



TriangleEnergy

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN 52 110 411 428

INTERIM FINANCIAL REPORT

For the six months ended 31 December 2022

CORPORATE DIRECTORY

DIRECTORS

Mr Greg Hancock (Non-Executive Chairman)
Mr Conrad Todd (Managing Director)
Mr Mike Collins (Non-Executive Director)

COMPANY SECRETARY

Mr Henko Vos

EXECUTIVE MANAGEMENT TEAM

Mr Marvin Chan (Chief Financial Officer)
Mr Brett Macrae (Asset Manager)
Dr Douglas Gillies (Subsurface Manager)
Mr Bryce Donaldson (HSE Manager)
Mr Simon Price (Person-In-Charge – Arrowsmith Stabilisation Plant)
Mr Anthony See (Asset Integrity Manager)

REGISTERED OFFICE

Address: Suite 2, Ground Floor, 100 Havelock Street, West Perth, WA 6005, Australia
Tel: +61 (0)8 9219 7111
Email: admin@triangleenergy.com.au
Web: www.triangleenergy.com.au

PRINCIPAL PLACE OF BUSINESS

Australia (Head Office):

Suite 2, Ground Floor, 100 Havelock Street, West Perth, WA 6005, Australia

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

SHARE REGISTRY

Automic
Level 2, 267 St Georges Terrace, Perth WA 6000, Australia
Tel: 1300 288 664 (within Australia)
Tel: +61 (8) 9324 2099 (outside Australia)
Email: hello@automic.com.au
Web: www.automic.com.au

AUDITORS

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street, Perth WA 6000, Australia

SOLICITORS

Blackwall Legal
Level 26, 140 St Georges Terrace, Perth WA 6000, Australia



CONTENTS

Directors' Report	3
Auditor's Independence Declaration	18
Interim Financial Report	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	19
Condensed Consolidated Statement of Financial Position	20
Condensed Consolidated Statement of Cash Flows	21
Condensed Consolidated Statement of Changes in Equity	22
Condensed Notes to the Consolidated Interim Financial Statements	23
Directors' Declaration	43
Independent Auditor's Review Report	44

DIRECTORS' REPORT

The Directors present the interim financial report of Triangle Energy (Global) Limited (the **Company, Group, Consolidated Entity or TEG**) for the half-year ended 31 December 2022 and the Auditor's review report therein:

Directors

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Greg Hancock (Non-Executive Chairman)	appointed 14 February 2022, Chairman 15 February 2022
Mr Conrad Todd (Managing Director)	appointed 14 February 2022, Managing Director 15 February 2022
Mr Mike Collins (Non-Executive Director)	appointed 14 February 2022

RECENT EVENTS

Cliff Head Oil Export

The company designed and brought into operation the Truck to Tanker oil export route during the second half of 2022. In summary, oil produced from the Cliff Head oilfield is produced into refurbished tanks at the Arrowsmith Processing Facility, when these are full, approximately 26,00 barrels of oil is trucked in a 96 hour operation to the AB Paloma, a chartered tanker, at the port of Geraldton. The tanker then anchors off Geraldton for 5-6 weeks, then is filled with a second cargo of oil. The tanker then departs to unload the oil at a suitable refinery, to date these have been in Thailand, then returns to Geraldton to pick up another cargo.

Payment for the oil sold is generally made within 1-2 months of unloading.

L7 / EP 437 Farmout

On 19th December 2022 the company announce that it had signed a deal with Talon Energy (ASX:TPD) to farm into a 25% interest in the L7 and EP 437 onshore Perth Basin licenses. The farm-in comprises payment of AU\$9.2 million for past seismic costs and future expenses on three wells to be drilled over the two permits.

On 1st March 2023 the company announced that the deal had been finalised and the farmout agreement signed resulting in Talon's payment of the first million dollars towards costs.



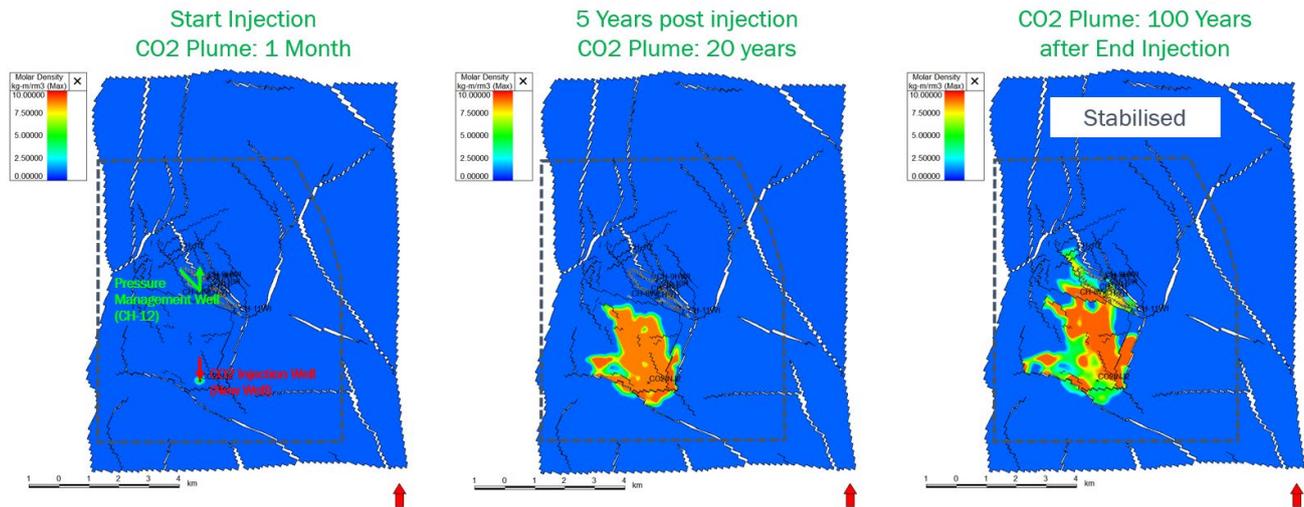
L7 EP 437 Farmout Agreement Signing

Subsequent to the end of December, Triangle announced on 17th January 2023 that New Zealand Oil and Gas (ASX:NZO) were to farm in to a further 25% interest in the L7 and EP 437 onshore Perth Basin licenses. The farm-in comprises payment of AU\$9.9 million for past seismic costs and future expenses on three wells to be drilled over the two permits.

DIRECTORS' REPORT
RECENT EVENTS (continued)

Storage Resource Upgrade

On 30th November 2022 Triangle announced that as the first stage of the conversion of the Cliff Head oilfield to a carbon sequestration project it had, with its partner Pilot Energy (ASX:PGY), lodged an application for a Declaration of an identified Greenhouse Gas storage formation. At the same time the Joint Venture announced an upgrade in the most likely (2C) contingent CO₂ storage resource to 9.7 million tonnes of Carbon Dioxide. Part of the application is to model how far the plume of CO₂ would travel within the reservoir, shown below. This shows that at commencement of injection, the reservoir is water-filled (shown in blue). After CO₂ injection for 15 years, the plume, shown in orange is contained, and after 100 years the plume has stabilised, as the CO₂ has gone into stasis within the reservoir.



REVIEW OF OPERATIONS

Company Overview

Triangle is an oil production and exploration company based in Perth, Western Australia. The Company currently holds a 78.75% interest in, and is the Registered Operator of, the producing Cliff Head Oil Field (WA-31-L) located in the Perth Basin. Further, the Company holds a 50% interest in the L7(R1) Production Permit (subject to completion of farmout), 50% interest in the EP 437 Exploration Permit (subject to completion of farmout) and is in the final stages of relinquishment of a 45% interest in permit TP15. All permits are in the Perth Basin.

The Company holds an approximately 10.6% equity interest in Australian Securities Exchange-listed State Gas Limited (**ASX:GAS**).

Triangle has thirteen years of operational experience in the oil and gas sector. The Company has a track record of performing ahead of industry averages in safety performance and will continue to pursue the highest standards in Health, Safety and Environment.

Cliff Head Oil Field, Perth Basin, Western Australia

The Cliff Head Oil Field (**Cliff Head**) is located approximately 300 kilometres north of Perth and 12 kilometres off the coast of Dongara in Western Australia at a water depth of 15-20 metres under Production Licence WA-31-L (**WA-31-L Permit**). WA-31-L Permit covers 72km² and the oil field covers 6km². Cliff Head was the first commercial oil discovery developed in the offshore Perth Basin with a development cost of AU\$327m and first oil production commencing in May 2006.

Ownership/Operatorship

Triangle has a majority 78.75% interest in, and is the Registered Operator of, the producing Cliff Head Oil Field.

The Company is committed to maintaining safe operations at Cliff Head as it continues its oil production. The investment in infrastructure supports future possible increases in field production and enables the handling of regional oil through the Arrowsmith Stabilisation Plant (**Arrowsmith: ASP**) which has a nameplate capacity to process 15,000 barrels of oil per day.

**DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)**

Production

Production in the Cliff Head Oil Field is coming from five production wells using electric submersible pumps (**ESPs**). Produced crude oil is processed and stored at the refurbished storage tanks at ASP (Figure 1).



Figure 1: Arrowsmith Stabilisation Plant (ASP)

Once the ASP crude oil storage tanks are filled with approximately 26,000 barrels of oil, the Company then trucks the crude oil to a chartered vessel (AB Paloma) at the Geraldton Port (Truck-to-tanker export route). Every 2 to 3 months, AB Paloma will sail to a refinery to sell the crude oil (Figure 2).

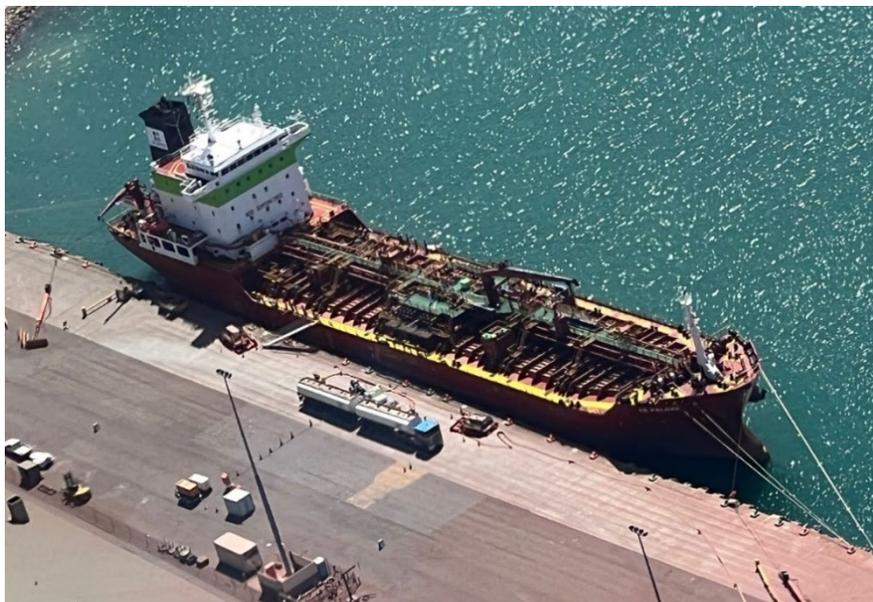


Figure 2: AB Paloma at Geraldton Port

In July 2022, the Company successfully made its first export sale utilising the truck-to-tanker export route. It sold its first cargo of circa 51,000 barrels of crude oil to a refinery in Thailand. A second parcel of circa 52,900 barrels was delivered in December 2022 to the same buyer in Thailand and a third parcel of 51,100 barrels in February 2023.

The truck-to-tanker export route is the first of its kind in the Perth basin. The Company has successfully demonstrated that it can continue with its oil production after closure of the BP Kwinana refinery.

DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)

Current production from Cliff Head is coming from four wells. One well (CH-10) remains offline due to the failure of its electrical submersible pump (ESP). Workover of the CH-10 well commenced in June 2022 and was temporarily suspended pending the delivery of long lead equipment. During the intervening period, the Company has successfully removed the wireline and the failed ESP without the need for a fishing program. As at reporting date, CH-10 is ready for workover completion. The workover of CH-10 is expected to add over 100 barrels of oil per day to the Cliff Head Joint Venture production from mid Q2 2023.

As at 31 December 2022, the field has produced 16.94 million barrels of oil (mmbbls) and continues to produce at above originally forecasted rates.

Oil sales revenue from 1 July 2022 to 31 December 2022 was US\$8.57 million (Cliff Head JV 100%) for a volume of 103,633 barrels of crude oil. Average production rate for the period is 620 barrels of oil per day.

Facilities and Infrastructure

The Cliff Head Alpha Platform and Arrowsmith Stabilisation Plant is the only offshore and operational onshore infrastructure in the highly prospective and under-explored Perth Basin. This infrastructure will be used in the future for a Carbon Dioxide sequestration project. The unmanned platform lies in 15m to 20m of water with a 14km pipeline, which carries the produced fluids to a dedicated stabilisation processing plant at Arrowsmith (Figure 3). The facility operates on a closed loop water re-injection system.



Figure 3: Arrowsmith Stabilisation Plant (ASP) Processing Facilities

Exploration Upside

Cliff Head Renewal Project

The Company has identified several opportunities within and near the Cliff Head field to enhance production, which could extend the economic life of the offshore Cliff Head platform, and onshore Arrowsmith Oil Stabilisation Plant.

Several drilling and workover opportunities in the Cliff Head area have been matured to Contingent Resources. Subject to positive investment decisions and development drilling success, these opportunities could provide new production streams and production rates at Cliff Head.

DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)

Cliff Head Contingent and Prospective Resources

The Company's 2P Reserves (Proven + Probable) remaining at 30 June 2022 are assessed to be 0.72 MMstb (million stock tank barrels) gross and 0.57 MMstb net (78.75%) to Triangle as shown in Table 1 below. This is based upon reservoir engineering analysis of future production based on historical trends (i.e. decline curve analysis):

Oil Developed Reserves (MMstb)	Gross (100%) 2P	Net Triangle Energy (Global) Ltd 2P
Cliff Head Field	0.72	0.57

Table 1: Cliff Head Reserves as at 30 June 2022

Notes Regarding Reserves

1. The Company prepares its Reserves in accordance with the definitions and guidelines of the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS).
2. The estimates of Reserves are reported as at 30 June 2022.
3. The Company is the Operator of WA-31-L.
4. Triangle holds a 78.75% interest in the Cliff Head production licence WA-31-L. Gross Reserves are attributed to 100% joint venture interest in WA-31-L. Net Reserves are attributed to Triangle's existing 78.75% net interest in WA-31-L.
5. Reserves have been prepared using standard reservoir engineering practice, specifically decline curve analysis incorporating field production data to 30th June 2022, well and facility uptime, expected shutdown durations and timing into the future.

Cliff Head Contingent Resources

The Company's 2C Contingent Resources at 30 June 2022 were assessed to be 2.96 MMstb, net to Triangle (Table 2, Figure 4):

Permit WA-31-L Oil Contingent Resources (MMstb) Prospect / Lead	Gross (100%) 2C	Net Triangle Energy (Global) Ltd (78.75%) 2C
SE Nose	0.81	0.64
Western Development	1.84	1.45
Far North	0.41	0.32
Cliff Head Field Life Extension	0.70	0.55
Total (Arithmetic sum)	3.76	2.96

Table 2: Cliff Head Contingent Resources as at 30 June 2022

Cliff Head Prospective Resources

The Company has developed a portfolio of prospects and leads within its permits and licences (Table 3, Figure 4). The Prospective Resources for WA-31-L were previously reported in the 2022 Annual Report:

Permit WA-31-L Prospective Resources Oil (MMstb) Prospect / Lead	Gross (100%) 2U	Net Triangle Energy (Global) Ltd (78.75%) 2U
Mentelle Updip	5.4	4.3
Catt	0.8	0.6
South Cliff Head	3.0	2.4
Total (Arithmetic sum)	9.2	7.3

Table 3: Permit WA-31-L Best Estimate (2U) Prospective Resources 30 June 2021

**DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)**

Notes Regarding Contingent and Prospective Resources

1. The Company prepares its 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 estimates are reported as at 30 June 2022 and 30 June 2021.
3. Triangle holds 78.75% interest in the Cliff Head production licence WA-31-L
4. The estimates of Contingent and Prospective Resources reported in Table 2 and Table 3 above are stated both as Gross; attributed to 100% joint venture interest and Net; attributed to Triangle's participating interest in the licences.
5. Contingent Resources reported in Table 2 are entirely within the Cliff Head Production Licence WA-31-L. The Company is Operator of WA-31-L.
6. Contingent Resources have been prepared using deterministic and probabilistic methods. The SE Nose Contingent Resources were determined probabilistically and incorporate a range of reservoir uncertainties. Contingent Resources for the remaining opportunities were evaluated deterministically.
7. The Prospective Resources for oil lie within the Cliff Head Production Licence WA-31-L.
8. In WA-31-L, the Prospective Resources for the Mentelle prospect was evaluated using the probabilistic method.

Qualified Petroleum Reserves and Resources Evaluator Statement

9. The information contained in this report regarding the Triangle Energy Reserves and Resources is based on, and fairly represents, information and supporting documentation reviewed by Dr Douglas Gillies who is a full-time employee of Triangle Energy (Global) Ltd holding the position of Subsurface Manager. He holds a Bachelor of Science (Hons) and a PhD (Edinburgh) in geology, is a member of the Society of Petroleum Engineers (SPE) and Petroleum Exploration Society of Australia (PESA) He is a qualified resources estimator in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

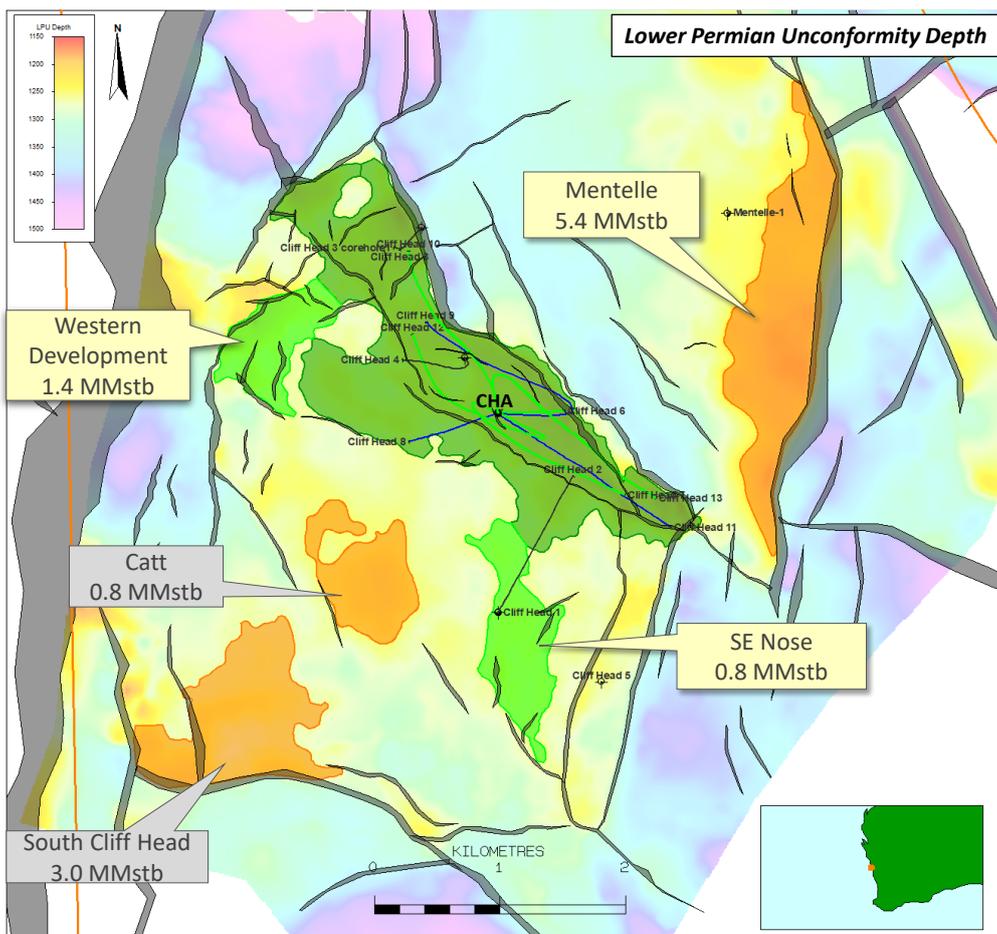


Figure 4: Cliff Head Opportunities

DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)

Cliff Head CCS Project Joint Venture

In April 2022, the partners of the Cliff Head Joint Venture (CHJV) agreed to restructure the joint venture, subject to completion of certain conditions (milestones). In the restructuring, the partners also agreed to proceed with the Cliff Head Carbon Capture and Storage Project (**CCS Project**).

The CCS Project team has undertaken significant studies outlining the processes necessary to convert the Cliff Head facilities to a Carbon Capture and Sequestration project when economic oil production has ceased.

The two regulatory milestones required prior to commencement of this project are:

1. a Declaration of Injection Formation; and
2. Grant of a Greenhouse Gas Injection License.

Work on the transition of the Cliff Head Oilfield from oil production to carbon capture and sequestration (CCS) is ongoing. On 30 November 2022, the CCS Project team lodged the application to declare an injection formation across WA-31-L to the National Offshore Petroleum Titles Administrator (**NOPTA**). This is the initial regulatory approval for an offshore CCS project before a CO₂ injection licence can be granted.

The CHJV has announced that the contingent resource storage estimate (2C) for the WA-31-L tenement area is 9.7 million tonnes (100% basis). This storage resource is sufficient to facilitate CO₂ injection over approximately 15 years at a rate of 665,000 tonnes per annum.

Safety and Asset Integrity

The Cliff Head Joint Venture (**CHJV**) is dedicated to Health, Safety and Environment and Asset Integrity Management. The Company has developed its own Onshore and Offshore Safety Case manuals which have been approved by the Regulatory Authorities the Department of Mines, Industry Regulation and Safety (DMIRS) and the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). These safety cases are maintained and updated on a regular basis to ensure the safety of all staff and contractors and minimise the impact on the environment. As a result, Cliff Head facilities have been without significant safety or operational incident since it commenced production in May 2006.

Cliff Head Joint Venture interests

JV Participant	ASX Code	Percentage Interest ¹
Triangle Energy (Global) Ltd (via subsidiary)	ASX:TEG	78.75%
Pilot Energy Ltd (via subsidiary)	ASX:PGY	21.25%

Mt Horner Production Licence L7(R1) Joint Venture, Perth Basin, Western Australia

On 21 September 2022, the Company purchased Key Petroleum (Australia) Pty Ltd and Key Midwest Pty Ltd from Key Petroleum Limited (ASX:KEY). The acquisition of these two companies resulted to the direct ownership by the Company of a 100% interest in Production Licence L7(R1) (L7) and an 86.94% interest in Exploration Permit EP 437 (EP 437). Prior to this, Triangle and Pilot Energy Limited have agreed to transfer the remaining 13.06% interest in EP 437 from Pilot to Triangle. Included in the acquisition of the Key Petroleum subsidiaries is the elimination of the royalty on petroleum production over the permits. The purchase agreement has completed on 30 September 2022.

Through the 100% interests in both L7 and EP 437 Permits and the termination of the royalty agreement with Key Petroleum, Triangle attained increased flexibility in moving ahead with its farm out and drilling plans.

On the 19 December 2022, the Company farmed out a 25% interest in permits L7 and EP 437 to Talon Energy for a total expenditure of approximately AU\$9.2 million, subject to completion of conditions, with the following terms:

1. payment of \$1.9 million being 50% of the cost of the Bookara 3D seismic survey;
2. payment of \$3.75 million (expected) on the first well in Permit L7;
3. payment of \$2.81 million (expected) on the second well in Permit L7; and
4. payment of approximately \$0.8 million (expected) for a well in Permit EP 437.

¹ On 26 April 2022, the Company and Pilot Energy Ltd signed a binding term sheet for the re-alignment of interests in WA-31-L with the purpose of restructuring ownership to 60:40, Pilot and the Company, respectively, subject to completion of conditions.

DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)

On 28 February 2023, the farmout agreement with Talon Energy has completed resulting in the receipt of \$1 million by the Company from the farminee on 1 March 2023.

Subsequent to the end of the period, a further 25% interest in the permits L7 and EP 437 was farmed out to New Zealand Oil and Gas Limited (NZOG).

With the farmouts, the Company will have recouped back the \$3.80 million cost of the Bookara 3D seismic and will have the majority of the drilling costs for 3 wells on the permits carried by the farminees.

Seismic data acquired

The Bookara 3D seismic survey was processed by Earthsignal in Canada. The Bookara 3D has been merged and reprocessed with part of the Irwin 3D data to the south, this will allow the interpretation to be “tied in” to the Waitsia gas field area. This data was processed in the time and depth domain, however the final completion of the processing was delayed due to iterations in the velocity field processing. A comparison of original 2D seismic data, and the same transect from the 3D data both processed in time and depth is shown in Figure 5 below:

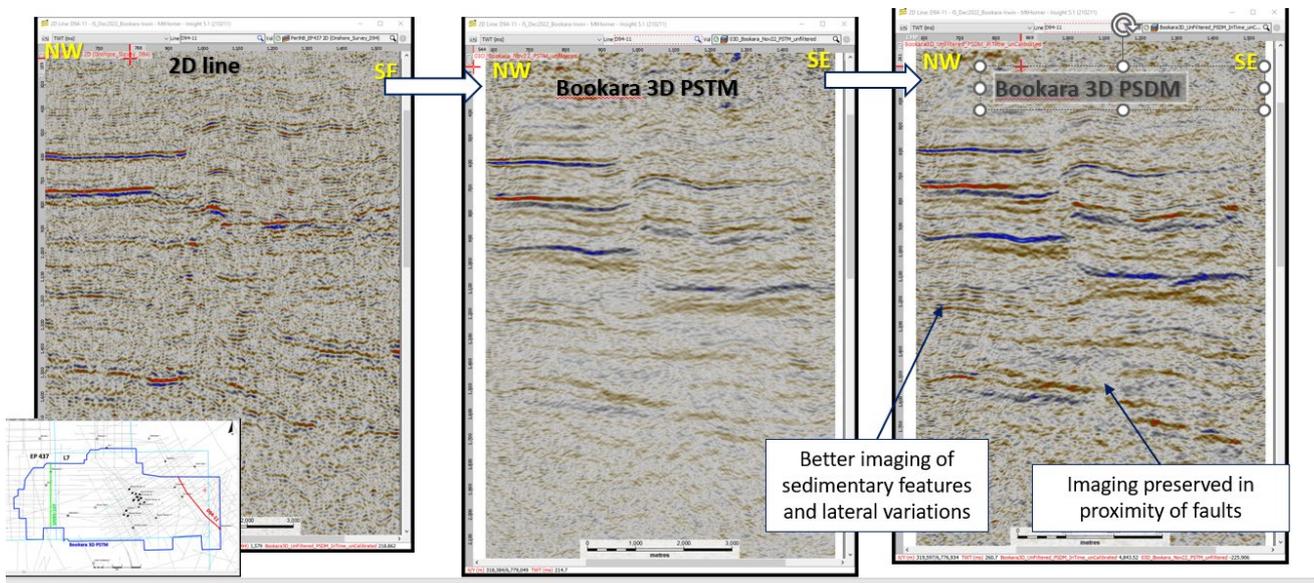


Figure 5: Bookara 3D seismic survey Comparison of 2D line, 3D time migrated seismic and 3D Depth migrated seismic

Prospectivity

The Mount Horner/Bookara Shelf area is an oil and gas prone part of the North Perth Basin.

L7(R1) Gas Opportunities

Gas exploration targets in the Permian, at the same geological level as the nearby Waitsia and West Erregulla fields and the objective of the 2021 Lockyer Deep discovery in the adjacent exploration permit, are confirmed. The Permian Kingia and High Cliff reservoirs are correlated into several wells in L7 and EP 437 proving the extension of this objective level on the Bookara Shelf.

The Booth, MH11 Deep and MBS structures lie adjacent to the gas fairway to the south and are well positioned for any gas migration that may be occurring within the Permian Kingia/High Cliff Formation sandstones. The gas exploration targets are considered to have substantial resource potential with moderate to high risk. Additional Kingia/High Cliff gas prospects are also present in the Mount Horner hanging wall block at Mt Horner Deep, MH11 Deep and NW Deep.

The company has begun reviewing these high upside gas opportunities on the Bookara 3D seismic survey (Figure 6). These Permian gas leads, particularly the Booth structure, provide a valuable additional gas exploration play to the previously identified oil targets in L7. It is thought that substantial upside may be present in the gas opportunity.

DIRECTORS' REPORT
 REVIEW OF OPERATIONS (continued)

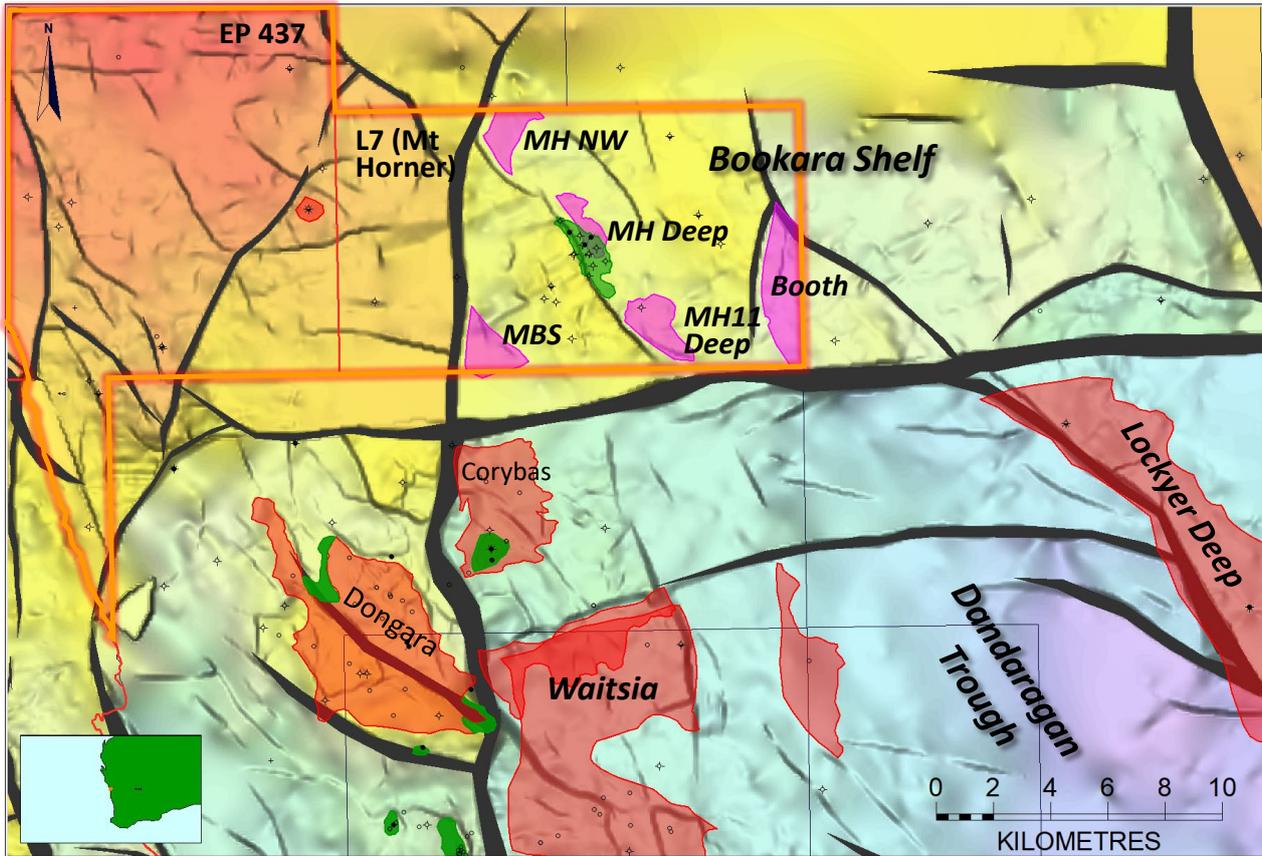


Figure 6: Regional Permian structure showing Permian gas leads

L7(R1) Oil Opportunities

As evidenced by the Mt Horner oil field and numerous oil shows in wells in the area, there is significant oil potential in the L7 permit. The oil targets in L7 range from low-risk Mt Horner field attic/infill wells, Lower Jurassic exploration (Eneabba and Lesueur Formations), moderate risk Dongara Formation exploration, and higher risk Permian (Irwin River Coal Measures, Kingia and High Cliff sandstones) exploration.

The Dongara Formation targets, which are analogous to the highly productive reservoirs in the Hovea, Jingemia and Eremia oil fields to the south, provide the largest opportunity in the portfolio with the Mount Horner Hangingwall, Arranoo Updip and Longhorn/Delilah closures.

The Company's geological review also confirmed the correlation of the Permian Kingia and High Cliff Formation sandstone reservoirs, that are proven in the Waitsia and West Erregulla gas discoveries to the south, into wells in L7. Several wells in the Mount Horner fault block have strong oil shows in the Permian and the Company's petrophysical review suggests that live oil columns may be present in the Permian. The imaging of the Permian to further evaluate these opportunities is a key objective of the Bookara 3D Seismic Survey.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

Several of the opportunities are also stacked and could be tested with a single vertical well. For example, a well targeting the Mount Horner Hanging wall Dongara Formation objective could also intersect one of the Mt Horner attic/infill targets and a Lower Jurassic Eneabba Formation objective.

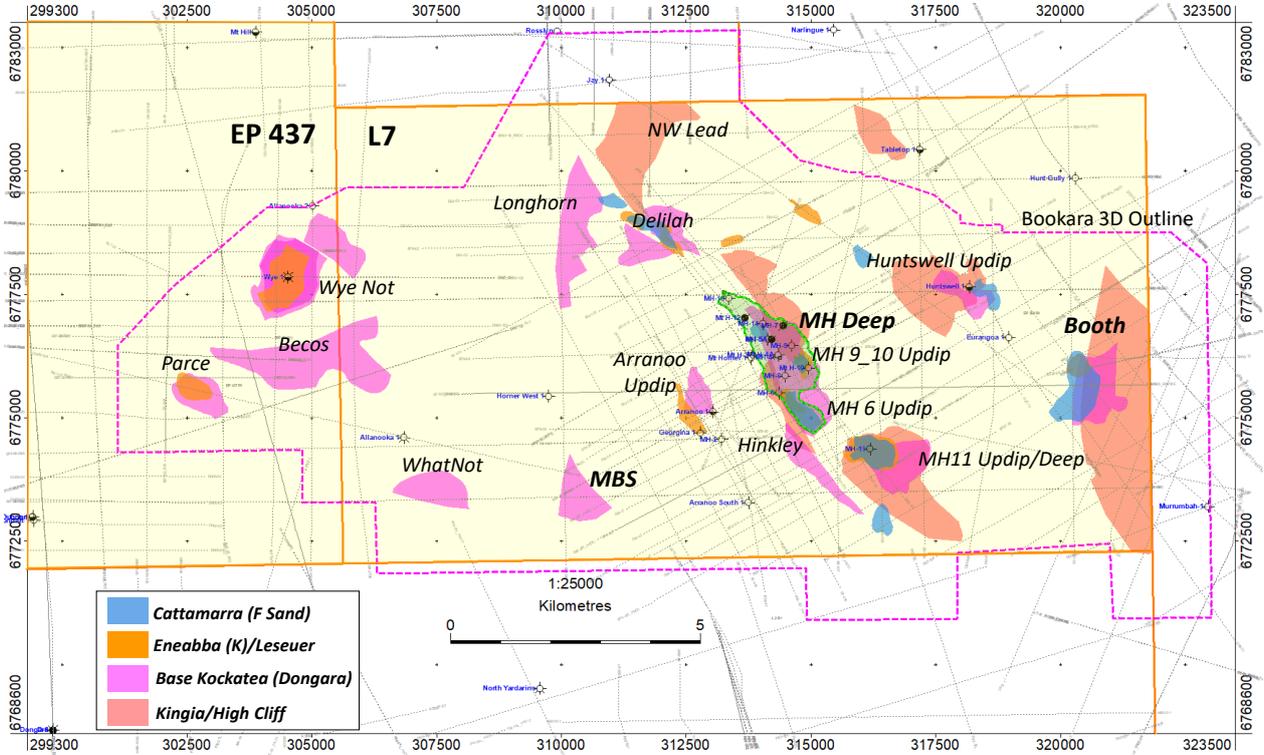


Figure 7: L7 and EP 437 Prospects and Leads map

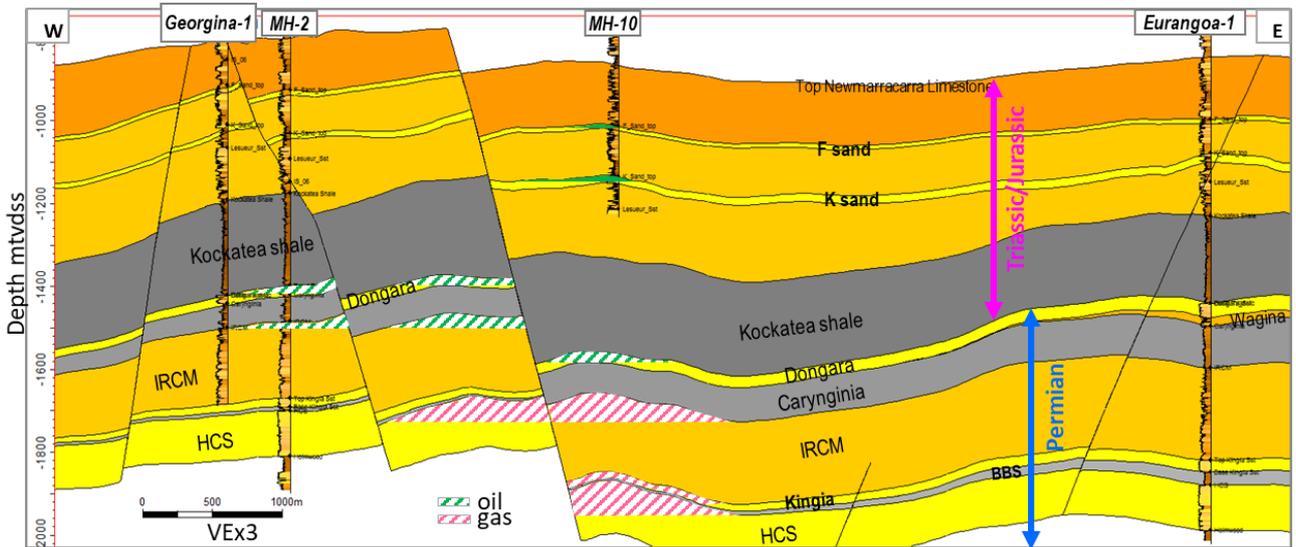


Figure 8: Schematic geological cross section, Mt Horner area

DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)

Prospective Resources

The Company has developed a portfolio of prospects and leads within Permit L7 (Figures 7 and 8). These were updated in an ASX release on 12th April 2022 and are provided in Table 4 below. It is expected that these will be updated when the L7 and EP 437 farm-in is complete and the Bookara 3D seismic has been shared with the partners.

Permit L7(R1) Mt Horner Prospective Resources Oil (MMstb) Prospect / Lead	Gross (100%) 2U Best Estimate	Net Triangle Energy (Global) Ltd (100%) 2U
Mt Horner 11 Updip	2.2	2.2
Delilah Footwall	1.6	1.6
Arranoo Updip	1.8	1.8
Longhorn	4.2	4.2
Hinkley A	4.2	4.2
Hinkley B	2.1	2.1
WhatNot	3.1	3.1
Total (Arithmetic sum)	19.2	19.2

Permit L7(R1) Mt Horner Prospective Resources Gas (Bcf) Prospect / Lead	Gross (100%) 2U Best Estimate	Net Triangle Energy (Global) Ltd (100%) 2U
Booth	335	335
Mt Horner Deep	78	78
MH11 Deep	36	36
Mtn Bridge South	148	148
NW Deep	21	21
Total (Arithmetic sum)	618	618

Table 4: Best Estimate (2U) Prospective Resources of Triangle's L7 exploration portfolio

Notes Regarding Contingent and Prospective Resources

1. The Company prepares its 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. Triangle holds a 50% interest in L7 (R1), subject to farmout to TPD and NZOG
3. The estimates of Contingent and Prospective Resources reported are stated both as Gross; attributed to 100% joint venture interest and Net; attributed to Triangle's participating interest in the licences.
4. The Prospective Resources for oil and gas lie within the Mount Horner Production Licence L7 (R1) and reported on 12 April 2022.
5. The Prospective Resources in L7 were estimated using the probabilistic method.

Qualified Petroleum Reserves and Resources Evaluator Statement

6. The information contained in this report regarding the Triangle Energy Reserves and Resources is based on, and fairly represents, information and supporting documentation reviewed by Dr Douglas Gillies who is a full-time employee of Triangle Energy (Global) Ltd holding the position of Subsurface Manager. He holds a Bachelor of Science (Hons) and a PhD (Edinburgh) in geology, is a member of the Society of Petroleum Engineers (SPE) and Petroleum Exploration Society of Australia (PESA) He is a qualified resources estimator in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Joint Venture interests as at 31 December 2022

JV Participant	ASX Code	Percentage Interest
Triangle Energy (Global) Ltd (via subsidiary)	ASX:TEG	100%

**DIRECTORS' REPORT
REVIEW OF OPERATIONS (continued)**

Investments

TP15 Joint Venture, Perth Basin, Western Australia

Triangle has a 45% interest in the TP15 Xanadu Joint Venture in the offshore Perth Basin (operated by Westranch Holdings, a subsidiary of Norwest Energy), which is located about 300 kms north of Perth.

As previously reported, The TP15 Joint Venture has decided to relinquish the Permit at the end of the current permit year (6th December 2022). The operator has submitted the title surrender documents to the regulator. The process is awaiting final confirmation by DMIRS.

State Gas Limited (ASX: GAS)

During the period, the Company reduced its shareholdings in State Gas to just over 10% as announced in the ASX release on 11 October 2022. The monetisation of 24 million shares resulted in the receipt of AU\$6.68 million (net of costs) to the Company.

State Gas commenced the testing program of the Rougemont-3 horizontal well. For further information on State Gas Limited, please refer to the company's website at www.stategas.com.au

CORPORATE

Shareholder Meetings:

Annual General Meeting

Triangle held its Annual General Meeting of shareholders on 24 November 2022 and all resolutions were passed by a overwhelming majority.

Capital and Management Expenditure

As at 31 December 2022, Triangle had a cash balance of \$7.51 million.

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

Loan and borrowings

The Company considers loans to be part of its capital management. As at 31 December 2022, the Company has a receivable balance of \$419 thousand from its 50% jointly controlled subsidiary, Triangle Energy (Operations) Pty Ltd. Subsequent to the end of December 2022, this amount was repaid in full to the Company.

Shareholder Analysis

As at 31 December 2022 the Company had 2,089 shareholders and 1,344,539,705 Shares on issue. The Top 20 shareholders hold 37.30% of the total issued capital.

RESULTS

The net profit of the Consolidated Entity after income tax for the half-year was \$12.2 million (2021 net loss: \$1.03 million) due to a combination of significant cash and non-cash items set out below:

- Fair value of associate on transition to an investment \$9.7 million
- Reduction in deferred tax assets of \$0.358 million; and
- Non-cash amounts of \$0.939 for amortisation, interest for unwinding the provision for restoration discount factor and loss from associate.

Financial Position

Triangle holds a 50% shareholding of Cliff Head's operating company, Triangle Energy (Operations) Pty Ltd with Royal Energy Pty Ltd holding the other 50%. The Company currently accounts for this investment as an associate on the basis that it is jointly controlled by both shareholders.

The Company continues to hold an investment in State Gas Limited. During the period, the Company disposed of a portion of its interest in State Gas and made a profit on disposal of \$6.68 million.

**DIRECTORS' REPORT
CORPORATE (continued)**

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

- Decrease in cash assets by \$6.322 million to \$7.514 million (30 June 2022: \$13.836 million);
- Increase in trade receivables by \$3.458 million to \$3.458 million (30 June 2022: \$nil);
- Increase in oil inventory by \$0.424 million to \$1.525 million (30 June 2022: \$1.101 million);
- Decrease in trade and other payables by \$4.269 million to \$3.222 million (30 June 2022: \$7.491 million);
- Non-current assets \$26.072 million (30 June 2022: \$17.926 million); and
- Non-current liabilities \$17.315 million (30 June 2022 \$15.803 million).

Environment, Social and Governance

The Company is committed to the minimisation of environmental and social impacts resulting from its operations. The Board is mindful of its responsibilities whilst conducting oil production activities and has put in place a range of actions that will limit its impact to the environment. Further, the Company is in full compliance with all the environmental legislations, regulations and industry standards.

The Company has developed an Environmental and Social Risk Register applicable for the whole Group. The aim is to identify the Company's potential environmental and social risks and determine which of the identified risks may present as material risks to the Company. The register indicates the likelihood and severity of the risks and assigns a corresponding mitigating control. The formulated response is provided with a timeline to achieve and a continuous monitoring and improvements to be implemented thereafter. The Risk Register is designed to be a current document that is maintained to ensure that there is up to date understanding of potential material risks and how the risks are being managed.

In preparing the Environmental and Social Risk Register, the following potential material risks were identified:

- Climate change – the Company is aware of the risks that changing climactic conditions presents to its business. An Emergency Management Plan is in place which reflects changing climatic conditions.
- Environmental impact – possible impact to the environment may occur in the course of the operations. The Company has in place a range of controls, including preventive maintenance, inspection and training programs as well as auditing processes.
- Community – the Company values stakeholders in the area it operates. Controls are in place to minimise potential impacts to the fisheries and tourism industries.
- Cultural heritage - the Company is aware of the importance of managing relationships with Traditional Owners along with mitigating the risk of potential disturbance to sites and objects of heritage significance. The Company is proactively engaging with all the relevant stakeholders.
- Economic – the Company is investigating strategies to adapt to the changing external expectations particularly in relation to its business of producing crude oil.

Occupational Health and Safety

The Company has an excellent safety record and focuses on safety awareness and safe work processes especially in on-site. Occupational health and safety performance is continually monitored. As the operator of Cliff Head asset, the Company works closely with the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) guidelines to monitor and approve safety and environmental practices.

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

Greenhouse gas and energy data reporting requirements

The National Greenhouse and Energy Reporting Act 2007 requires the Company to report its annual greenhouse gas emissions data. The group has implemented systems and processes for the collection and calculation of the data required and submitted its 2021/2022 report to the Greenhouse and Energy Data Officer on 31 October 2022.

Human Capital Management

The Company values the contribution of its personnel in the attainment of business strategy and continuity. In addition to the compliance of the laws protecting employee welfare, the Company has provided benefits to its staff which acknowledges their contribution to the success of the Company. Short term and long-term variable remuneration are assessed annually and measured against Key Performance Indicators set by the Remuneration and Nomination Committee.

The Company has a Remuneration and Nomination Committee which is separate and independent from the management of the Company. It is responsible for the determination of the remuneration policy of the directors and key management and review of the structure and criteria for assessing employee performance and remuneration. It is also responsible for assessing the compensation and benefits strategy to ensure that the Company continues to attract and maintain the best talents in the market to maximize shareholder value.

**DIRECTORS' REPORT
CORPORATE (continued)**

COVID – 19

Due to policies and procedures implemented, the Covid-19 Pandemic has had minimal effect on the business during the year. Personnel and contractors mostly reside locally and are not affected by travel restrictions. Further, as proven in the last two years, personnel can effectively work from home. The Company has a flexible policy of allowing its personnel to work from home when required.

Future Plans

As a pathway towards carbon mitigation, in April 2022, the Company, in a joint announcement with Pilot Energy, announced the plans for an agreement to work towards a Carbon Capture and Storage development at Cliff Head and the re-alignment of interest in the WA-31-L Cliff Head Joint Venture. The binding term-sheet signed between the Company and Pilot Energy lead to the application for a Greenhouse Gas Formation declaration over the Cliff Head reservoirs in the Cliff Head field. In November 2022, the joint venture submitted its application to declare an identified greenhouse gas storage formation across WA-31-L to the NOPTA.

Events Subsequent to Reporting Date

Farmout of 25% interest in Permit L7 and Permit EP 437 to New Zealand Oil and Gas Ltd

On 17th January 2023, the Company signed a binding term sheet with New Zealand Oil and Gas Ltd (NZO) for the farmout of 25% interest in Permit L7 and Permit EP 437. The terms of the farmout are as follows:

1. payment of \$1.9 million being 50% of the cost of the Bookara 3D seismic survey;
2. payment of \$3.75 million (expected) on the first well in Permit L7;
3. payment of \$2.81 million (expected) on the second well in Permit L7; and
4. payment of approximately \$1.5 million (expected) for a well in Permit EP 437.

Any additional costs will be on the basis of the respective participating interests.

Third oil export sold in February 2023

The Company sold its third export of circa 51,000 barrels of crude oil on 17th February 2023. The price for this cargo is approximately US\$3.9 million and is expected to be received on 16th March 2023.

Notes Regarding Contingent and Prospective Resources

The Contingent Resources for the Cliff Head asset are held under the Production Licence WA-31-L in which Triangle holds a net equity share of 78.75%. The Contingent Resources are based on detailed interpretation of the Cliff Head 3D seismic survey and geological interpretation based on the Cliff Head exploration, appraisal and development wells that were undertaken as part of the 2019 geological modelling update. The CH11, West High, West Flank and SE Nose Contingent Resources were prepared using the probabilistic method and those for CH13 attic and East Horst K sand were prepared using the deterministic method. These Contingent Resources are contingent on further field development studies and economic evaluation.

The Prospective Resources are also held under the Production Licence WA-31-L in which Triangle holds a net equity share of 78.75%. The Mentelle and Cliff Head South Prospects are based on the interpretation of 2D seismic data and Cliff Head area wells. The Mentelle Prospective Resources were prepared using the probabilistic method and the South Cliff Head Prospective Resources using the deterministic method. They are considered to have a moderate chance of discovery and a high chance of development if exploration drilling is successful development and can be developed through the Cliff Head infra-structure.

Summations of resources, where present, are arithmetic.

The evaluation date for the Contingent Resources and Prospective Resources reported here is 26 October 2020. The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).

Qualified Petroleum Reserves and Resources Evaluator Statement

The information contained in this report regarding the Triangle Energy Reserves and Resources is based on, and fairly represents, information and supporting documentation reviewed by Dr Douglas Gillies who is a full-time employee of Triangle Energy (Global) Ltd holding the position of Subsurface Manager. He holds a Bachelor of Science (Hons) and a PhD (Edinburgh) in geology, is a member of the Society of Petroleum Engineers (SPE) and Petroleum Exploration Society of Australia (PESA) He is a qualified resources estimator in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

**DIRECTORS' REPORT
CORPORATE (continued)**

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 review of the interim financial report. This Independence Declaration is set out on page 18 and forms part of this Directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Conrad Todd
Managing Director
Date: 14th March 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Triangle Energy (Global) Limited for the half-year ended 31 December 2022, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2023



D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(INCOME STATEMENT)
HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 DECEMBER 2022 \$	31 DECEMBER 2021 \$
Revenue	1.1	7,185,682	6,925,173
Cost of sales		(4,827,618)	(4,243,677)
Gross profit		2,358,064	2,681,496
Other income	1.1	17,043,055	423,677
Employment expenses	1.2	(1,726,370)	(1,623,187)
General and administration expenses	1.2	(4,169,554)	(1,309,795)
Impairment expense		-	-
Interest and facility expenses		(393)	(51,711)
Amortisation and depreciation expense		(160,625)	(103,317)
Share of associate's (loss)		(657,649)	-
Interest – unwind of discounts for provision for restoration		(120,708)	(113,968)
Profit / (Loss) before income tax expense		12,559,744	(96,805)
Income tax (expense) / benefit	1.3	(358,167)	(937,295)
Profit / (Loss) after tax from continuing operations		12,201,577	(1,034,100)
Other comprehensive income			
<i>Items that may be realised through profit or loss</i>			
Movement in reserves (net of tax)		(4,190,503)	-
Other comprehensive loss for the half-year, net of tax		(4,190,503)	-
Total comprehensive income for the half-year, net of tax			
Owners of Triangle Energy (Global) Limited		8,011,079	(1,034,100)
Loss per share attributed to the owners of the Company			
Basic earnings / (loss) per share – cents per share		0.907	(0.103)
Diluted profit / (loss) per share – cents per share		0.876	(0.103)

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

TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)
AS AT 31 DECEMBER 2022

	Notes	31 DECEMBER 2022 \$	30 JUNE 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.1	7,514,929	13,836,083
Trade receivables	4.1	3,457,771	-
Oil inventory	4.7	1,525,121	1,101,066
Other receivables and assets	4.2	2,074,211	1,511,580
Total current assets		<u>14,572,032</u>	<u>16,448,729</u>
NON-CURRENT ASSETS			
Plant and equipment	4.4	33,542	50,544
Exploration and evaluation expenditure	2.2	13,097,907	10,274,280
Fair value through Other Comprehensive Income	4.3	5,612,903	-
Investment in associates	2.4	57,476	715,125
Oil and gas properties	2.1	1,255,088	513,051
Deferred tax assets	1.3	6,015,187	6,373,354
Total non-current assets		<u>26,072,103</u>	<u>17,926,354</u>
TOTAL ASSETS		<u>40,644,135</u>	<u>34,375,083</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4.5	3,222,381	7,491,184
Lease liability	3.4	8,008	17,364
Provisions	4.6	96,172	-
Total current liabilities		<u>3,326,561</u>	<u>7,508,548</u>
NON-CURRENT LIABILITIES			
Provisions	4.6	17,315,426	15,803,574
Total non-current liabilities		<u>17,315,426</u>	<u>15,803,574</u>
TOTAL LIABILITIES		<u>20,641,987</u>	<u>23,312,122</u>
NET ASSETS		<u>20,002,148</u>	<u>11,062,961</u>
EQUITY			
Issued capital	3.2	56,899,901	56,434,885
Reserves	3.5	(2,260,150)	1,467,256
Accumulated losses	3.6	(34,637,603)	(46,839,180)
TOTAL EQUITY		<u>20,002,148</u>	<u>11,062,961</u>

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

**TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	31 DECEMBER 2022 \$	31 DECEMBER 2021 \$
Cash flows from operating activities			
Receipts from customers		3,880,487	8,416,481
Payments to suppliers and employees		(10,444,493)	(6,536,277)
Interest paid		(393)	(10,044)
Income tax (paid) / received including PRRT interest received		(1,000) 18,063	(7,138) 132,541
Net cash (outflows) / inflows from operating activities		(6,547,336)	1,995,563
Cash flows from investing activities			
Payment for plant, property and equipment		(2,921,076)	(1,470,712)
Proceeds from sale of investment		6,686,400	-
Receipts from associates – loan		-	2,322,246
Payment to associate – loan		(417,000)	(1,849,746)
Payments to acquire new entities		(600,000)	-
Cash received from acquisition of entity		1,100	-
Payments for exploration expenditure		(2,606,919)	(962,349)
Net cash inflows / (outflows) from investing activities		142,505	(1,960,561)
Cash flows from financing activities			
Proceeds from issue of shares		-	8,225,710
Payment for share issue costs		-	(512,165)
Proceeds from the issue of options		-	311,732
Repayment of borrowings		(9,356)	(355,195)
Net cash outflows / inflows from financing activities		(9,356)	7,670,082
Cash and cash equivalents at the beginning of the period		13,836,083	597,504
Net (decrease)/increase in cash and cash equivalents		(6,414,187)	7,705,084
Effect of exchange rate fluctuations on cash held		93,033	25,950
Cash and cash equivalents at end of half-year	3.1	7,514,929	8,328,538

The above Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2022

	Issued capital	Accumulated losses	Share based payment reserve	Option Reserve	Convertible note reserve	Fair Value Through OCI reserve	Hedging reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	56,434,885	(46,839,180)	1,076,370	383,883	7,003	-	-	11,062,961
<i>Transaction with shareholders in their capacity as shareholders</i>								
Shares to be issued	465,016	-	-	-	-	-	-	465,016
Issue of options	-	-	57,766	-	-	-	-	57,766
Issue of performance rights	-	-	405,331	-	-	-	-	405,331
<i>Comprehensive Income</i>								
Profit for the period		12,201,577	-	-	-	-	-	12,201,577
Movement reserves						(4,179,821)	(10,682)	(4,190,503)
<i>Total comprehensive income/(loss) for the half-year</i>		12,201,577				(4,179,821)	(10,682)	8,011,074
Balance at 31 December 2022	56,899,901	(34,637,603)	1,539,467	383,883	7,003	(4,179,821)	(10,682)	20,002,148

	Issued capital	Accumulated losses	Share based payment reserve	Option reserve	Convertible note reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	45,424,440	(39,134,291)	917,400	72,151	7,003	7,286,703
<i>Transactions with shareholders in their capacity as shareholders</i>						
Issue of shares (cash)	8,225,710	-	-	-	-	8,225,710
Cost of share issue	(512,165)	-	-	-	-	(512,165)
Issue of options	-	-	-	311,732	-	311,732
Issue of performance rights	-	-	107,135	-	-	107,135
<i>Comprehensive Income</i>						
(Loss) for the period	-	(1,034,100)	-	-	-	(1,034,100)
<i>Total comprehensive (loss) for the half-year</i>	-	(1,034,100)	-	-	-	(1,034,100)
Balance at 31 December 2021	53,137,985	(40,168,391)	1,024,535	383,883	7,003	14,385,015

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

Table of Notes

A. Summary of significant accounting policies

1 Profit and loss items

- 1.1 Revenue
- 1.2 Expenses
- 1.3 Taxation

2 Significant assets

- 2.1 Oil and gas properties
- 2.2 Exploration and evaluation assets
- 2.3 Investments in associates

3 Financing – Capital, debt, risk management

- 3.1 Cash
- 3.2 Equity
- 3.3 Going concern
- 3.4 Lease
- 3.5 Reserves
- 3.6 Accumulated losses
- 3.7 Commitments

4 Other assets and liabilities

- 4.1 Trade and other receivables
- 4.2 Other receivables and assets
- 4.3 Fair value through other comprehensive income
- 4.4 Plant and equipment
- 4.5 Trade and other payables
- 4.6 Provisions
- 4.7 Inventory

5 Additional disclosures

- 5.1 Subsequent events
- 5.2 Contingent liabilities
- 5.3 Segment reporting
- 5.4 Related party transactions

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year report of Triangle Energy (Global) Limited (the **Company, Group or Triangle Energy**) for the period ended 31 December 2022 was authorised for issue in accordance with a resolution of directors on 14th March 2023.

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

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

(a) Basis of Preparation

The accounting principles and policies adopted for the preparation of interim financial report are set out below. Group accounting policies and methods of calculation have been applied consistently to all periods presented unless otherwise stated.

(i) *Statement of compliance*

This interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full understanding of the financial performance, financial position and cash flows of the Company as in the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Triangle Energy (Global) Limited up to the date of this report in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(ii) *Basis of measurement and reporting convention*

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

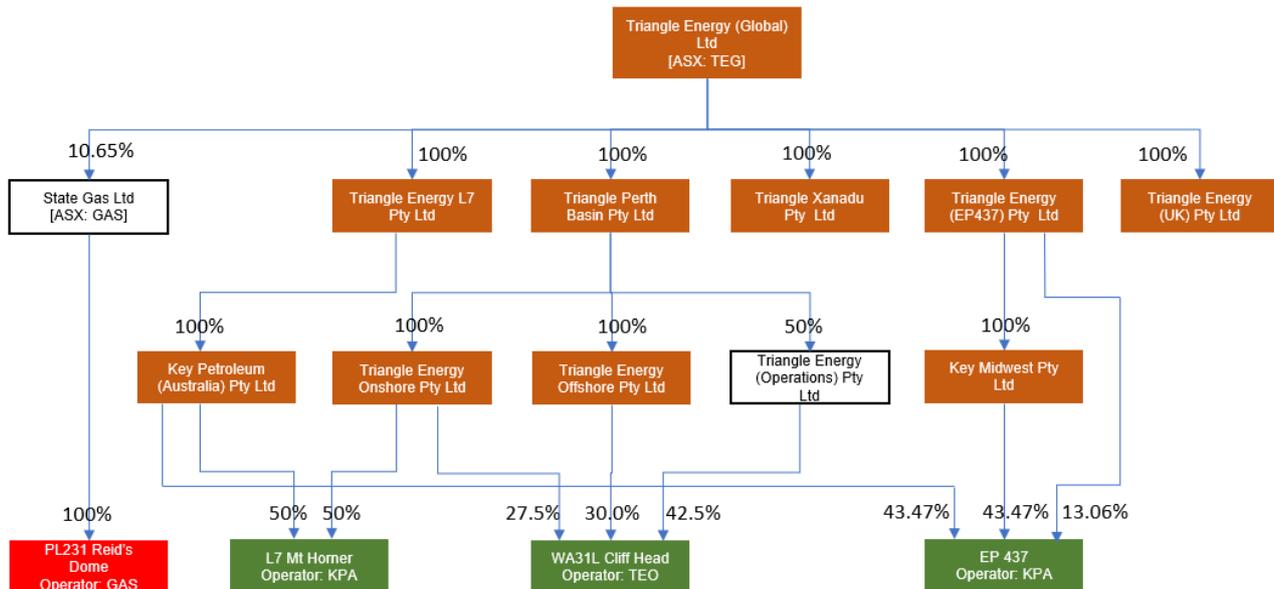
(b) Segment Information

Operating Segments – AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period. Operating segments are reported in a uniform manner to which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

An operating segment is a component of the group that engages in business activity from which it earns revenue or incur expenditure, including those that relate to transactions with other group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Board monitors the operations of the Company based on two segments, operational and corporate. The financial results of each segments are reported to the Board to assess the performance of the Group.

The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and the consolidation of the oil producing subsidiaries which represent the finance, treasury, compliance and funding elements of the Group. The Group ownership structure is shown below:



(c) New accounting standards and interpretations

The new standards and amendments to standards are applicable to the Company and are mandatory for the first time for the financial year beginning 1 July 2022 and beyond. None of the standards and interpretations have affected any of the amounts recognised in the current period or any prior period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Company has made an assessment and there are no standards which would affect the future periods.

1 Profit and loss items

	31 December 2022	31 December 2021
	\$	\$
1.1 Revenue		
At a point in time:		
Sales of oil	<u>7,185,682</u>	<u>6,925,173</u>
Other income		
Interest income	20,180	75,946
Sale of investment	6,686,400	-
Fair value of associate on loss of significant influence	9,792,724	-
Sundry revenue	<u>543,751</u>	<u>347,731</u>
	<u>17,043,055</u>	<u>423,677</u>

Total number of barrels sold by the Company was 59,588.98 at an average sales price of US\$82.82, net

	31 December 2022	31 December 2021
	\$	\$
1.2 Expenses		
(a) Employment expenses		
Salaries and wages	1,112,044	1,256,221
Other personnel costs	60,878	68,909
Superannuation	96,544	118,657
Increase in leave liabilities	<u>(6,193)</u>	<u>72,265</u>
	1,263,273	1,516,052
Share based payment expense	463,097	107,135
Total	<u>1,726,370</u>	<u>1,623,187</u>
(b) General and administration costs		
Accounting expenses	39,556	29,071
ASX fees	22,100	72,053
Audit fees	52,023	18,035
Consulting expenses	130,969	253,027
Legal expenses	62,360	44,651
OP Levy	208,220	-
Project expenses	15,468	-
Storage and handling fees	3,411,821	438,692
Foreign exchange (gains) / loss	(199,924)	(254,604)
Other administration expenses	<u>426,961</u>	<u>708,870</u>
	<u>4,169,554</u>	<u>1,309,795</u>

1 Profit and loss items

1.3 Taxation

	31 December 2022 \$	31 December 2021 \$
Income tax recognised in profit or loss		
The components of tax expense comprise:		
Statement of profit or loss and comprehensive income		
<i>Current income</i>		
Current income tax	-	-
<i>Deferred tax</i>		
Decrease in deferred tax assets	-	496,156
Increase in deferred tax liabilities	-	-
Under provision in prior periods	-	1,000
Income tax expense	<u>-</u>	<u>497,156</u>
Petroleum resource rent tax		
<i>Current income</i>		
Current income tax	-	-
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax assets	358,167	440,139
PRRT Income tax expense / (benefit) reported in statement of profit or loss	<u>358,167</u>	<u>440,139</u>
Total Income tax expense / (benefit) for the period	<u>358,167</u>	<u>937,295</u>
Numerical reconciliation between tax expense and pre-tax net loss		
(Profit) / Loss before income tax expense	(12,559,744)	96,806
Income tax (expense) benefit calculated at 25%. (2021: 25%)	(3,139,936)	24,201
Effect of non-deductible item		
Total non-deductible items	(284,296)	(28,370)
Movements in unrecognised temporary differences	1,752,632	4,169
Utilisation of capital losses	1,671,600	-
Under / (over) provision in prior periods	-	1,000
DTA on project pool	-	496,156
Derecognised / (recognised) DTA on PRRT	358,167	440,139
	<u>358,167</u>	<u>937,295</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in income tax legislation adversely affects the Company in utilising the benefits.

	31 December 2022 \$	30 June 2022 \$
Deferred tax assets / (liabilities)		
PRRT (credit on decommissioning) (DTA)	6,015,187	6,373,354
Project Pool costs (DTA) (a)	2,717,724	2,717,724
Associate carrying value	(14,369)	(178,781)
Assessable receipts PRRT (DTL) (a)	(1,503,797)	(1,593,339)
Tax losses recognised (DTA) (a)	1,194,805	1,349,676
Exploration assets (DTL) (a)	(2,394,363)	(2,295,280)
Total deferred taxes	<u>6,015,187</u>	<u>6,373,354</u>

(a) Part of the project pool DTA has been off-set against the Exploration asset DTL

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

Deferred tax asset on project pool costs	2,717,724	2,717,724
Assessable receipts PRRT	(1,503,797)	(1,593,339)
Associate carrying value	(14,369)	(178,781)
Tax losses recognised (DTA)	1,194,805	1,349,676
Deferred tax liability on exploration asset	(2,394,363)	(2,295,280)
	<u>-</u>	<u>-</u>

1 Profit and loss items

1.3 Taxation (continued)

Estimates and judgement
 Assumptions used to carry forward deferred taxes

Deferred tax assets are recognised for deductible temporary differences and taxation losses when the Company considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences and losses. 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 Company takes due care in assessing the current available information, by its nature a forecast may be materially different to the final actual results.

2 Significant assets

	31 December 2022 \$	30 June 2022 \$
2.1 Oil and gas properties		
Oil and gas properties carried forward – Cliff Head	1,255,088	513,051
Reconciliation – Cliff Head		
Carrying amount at the beginning of the period	513,051	-
Additions to the oil and gas properties	885,661	4,209,981
Less: Impairment	-	(3,492,445)
Less: Amortisation	(143,624)	(204,485)
Carrying amount at end of the period	1,255,088	513,051

Impairment assessment

Last financial year, the Company undertook an impairment assessment for its oil and gas assets as a consequence of identifying impairment indicators including changes to the price of oil, foreign currency rates and the anticipated increases in operating costs relating to the truck-to-tanker export route. As a consequence of the review, the Company has recognised an impairment of \$3.5 million for the year ended 30 June 2022. The discount rate used for the model was 14% and the additional key inputs used for the impairment assessment include:

Forecast	30/06/2023	30/06/2024	30/06/2025	30/06/2026
Pricing (US\$ / bbl)	95.0	95.0	95.0	95.0
Foreign currency exchange rates	0.71	0.71	0.71	0.71

Estimates and judgement
 Assumptions used to carry forward the Oil & 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 Company assesses 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 that the time of making the assessment of indicators.

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an 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.

2 Significant assets

2.2 Exploration and evaluation assets

	31 December 2022 \$	30 June 2022 \$
Exploration and evaluation costs carried forward in respect of areas of interest	13,097,907	10,274,280
	Six Months to 31 December 2022	Twelve Months to 30 June 2022
Reconciliation – Mentelle & West High prospects (i)		
Carrying amount at the beginning of the period	4,880,452	4,748,977
Additions to the exploration and evaluation asset	40,725	131,049
Carrying amount at end of the period	4,921,177	4,880,452
Reconciliation – TP15 Xanadu Joint Venture (ii)		
Carrying amount at the beginning of the period	-	7,961,215
Additions to the exploration and evaluation asset	-	139,049
Impairment of exploration asset (ii)	-	(8,100,264)
Carrying amount at end of the period	-	-
Reconciliation - L7(R1) Mount Horner Joint Venture (iii)		
Carrying amount at beginning of the period	5,393,828	769,102
Additions to the exploration and evaluation asset (including restoration)	887,902	4,624,726
Acquisition of an entity (with 50% L7 interest)	1,538,830	
Carrying amount at end of the period	7,820,560	5,393,828
Reconciliation – EP437 Joint Venture (EP437) (iv)		
Carrying amount at beginning of the period	-	-
Additions to the exploration and evaluation asset	56,170	-
Acquisition of an entity (with 50% EP437 interest)	300,000	-
Carrying amount at end of the period	356,170	-

(i) Cliff Head Joint Venture

The Company holds a direct interest of 57.5% as at 31 December 2022. The joint venture is unincorporated and has three joint venture partners. The Company has recognised its share of the exploration expenditure from the joint venture. The carrying value listed above includes the initial acquisition fair value of \$3,747,951.

(ii) TP15 Xanadu Joint Venture

The Company holds an interest of 45% as at 31 December 2022. The joint venture is unincorporated and has three joint venture partners. The Company has recognised its share of the exploration expenditure from the joint venture.

As at 30 June 2022, the Company has not planned any further exploration activity on this prospect and has prepared the Site to had it back to the Department of Mines, Industry Regulation and Safety. As such, the Company impaired the balance of the asset as at 30 June 2022 and the operator of the permit has made a final submission to relinquish the area of interest.

(iii) L7 Mount Horner

The Company has a 100% interest in the Mount Horner licence at the end of the period. During the period, the Company completed the acquisition of an entity which holds the additional 50% interest (not held as at 30 June 2022) in the L7 permit. The Company also executed two agreements to farm-out 50% of the licence interest to two different parties. On 28 February 2023, the conditions precedents for the farmout of the first 25% have been completed. The second 25% remain subject to completion.

(iv) EP 437 Permit

During the period, the Company acquired two entities which collectively hold an 86.94% interest in EP 437. The Company has also agreed to take the remaining 13.06% interest in the licence from Pilot Energy Limited. The Company holds effectively 100% of the licence as at 31 December 2022. The Company also executed two agreements to farm-out 50% of the licence interest to two different parties. On 28 February 2023, the conditions precedents for the farmout of the first 25% have been completed. The second 25% remain subject to completion.

2 Significant assets

Estimates and judgement
 Assumptions used to carry forward the exploration assets

The write-off or 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 are unable to predict the outcome. The recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of respective areas of interest.

2.3 Acquisition

On 30th September 2022, the Company acquired Key Petroleum (Australia) Pty Ltd and Key Midwest Pty Ltd from Key Petroleum Limited for consideration of cash and shares. The acquisition provided the Company with the additional interest in the L7 Mt Horner licence and 86.94% of the EP437 licence (the transfer of the remaining 13.06% of the EP437 licence from Pilot Energy Limited is pending approval by the Department of Mines, Industry Regulation and Safety).

The assets and liabilities acquired as at the purchase date are outlined below:

	Book Value	Fair Value
	\$	\$
Other receivable	550	550
Exploration asset	773,815	1,838,831
Trade payables	(290)	(290)
Provision for restoration	(774,075)	(774,075)
	<u>-</u>	<u>1,065,016</u>

The fair value of the asset acquisition was attributed to the exploration licences using a residual basis \$1,065,016. The profit attributed to the period before acquisition for the Key Petroleum (Australia) Pty Ltd and Key Midwest Pty Ltd was \$472,212 (after the write-off of inter-company loans).

The consideration for the acquisition of the entities was \$600,000 in cash and the fair value of \$500,000 of shares in Triangle Energy (Global) Limited. The fair value of equity instruments was determined based on the formula:

10 Day VWAP of TEG shares prior to acquisition for \$250,000 + 10 Day VWAP of TEG shares prior to 31 December 2022 for \$250,000.

The Company has determined that the initial \$250,000 was a fixed price for a fixed number of shares as at 30 September 2022. However, the Company has fair valued the remaining \$250,000 as at 31 December 2022 and recognised to total fair value of the shares as \$465,016.

The cash received by Key Petroleum (Australia) Pty Ltd was \$550. The remaining \$550 cash was received by Triangle Energy (Onshore) Pty Ltd.

2 Significant assets

2.4 Investment in Associate

	31 December 2022 \$	30 June 2022 \$
Triangle Energy (Operations) Pty Ltd (i)	57,476	715,125
State Gas Ltd (ii)	-	-
	<u>57,476</u>	<u>715,125</u>

(i) Triangle Energy (Operations) Pty Ltd

The entity name is Triangle Energy (Operations) Pty Ltd which the Company has a 50% shareholding as at 31 December 2022 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 Limited

During the period, the Company sold a portion of its investment in State Gas Limited and its percentage holding dropped below 20%. The Company also no longer has common director with State Gas Limited. As such, the investment is no longer classified as an Associate and have been recognised as an investment in the statement of financial position (refer note 4.3).

(iii) Commitments and contingencies

The total commitments for Triangle Energy (Operations) Pty Ltd relating to the Cliff Head Joint Venture was \$113,051. There are no other capital commitments or contingencies as at 31 December 2022.

3 Financing – Capital, debt and risk management

	31 December 2022 \$	30 June 2022 \$
3.1 Cash		
Cash at bank and in hand	7,411,419	13,823,622
Joint Venture cash	103,510	12,461
Balances per statement of cash flows	<u>7,514,929</u>	<u>13,836,083</u>
<u>Credit risk</u>		
A-1+ 1	7,514,929	13,836,083

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.

Non-cash items

The Company entered into one financing non-cash transaction during the period for the purchase of the two subsidiaries holding the interest in EP 437 and the remaining interest in L7 (see note 2.3).

3 Financing – Capital, debt and risk management

3.2 Equity (number of shares on issue and the amount paid (or value attributed) for the shares)

(a) Share capital – 1,344,539,705 fully paid ordinary shares (30 June 2022: 1,344,539,705).

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

	31 December 2022 Number	30 June 2022 Number	31 December 2022 \$	30 June 2022 \$
Balance at the beginning of the year	1,344,539,705	701,413,047	56,434,885	45,424,440
Issue of shares (placement) ¹	-	373,895,889	-	8,225,710
Issue of shares (placement) ²	-	269,230,769	-	3,500,000
Shares to be issued ³	-	-	465,016	-
Share issue costs	-	-	-	(715,265)
Balance as at period end	<u>1,344,539,705</u>	<u>1,344,539,705</u>	<u>56,899,901</u>	<u>56,434,885</u>

Transactions for the periods:

1. On 4 and 9 August 2021 the Company issued 368,441,347 and 5,454,542 shares at an issue price of \$0.022 per share to sophisticated investors to raise \$8.225 million (before costs).

2. On 10 May 2022 and 30 June 2022 the Company issued 260,384,615 & 8,846,154 shares at an issue price of \$0.013 per share to sophisticated investors and directors.

3. On 30 September 2022, the Company complete the acquisition of Key Petroleum Australia Pty Ltd and Key Midwest Pty Ltd. The Company agreed to issue shares based on the following formula:

- (10 day VWAP prior to 30 September to the value of \$250,000 and 10 VWAP prior to 31 December 2022).

The Company fair valued the final tranche of the shares at a discount to the 30 September 2022 price by \$34,984. The total fair value was \$465,016. The Company has the option to issue the agreed number of shares in the period up to 30 June 2023.

(b) Options – share-based payments

	31 December 2022 Number	30 June 2022 Number	31 December 2022 \$	30 June 2022 \$
Balance at the beginning of the year	-	5,803,768	617,449	617,424
Expiry of options ¹	-	(1,803,768)	-	-
Expiry of options ²	-	(4,000,000)	-	-
Issue of options to consultants ³	25,000,000	-	-	25
Issue of options to directors ⁴	30,000,000	-	57,766	-
Balance as at period end	<u>55,000,000</u>	<u>-</u>	<u>675,215</u>	<u>617,449</u>

1. On 12 November 2021, options issued in prior periods lapsed without being exercised.

2. On 9 February 2022, options issued in prior periods lapsed without being exercised.

3. After receiving shareholder approval, the Company issued 25,000,000 options to its broker for the capital raising which occurred in May 2022. The broker's options were recognised in FY2022

3 Financing – Capital, debt and risk management

4. After receiving shareholder approval, the Company issued 30,000,000 options to a director as on-going compensation.

(c) Performance Rights – share based payments

	31 December 2022 Number	30 June 2022 Number	31 December 2022 \$	30 June 2022 \$
Balance at the beginning of the year	49,047,173	49,047,173	458,921	299,975
Rights granted during in prior 2019 year ¹	(24,292,238)	-	-	55,351
Rights granted during in prior 2019 year ¹	(4,794,520)	-	-	8,497
Rights granted during the prior 2020 year ²	-	-	9,453	18,750
Rights granted during the prior 2020 year ²	-	-	48,485	76,348
Rights granted during the current period ³	91,228,068	-	347,393	-
Balance as at period end	111,188,483	49,047,173	864,252	458,921

1. 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. These Rights have been cancelled during the period.

2. The Company issued 4,492,698 Rights to the Managing Director (after shareholder approval) in November 2020. On 8 February 2021, the Company issued 15,467,718 Rights to some key management personnel and staff after approval from the Board. The annual cost of amortising the fair value over the vesting period has been recorded in this period.

3. The Company issued 91,228,068 Rights to the Managing Director, non-executive Directors (after shareholder approval) and key staff in November 2022 and staff for short and long term incentives.

(d) Option Reserve

	31 December 2022 Number	30 June 2022 Number	31 December 2022 \$	30 June 2022 \$
Balance at the beginning of the year	672,654,298	-	383,883	72,151
Issue of option under Entitlement offer ¹	-	311,732,420	-	311,732
Issue of free attaching options ²	-	360,921,878	-	-
Balance as at period end	672,654,298	672,654,298	383,883	383,883

1. On 4 and 9 August 2021 the Company issued 311,732,420 options under an entitlement issue to shareholders at an issue price of \$0.001 per option exercisable at \$0.035 per option expiring on 4 August 2023.

2. On 4 and 9 August 2021 the Company issued 360,921,878 free attaching options to shareholders whom participant in the placement with an exercise price of \$0.035 per option expiring on 4 August 2023.

3 Financing – Capital, debt and risk management

3.3 Going concern

The financial report has been prepared on a going concern basis.

The Board considers that there are sufficient grounds to believe that the Company will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and the ability to vary activity to preserve cash if necessary. Furthermore, the Directors are also of the opinion that a capital raising could be achieved to raise additional funds if required or alternatively the Company could consider the sale of its listed entity investment.

3.4 Leases

	31 December 2022 \$	30 June 2022 \$
Lease – current ¹	8,008	17,364
<i>Reconciliation of movements in the balances – current</i>		
Opening balance	17,364	35,280
Less: Amount repaid	(9,356)	(17,916)
Closing balance at period end	8,008	17,364

Leases

The Group's inputs for the lease calculation are below. During the prior period a vehicle was returned to lessor.

Motor vehicles

Time Period: 36 months

Rate: 4.55%

Fair Value at lease date: \$119,165

3.5 Reserves

	31 December 2022 \$	30 June 2022 \$
Convertible note reserve ¹	7,003	7,003
Option reserve ²	383,883	383,883
Share-based payments reserves ³	1,539,467	1,076,370
Fair value through Other Comprehensive Income ⁴	(4,179,821)	-
Hedging reserve ⁵	(10,682)	-
	<u>(2,260,150)</u>	<u>1,467,256</u>
<i>Convertible Note reserve</i>		
<i>Reconciliation of movements in the balance</i>		
Opening balance ¹	7,003	7,003
Closing balance at end of period	<u>7,003</u>	<u>7,003</u>
<i>Share-based payments reserves</i>		
<i>Reconciliation of movements in the balance</i>		
Opening balance	1,076,370	917,400
Additional options	-	25
Additional share-based payments ^{6 7}	-	55,351
Additional share-based payments ^{6 7}	57,938	103,594
Additional options issued to director ⁸	57,766	-
Additional share-based payments ⁹	347,393	-
Closing balance at end of period	<u>1,539,467</u>	<u>1,076,370</u>

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

2. The Company issued options for cash in the prior period with a total of \$383,883 received from the issue of options.

3 Financing – Capital, debt and risk management

3. The Company has issued a number of Performance Rights during the current and prior periods with the information relating to this issued outlined in points 6 to 9 below.
4. During the period, the Company sold shares in its associate, State Gas Limited, bringing the ownership percentage below 20%. The Company also no longer has a representative on the board of directors. The Company has now determined that the remaining investment is to be fair valued through other comprehensive income as it is currently held for satisfied long term liabilities.
5. During the period, the Company executed an agreement with a 3rd party to hedge its exposure to US dollar foreign currency. The instrument has a series of put and call options based on the prevailing foreign currency rate between USD\$0.71/A\$1.00 and USD\$0.67/A\$1.00. As at 31 December 2022, the net payable hedged position was \$10,682.
6. The Company has recognised the expense relating to the current period for the performance rights issued to the executive and staff in the 2020 / 2021 financial year
7. During the prior period the Company issued the following Rights:

	Date Issued	Number of rights granted	Value of rights at grant date \$
2020			
Directors of Triangle Energy (Global) Limited			
Robert Towner (ATSR)	27/11/20	2,246,349	43,284
Robert Towner (RRR)	27/11/20	2,246,349	12,917
Executive			
Staff (ATSR)	17/02/21	7,733,859	224,473
Staff (RRR)	17/02/21	7,733,859	63,804
		19,960,416	344,478

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 \$0.019 and \$0.029.

Reserves replacement ratio (RRR) – the fair value of Rights was determined using the closing share price at grant date, which was \$0.023 and \$0.017 respectively per share.

The expense recognised during the period relates to the rights issued above and recognised over the vesting period (3 years). The total expense for this period is \$57,938.

8. Options

Following the receipt of shareholder approval, On 24 November 2022 the Company issued 30,000,000 options to a director as on-going compensation. The agreement included the issue of 10 million options at an exercise price of \$0.025 per option with an expiry date of 1 year from the date of issue, 10 million options at an exercise price of \$0.03 per option expiring after 2 years and 10 million options at an exercise price of \$0.035 per option expiring after 3 years. The director is required to be in continuing services during the option periods. The Company valued the options using a Black Scholes Option Pricing model using the following inputs:
 Grant Date –24 November 2022

- (a) Expiry date – 1-3 years after the date of issue
- (b) Market price of securities –\$0.017
- (c) Exercise price of securities –\$0.025, \$0.03 and \$0.035
- (d) Risk free rate – 3.24%
- (e) Volatility – 104.02%
- (f) Fair value: 1 year options \$0.049 (\$49,945), 2 year options \$0.071 (\$71,409), 3 year options \$0.087 (\$87,048).

A expense amount for the period was \$57,766 and the remaining balance will be expensed over the vesting period for each option.

3 Financing – Capital, debt and risk management

9. Performance Rights 2022

During the period and following shareholder approval of the new Performance Incentive Scheme at the annual general meeting, the Company issued up to a maximum of 40,289,473 short term Rights and 50,938,596 long term Rights which are subject to a number of hurdles as outlined below:

Short term Rights

	Farm-out (a)	ESG (b)	Production (c)	Safety (d)
Maximum Rights	16,115,789	8,057,895	8,057,895	8,057,895
Probability factor	100%	0%	50%	50%
Share price at grant date	\$0.017	\$0.017	\$0.017	\$0.017
Fair value of Rights	\$273,968	\$136,984	\$136,984	\$136,984
Value based on probability factor	\$273,968	-	\$68,492	\$68,492
Timeframe	1 Year	1 Year	1 Year	1 Year

Total expense recognised for the period was \$259,351.

The management hurdles for the short term Right are set out below:

- Achieve an L7 farmout during the period;
- Reduce the decommissioning liability relating to cliff head by at least 20% (to achieve 50% weighting of the total Rights) or 50% reduction (to achieve 100% of the Rights);
- Achieve an increase in production in excess of 2P budget profile of at least 10% each (to achieve 50% weighting of the total Rights) or 30% increase in production (to achieve 100% of the Rights);
- Achieve a Lost Time Injury assessment of 2 or less including environmental incidents (to achieve 50% weighting of the total Rights) or no LTI or environmental incidents (to achieve 100% of the Rights).

Long term Rights

	ATSR	Resources	New Projects
Maximum Rights	25,469,299	12,734,649	12,734,649
Probability factor	N/A	50%	100%
Monte Carlo share price	\$0.027	-	-
Share price at grant date	-	\$0.017	\$0.017
Fair value of Rights	\$346,636	\$216,489	\$216,489
Value based on probability factor	-	\$108,245	\$108,245
Timeframe	3 Years	3 Years	3 Years

Total expense recognised for the period was \$88,042.

The management hurdles for the short term Right are set out below:

- Achieve a Total Shareholder Return of 100% based on the 1 July 2022 share price (achieve 50% weighting of the total Rights) or 200% return (to achieve 100% of the Rights);
- Achieve a 50% increase on the total P2 reserves (to achieve 50% weighting of the total Rights) or 150% increase in reserves (to achieve 100% of the Rights);
- Identify and acquire a new project (subject to board approval), (to achieve 100% of the Rights);

3 Financing – Capital, debt and risk management

3.6 Accumulated losses

	31 December 2022	30 June 2022
	\$	\$
Accumulated losses at the beginning of the year	46,839,180	39,134,291
Net (profit) / loss for the period	<u>(12,201,577)</u>	<u>7,704,889</u>
Accumulated losses at the end of the period	<u>34,637,603</u>	<u>46,839,180</u>

3.7 Commitments

During the period, the Company acquired two entities from a listed Company which held interests in licences EP437 and L7. The acquisition has been outlined in note 2.3 above. The EP 437 licence has mandatory activities attached to the licence and the Company has estimated the costs relating to these activities below. The Company has the ability to apply for a variation to the level of activity on the licence and this may significantly reduce the anticipated capital expenditure listed below if approval is received for the variation.

Commitment Period	Amount (\$)
Within one year	912,110
Between one and five years	1,072,363
Greater than five years	106,229

4 Other assets and liabilities

	31 December 2022	30 June 2022
	\$	\$
4.1 Trade and other receivables		
Trade receivables	<u>3,457,771</u>	<u>-</u>
	<u>3,457,771</u>	<u>-</u>

Estimates and judgement

Recoverability of the assets

The directors have assessed the likelihood that the asset will be received in cash after the reporting date (assessment of the recovery of the assets and impairment (write-off)) and have determined that the assets are expected to be recovered after period end.

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

As at 30 June 2022, the Company did not have any outstanding trade receivables as all prior sales of oil had been collected during the prior period.

	31 December 2022	30 June 2022
	\$	\$
4.2 Other receivable and assets		
GST receivable	2,898	285,001
Prepayments	82,387	36,035
JV GST receivable	51,373	163,858
JV other receivables	1,182,375	703,452
Deposits and guarantees	196,965	197,262
Other assets	139,096	125,972
Other receivable – loan (i)	<u>419,117</u>	<u>-</u>
	<u>2,074,211</u>	<u>1,511,580</u>

4 Other assets and liabilities

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

(i) During the current period the Company agreed to provide loans under the previously established facility to its jointly controlled entity, Triangle Energy (Operations) Pty Ltd. The original terms of the loan are as follows:

Term: 2 years
 Facility limit: A\$2million
 Interest rate: 10% payable quarterly in arrears
 Security: Over all assets of the entity

The loan was fully repaid subsequent to the reporting date.

4.3 Fair value through Other Comprehensive Income

	31 December 2022 \$	30 June 2022 \$
Investments	5,612,903	-
	<u>5,612,903</u>	<u>-</u>

Fair value has been determined based on the latest market value of the shares issued.

Investments		
Reconciliation of movements in the balance		
Opening balance	-	110,000
Fair value on movement from Associate ¹	9,792,724	-
Fair value movement	(4,179,821)	(110,000)
Closing balance at end of period	<u>5,612,903</u>	<u>-</u>

During the period, 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 1, observable prices at an arm's length price.

1. During the period, the Company sold a portion of its holdings in State Gas Limited which brought down the percentage ownership in State Gas below the 20% threshold for recognising the investment as an Associate. This has resulted in a change in classification on the statement of financial from an asset carried at cost (less our share of the losses over time) to an asset carried at fair value based on market value at reporting date. The Company has recorded the initial fair value at the date investment in Associate changed and has made an irrevocable election to fair value the investment through other comprehensive income on the basis that it is currently held to offset long term liabilities.

4 Other assets and liabilities

4.4 Plant and equipment

	31 December 2022 \$	30 June 2022 \$
Plant and Equipment		
Right of use asset	53,550	53,550
Accumulated depreciation	<u>(47,600)</u>	<u>(38,675)</u>
	5,950	14,875
Office equipment	10,345	10,345
Accumulated depreciation	<u>(8,931)</u>	<u>(8,728)</u>
	1,414	1,617
Furniture and fittings	78,747	78,747
Accumulated depreciation	<u>(52,569)</u>	<u>(44,695)</u>
	26,178	34,052
Total administration assets	<u>33,542</u>	<u>50,544</u>

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.

	Right of use assets \$	Furniture & Fittings \$	Office Equipme nt \$	Total \$
Opening net book value at 1 July 2022	14,875	34,052	1,617	50,544
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Depreciation expenses	(8,925)	(7,874)	(203)	(17,002)
Closing net book value at 31 December 2022	<u>5,950</u>	<u>26,178</u>	<u>1,414</u>	<u>33,542</u>

4 Other assets and liabilities

4.5 Trade and other payables (debts)

	31 December 2022	30 June 2022
	\$	\$
<i>Current liabilities (debts payable within 12 months)</i>		
Trade payables	91,367	2,708,573
JV trade payables	1,254,338	2,631,956
Accrued expenses	446,615	1,040,843
JV accruals	1,163,172	820,028
Payroll liabilities	52,486	58,596
Dividend payable in trust	7,044	7,044
Share buy-back funds in trust	6,796	6,796
GST liabilities	16,674	27,266
Employee entitlements	183,889	190,082
	<u>3,222,381</u>	<u>7,491,184</u>

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

	31 December 2022	30 June 2022
	\$	\$
4.6 Provisions		
Restoration provision (L7) – current	<u>96,172</u>	<u>-</u>
Restoration provision (Cliff Head) – non-current ¹	15,919,211	15,803,575
Restoration provision (L7) – non-current ²	<u>1,396,215</u>	<u>-</u>
	<u>17,315,426</u>	<u>15,803,575</u>
<i>Restoration provisions</i>		
Reconciliation		
Balance brought forward	15,803,574	15,575,638
Additions for the year ²	1,391,144	-
Unwind of discount (Cliff Head)	120,708	227,936
Balance carried forward	<u>17,315,426</u>	<u>15,803,574</u>

1. Part of 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.
2. the Company acquired two entities from a listed Company which held interests in licences EP437 and L7. The acquisition has been outlined in note 2.3 above. As a consequence of the acquisition, the Company has assessed the total rehabilitation requirements for the L7 licence (50% as a consequence of the acquisition and 50% within an existing entity) and has determined that a provision of \$1,391,144 (fair valued as at acquisition date) was required to be recognised in this period.

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.

4 Other assets and liabilities

	31 December 2022 \$	30 June 2022 \$
4.7 Oil Inventory		
Oil Inventory	<u>1,525,121</u>	<u>1,101,066</u>
	1,525,121	1,101,066

The Company has measured the cost and net realisable value and no impairment has been recorded during the period.

5 Additional disclosures

5.1 Subsequent events

On 17 January 2023, the Company signed a binding term sheet with New Zealand Oil and Gas Ltd (NZO) for the farmout of 25% interest in Permit L7 and Permit EP 437. The terms of the farmout are as follows:

1. payment of \$1.9 million being 50% of the cost of the Bookara 3D seismic survey;
2. payment of \$3.75 million (expected) on the first well in Permit L7;
3. payment of \$2.81 million (expected) on the second well in Permit L7; and
4. payment of approximately \$1.5 million (expected) for a well in Permit EP 437.

Any additional costs will be on the basis of the respective participating interests.

On February 2023, the Company sold its third export of circa 51,000 barrels of crude oil on 17th February 2023. Payment for the third cargo is expected to be US\$3.9 million and will be received in March 2023.

5.2 Contingent liabilities

During the period the Company executed a variance to its original acquisition agreement with AWE (Mitsui) to vary the Royalty payment relating to the sale price of oil from its interest in Cliff Head above US\$70 per barrel. The variation to the agreement enables the Company to temporarily cease the payment of the royalty while it secures an alternative to the current route to market which is used by all joint venture parties. The royalty payments will recommence once a different path to market is established.

All other contingent liabilities remain consistent from those disclosed in the annual report.

5 Additional disclosures

5.3 Segment reporting

	Oil Production	Australian Corporate	Consolidated
	\$	\$	\$
Half-Year ended 31 December 2022			
Segment Revenue	7,185,682	-	7,185,682
Expenses			
Interest income	-	20,180	20,180
Other income – fair value of associate	-	9,792,724	9,792,724
Depreciation and amortisation	(143,623)	(17,002)	(160,625)
Loss from associate	-	(657,649)	(657,649)
Deferred taxes and PRRT	(358,167)	-	(358,167)
Segment net operating (loss) after tax	(1,942,659)	14,144,237	12,201,577
Half-Year ended 31 December 2021			
Segment Revenue	6,925,173	-	6,925,173
Expenses			
Interest income	25,800	50,146	75,946
Depreciation and amortisation	(84,285)	(19,032)	(103,317)
Deferred taxes and PRRT	(937,295)	-	(937,295)
Impairment of assets	-	-	-
Segment net operating (loss) after tax	697,855	(1,731,955)	(1,034,100)
Segment assets			
At 31 December 2022	25,623,800	15,020,335	40,644,135
At 30 June 2022	26,482,036	7,893,047	34,375,083
Segment liabilities			
At 31 December 2022	(20,202,555)	(439,432)	(20,641,987)
At 30 June 2022	(22,542,366)	(769,756)	(23,312,122)
Movements in non-current assets - Oil production segment			
		31 December 2022	30 June 2022
		\$	\$
Oil and Gas additions		885,661	4,209,981
Exploration and evaluation additions		2,079,790	4,756,201
		<u>2,965,451</u>	<u>8,966,182</u>
Movements in non-current assets - corporate segment			
Plant and equipment		-	-
Investment in associate		(657,649)	-
Exploration and evaluation additions		5,612,903	139,049
		<u>4,955,254</u>	<u>139,049</u>

5.4 Related party transactions

During the period, the Company issued the following securities as compensation to related parties:

Mr Greg Hancock received 30,000,000 options as an incentive to remain with the Company, refer note 3.2(b). Mr Conrad Todd received 13,157,895 short term performance Rights and 20,614,035 long term Rights based on hurdles outlined in note 3.2(c). Mr Mike Collins received 4,000,000 short term performance Rights and 5,000,000 long term Rights based on hurdles outlined in note 3.2(c).

There have been no additional related party transactions during the period.

DIRECTORS' DECLARATION

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

- (a) the financial statements and notes set out on pages 19 to 42 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (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.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.



Conrad Todd

Managing Director

Dated at Perth, Western Australia this 14th day of March 2023.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Triangle Energy (Global) Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Triangle Energy (Global) Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Triangle Energy (Global) Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

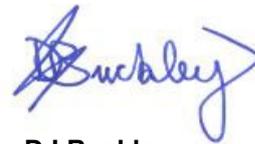
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2023



D I Buckley
Partner