

QUARTERLY REPORT

For the period ended 31 December 2015



HIGHLIGHTS

- Triangle has received overwhelming support from shareholders for the sale of its Indonesian oil & gas asset to Indonesian company PT Enso Asia;
- The completion of the sale is expected to occur in early February 2016 following the completion of customary conditions of the sale agreement;
- Upon completion, Triangle will receive an upfront cash consideration for the sale of US\$4.5M less loan funds provided by PTEA to Triangle (approx. US\$0.862M);
- Post completion, Triangle will maintain an economic interest in the asset with up to US\$7.0M in cost recovery payments and US\$25M in production royalty on new developments on the asset;
- The next 12 months looks to be an exciting period for Triangle with the company in a sufficiently strong financial position to invest in opportunities to progress the Company and build shareholder value.

COMPANY UPDATE

DISPOSAL OF THE COMPANY'S MAIN UNDERTAKING (PASE PSC)

During the quarter, Triangle Energy (Global) Limited (**Triangle** or **the Company**) progressed the disposal of the Pase Production Sharing Contract (**PSC**) via the sale of all the shares held by the Company in Triangle Energy Limited (**TEL**) to Indonesian based company PT Enso Asia (**PTEA**).

TEL is a 100% owned subsidiary of Triangle and holds 100% of the shares in Triangle Pase Inc. (**TPI**), the operator of the PSC.

As announced on 31 July 2015, the Company received an offer from an Indonesian company PT Enso Asia (**PTEA**) to purchase its interests in the PSC.

At the time, subject to shareholder approval, the board determined it was in the company's best interest to proceed with a Share Purchase Agreement with PTEA Enso. Subsequent to this, as announced to the ASX on 6 November 2015, Triangle received an unsolicited offer for the sale of the Pase PSC from another Consortium.

The Directors of Triangle, after taking all required advice, concluded the Consortium proposal to be a 'Superior Proposal' to the terms of the agreement between PTEA, and as such accepted the Consortium's proposal subject to shareholder approval.

On 8 December 2015, Triangle advised it had accepted a new superior proposal from PTEA of up to US\$39.9 million (approximately AU\$55.5 million) in relation to the Company's interest in the Pase PSC (**PTEA Superior Proposal**).

The Directors of Triangle, after taking all required advice, concluded that the PTEA Superior Proposal was superior to the proposal from the Consortium to acquire the Company's interest in the Pase PSC as announced to ASX on 9 November 2015.

Due to the receipt of the additional offers, the Directors postponed both shareholders meetings in order to provide shareholders additional information necessary to ensure they are informed and are able to properly consider their vote in the context of all recent developments.

At the General Meeting held on 24 December 2015, shareholders voted overwhelmingly for the sale to PTEA. Votes were received from 67.4% of the Company's issued capital, of which 87.91% voted in favour of the sale.

The completion of the sale was expected to occur in early January 2016 subject to customary conditions to completion as outlined in the Company's Second Addendum to Notice of General Meeting dated 10 December 2015 (**Second Addendum**). Completion is now expected to occur in early February 2016.

The upfront cash consideration for the sale of US\$4.5M will be received upon completion as outlined in the Second Addendum. PTEA has provided funds to the Company as a loan to meet its working capital commitments and the amount of the loan will be deducted from the consideration payable by PTEA upon completion.

Post completion, Triangle will maintain an economic interest in the Pase PSC with up to US\$7.0 million in cost recovery payments in respect of existing sunk cost from past expenditure in the Pase A and Pase B fields and production royalty on new developments on the PSC equal to 5% of PTEA's profit share (excluding cost recovery) up to a maximum of US\$2.0 million per annum and capped at US\$25.0 million in aggregate.

Following the completion of the sale, Triangle will be in a sufficiently strong financial position to invest in suitable assets in order to secure the Company's future growth.

QUEENSLAND OPERATIONS

Reids Dome (Petroleum Lease 231)

Petroleum Lease 231 (**PL231**) is currently 40% owned by Senex Energy Ltd (**Senex**), 40% owned by Dome Petroleum Resources Plc and 20% owned by Triangle. Senex is the operator of the project under the terms of the joint venture agreement between the parties.

As previously announced by Triangle, the Company has entered into an agreement to acquire the 40% interest in the project held by Senex and conduct of operations of the joint venture.

The Queensland Department of Natural Resources and Minerals has given indicative approval to the Senex/Triangle transfer and has approved the Later Development Plan submitted by Triangle. Completion of the transaction will increase the Company's interests in the project to 60%.

The Company will keep the market updated on progress in relation PL231.

Notice of Arbitration

As announced on 21 December 2015, the Company received a notice of arbitration issued by MonTerra Ltd, a company previously engaged as a strategic advisor to Triangle. The Company is in the process of obtaining advice from its legal counsel in relation to this matter and will update the market on material aspects of the process when appropriate.

CORPORATE & FINANCIAL

Cashflow

At the end of December 2015, the Company had cash at bank of \$86k.

The Agreement entered into with PTEA has provided Triangle with working capital totalling AU\$1.231M to 30 December 2015 (AU\$0.124M during the quarter).

Changes in Capital

On 30 November 2015, as outlined in the Appendix 3B lodged to the ASX on 2 December 2015, the Company:

- issued 104,061,089 shares to Directors after approval from shareholders at the 2015 Annual General Meeting as outlined in the Notice of Annual General Meeting dated 12 October 2015.
- cancelled all of the 54,500,000 Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria

As at 30 December 2015 the Company had 1,080 shareholders and 3,349,023,471 ordinary fully paid shares on issue with the top 20 shareholders holding 60.2% of the total issued capital.

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 other tenements during the June 2015 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.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(59)	(181)
(b) development	(45)	(201)
(c) production	(58)	(161)
(d) administration	(239)	(737)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(401)	(1,280)
Cash flows related to investing activities		
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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(401)	(1,280)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(401)	(1,280)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	• Funds received for sale of business	124	1,096
	Net financing cash flows	124	1,096
	Net increase (decrease) in cash held	(277)	(184)
1.20	Cash at beginning of quarter/year to date	361	238
1.21	Exchange rate adjustments to item 1.20	2	32
1.22	Cash at end of quarter	86	86

Payments to directors of the entity, associates of the directors, 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	(56)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<p>Included at 1.23 are:</p> <ul style="list-style-type: none"> • Directors fees of \$3k • Payments made for professional services pursuant to consultancy agreements totalling \$53k

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

+ See chapter 19 for defined terms.

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 <ul style="list-style-type: none"> • USD Loan from PT Enso Asia relating to disposal of main undertaking 	-	1,231
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	-
4.2	Development	-
4.3	Production	-
4.4	Administration	(340)
Total		(340)

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	86	361
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		86	361

Changes in interests in mining tenements and petroleum tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas 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 Preference ⁺securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	3,349,023,471	3,349,023,471	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	104,061,089	104,061,089	51,759,834 shares \$0.001449 52,301,255 shares \$0.001434 Refer AGM Notice of Meeting dated 12 October 2015	Nil
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	-	-	-	-
7.8 Issued during quarter	104,061,089	-	Unlisted Share Rights under TEG Employee Rights Plan vesting immediately 51,759,834 shares \$0.001449 52,301,255 shares \$0.001434 Refer AGM Notice of Meeting dated 12 October 2015	Nil
7.9 Exercised during quarter	(104,061,089)	-	Unlisted Share Rights under TEG Employee Rights Plan vesting immediately 51,759,834 shares \$0.001449 52,301,255 shares \$0.001434 Refer AGM Notice of Meeting dated 12 October 2015	Nil
7.10 Expired during quarter	(54,500,000)	-	Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria	Nil
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 27 January 2015
(Director/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 and petroleum 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 or petroleum 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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