

ASX: TEG

www.triangleenergy.com.au

52 Wk Share Price Range

\$0.012 - \$0.041

Market Capitalisation

\$16.1M (at \$0.0.15 per share as at 26 April 2022)

Issued Capital (as at 31 March 2022)

1.075B Ordinary Shares
672.7M Listed Options
49M Performance Rights

Cash (as at 31 March 2021)

\$2.62M

Investment in State Gas Limited

\$13.74 million (at \$0.287 per share, as at 28 April 2022)

Top 20 Shareholders (31 March 2022)

33.80%

Board and Management

Greg Hancock
Non-Executive Chairman

Conrad Todd
Managing Director

Mike Collins
Non-Executive Director

Marvin Chan
Chief Financial Officer

Henko Vos
Company Secretary

Triangle Energy (Global) Ltd

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HIGHLIGHTS OF THE QUARTER

- ❖ **New Board and Managing Director appointed**
- ❖ **Steady oil production of 689 barrels of oil per day**
- ❖ **Crude oil inventory of 124,479 barrels as of 31 Mar 2022 with another estimated 15,500 barrels of oil to be lifted in May 2022**
- ❖ **New Technical review of highly prospective L7 Permit undertaken. Prospective Gas Resources subsequently upgraded from 165 Bcf to 617 Bcf (100% gross, on-block)**
- ❖ **Bookara 3D preparations for seismic acquisition in L7 (Mt Horner) and EP 437 rapidly advanced as a priority**
- ❖ **CH10 workover planning progressed**

Production - Cliff Head Operations

- **61,319 barrels delivered to BP Kwinana during the quarter ending March 2022 at an average production of 689 barrels of oil per day**
- **Crude oil inventory value of AU\$7.74 million (at cost) representing 124,479 barrels of oil stored at BP Kwinana at the end of the quarter**

Exploration

- **Prospects and Leads portfolio review completed within Permits L7(R1) and EP 437**
- **Detailed planning for Bookara 3D Seismic Survey continued**
- **Detailed well planning for Cliff Head Mark 2 continued**

Corporate

- **A new board comprising Mr Greg Hancock as Non-Executive Director and Chairman, Mr Conrad Todd as Managing Director and Mr Mike Collins as Non-Executive Director was appointed on 14th February 2022**
- **The Company is the major shareholder of State Gas Limited (State Gas) (ASX: GAS) with an interest of 23.96% as at the date of this report. The investment is equivalent to AU\$13.74 million in value at \$0.287 per State Gas share (as at 28 April 2022)**
- **Cash: AU\$2.62M (previous quarter: AU\$8.33M)**



COMPANY UPDATE

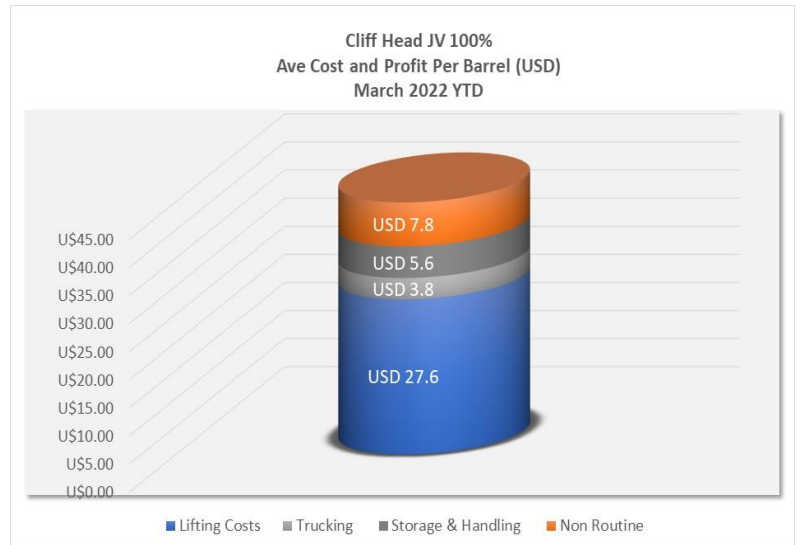
Cliff Head Oil Field (100%)

Cliff Head Operations

The Cliff Head Joint Venture (**CHJV**) continued to produce and deliver crude oil to BP Kwinana during the March quarter, this totalled 61,319 barrels of oil which will be sold at the average May oil price.

The final lifting from Kwinana will be early May, after which produced oil is expected to be shipped through Geraldton to Asian refineries (Truck-to-Tanker project).

Under the Truck-to-Tanker route, the crude oil will be transported from the increased storage tank capacity at the Arrowsmith Stabilisation Plant to a tanker at Geraldton Port. Once the minimum quantity is reached, the CHJV may opt to sell it to a buyer in Asia. Subsequent to the end of the quarter, the CHJV has signed a Marketing Agreement with BP Singapore Pte Limited.



Cliff Head 10 Update

On 29 September 2021 the Company reported that the Cliff Head 10 well (**CH10**) had shut-in due to a down hole electrical fault. The ESP in CH10 had a run life of nearly 12 years, 3 times the typical Cliff Head ESP of 4 years.

The Company is at an advanced stage of evaluating options to work-over the CH10 well. The CHJV is keen on executing the work-over at the earliest opportunity to take advantage of higher oil price and some tax benefits. If the work-over is successful, the CH10 well is expected to add an estimated 130 barrels of oil per day to production.

Cliff Head Mark 2 – Well Planning

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

The Company is about to commence a farm-out process to bring in a partner to assist with the drilling of one or more of these wells.

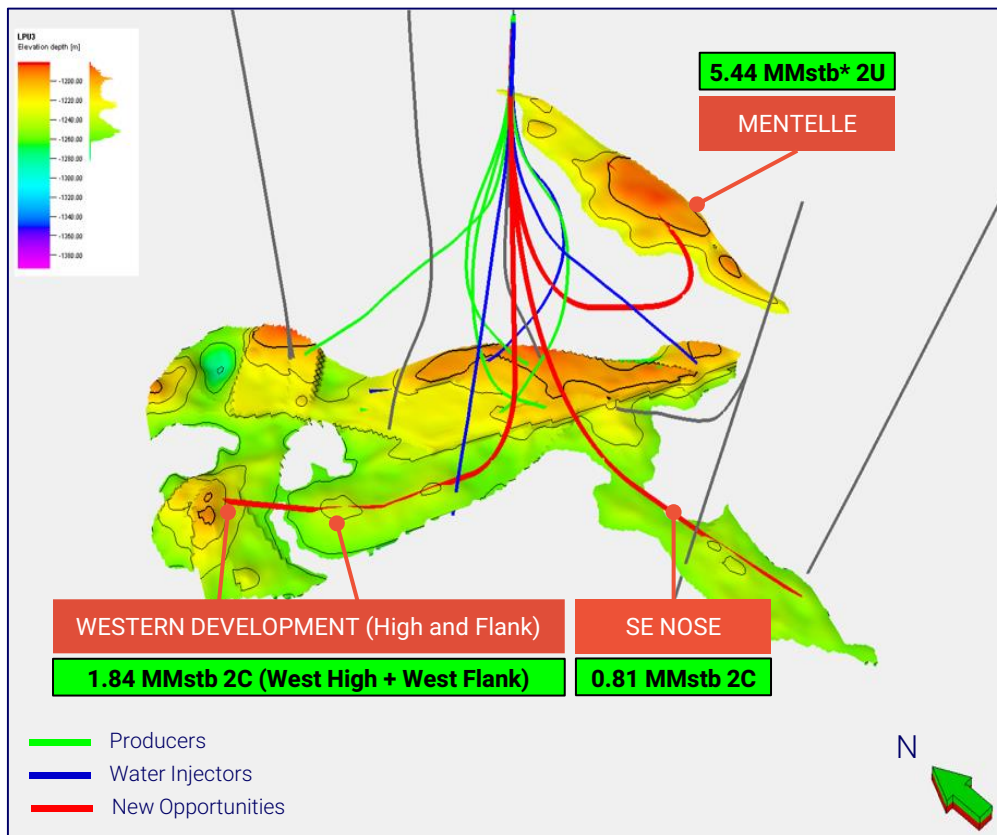


Figure 1 Cliff Head Satellite Opportunities

* The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a 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.

Mt Horner Production Licence L7(R1) / EP 437

On 29 January 2021, the Company entered into a Sale and Purchase Agreement (**Agreement**) and Royalty Deed with subsidiaries of Key Petroleum Limited (ASX:**KEY**) to acquire a further 50% participating interest in Production Licence L7(R1) (**L7**) and a combined 86.94% interest in Exploration Permit EP 437 (**EP 437**) (together, **the Acquisition**).

Completion of the Agreement is conditional on usual regulatory approvals and execution of a deed of covenant in respect of the EP 437 Joint Operating Agreement. Completion of the necessary regulatory requirements in order that the Department of Mines, Industry Regulation and Safety can effect the transfer of Key's Petroleum's interests in L7 and EP 437 to Triangle continued through the quarter. On 15th March 2022, the company announced that the proposed Cut Off date for the Agreement was extended to 30 June 2022.

The Company progressed a detailed review of the mapping and resource potential of the L7 permit, with a particular focus on the Lower Permian gas potential (Kingia / High Cliff reservoirs), the same play level as the major gas discoveries in the basin such as the recent Lockyer Deep-1 well which lies adjacent to L7 to the south-east. This work has confirmed a substantial increase in prospective resources which were announced to the ASX on 12th April 2022, subsequent to the end of the quarter.

Preparations for the Bookara 3D Seismic Survey (Survey), under a Management Services Agreement whereby Triangle will provide all operational services in relation to the L7 / EP437 titles, was a major focus for the quarter. The Bookara 3D seismic survey will technically mature the high upside Permian gas targets and a portfolio of oil leads for drilling.

Contract negotiations with the seismic contractor Terrex, land access and regulatory approval processes were finalised. Acquisition of the Bookara 3D seismic data will commence in late April.



Triangle Energy

The company looks forward to the results of the Bookara 3D seismic survey which is expected to deliver several high value drilling opportunities.

Subsequent to the end of the quarter, the EP 437 Joint Venture has been granted a suspension and extension to Year 3 to provide time to acquire 3D seismic and prepare for drilling a well.

TP/15 Xanadu-1 JV (45%)

TP15 contains the Xanadu-1 well oil discovery. There is follow-up potential in the West Xanadu area with the West Xanadu, Texel and South Xanadu Leads.

Triangle increased its interest in the TP 15 Permit to 60% and is undertaking a review of prospectivity in the Permit.

The TP15 Joint Venture has been granted an extension to Year 3 to provide time for the prospectivity review and adequate planning and approval of the 100 km Year 4 2D seismic acquisition commitment to be undertaken.

INVESTMENT

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Limited (**State Gas**) (ASX: **GAS**) with an interest of 23.96%. The investment is equivalent to AU\$13.74 million in value at AU\$0.287 (as at 28 April 2022) per State Gas share.

CORPORATE

COVID-19 Pandemic Plan

The Company is actively complying with all mandates and adhering to the guidelines provided by the WA Government and will continue to monitor the situation to ensure staff and public safety at all times. The evolving nature of the COVID-19 virus will inadvertently impact the business and its operations, but all necessary processes are in place to minimise the impact.

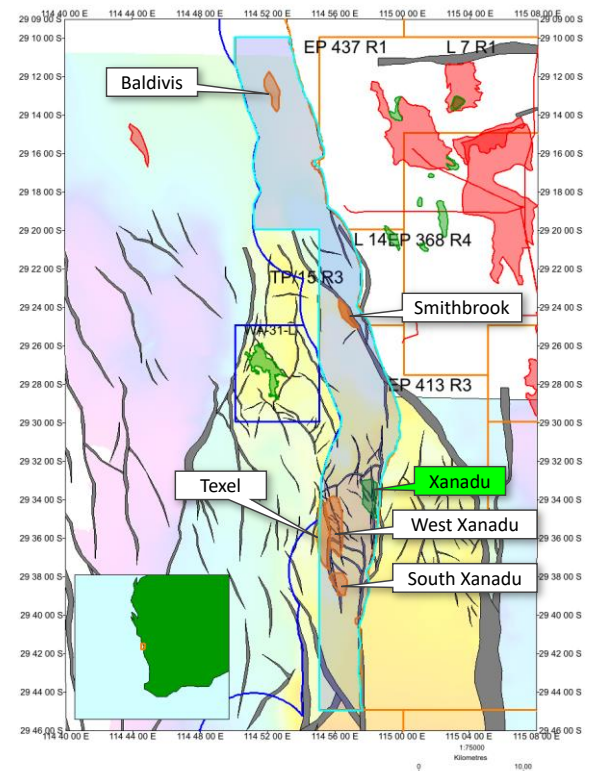
Triangle maintains an Infectious Disease Response Plan which is updated in line with changing legislation and governmental mandates as required.

Board Changes

On 14 February 2022, Messrs Greg Hancock, Conrad Todd and Mike Collins were appointed as Directors. Mr Henko Vos was also appointed as Company Secretary. Subsequently, Mr Greg Hancock was appointed as Non Executive Chairman, Mr Conrad Todd was appointed as Managing Director and Mr Mike Collins appointed as Non-Executive Director

Mr Hancock has over 25 years' experience in capital markets practising in the area of Corporate Finance. He has extensive experience in both Australia and the United Kingdom. In this time, he has specialised in mining and natural resources and has a background in the finance and management of small listed companies. He was the founding shareholder and first Chairman of Cooper Energy Ltd (ASX: COE), an Australian oil and gas producer with operations in the Cooper, Otway and Gippsland basins. Mr Hancock is the Non-Executive Chairman of ASX listed companies Ausquest Ltd, BMG Resources Ltd and LSE Listed Cobra Resources plc. He is Non-Executive director of Golden State Mining Ltd and Group 6 Metals Ltd (formerly King Island Scheelite Ltd).

Mr Todd has over 40 years' experience in Oil and Gas exploration and development. He has worked as Exploration and Development Manager for Cooper Energy and Lundin in Malaysia. In Indonesia, he was Chief Geophysicist and New Business Manager for LASMO and in Oman was Chief Geophysicist for Occidental. During his time at Lundin in Malaysia



he ran the subsurface team which produced 20,000 bopd from a complex mixed oil and gas field. Whilst at Cooper, he ran the geoscience department during a period of growth when the market cap went from \$20 million to \$200 million.

Mr. Collins has over 35 years' experience in Oil and Gas exploration and development in Perth and London. He worked as VP Exploration and Geoscience for Mitsui E&P Australia and as both Senior Geophysicist and Senior Business Analyst for Woodside Energy Ltd in Australia. He was Senior Explorationist for AGIP (now Eni) in London. During his time at Mitsui E&P he managed the E&G subsurface team to provide focussed technical, economic and commercial advice/support across the Mitsui E&P exploration portfolio and assets in Australia, New Zealand, PNG and Indonesia culminating in various discoveries/acquisitions and divestments in the Browse, Exmouth, Otway, Gippsland, Taranaki and onshore Perth basins with the most recent asset acquisitions being Waitsia (from AWE) and Kipper.

Capital and Management Expenditure

As at 31 March 2022, Triangle had a cash balance of AU\$2.62M

During the quarter, the Company made the following payments:

- **Production expenditure:** Normal production operations at Cliff Head of AU\$2,375K. This amount represents 57.5% participating interest in CHJV;
- **Exploration and evaluation expenditure:** the Company paid AU\$712K for subsurface work in Cliff Head and L7 (Mt Horner);
- **Staff cost:** Payments to staff of AU\$906K; and
- **Administration and corporate:** other general and administration expenses of AU\$632K incurred by the Company in other areas of the business.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd. This investment is equity accounted for in the Company's financial statements.

Payments to Related Parties of the Company and its Associates

During the quarter ending 31 March 2022, the Company paid AU\$348K to related parties of the entity and their associates. The payment is broken down as follows:

1. payments to executive director of AU\$293K, and
2. payments to non-executive directors of AU\$55K.

Shareholder Analysis

As at 31 March 2022 the Company had 2,083 shareholders and 1,075,308,936 shares on issue. The Top 20 shareholders held 33.80% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 31 March 2022, the Company held a:

- 78.75% interest in WA-31-L in the Perth Basin, Western Australia;
- 45% interest in TP/15 Joint Venture in the Perth Basin, Western Australia;
- 50% participating interest in Production Licence L7(R1) Perth Basin, Western Australia and a further 50% subject to Completion of a Sale and Purchase Agreement;
- Interest in Exploration Permit 437 Perth Basin, Western Australia subject to Completion of Sale and Purchase Agreements

Authorised for Release by: **Conrad Todd**
Managing Director

ENDS

General Shareholder Enquiries: info@triangleenergy.com.au

Notes Regarding Reserves, Contingent and Prospective Resources

1. *The Company prepares its Petroleum Reserves, Contingent Resources and Prospective Resources in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS).*
2. *The Reserve and, Contingent Resources reported for Cliff Head lie within the Cliff Head Production Licence WA-31-L, operated by Triangle Energy (Operations).*
3. *The Company's net Reserves and Contingent Resources are attributed to Triangle Energy's 78.75% net interest in WA-31-L.*
4. *The evaluation date for the WA-31-L Reserves and Contingent Resources is 30 June 2021.*
5. *The Company's Reserves and Contingent Resources for WA-31-L were reported to the ASX on 28 October 2021.*
6. *The Company's Prospective Resources in Mt Horner lie within the onshore Perth Basin production licence L7, operated by Key Petroleum (Australia) Pty Ltd.*
7. *The Company's Prospective Resources for L7 are attributed to Triangle Energy's 50.00% net interest.*
8. *The evaluation date for the company's Prospective Resources in L7 is 18 August 2021.*
9. *The Company's Prospective Resources for L7 were reported to the ASX on 20 August 2021.*
10. *The Company is not aware of any new information or data that materially affects the information the Reserves, Contingent Resources or Prospective Resources referenced in this quarterly report.*

Qualified Petroleum Reserves and Resources Evaluator Statement

The Reserves, Contingent Resources and Prospective Resources are based on and fairly represent information and supporting documentation prepared by, or under the supervision of, the Company's Sub-Surface Manager Mr Matt Fittall, who is a full-time employee of Triangle Energy (Global) Limited. Mr Fittall has provided his prior written consent to the form and context in which the information that relates to the reserves is presented. 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).

About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX: TEG) oil and gas 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, and a 45% share of the Xanadu-1 Joint Venture and has executed a Farmout Agreement with Key Petroleum Limited for its Production Licence L7(R1), all located in the Perth Basin. The Company also has a 23.96% interest in State Gas Limited, a company with an 100% operating interest in the Reid's Dome production licence (PL 231 and Rolleston-West (ATP 2062)) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Triangle Energy (Global) Limited

ABN

52 110 411 428

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	0	8,417
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	0	0
	(b) development	0	0
	(c) production	(2,375)	(6,183)
	(d) staff costs	(906)	(2,340)
	(e) administration and corporate costs	(632)	(1,929)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	133
1.5	Interest and other costs of finance paid	0	(10)
1.6	Income taxes / PRRT (paid) / received	5	(2)
1.7	Government grants and tax incentives	0	0
1.8	Other (provide details if material)	0	0
1.9	Net cash from / (used in) operating activities	(3,908)	(1,914)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	(169)	(1,639)
	(d) exploration & evaluation (if capitalised)	(712)	(1,674)
	(e) investments	0	0
	(f) other non-current assets	0	0

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	(891)	(2,741)
2.4	Dividends received (see note 3)	0	0
2.5	Other (repayment from associates)	0	2,322
2.6	Net cash from / (used in) investing activities	(1,772)	(3,732)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	8,226
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	312
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	(512)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(5)	(360)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(5)	7,666

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,329	598
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,908)	(1,914)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,772)	(3,732)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	7,666

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(24)	2
4.6	Cash and cash equivalents at end of period	2,620	2,620

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,617	8,197
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details) Escrow and Joint Venture Cash	3	132
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,620	8,329

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
348
0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Lender: Pentin Pty Ltd		
Facility: \$500,000 Unsecured Loan		
Interest: 8% per annum		
Facility fee: \$50,000		
Term: Earlier of 6 months after first drawdown date and 5 business days after the Issue Date		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,908)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(712)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(4,620)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,620
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	2,620
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	(0.57)

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

No, the Company is not expecting to continue to have the current level of net operating cash flows. In May 2022, the Company is set to sell its crude oil inventory to BP. The estimated operating cash inflows from the sale being approximately US\$8 million (at an oil price of US\$100/bbl).

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes, the Company launched a fundraise on 28 April 2022. The Company is confident in completing the proposed capital raise based on previous experience in successfully raising funds and the support the Company receives from its appointed brokers.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, the Company expects to be able to continue its operations and meet business objectives. The Company will sell a package of crude oil currently in tank and will continue to sell its crude oil through BP Singapore.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: Conrad Todd on behalf of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.