

# QUARTERLY REPORT

For the period ended 30 June 2014



## HIGHLIGHTS

- **New Board of Directors**
- **Capital raising fully subscribed with \$1.062 million raised**
- **Cost Reduction Program delivers significant savings to the Company**
- **The Acehese Government and Triangle joint venture remain committed to secure the award of a long term Production Sharing Contract over Pase fields in Aceh**
- **Gas production from Pase fields during the June quarter totaling 55.6 MMcf**
- **Gross PSC revenue on production for the quarter: US\$1.085M including \$0.166M of condensate**
- **30 June 2014 cash balance of \$1.510M**

## COMPANY UPDATE

Triangle Energy (Global) Limited (“Triangle” or the “Company”) announced on 10 July 2014 the successful raising of \$1.062 million from the non-renounceable pro-rata entitlement offer (“Entitlement Offer”) and share placement (“Placement”).

The funds raised will be used for the ongoing review and evaluation on existing projects, review and evaluation of new projects, and working capital while the Company pursues the award of a new long term Production Sharing Contract (“PSC”) to develop the Pase field in Aceh Province, North Sumatra, Indonesia.

Triangle currently acts as temporary operator of the Pase field and due to the ‘care and maintenance’ nature of the temporary operatorship Triangle has incurred a decline in revenue from the Pase field. Following a review of the Company’s operations and corporate overheads the Company has recently reduced expenditure and will continue to reduce corporate overheads in an initiative to conserve the Company’s cash reserves while it pursues the award of a new PSC.

Since 2009 Triangle has successfully operated and produced gas from the Pase field and has recently made significant progress towards securing a new PSC. Key points in this regard are:

- The new PSC is to be awarded under the collaborative regime between the Indonesian Central Government and the Acehese Government;
- Triangle and the Acehese Government have entered into a Joint Venture to operate a new PSC;
- Triangle is the first foreign company to form a Joint Venture with the Acehese Government to operate an oil and gas field within the Aceh Province;
- The Governor of Aceh, Dr Zaini Abdullah gives the Joint Venture his full support.

During the quarter Mr Lewis Johnson retired as a Director of the Company and was replaced by Mr Edward (Ted) Farrell. At the completion of the capital raise, the Company changed its Board of Directors with the appointment of Mr Ted Farrell as Non-Executive Chairman and Mr Robert Towner and Mr Darren Bromley as Directors. Mr John Towner and Mr Steve Hamer resigned from the Board.

Triangle’s Board of Directors wish to welcome new shareholders from the recent capital raising and thank all shareholders for their continuing support.



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## PASE PSC (Aceh Province, North Sumatra, Indonesia)

### Pase Production

Production during the June quarter totalled 55.6 MMcf from three wells, A-1, A-5 and A-6.

### Development Activities

During the quarter the Company continued technical studies over the Pase Field with the intent of maturing in-fill drilling opportunities to access up-dip gas adjacent to existing producing wells.

### Health, safety & environment

Triangle maintained its excellent operating record during the quarter with zero Lost Time Incidents, zero environment incidents and zero recordable motor incidents.

### Corporate Social Responsibility

Corporate social responsibility activities continued during the quarter these included maintenance on roads, bridges and local infrastructure and the restocking of medical supplies in local clinics.

### Pase PSC

#### *Current Status:*

- On behalf of APGE, the Acehese Government is in discussion with MIGAS to secure the award of a new PSC.
- Triangle is the first foreign company to form a JV with the Acehese Government to operate an oil and gas field and provides further exploration and production opportunities for Triangle in the Pase Block.

#### *August 2013:*

- MIGAS extends Triangle's appointment as the temporary Operator of the Pase Block for a further 6 months or until the appointment of a definitive operator.

#### *July 2013:*

- Triangle and the Acehese Government entered into a Joint Venture to operate the new PSC. Triangle is the first oil and gas company to partner with Aceh under the 2005 Helsinki Memorandum of Understanding.
- Aceh Pase Global Energy Pte Ltd ("APGE") is incorporated in Singapore as the joint venture company to operate the new PSC. APGE is 75% owned by Triangle and 25% by an Acehese Government owned company Perusahaan Daerah Pembangunan Aceh ("PDPA").

#### *February 2013:*

- Triangle is selected as the most qualified partner to operate the new long term PSC with the Aceh Government. Triangle was selected by a committee of government appointed Acehese industry experts following an open tender process.

#### *February 2012:*

- Pase PSC expires and MIGAS appoints Triangle as temporary Operator of the Block.



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## CORPORATE & FINANCIAL

### Board Changes

Mr Edward Farrell was appointed to the Board of Triangle as a non-executive Director of the Company on 26 May 2014 following the retirement of Mr Lewis Johnson.

At the completion of the capital raise on 9 July 2014, Mr John Towner and Mr Steve Hamer resigned from Triangle's Board of Directors. Mr Ted Farrell was appointed Non-Executive Chairman and Mr Robert Towner and Mr Darren Bromley were appointed as Directors.

### New Ventures

Triangle's Management team are assessing acquisition prospects to diversify and grow the Company's portfolio of assets.

### Revenue

Gross PSC revenue on production for the quarter was US\$1.085M.

### Cash

At the end of June 2014, the Company had cash at bank of \$1.510 million.

### Changes in Capital

As at 30 June 2014 the Company had 1,085 shareholders and 1,822,494,339 ordinary fully paid shares on issue with the top 20 shareholders holding 65.1% of the total issued capital.

The following changes in the issued capital of the Company occurred on 10 July 2014:

- the issue of 629,218,043 ordinary shares subsequent to the "Shortfall Offer" pursuant to the Non-renounceable pro rata entitlement issue at an issue price of \$0.001 per New Share;
- Issue of 245,000,000 ordinary shares via placement to sophisticated at an issue price of \$0.001 per New Share

## INFORMATION IN RELATION TO ASX LISTING RULE 5.4.3

Triangle holds a 20% beneficial interest in PL231 located in Queensland, Australia. The Group has not acquired or disposed of any tenements during the March 2014 quarter.

### **About Triangle Energy:**

*Triangle Energy is a gas production and exploration company based in Perth. The Company operates the Pase Production Sharing Contract located in Aceh Province, North Sumatra, Indonesia. Triangle Energy continues to assess acquisition prospects to diversify and grow the portfolio of assets.*

### **For Further information, please contact:**

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	1,031	4,872
1.2 Payments for (a) exploration & evaluation	(105)	(571)
(b) development	(317)	(1,924)
(c) production	(384)	(2,205)
(d) administration	(442)	(3,044)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
• VAT refunded	205	205
<b>Net Operating Cash Flows</b>	<b>(11)</b>	<b>(2,659)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(11)</b>	<b>(2,659)</b>
1.13 Total operating and investing cash flows (brought forward)	<b>(11)</b>	<b>(2,659)</b>
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.	188	1,688

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Share issue costs	-	(64)
	- Shortfall Offer funds pending allotment	451	451
	<b>Net financing cash flows</b>	<b>639</b>	<b>2,075</b>
	<b>Net increase (decrease) in cash held</b>	<b>628</b>	<b>(584)</b>
1.20	Cash at beginning of quarter/year to date	899	2,121
1.21	Exchange rate adjustments to item 1.20	(17)	(27)
1.22	<b>Cash at end of quarter</b>	<b>1,510</b>	<b>1,510</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(89)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included at 1.23 are:

- Payments made for professional services pursuant to consultancy agreements totalling \$89k

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	(130)
4.2	Development	(320)
4.3	Production	(450)
4.4	Administration	(480)
<b>Total</b>		<b>(1,420)</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,403	790
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other - Deposit as security for SBLC provided to Exxon Mobil Oil Indonesia	107	109
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,510</b>	<b>899</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3 <b><sup>+</sup>Ordinary securities</b>	1,822,494,339	1,822,494,339	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	188,018,881	188,018,881	\$0.001	N/A
7.5 <b><sup>+</sup>Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	91,500,000	-	Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria	Nil
	27,000,000		Unlisted \$0.01 Options expiring 26 September 2014	
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A	N/A		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

**Compliance statement**

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

+ See chapter 19 for defined terms.

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



Sign here: ..... Date: 31 July 2014  
(Company secretary)

Print name: Darren Bromley

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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