Quarterly Report

Period ending 30 September 2020

ASX: TEG

www.triangleenergy.com.au

52 Wk Share Price Range
$0.075 – $0.021

Market Capitalisation
$18.06M (at $0.032 per share as at 29 October 2020)

Issued Capital (as at 30 September 2020)
434.1M Outstanding Shares
29.1M Performance Rights
1.8M Unlisted Options @$0.10

Cash (as at 30 September 2020)
$3.47M

Investment in State Gas Limited
$25.86 million (at $0.54 per share, as at 29 October 2020)

Debt (as at 30 September 2020)
$0.86M TEO Inter-Company Loan

Top 20 Shareholders (30 September 2020)
47.68%

Board and Management
Timothy Monckton
Non-Executive Chairman

Rob Towner
Managing Director/CEO

Wai-Lid Wong
Non-Executive Director

Malcolm King
Non – Executive Director

Marvin Chan
Chief Financial Officer

Lucy Rowe
Company Secretary

Triangle Energy (Global) Ltd
Suite 2, 100 Havelock Street,
West Perth, WA 6005
T: +61 8 9219 7111
E: info@triangleenergy.com.au

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HIGHLIGHTS DURING THE QUARTER

SUMMARY

- **Commenced CH7 and CH6 workover planning**
- **Commenced CH11 Water Injection evaluation for a possible increase in production**
- **Engaged Risc Advisory for Reserves Review**
- **Completed Placement and Share Purchase Plan with overwhelming support**
- **Won BANI Arbitration proceeding in Jakarta, Indonesia**
- **Encouraging positive drilling results in State Gas**

Cliff Head Oil Field (Cliff Head) Production

- **Average Oil Price: US$39.90 per barrel**
- **Produced and sold: 53,246 bbls (ave. 579 bopd) – a decrease of 20% from last quarter**
- **Cliff Head Joint Venture (CHJV) crude sales revenue: AU$2.97 million (previous quarter AU$2.65 million) – an increase of 12% from last quarter due to improved oil price**
- **Lifting costs: US$29.56/bbl (previous quarter US$21.46/bbl). Higher cost per barrel due to lower production**
- **Operating loss: US$9.09/bbl**

Corporate

- **July 27, 2020 – the BANI Arbitration Centre in Jakarta had found in favour of Triangle by rejecting the claim of Perusahaan Daerah Pembangunan Aceh (PDPA) in its entirety and ordering PDPA to pay Triangle the arbitration costs**
- **August 27, 2020 – Successfully raised AU$2.2M equity by way of a private placement to sophisticated and professional investors**
- **September 4, 2020 – launched a Share Purchase Plan (SPP) to eligible shareholders**
- **October 7, 2020, successfully completed the SPP with applications totalling AU$4.93 million. The SPP was scaled back to AU$3.91 million to comply with the threshold rule under ASX Listing Rule 7.2 Exception 5**
- **The Company is the major shareholder of State Gas Limited (ASX:GAS, State Gas) with an interest of 27.67% as at the date of this report. The investment is equivalent to AU$25.86 million in value at $0.54 (as at 29 October 2020) per State Gas share**
- **Cash: AU$3.47 million (previous quarter: AU$2.41 million) which includes AU$1.43 million in escrow**

COMPANY UPDATE

Cliff Head Oil Field (100%)

Production and Revenue

- CHJV oil produced and sold 3 months to 30 September 2020: **53,246 bbls**
- CHJV oil sales revenue September 2020 quarter: **AU$2.97 million**
- CHJV September 2020 quarter average barrels sold: **579 bopd**

September 2020 Quarter	CHJV Total (100%) AU$ Millions	CHJV Total (100%) US$* Millions	Per barrel US$*
Sales	2.974	2.127	$39.94/bbl
Lifting costs[1]	(2.201)	(1.574)	($29.56)/bbl
Operating margin	**0.773**	**0.553**	**$10.38/bbl**
Trucking	(0.262)	(0.188)	($3.52)/bbl
Routine profit	**0.511**	**0.365**	**$6.86/bbl**
Non-routine costs[1]	(1.188)	(0.849)	($15.95)/bbl
Gross profit (loss)	**(0.677)**	**(0.484)**	**($9.09)/bbl**

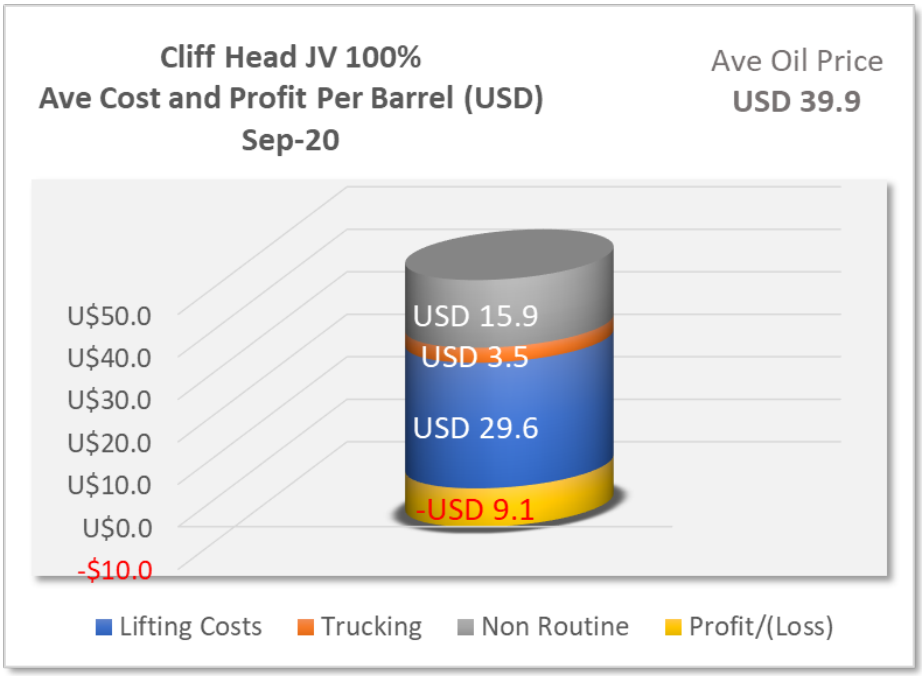
**** US$/AU$ conversion rate of 0.7149***

Note: Triangle will be continuing to report for the CHJV at 57.5% as it currently controls two of the three joint venture participants in the CHJV. The 42.5% acquired by Triangle and Royal Energy Pty Ltd[2] (21.25% each) on 31 March 2017 is controlled 50/50 and is not consolidated into the Triangle Group of Companies.

Cliff Head Operating Margin

Cliff Head 6 (**CH6**) and Cliff Head 7 (**CH7**) continued to be in shut-in during the quarter. The Company investigated all possible non-intervention solutions for CH7 and evaluated different technological options all of which failed to pass the safety and economical benchmarks. After considering different options, the Company decided to perform a well intervention solution. Planning for the workovers continued until the end of the quarter and negotiations with major contractors resulted in favourable terms.

During the quarter, the Company managed to conduct normal operations at Cliff Head with below budget expenditures. The Cliff Head Joint Venture (**CHJV**) has a budget of AU$4.8 million for all costs other than capital expenditure and subsurface works but



[1] *Lifting costs are calculated to include routine production costs only. Non-routine costs exclude exploration, capitalisable expenditures and the associated amortisation.*

[2] *On 25 September 2020, Pilot Energy Limited announced that it had entered into a definitive share sale deed with Royal Energy Pty Ltd subject to shareholder approval.*

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has only spent AU$3.6 million. However, as a result of lower production caused by the shut-in of 2 wells, the lifting cost per barrel was higher compared to the June 2020 quarter. Disregarding the effect of the offline wells, lifting costs were expected to be approximately US$21 per barrel which is consistent with the reduced cost in June 2020 quarter.

Average oil price for the quarter was US$39.9/bbl. This oil price was significantly better than last quarter by more than 50%. The increase was due to the agreed production cut by the OPEC+ group coupled with an increasing demand caused by the easing of COVID-related restrictions. Rystad forecasts Brent oil price to average US$42 per barrel in 2020, US$49 per barrel in 2021 and to go up towards US$60 per barrel near the end of 2021[3].

CH6 and CH7 Workover Campaign

Subsequent to the end of the quarter, on 26 October 2020, the Company was pleased to provide an update on its Cliff Head Operations in respect of the commencement of CH6 and CH7 workover campaign.

On Sunday, 25 October 2020, the Hydraulic Workover Unit (**HWU**) arrived at the Cliff Head Alpha Platform (**CHA**) from Fremantle marking the start of the CH6 and CH7 workover campaign. Over the coming months the Electric Submersible Pump (**ESP**) system on both wells will be replaced, enabling the production from these wells to be restarted by year-end 2020.

As previously announced, the CH6 and CH7 wells have been shut in since June this year. Successful execution of these workovers will return approximately 400 barrels of oil per day to Cliff Head's production, taking total production to approximately 1000 barrels of oil per day.

The Company looks forward to keeping shareholders updated on the campaign's progress.

Cliff Head Renewal Project

Three attractive drilling opportunities that could be drilled and developed from the Cliff Head platform and are technically mature and economically justified for drilling were developed from the previously completed Cliff Head Renewal Project (CHRP), the South-East Nose development, West High appraisal/development and Mentelle Updip exploration prospect. The results of this work were announced on 23 April 2020. If these opportunities are successful, it could materially extend the life of the Cliff Head oil field.

CH11 Workover

During the quarter, the company evaluated a low-cost workover opportunity to initiate water injection into the uppermost perforated interval of CH11 to support production from CH7 and CH13.

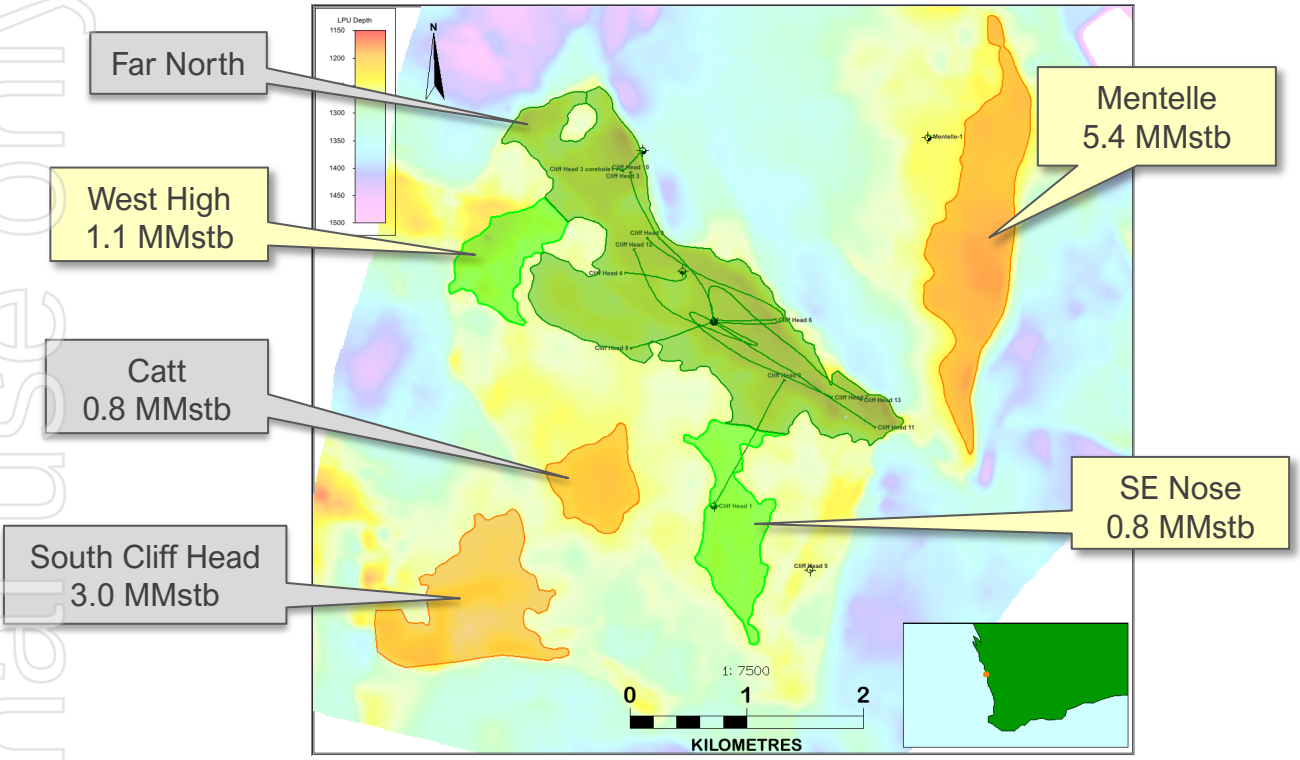
A workover of CH11 involving a slickline or wireline intervention to open the upper perforated zones in CH11 was evaluated and is planned for Q1 2021. By activating a sliding sleeve, water injection into the upper perforated zones of CH11 could enhance production from CH7. Injection into the upper zones at CH11 could support local offtake from CH7 and improve sweep efficiencies in the eastern extent of the field.

Farmout Campaign and Commencement of Well Planning

The Company has started with the preparation for a farmout campaign on behalf of the Cliff Head Joint Venture, the purpose of which is to seek interested parties to participate in a Cliff Head drilling program. The company has also commenced well planning for SE Nose, West High and Mentelle Updip targeting a drilling campaign during the first half of 2022.

[3] *Rsytad Oil Market Monthly September 2020.*

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Cliff Head Field, Prospects and Leads

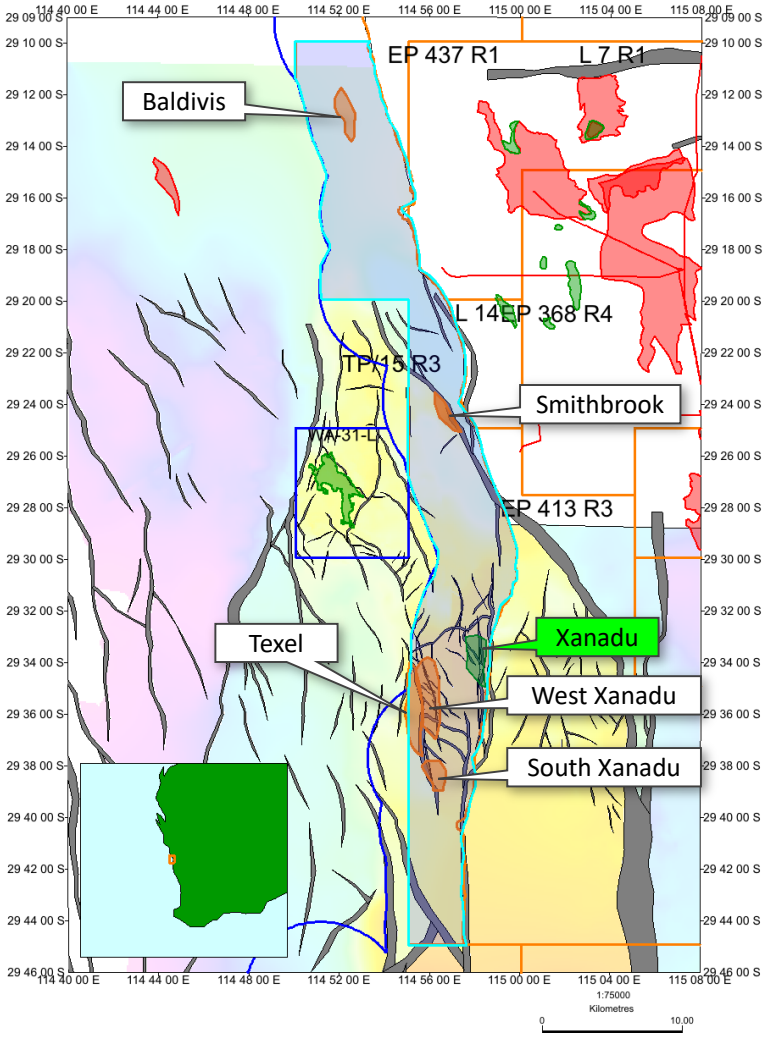
TP/15 Xanadu-1 JV (45%)

TP/15 hosts the Xanadu oil discovery within the large Xanadu structure. Although the reservoir quality is less than optimal, the discovery of oil in the Xanadu-1 well is positive in so far as it demonstrates an oil charge to and moveable oil within TP/15. The Company also expects reservoir quality to improve west of the Xanadu structure.

During the September quarter Norwest Energy Limited (ASX:**NWE**), as Operator of the TP/15 Joint Venture, completed its technical studies of the 2017 Xanadu discovery and concluded that further appraisal of the Xanadu oil discovery is not warranted, due to the limited contingent resource. NWE also undertook regional mapping of the permit. In addition to the previously identified West Xanadu lead, significant exploration potential remains in TP/15 in the Texel oil prospect, the crest of which is mapped as being located some 10km to the southwest of Xanadu. Texel is a Permian oil play, targeting the High Cliff Sandstone which hosts the prolific gas discoveries onshore, on the other side of the Beagle Ridge. Additional oil potential exists in the Dongara Sandstone and Irwin River Coal Measures, the latter being the reservoir at the Cliff Head oil field.

Additional seismic coverage is required to progress Texel and West Xanadu to drillable status, and the TP/15 Joint Venture has recently received approval from DMIRS to modify the forward work commitments so that the appraisal well commitment of permit year 3 is replaced by geological studies and seismic feasibility studies. One hundred (100) kms of 2D seismic surveying is required in permit year 4 and an exploration well in permit year 5 (both permit years being discretionary). The modified work program enables the TP/15 Joint Venture to progress exploration of a large oil target over the next two years at a relatively minor cost before a commitment to drill is required

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TP/15 Prospects and Leads

Farmout Agreement with Key Petroleum Limited for Mt Horner Production Licence L7(R1) (TEG 50%)

Since Triangle issued its L7 WP&B to Key Petroleum Limited (**KEY**) in December 2019, Triangle and KEY have been trying to agree the WP&B that should be implemented. On 4 August 2020, the Company provided an update to shareholders in relation to its interest in L7 in response to an announcement released by KEY on that same date, advising that Triangle had commenced a formal dispute resolution process.

On 23 September 2020, Triangle and KEY, with mutual cooperation in mind, agreed not to take any further action in relation to the dispute for a period of two months in order to try to seek a resolution.

Further during the reporting period KEY, as Operator of L7(R1) (Mt Horner oil field), commenced the planning activities and stakeholder engagement for the Bookara 3D seismic survey. Acquisition of this survey is targeted for the first half of 2021.

The Company will keep shareholders updated in line with its continuous disclosure obligations.

INVESTMENTS

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Limited (**State Gas**) (ASX:**GAS**) with an interest of 27.67% (as at the date of this report), the investment is equivalent to AU$25.86 million in value at AU$0.54 (as at 29 October 2020) per State Gas share.

In late 2018, State Gas, as operator of the Reid's Dome Joint Venture, drilled Primero West-1 and Nyanda-4 wells. The Primero West-1 appraisal well confirmed expectations, encountering the "Primero" gas sand in the Cattle Creek Formation at 131.5m depth, and identifying a net gas bearing zone of up to 12.5m. The Nyanda-4 corehole was the first dedicated coal seam gas well at Reid's Dome. Earlier drilling undertaken in close proximity to the Nyanda-4 site encountered gas shows in association with coal seams. Logging and testing activities at Nyanda-4 confirmed material gas content in the coals and established the potential for a significant coal seam gas project in PL 231.

In September 2019, State Gas announced the drilling of Aldinga East 1A to investigate the gas potential of the Reid's Dome Beds coal measures in the northern area of PL 231. Following the drilling of Aldinga East-1A, State Gas planned to drill Serocold-1, approximately half-way between Aldinga East-1A and Nyanda-4, to explore the central portion of the Reid's Dome anticline.

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

In the same month, the initial positive results of the Aldinga East 1A drilling came out. Aldinga East 1A well was drilled to 884 metres. Logging has identified 10 metres to 14 metres of net coal in the well. The best permeabilities in the well occurred between 592 metres to 753 metres. The logging and permeability testing established a discovery of a conventional gas pool located in approximately 9 metres of gas sand in the Cattle Creek Formation. Within the Reid's Dome Beds, deeper drilling in Aldinga East 1A encountered approximately 9 metres of gas sands between 732 metres and 802 metres. A total of 18 metres of gas sands were intersected in the Aldinga East 1A well. Further, the re-entry and completion of Nyanda-4 well was completed.

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

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

Following the success of Nyanda-4, State Gas embarked on Phase 1 of an exploration and appraisal programme to confirm the widespread presence of Coal Seam Gas (**CSG**) across the Reid's Dome Gas Project (**PL231**). The successful Phase 1 has included a corehole at Aldinga East-1A in the north, a well and production testing in the centre of PL231 (Serocold-1) and production testing of the Nyanda-4 well in the south. On 18 August 2020, the objective of the Phase 1 programme was accomplished, following confirmation of the presence of CSG across the PL231 permit over at least 12 kilometres, from north to south. CSG was confirmed, and gas was produced at all three locations. With this success, State Gas commissioned the Netherland Sewell and Associates Inc. to undertake the certification of Reid's Dome.

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

State Gas announced on 11 September 2020 that gas flow rates at its Nyanda-4 and Serocold-1 wells continue to build, with the Nyanda-4 well flowing gas at 128 mscf (or 128,000 standard cubic feet) per day. Gas production at the Serocold-

1 well was also increasing. The gradual increase in flow rates is encouraging. Water production at both wells remains low, providing further positive signs for future production from the Reid's Dome CSG field.

On 23 September 2020, State Gas announced its appointment as Preferred Tenderer (100%) of new acreage area Rolleston-West (PLR2020-1-5) which is contiguous with PL231. The new permit will provide significant scale which will increase the gas acreage by more than eight times, with a potential to quadruple resource position.

For further information on State Gas Limited, please refer to the company's website at www.stategas.com.au.

Triangle's Managing Director, Mr Rob Towner, represents Triangle's interests on the board of State Gas as a non-executive Director.

CORPORATE

Capital Raising

Placement to Professional and Sophisticated Investors

On 27 August 2020, the Board was pleased to announce it had received irrevocable commitments to raise approximately AU$2.2 million (before costs) from professional and sophisticated investors who subscribed for approximately 73 million new fully paid ordinary shares (**Shares**) at AU$0.03 per Share (**Placement**).

Upon completion of the Placement, the 73,346,667 Shares represented approximately 17% of the share capital of the Company, which then had 434,100,349 Shares on issue.

21,037,383 of the Placement Shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A, and the remaining 52,309,284 Placement Shares were issued under the Company's remaining 15% placement capacity under ASX Listing Rule 7.1.

The issue price of AU$0.03 per Share represented an 18% discount to the 5-trading day VWAP, a 9.5% discount to the 15-trading day VWAP prior to the date of this announcement and a 23% discount to the closing price of the Company's Shares on 21 August 2020.

Funds raised under the Placement are being applied towards workover planning and long lead equipment purchases for production wells CH6, CH7 and CH10, planning and initial table-top activities for South East Nose, West High and Mentelle drilling campaigns and general working capital.

CH6 and CH7 have been shut in since June this year. The successful workovers for these wells will return additional barrel of oil at Cliff Head, taking total production close to approximately 1000 barrels of oil per day.

Issue of the Shares under the Placement occurred on 4 September 2020.

The Placement was company-led and supported by Fresh Equities Pty Ltd who provided a cornerstone bid for the offer.

There were no underwriting arrangements entered into for the Placement.

A fee of 6% of all funds raised was paid to advisors who assisted in the Placement.

Share Purchase Plan

On 4 September 2020, the Company launched a Share Purchase Plan (**SPP**) to raise up to approximately AU$1 million (before costs) via the issue of Shares at an issue price of AU$0.03 per Share.

The SPP enabled existing eligible shareholders, irrespective of the size of their holding, to participate in the capital raising at the same issue price as the Placement, and not incur any brokerage or transaction costs.

Eligible shareholders, being those holders of Shares with an address in Australia or New Zealand as at 5.00pm (WST) on 26 August 2020, had the opportunity to apply for up to AU$30,000 worth of new Shares in the Company. The Shares issued under the SPP will rank equally with existing Shares of the Company.

Initially, the maximum gross amount raised under the SPP was capped at a total of AU$1,000,000, however the Company reserved the right to change this cap at its discretion by announcement to ASX. Each applicant was to be treated equally and scaled back on a pro rata basis.

On 15 September 2020, the Board extended the closing date of the SPP to 2 October 2020 and on 7 October 2020, subsequent to the end of the quarter, the Board was very pleased to announce the successful completion of the SPP.

The Company received SPP applications totalling $4,934,000 and the Board exercised its absolute discretion in accepting all valid oversubscriptions to the maximum threshold permitted under ASX Listing Rule 7.2 Exception 5 (being up to 30% of the Company's issued capital) and pursuant to the terms and conditions of the Company's SPP. Therefore, the total amount raised under the SPP was $3,906,903.15, representing 130,230,084 Shares.

All applications received over and above this threshold were scaled back on a pro rata basis and the monies refunded to shareholders.

The SPP Shares were issued on 13 October 2020.

Net proceeds raised from the SPP are being used towards the workover program for CH6 and CH7, the continued development of the Company's drilling prospects and for general working capital.

Capital and Management Expenditure

As at 30 September 2020, Triangle had a cash balance of AU$3.47 million of which AU$1.43 million is held in escrow.

During the quarter, the Company made payments on the following expenditures:

- **Production expenditure**: Normal production operations at Cliff Head of AU$2,079K. This amount represents 57.5% participating interest in CHJV;
- **Exploration and evaluation expenditure**: the Company paid AU$111K for subsurface works in Cliff Head and L7 Mt. Horner;
- **Staff cost:** Payments to staff not directly involved in the Cliff Head operations of AU$513K; and
- **Administration and corporate:** other general and administration expenses of AU$343K incurred by the Company in other areas of the business.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd which had AU$80K in cash attributed to the Company as at 30 September 2020. This investment is equity accounted for in the Company's financial statements.

Payments to Related Parties of the Company and its Associates

During the quarter ending 30 September 2020, the Company paid AU$96K to related parties of the entity and their associates. The payment is broken down as follows:

1. payments to executive director of AU$71K, and
2. payments to non-executive directors of AU$25K.

Pase PSC – PT Enso Asia

The Company is owed US$1.02 million (AU$1.43 million), cash held in escrow, in relation to the Sale and Purchase Agreement of the Pase Production Sharing Contract (PSC) to PT Enso Asia which completed in February 2016.

The US$1.02 million held under contract, is to be released to Triangle after the Indonesian Ministry of Energy and Resources or Special Unit for Upstream Oil and Gas Operations provides written approval of the Change of Control of the Pase PSC.

The Company will provide further updates as and when they are available.

Request for Arbitration from PDPA

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

The claim related to the Production Sharing Contract for the Pase Concession (in which the Company sold its interest in February 2016), with PDPA alleging the Company did not comply with obligations to pay corporate social responsibility contributions to a community development fund to build a road.

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

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

The Company is now looking forward to focusing all its attention on continuing its work on Triangle's Perth Basin expansion strategy and the continued safe and efficient production at its Cliff Head oil asset.

Shareholder Analysis

As at 30 September 2020 the Company had 1296 shareholders and 434,100,349 Shares on issue. The Top 20 shareholders hold 47.68% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 30 September 2020, the Company held a:

- 78.75% interest in WA-31-L in the Perth Basin, Western Australia;
- 45% interest in TP/15 Joint Venture in the Perth Basin, Western Australia; and
- 50% participating interest in Production Licence L7(R1), Perth Basin, Western Australia.

The Group did not acquire or dispose of any other tenements during the quarter.

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BACKGROUND TO OPERATIONS

WESTERN AUSTRALIA

Cliff Head Oil Field - Operator WA-31-L Offshore Perth Basin (78.75%)

The Cliff Head Oil Field is located 10km off the coast of Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km² and the oil field covers 6km². It was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was A$327 million with first oil production commencing in May 2006.

Production is from five ESP production wells and produced water is reinjected into three injection wells. Produced crude oil is trucked to the BP refinery in Kwinana, 42kms south of Perth.

Facilities and Infrastructure

The Cliff Head facilities are the only offshore infrastructure in the Perth Basin and are therefore important for any development in the surrounding area. An unmanned platform with a 14km pipeline carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith, with a production capacity of 15,000 bopd.

The field has the capacity to produce approximately 1000 bopd from five production wells (3 horizontal and 2 deviated). The production from the field is supported by a water flood with 3 water injection wells (1 horizontal and 2 deviated). An additional unused well slot is available on the platform for future drilling activities.

Production Optimisation and Exploration Upside

The Perth Basin has more than 60 wells drilled offshore (approximately 47 wildcat wells) and 320 wells drilled onshore. The Northern Perth Basin has 20 commercial oil and gas fields and numerous additional significant discoveries of varying sizes. The Northern Perth Basin has proven production with 10 producing fields and with Cliff Head being the only offshore producing field.

The Cliff Head joint venture has developed a set of near field opportunities within the WA-31-L permit area to enhance production through the asset. These include in-field appraisal and development drilling, and near field exploration. Three opportunities are both technically mature and economically justified for drilling.



Arrowsmith Stabilisation Plant

West High

The West High appraisal/development opportunity, on a likely western extension of the Cliff Head field, could be drilled by a deviated appraisal well from the Cliff Head platform, and then completed as a production well in the event of success. Best Estimate Contingent Resource of 1.06 MMstb (100%) is assessed, and it is also mature for drilling.

SE Nose

The SE Nose development opportunity is a low relief structure updip of the original Cliff Head 1 discovery well, that was confirmed and de-risked by depth conversion studies and is assessed to have Best Estimate Contingent Resources of 0.81 MMstb (100%) and is also mature for drilling.

Mentelle Updip

The Mentelle Updip prospect has developed into an opportunity with sufficient resource potential to materially impact the life-cycle of the Cliff Head asset. Best Estimate Prospective Resources are assessed to be of 5.4 MMstb (100%). Further

seismic acquisition was evaluated and is not justified because of relative cost and additional time delays. Mentelle Updip is mature for drilling.

Two new features were identified from the CHRP, the Catts exploration prospect 1.4 kms SSW of the Cliff Head Alpha platform, and the Far North opportunity north of Cliff Head 10. Catts is a subtle two-way-time closure that is enhanced with depth conversion and analogous to the SE Nose structure, and can also be developed from the Cliff Head Alpha platform in the event of exploration success. Far North is a possible structural culmination on the northern limit of the field that is indicated by upside scenarios of the depth conversion work. The upside depth model is supported by the production performance of the Cliff Head 10 well. Far North is still under evaluation. The Cliff Head south area also appears to provide long term exploration potential that could be drilled from the Cliff Head Alpha Platform, which requires further seismic acquisition to adequately define it.

The next steps are to commence detailed well planning, targeting a drilling campaign within the constraints of the current oil price and industry down-turn.

Health, Safety and Environment (HSE)

The Cliff Head Joint Venture is dedicated to HSE and Asset Integrity Management.

Offshore Australian projects are subject to the *Offshore Petroleum and Greenhouse Gas Storage Act* 2006 safety case regime and all requirements are implemented at the offshore and onshore facilities.

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

Through its existing Cliff Head Oil Field production operations, the Cliff Head Joint Venture has established good relations with the regulators, fishing community, landholding sectors, tourism stakeholders and other operators in the area.

Xanadu - TP/15 Offshore Perth Basin (45%)

TP/15 is located in the offshore northern Perth Basin approximately 280km north of Perth. The permit occupies the 3 nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covers an area of 645km^2.

Both Cliff Head and Xanadu lie on Beagle Ridge, east of the major Geraldton fault. The oil generation kitchen filling the Cliff Head Oil Field is viewed as the same source kitchen for the Xanadu prospect. Cliff Head and Xanadu also share the same reservoirs units. The technical understanding of the Xanadu prospect including reservoir seal and trap dynamics, is greatly enhanced by the analogous Cliff Head Oil Field.

The Xanadu-1 well was spudded on 4 September 2017 and reached a total depth of 2035 MDRT on 17 September 2017.gOn 25 September 2017, Triangle announced that an oil discovery at Xanadu-1 was confirmed. This was an outstanding achievement and the first oil discovery in the offshore Perth Basin since Cliff Head more than 15 years ago.

Analysis of the oil recovered from Xanadu-1 samples show a yield of 34.7° API crude oil with no H2S and extremely low levels of CO2 (0.02%). The Xanadu crude is similar to that produced at Cliff Head Oil Field and would be expected to receive similar pricing in the market. The minimal levels of CO2 and no H2S characteristics of the crude oil enable the use of lower-cost and schedule efficient development options.

The Xanadu 3D seismic survey was acquired during June and July 2019 to evaluate the extent and resource potential of the Xanadu structure and evaluate appraisal well locations. The results of the Xanadu 3D seismic data, along with the well data, suggests that commercial potential of the Xanadu discovery may be limited.

The recovery of moveable oil in the Xanadu-1 well is very encouraging for TP/15. It indicates that an oil charge is present south of the Cliff Head. A number of potentially large leads are mapped on the western sector of the Xanadu structure (West Xanadu) that appear to have excellent reservoir potential and are upgraded by the Xanadu discovery. The acquisition of low cost 2D seismic is being considered to mature these leads for drilling. The wider prospectivity of TP/15 is also being re-evaluated for the Xanadu-1 well data.

The value of any discoveries in the near shore TP/15 licence are potentially highly valuable because of the low cost to develop through the Cliff Head and Arrowsmith infra-structure.

TP/15 Joint Venture as at the date of this Report

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

Authorised for Release by: Robert E T Towner

Managing Director

ENDS

General Shareholder Enquiries: info@triangleenergy.com.au

Investor Relations Enquiries: Peter Kermode

Cannings Purple

+61 411 209 459

Notes Regarding Contingent and Prospective Resources

1. *The Contingent Resources and Prospective Resources lie within the Cliff Head Production Licence WA-31-L, operated by Triangle Energy (Operations).*
2. *Gross Contingent Resources and Prospective Resources are attributed to 100% joint venture interest in WA-31-L.*
3. *The Company's net Contingent Resources and Prospective Resources are attributed to Triangle Energy's 78.75% net interest in WA-31-L.*
4. *The Contingent and Prospective resources reported here were reported on 29 October 2020.*
5. *The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).*

Qualified Petroleum Reserves and Resources Evaluator Statement

The Reserves, Contingent Resources and Prospective Resources are based on and fairly represent information and supporting documentation prepared by, or under the supervision of, the Company's Sub-Surface Manager Mr Matt Fittall, who is a full time employee of Triangle Energy (Global) Limited. Mr Fittall has provided his prior written consent to the form and context in which the information that relates to the reserves is presented. Mr Fittall is a Geologist BSc(hons)Geology with more than 30 years' experience, practising in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australian (PESA).

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About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX: TEG) oil and gas producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant, and a 45% share of the Xanadu-1 Joint Venture and has executed a Farmout Agreement with Key Petroleum Limited for its Production Licence L7(R1), all located in the Perth Basin. The Company also has a 27.67% interest in State Gas Limited, a company with an 100% operating interest in the Reid's Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

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Appendix 5B

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

Name of entity

Triangle Energy (Global) Limited

ABN	Quarter ended ("current quarter")
52 110 411 428	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,174	2,174
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	0	0
	(b) development	0	0
	(c) production	(2,079)	(2,079)
	(d) staff costs	(513)	(513)
	(e) administration and corporate costs	(343)	(343)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes / PRRT (paid) / received	280	280
1.7	Government grants and tax incentives	0	0
1.8	Other (provide details if material)	0	0
1.9	**Net cash from / (used in) operating activities**	**(484)**	**(484)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	(383)	(383)
	(d) exploration & evaluation (if capitalised)	(111)	(111)
	(e) investments	0	0
	(f) other non-current assets	0	0

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**(494)**	**(494)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,200	2,200
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(57)	(57)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(19)	(19)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**2,124**	**2,124**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,405	2,405
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(484)	(484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(494)	(494)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,124	2,124

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(83)	(83)
4.6	**Cash and cash equivalents at end of period**	**3,468**	**3,468**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,937	871
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details) Escrow and Joint Venture Cash	1,531	1,534
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,468**	**2,405**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(96)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	0	0

7.5	**Unused financing facilities available at quarter end**	0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(484)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(111)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(595)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,468
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	3,468
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	6

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020



Authorised by: Robert E T Towner on behalf of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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