress on defining export/offtake strategies after the BP storage agreement cessation, Triangle considers that it had a reasonable basis to expect that any concerns regarding its financial capacity could have been adequately addressed in its submissions which were due to be provided to NOPTA by 4 March 2022.

Triangle intends to continue preparing this submission to NOPTA demonstrating Triangle's ability to meet its decommissioning liabilities and continue developing its broader Perth Basin energy expansion strategy.

Cliff Head JV Storage and Offtake Update

As announced on 29 November 2021, BP Kwinana indicated to the Cliff Head JV that it did not intend to extend the term of the Storage Agreement past 22 April 2022, the end date of the initial one-year term (as announced on 22 April 2021). As the term of the Offtake Agreement signed with BP Singapore is aligned with the term of the Storage Agreement, this will also terminate as at the same date, after the next crude oil lifting by BP Singapore scheduled for April 2022.

The Triangle management team have made considerable progress on behalf of the Cliff Head JV towards securing alternate storage and export/offtake strategies both domestically and internationally to ensure that the Cliff Head JV continues oil production and maintain continuous operations.

Flexible Feed Renewable Fuel Refinery – Front End Engineering and Design Update (FEED)

Triangle is well advanced in its investigation into the potential to establish a modern, modular renewable fuel refinery by leveraging the Cliff Head JV's existing infrastructure. The proposed 5,000 barrel per day facility would be suitable for bio-crude fuel stocks including crude product from the Cliff Head JV as well as crude and condensate from other producers in the Mid-West of Western Australia.

A Concept Study and Pre-FEED Study has been completed and the Company is expected to complete the FEED stage during the second quarter of 2022 (for further information please refer to the Company's December 2021 Quarterly Report).

Cliff Head Mark II

The current oil price provides strong support for the well planning for drilling of the Cliff Head satellite wells.

Three attractive drilling opportunities were developed from the previously completed Cliff Head Renewal Project (**CHRP**), the South-East Nose development, West High/West Flank appraisal/development (**Western Development**) and Mentelle Updip exploration prospect. Success with these opportunities could materially increase production and extend the life of the Cliff Head Oil Field. A fourth opportunity, Catts prospect, is also technically mature but dependent on SE Nose drilling results.

The Select phase work is complete and the well planning is moving into detailed design. Drilling is targeted for 1H 2023.

Renewable Energy Strategy

Due to the termination of the Sale & Purchase Agreement, the Wind & Solar JV with Pilot is also terminated.

As announced on 9 November 2020, the Wind & Solar JV was Triangle's first joint venture into assessing the feasibility of a renewables project utilising the Cliff Head JV infrastructure.

Triangle does not consider that the termination of the Wind & Solar JV with Pilot is material to Triangle for numerous reasons including the following:

- Triangle is the majority participant in the Cliff Head JV. Pilot is a minority indirect participant and has no contractual right to commit the Cliff Head JV or its infrastructure to any particular renewables project.
- Triangle, independently of Pilot, has reviewed the infrastructure assets and considers there is significant material value and potential in the Cliff Head JV infrastructure for wind, solar and hydrogen projects. Furthermore, Triangle sees the potential for future re-purposing of the infrastructure and tenures at End of Field Life for renewables projects.
- The Cliff Head facilities are the only offshore and operational onshore infrastructure in the highly prospective and under-explored Perth Basin and are therefore critical for any exploration success or development in the surrounding area. Triangle also sees significant potential value in the utilisation of the Cliff Head infrastructure for potential renewable energy ventures given the limited existing infrastructure available and its strong operational track-record in the Perth Basin.
- As previously announced by Triangle, any transition of the Cliff Head JV into renewable energy will require amongst other things, additional financing, and appropriate partners. The termination of the Wind & Solar JV with Pilot enables the Cliff Head JV to examine

renewable energy opportunities with alternative partners with proven experience and strong balance sheets in the renewables sector and access to funding.

- There is limited framework around the substantial regulatory hurdles to become a large-scale renewables project. Whilst legislation has recently been passed in relation to offshore electricity infrastructure, it does not come into effect until mid-2022 and the regulations that govern the licensing scheme, and include the details around the application for and grant of a licence, have not yet been released. Accordingly, there remains significant uncertainty as to the regulatory hurdles that will need to be satisfied to progress any renewables operations (including the timing of any approvals).

However, Triangle, as an existing energy producer and infrastructure owner, believes it is in good stead to satisfy any regulatory requirements. Triangle understands that NOPTA notified Pilot on 21 September 2021 that its preliminary view was to refuse Pilot's application for approval of the Access and Cooperation Deed (which set out, amongst other things, the terms and conditions for the coordination between the Cliff Head JV, the Wind & Solar JV and Pilot). The basis of the proposed refusal was that neither Pilot nor the Wind & Solar JV:

- are engaged in carrying out petroleum or greenhouse gas activities licensed under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*; or
- a holder of a statutory licence or right under any other legislation to engage in offshore activities in the areas the subject of the Deed.

Pilot did not advise Triangle of NOPTA's initial position until December 2021, following Triangle requesting a copy of all relevant correspondence. Pilot has also failed to provide Triangle with any subsequent information to suggest that any such approvals are likely to be granted.

Accordingly, while Triangle's strategy for the Cliff Head JV includes the consideration of renewable energy opportunities, this is by necessity a longer-term strategy that is subject to detailed regulatory processes and funding requirements. Any transition into renewable energy by the Cliff Head JV may also require consultation with ASX by the joint venture participants as to the application of Chapter 11 of the ASX Listing Rules.

As and when Triangle elects to pursue future material opportunities in renewable energies, it will provide appropriate disclosure regarding the regulatory and funding risks applicable, and the grounds upon which it considers it has a reasonable basis to consider that such opportunity is likely to materialise.

Triangle's immediate focus is on progressing the interim offtake arrangements on behalf of the Cliff Head JV. This work is progressing well and is the priority of the Triangle team. Triangle looks forward to providing further updates as the arrangements progress, in accordance with its continuous disclosure obligations.

Approved for release by: The Board of Directors

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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 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% equity interest in 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 an 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.