ANNUAL REPORT 2016

Triangle Energy (Global) Limited
ABN 52 110 411 428

TRIANGLE ENERGY (GLOBAL) LIMITED

ANNUAL REPORT 2016

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CORPORATE DIRECTORY

Directors
Edward (Ted) Farrell (Non-executive Chairman)
Darren Bromley (Executive Director)
Robert Towner (Executive Director)

Company Secretary
Darren Bromley

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Principal Places of Business
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Bankers
Westpac Banking Corporation
275 Kent Street Sydney NSW 2000
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Securities Exchange Listing

ASX Limited
20 Bridge Street Sydney NSW 2000
ASX Code: TEG

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Security Transfer Registrars Pty Ltd
770 Canning Highway, Applecross WA 6153
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HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street, PERTH WA 6000

Solicitors
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16 Milligan Street Perth WA 6000
Australia

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the board of directors of your Company, I am very pleased to present the annual report of Triangle Energy (Global) Limited ("Triangle" or the "Company") for 2015/16.

As reported to you at our last AGM, we had entered into a Share Purchase Agreement for the sale of our 100% interest in the Pase PSC in Indonesia and in the year just gone, we have pursued the finalisation for the sale of the Pase PSC with Indonesian based company PT Enso Asia (PTEA).

We were pleased to report to market in February 2016 that the transaction was completed and most of the funds subject to the sale were received into our account.

It remains now for us to expedite procedural and operational paperwork with PTEA and the Indonesian government for the release of a final tranche amounting to USD 1.019 million of the consideration. This amount is held in an escrow account to be released to Triangle after SKK Migas provides written approval and notification of the change of control of the PSC. The amount is held by Triangle under contract and has been reported as cash in the consolidated financial statements. The sale agreement also provides for Triangle to maintain an economic interest in the Pase PSC.

In June 2016 we completed an acquisition from AWE Limited to purchase a 57.5% holding in Cliff Head, a producing oil field in the Perth Basin.

This transaction was introduced to us through our appointment of, and association with Tamarind Management with whom we look to develop a strategic and focussed alliance as we begin to build and enhance the new oil and gas portfolio for your Company.

In the year ahead we will continue to review our business model, reduce our operating costs and consider the most effective ways to invest in the Oil and Gas sector.

The decline in the oil price and continued consolidations within the sector, provide opportunities, which we believe will yield good returns for shareholders in the coming years.

I would like to thank directors Robert Towner and Darren Bromley for their focus, hard work and dedication which has impacted on the direction and future strategy of your Company during a difficult transition period out of Indonesia and challenging times across our sector.

In closing, I want to thank our shareholders large and small for their continued support. We have all lived through difficult times and frustrating events, some of which we have had no control over. However, it is with your support that we seek to add value and look ahead for an exciting period of growth and with some signs of confidence that global markets will continue an upward trend.

Yours sincerely

Ted Farrell

Ted Farrell
Non-executive Chairman

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of Triangle Energy (Global) Limited (the Company or TEG) and the entities it controlled during the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Edward ('Ted') Farrell

Chairman - Appointed 26 May 2014

Mr Farrell is a Fellow of the National Institute of Accountants, a member of the Australian Institute of Management and a Justice of the Peace. He brings to the Company extensive experience from the financial services sector, corporate financing and capital management.

He has held various directorships with private and public companies. Mr Farrell's career includes over 25 years owning and managing a private client share broking and financial advisory practice. He currently provides corporate consultancy services and international consultancy services with relation to the Financial Services Industry and Trade and Economic development projects between Asia and Australia.

He has been substantially involved with capital raisings, initial public offerings and company reconstructions over the past 25 years and will assist the Company as it seeks to broaden its capital structure and asset base.

Mr Farrell currently or in the last 3 years does not have any listed company directorships.

Robert Towner

Executive Director - Appointed 9 July 2014

Mr Towner's career commenced in 1993 in the financial markets as an authorised representative of Bell Potter Securities Limited, a leading Australian investment advisory firm. During this employment he developed in-depth knowledge of client portfolio management and facilitated capital raisings for small to medium sized companies.

In 2009 Mr Towner founded Cornerstone Corporate Pty Ltd a consulting firm to Australian public companies on corporate planning & advisory, capital raisings and compliance.

Cornerstone Corporate Pty Ltd was engaged to recapitalise and act as Lead Manager to ASX listed Bone Medical Limited completing a capital raising $3.8 million. Upon completion of the recapitalisation he accepted the role of non-executive chairman.

In March 2004, he founded and was executive director of bioMD Limited (now Admedus Limited) for over eight years. Mr Towner played an integral role in the merger of bioMD Limited with unlisted public company Allied Medical Limited.

Mr Towner currently is a non-executive director of Botanix Pharmaceuticals Limited (formerly Bone Medical Limited) and over the last 3 years did not have any other listed company directorships.

Darren Bromley

Executive Director - Appointed 9 July 2014
Company Secretary - Appointed 29 June 2012

Mr Bromley has been chief financial officer of the Company since April 2010 and was appointed company secretary on 29 June 2012. He holds a Bachelor of Business Degree in Finance, a Master of e-Business and has a great depth of business management and financial experience.

His experience includes financial modelling and analysis, capital raisings, business development, company administration and operational management. His executive capacity at Triangle includes operational management, financial management and corporate governance functions.

Mr Bromley has previously held CFO positions at ASX listed entities Prairie Downs Metals Limited and QRSciences Holdings Limited and numerous company directorships and secretary positions.

Mr Bromley currently or in the last 3 years does not have any listed company directorships.

Interests in the shares and options of the company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate held as at the date of this report.

Directors	Number of performance rights	Number of fully paid ordinary shares
Edward Farrell	-	32,874,812
Robert Towner	-	110,047,228
Darren Bromley	-	73,874,436

DIRECTORS' REPORT (continued)

Principal Activities

The principal activities of the consolidated entity during the financial year consisted of the divestment of its interests in the company's Indonesia assets, the continued assessment (and acquisition of additional interest) of the Reid's Dome exploration asset in Queensland and the completion of the Cliff's Head Acquisition in Western Australia.

Operating results

The net profit of the Consolidated Entity after income tax for the year was $5.893M (restated 2015 net loss: $3.806M). The profit was derived from:

- Gain on the disposal of the Pase PSC assets of $5.473M;
- Legal expenses of $0.210M (restated 2015: $0.026M);
- Reversal of a previously recorded costs for employee performance rights of $1.788M (restated 2015: $0.071M);due to lapsing of share rights as a consequence of the vesting criteria not being achieved;
- Employee benefits expenses of $0.578M (restated 2015: $0.699M);
- Foreign exchange losses $61,393 (restated 2015: $171);
- Due Diligence and project generation expenses of $22,915 (restated 2015: $4,530);

Financial position

The Consolidated entity made a number of changes to its legal structure during the year. These changes principally included the disposal of its Pase PSC assets (through the sale of its subsidiaries) and the acquisition of the 57.50% interest in the Cliff's Head production licence in Western Australia (through the purchase of two existing companies).

The consolidated entity had previously prepared its financial statements using the principle in AASB 3 "Business Combinations" relating to a reverse acquisition. A reverse acquisition occurred in 2009 when TEG entered into a purchase agreement with the original Pase shareholders to acquire the Indonesian Pace PSC asset. This acquisition was considered to be a reverse acquisition for accounting purposes as the original shareholders of the Pase asset received more than 50% of the total shares on issue (after the transaction) therefore these shareholders obtaining control of the consolidated entity.

The accounting impact of a reverse acquisition is to assume that the new companies that join the group are the dominant undertaking for the newly formed consolidated entity. This results in the new companies being deemed (for accounting purposes) to have acquired the existing TEG group. The diagrams below show the legal structure of the group on 1 July 2014 and the accounting structure of the group at the same time based on the reverse acquisition accounting.

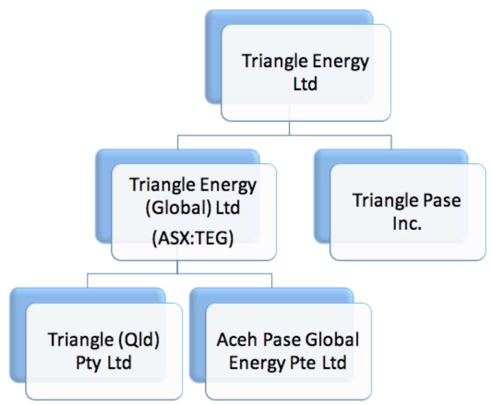

Figure 1: Accounting Structure

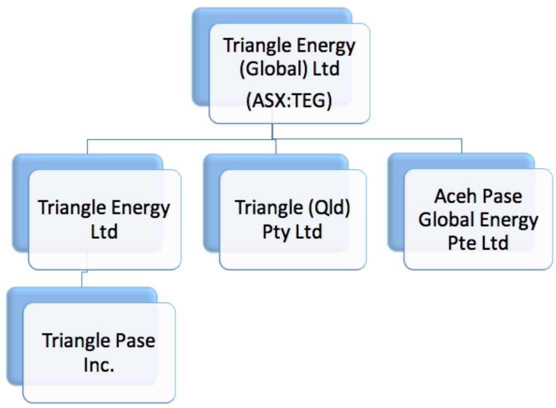

Figure 2: Legal Structure

During the 2016 financial year, the consolidated entity disposed of the companies that held the Pase PSC assets and with this disposal the consolidated entity removed the accounting parent from the group. The presentation of the consolidated entity's statement of financial position for the previous annual report was prepared using the reverse acquisition accounting principles, however, now that the sale has occurred the consolidated entity no longer has its accounting parent and the 2016 statement of financial position has been prepared without including the impact of the results, assets, liabilities and equity of the previous accounting parent. The basis for preparing the financial statements using this accounting methodology has been included in note 1(d) below in the notes to the consolidated financial statements.

To ensure that the consolidated financial statements are prepared consistently across both the current and comparative periods, the consolidated entity has restated the comparative values to remove the impact of the results, assets, liabilities and equity of the previous accounting parent.

The restated financial statements show the following key movements in the groups assets and liabilities over the two periods:

- Increase in cash assets to $3.837M (restated 2015: $0.242M) due to funds received in the disposal of Pase PSC and the acquisition of the 57.50% interest in the Cliff's Head;
- Increase in trade receivables to $1.50M (restated 2015: $0.005M) due to oil sales receivable relating to the Cliff Head joint venture;
- Increase in trade and other payables to $1.834M (restated 2015: $0.534M) relating to the Cliff Head joint venture;

- Increase in Non-current assets to $26.625M (restated 2015: $0.005M) due to the acquisition of assets in the 57.50% interest in the Cliff's Head;
- Increase in Non-current liabilities to $25.575M (restated 2015: $1.069M) due to the assumed abandonment commitments relating to the 57.50% interest in the Cliff's Head;

At 30 June 2016 the Consolidated Group had a working capital surplus of $1,755M (restated 2015: deficit of $1.205M) and with the acquisition of the interest in Cliff's Head production licence the Company is forecasting to maintain a positive operating cash flow for the coming year.

Dividends

During the financial year the Company did not pay a dividend (2015: nil).

Treasury Policy

The board is responsible for the treasury function and managing the Group's finance facilities. Treasury management is a recurring agenda item at meetings of the board.

Risk Management

The board takes a pro-active approach to risk management. The board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the board.

Occupational Health and Safety

The Consolidated Entity's has an excellent safety record. The Consolidated Entity focuses on safety awareness and safe work processes especially in the field and occupational health and safety performance is continually monitored. Roc Oil (WS) Pty Ltd is the operator of the Cliff Head asset, and Upstream Petroleum Solutions are contracted to operate for the joint venture. Both are experienced operators and work with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) guidelines to monitor and approve safety practices.

Environmental Regulations

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

State of Affairs

In February 2016, the Consolidated Entity's divested its interests in its Indonesian assets via the sale of the subsidiaries Triangle Energy Limited and Triangle Pase Inc.

In March 2016, the Consolidated Entity's finalised its acquisition of an additional 40% interest and operatorship of the Reid's Dome exploration asset in Queensland thereby controlling 60% of the joint venture. Dome Petroleum PLC hold the remaining 40% interest.

On 30 June 2016, the Consolidated Entity completed the acquisition of a 57.5% participating interest in the Cliff Head oil production asset in Western Australia.

REVIEW OF OPERATIONS

Company Overview

Triangle Energy (Global) Limited ("Triangle") is an experienced and successful oil and gas production and exploration company based in Perth, Western Australia. The Consolidated Entity holds 57.5% of the Cliff Head oil production asset in Western Australia.

Triangle also holds a 60% interest and is operator of the Reids Dome joint venture (PL231) located in the Bowen Basin in Queensland.

Cliff Head, Perth Basin, Western Australia

The Cliff Head oil field is located 10 kilometres off the coast of Western Australia at a water depth of 15-20 meters. The field covers 6km² in the Commonwealth exploration permit WA-286-P and was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was A$327m with first oil production commencing in May 2006. To-date the field has produced over 14.8 million barrels and continues to produce at above originally forecast rates.

ROC Oil (WA) Pty Ltd (a subsidiary of Fosun International Limited) is the operator of the field and holds a 42.5% interest.

Current oil production of approximately 1,100 bopd gross from the Cliff Head field is produced via an offshore platform connected to the Arrowsmith onshore processing plant by twin 14 kilometre production and injection pipelines. Crude oil is trucked to BP at their Kwinana refinery south of Perth.

DIRECTORS' REPORT (continued)

Reids Dome, Bowen Basin, Queensland

The Reid's Dome Tenement covers an area of 181 square kilometres on the western flank of the Bowen Basin in Queensland. The Reid's Dome Gas Field is situated within Reid's Dome Tenement and based on initial reservoir studies, a reserve of up to 1 billion cubic feet of gas is indicated for the three wells drilled on the Reid's Dome Gas Field prior to November 1994.

In March 2016, Triangle is received final approval from the Queensland Department of Natural Resources and Mines to increase its ownership in the Reids Dome tenement.

Reids Dome is currently 60% owned by Triangle as operator by virtue of a joint venture agreement and 40% owned by Dome Petroleum Resources Plc.

Key Activities 2015/16

Pase PSC

During the year, Triangle continued as the temporary operator of the PSC over the Pase Block oil and gas fields in Aceh, Indonesia (**PSC**). Production at Pase was shut in on 11th October 2014 and has remained shut in due to the expiry of the Arun LNG export contract.

In February 2015, SKK Migas informed the Company that it had been awarded an extension of the Pase PSC for 20 years. During the June 2015 quarter the Company finalised negotiation of all other PSC terms with SKK Migas and Migas. The Pase PSC was executed at a formal signing ceremony held at the Indonesian Petroleum Association's annual conference on 22 May 2015. Migas maintained possession of the undated PSC document until all conditions required under the PSC could be met.

In order to secure the PSC, Triangle was required to provide commitments in favour of the Indonesian Government of a US$1.5M 'Performance Bond' and pay a US$1.5M 'Signature Bonus'. The Company was unable to do this on its own right due to difficult financial and oil and gas markets which led to the decision to dispose of the project.

On 16 February 2016, the Company finalised the disposal of the Indonesian asset via the sale of all the shares held by the Company in its legal subsidiary Triangle Energy Limited (TEL) to Indonesian based company PT Enso Asia (PTEA). TEL was a 100% owned legal subsidiary of Triangle and holds 100% of the shares in Triangle Pase Inc. (TPI), the operator of the PSC. PTEA have secured the Pase PSC by providing the US$1.5M Performance Bond and paying the US$1.5M Signature Bonus.

Upon completion, Triangle was to received cash consideration of US$4.5M less loan funds provided by PTEA to Triangle (approx. US$0.862M). As at the date of this report, US$1.019M is outstanding as a receivable.

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.

The following risks are associated with the recoverability of the US$7.0 million in cost recovery and the US$25 million of 5% profit share:

- Exploration risk;
- Drilling risk;
- Discovery risk;
- PTEA funding risk (minimum US$ 50 million required for development);
- Project viability risk; and
- Sovereign risk of collecting the royalty.

In February 2016, the Sale and Purchase Agreement between Triangle Energy and PT Enso Asia was completed, following which Triangle transferred the shares it held in Triangle Energy Limited to Enso Asia Inc. (EAI). The transaction gave EAI the right to finalise the conditions required under the pending PSC and secure the 20 year extension. Subsequent to completion of this agreement, EAI was able to provide funding for Triangle Pase Inc. to pay the Signature Bonus of USD 1.5 million required as a condition get the extension.

Corporate Activities

Triangle held an extraordinary general meeting of shareholders on 24 December 2015 and received approval from shareholders for the sale of its Indonesian oil and gas asset to Indonesian company PT Enso Asia.

On 30 June 2016, the Company completed the acquisition of the Cliff Head asset from AWE Limited.

Changes in capital structure

On 9 October 2015 the Company:

- Issued 50,000,000 unlisted options exercisable at $0.001 expiring on 9 October 2017 to Mac Equity Partners as a capital raising fee pursuant to the mandate for the capital raising completed in March 2015; and,
- Issued 50,000,000 ordinary shares to a consultant as fees.

On 30 November 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; and

- Cancelled all of the 54,500,000 Unlisted Share Rights under TEG Employee Rights Plan with the Performance Vesting Criteria of securing a Pase PSC. Enso Asia Inc. secured the PSC post the sale of Triangle Pase Inc. in February 2016.

On 23 May 2016 the Company:

- Issued 50,000,000 ordinary shares to a consultant as fees.

Qualified Petroleum Reserves and Resources Evaluator Statement

Information in this report that relates to proved and probable oil reserves has been reviewed and signed off by Mr James Tarlton (Tamarind Management, Director). Information that relates to reserves is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Tarlton. He has consented to the form and context in which the information that relates to the reserves presented. Mr Tarlton's qualifications include: Bachelor of Applied Science (Honours) from Queen's University at Kingston Ontario Canada. He has 34 years of operating company experience developed through drilling, production and reservoir engineering before transitioning to asset management in Canada, the North Sea and South East Asia. He is a member of the Society of Petroleum Engineers in Malaysia and he is also a registered professional engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Tenement Schedule

Project Name	Tenement	Interest
Reids Dome	PL 231	60.0%
Cliff Head	WA 31L	57.5%

Forward Looking Statements

This report contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

These risks should be considered within the context of Triangle's operations in Australia. For example, there is a risk that oil prices decline and the TEG board cannot justify the continued commitment of capital and personnel.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of Triangle Energy (Global) Limited (the "Company") for the financial year ended 30 June 2016. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

No remuneration consultants were used during the year.

The following table shows the gross revenue, profits/losses and share price of the Consolidated Entity at the end of the respective financial years.

	30 June 2015	30 June 2016
Revenue from Continuing operations	$5,211	-
Net profit/(loss)	($3.806M)	$5.893M
Share price	$0.001	$0.002

* This year has been restated to remove the impact of the entities which held the Pase PSC asset.

Key Management Personnel

(i) Directors

Edward Farrell	Non-executive Chairman	(appointed 26 May 2014)
Robert Towner	Executive Director	(appointed 9 July 2014)
Darren Bromley	Executive Director	(appointed 9 July 2014)

(ii) Executives

Darren Bromley	Chief Financial Officer	(appointed 12 April 2010)
	Company Secretary	(appointed 29 June 2012)
Robert Towner	Corporate and Strategy	(appointed 1 January 2013)

Remuneration Philosophy

The Consolidated Entity's policy for determining the nature and amount of remuneration of board members and senior executives is as follows:

(i) Non-Executive Directors

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to its non-executive directors and reviews their remuneration annually.

The maximum aggregate annual remuneration of non-executive directors is subject to approval by the shareholders in general meeting. The shareholder share determined the maximum aggregate remuneration amount to be $250,000 per year. The directors have resolved that fees payable to the non-executive chairman is $50,000 per year and non-executive directors for all board activities are $30,000 per year.

(ii) Key management personnel

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) Competitiveness and reasonableness;
(ii) Acceptability to shareholders;
(iii) Performance linkage / alignment of executive compensation;
(iv) Transparency; and
(v) Capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. There is no relationship between remuneration and Company performance for the 2016 financial year. The Company has previously issued performance rights which would only vest upon renewal of the group's PSC, however, as the Company has disposed of the asset these rights have lapsed.

Alignment to shareholders' interests:

(i) Focuses on sustained growth in shareholder wealth; and
(ii) Attracts and retains high calibre executives.
(iii) Alignment to program participants' interests:
(iv) Rewards capability and experience; and
(v) Provides a clear structure for earning rewards.
(vi) KPIs are not used to determine remuneration.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Base pay and benefits

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion. Base pay is reviewed annually to ensure the executives' pay is competitive with the market. There are no guaranteed base pay increases included in any executives' contracts.

Incentive compensation

Incentive compensation is provided to executives by way of the Triangle Energy Employee Rights Plan.

The Triangle Energy Employee Rights Plan (**the Plan**) is designed to provide incentives for executives to deliver shareholder returns. Under the plan, participants are granted rights which vest if certain performance targets are met and the employees are still employed by the group at the end of the vesting period unless the board determines otherwise. Participation is at the board's discretion and no individual has a contractual right to receive any guaranteed benefits.

No Performance Rights with incentive vesting conditions have been issued in the 2016 financial year. Rights immediately vesting to shares were issued to directors during the period in leiu of cash salaries and fees as outlined in the Notice of Annual General Meeting for 2015.

The Rights relating to securing the PSC renewal lapsed during the 2015 year as the company that was awarded the PSC (Triangle Pase Inc.) did not ultimately secure the Pase PSC. Triangle Pase Inc. was sold to Enso Asia Inc. who subsequently paid the consideration required to secure the PSC.

Where rights have been issued under the Plan, the board may vest some or all of the Rights of a participant even if a performance condition or other vesting condition has not been satisfied. No other conditions have been attached to these rights. There are no Long Term incentives.

The relative proportions of executive remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At risk - STI	
	2016	**2015**	**2016**	**2015**
Directors of Triangle Energy (Global) Limited				
Edward Farrell	100%	100%	-	-
Robert Towner (appointed 9 July 2014)	100%	100%	-	-
Darren Bromley (appointed 9 July 2014)	100%	100%	-	-
John Towner (resigned 9 July 2014)	-	100%	-	-

Service agreements

There are no retirement allowances or other benefits paid to non-executive directors.

Remuneration and terms of employment for other key management personnel are formalised in consultancy and employment agreements. The major provisions relating to remuneration to existing directors are set out below.

Darren Bromley, Executive Director / Company Secretary

- Term of agreement – indefinite;
- Base fee of $250,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement; and
- Contract may be terminated early by the Company with three months' notice, or by the executive with one months' notice subject to termination payments as outlined below.

Robert Towner, Executive Director

- Term of agreement – indefinite;
- Base fee of $250,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement; and
- Contract may be terminated early by the Company with three months' notice, or by the executive with one months' notice subject to termination payments as outlined below.

Termination benefits

Post-employment benefits include accrued long service leave to Mr Bromley and Mr Towner, which is due and payable after three consecutive years of service. No other termination benefits are payable.

Employee Incentive Plan

The Company has an Employee Rights Plan approved by shareholders in November 2013 under which the directors are able to offer rights in respect of ordinary shares in the Company to eligible persons.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Details of remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

	Cash Salary & fees	Non-cash benefits	Super-annuation	Termination	Security-based payments *	Total
	$	$	$	$	$	$
2015/16						
Directors						
E Farrell	[1]37,500	[4]12,500	-	-	-	50,000
R Towner	[2]220,000	[4]30,000	5,562	-	-	225,562
D Bromley	[3]220,000	[4]30,000	33,056	-	[5](86,000)	197,056
	477,500	72,500	38,618	-	(86,000)	502,618

[1] At 30 June 2016, $15,000 remains unpaid and accrued;
[2 & 3] At 30 June 2016, $50,833 remains unpaid and accrued;
[4] Issued ordinary shares in lieu of cash on 18 July 2016;
[5] Lapse of unvested share rights due to not securing a Pase PSC.
*The value at date of grant calculated in accordance with AASB 2 Share-based Payment vested during the year as part of remuneration.

	Cash Salary & fees	Non-cash benefits	Super-annuation	Termination	Security-based payments *	Total
	$	$	$	$	$	$
2014/15						
Directors						
E Farrell	[1]30,000	[5]20,000	-	-	-	50,000
R Towner	[2]180,000	[5]70,000	-	-	-	250,000
D Bromley	[3]181,000	[5]60,000	24,042	-	[4](19,200)	245,842
J Towner	56,000	-	-	-	-	56,000
S Hamer	-	-	-	-	[4](8,100)	(8,100)
	447,000	150,000	24,042	-	(27,300)	593,742

[1] At 30 June 2015, $32,500 remained unpaid and accrued;
[2] At 30 June 2015, $134,608 remained unpaid and accrued;
[3] At 30 June 2015, $91,696 remained unpaid and accrued;
[4] Lapse of unvested share rights due to 12 month expiry period on achieving a PSC by 31 August 2014;
[5]Issued ordinary shares in lieu of cash on 30 November 2015
R Towner and D Bromley appointed 9 July 2014;
J Towner and S Hamer resigned 9 July 2014;
*The value at date of grant calculated in accordance with AASB 2 Share-based Payment vested during the year as part of remuneration.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Share-based compensation

Details of rights in relation to ordinary shares in the Company provided as settlement of salary and directors fees payable relating to the period ended 30 June 2015 to each director of Triangle and each of the key management personnel of the parent entity and the group are set out below. When the performance rights vest each right converts into one ordinary share of Triangle Energy (Global) Limited. Further information on the rights is set out in note 22 to the financial statements.

	Number of rights granted during the year	Value of rights at grant date* $	Number of rights vested during the year	Value of rights at vesting date* $	Number of rights lapsed during the year	Value at lapse date ** $
Directors of Triangle Energy (Global) Limited						
Edward Farrell	13,874,812	20,000	13,874,812	20,000	-	-
Robert Towner	48,561,841	70,000	48,561,841	70,000	-	-
Darren Bromley	41,624,436	60,000	41,624,436	60,000	2,000,000	86,000

* The value at grant date calculated in accordance with AASB2 Share-based payment of rights granted during the year as part of remuneration. These have been valued at the share price on the grant date of the performance rights.

** The value at lapse date of rights that were granted as part of remuneration in the prior years and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing, but assuming the condition was satisfied.

The assessed fair value at grant date of rights granted to the individual is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Fair values of Rights vesting immediately are valued at the 6 month variable weighted average price of the security as disclosed in the 2015 Notice of Annual General Meeting dated 12 October 2015.

Fair values of Rights with performance criteria are determined at grant date that takes into account the vesting conditions, the term of the right, the share price at grant date and expected price volatility of the underlying share.

Details of remuneration: Share based compensation benefits

For each grant of rights included in the table below, the percentage of the available grant that vested in the financial year and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. The unvested rights will vest upon the award of the Pase PSC and other project acquisition criteria providing the service conditions are met. The maximum value of the rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

Share-based compensation benefits (rights)

	Year granted	Vested %	Forfeited %	Financial years in which rights may vest	Maximum total value of grant yet to vest $
Darren Bromley	2010/11	-	100%	N/A	-

Other Transactions with Key Management Personnel	2016 $	2015 $
Mandolin *Pty Ltd* *(Mr Robert Towner and John Towner are directors)*		
Administration support staff fees	-	5,600
Cornerstone Corporate Pty Ltd (Mr Robert Towner is a director)		
Administration support staff fees	16,315	41,852

Other than the above, there have been no other transactions or loans with key management personnel during the reporting period.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity including their personally related parties, is set out below:

Ordinary Shares 2016	Balance at beginning of year or appointment date	Rights vested to shares	Issued on exercise of options	Other changes	Balance at end of year or date of resignation
Directors					
E Farrell	19,000,000	13,874,812	-	-	32,874,812
R Towner	61,485,387	48,561,841	-	-	110,047,228
D Bromley	32,250,000	41,624,436	-	-	73,874,436
Total	112,735,387	104,061,089	-	-	216,796,476

Option holding

There are no options over shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity.

Share rights

The number of rights over shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity including their personally related parties, is set out below:

Share rights 2016	Balance at beginning of year or appointment date	Granted in settlement of liabilities owing to Directors	Rights vested to shares	Net change Other	Balance at end of year or date of resignation
Directors					
E Farrell	-	13,874,812	(13,874,812)	-	-
R Towner	-	48,561,841	(48,561,841)	-	-
D Bromley	2,000,000	41,624,436	(41,624,436)	(2,000,000)	-
Total	2,000,000	104,061,089	(104,061,089)	(2,000,000)	-

Voting of shareholders at last year's annual general meeting

The Company received more than 83.74% of 'yes' votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**
E Farrell	4	4	1	1
R Towner	4	4	-	-
D Bromley	4	4	1	1

*Board business during the year has also been affected by execution of circulated resolutions by directors.

Indemnification and insurance of Directors and Officers

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against a liability incurred by such directors and officers to the extent permitted by the Corporations Act 2001. The nature of the liability and the amount of the premium has not been disclosed due to confidentiality of the insurance contracts. The Company has not otherwise during or since the end of the year, indemnified, or agreed to indemnify an officer or an auditor of the Company, or of any related body corporate, against a liability incurred by such an officer or auditor.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of the proceedings.

The Company was not a party to any such proceedings in the year.

Events subsequent to the end of the financial year

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in subsequent financial years, other than the following:

- On 18 July 2016, the Company allotted 46,568,854 Fully Paid Ordinary Shares to Directors following immediate vesting of Unlisted Share Rights (Rights) issued without Performance Vesting Criteria under the TEG Employee Rights Plan.

  The allotment was pursuant to shareholder approval for *resolutions 6 - 8* at the Annual General Meeting held on 26 November 2015. The issue price of Rights is equal to the six month VWAP to 30 June 2015 = $0.0015568 (0.15568 cents).

- On 12 August 2016, the Company allotted 150,000,000 unlisted options exercisable at $0.0015 and expiring on 30 June 2017 to Tamarind Energy Management Sdn Bhd (**Tamarind)**; and,

  Allotted 50,000,000 fully paid ordinary shares following the exercise of unlisted options at $0.001 upon the receipt of $50,000 from Mac Equity Partners.

- On 23 September 2016, Triangle announced that it has entered into an agreement with a wholly owned subsidiary of Norwest Energy NL (Norwest) to farm-in to the Perth Basin offshore exploration permit, subject to the successful formation of a joint venture agreement.

  Under the agreement, Triangle will earn up to a 30% working interest in TP/15 by contributing 40% of the well costs, with customary cost caps to be applied. The farm-in will not be binding until Norwest can finalise the make-up of the joint venture, expected to be completed by December 2016. Triangle paid Norwest a refundable amount of A$25,000 to progress the development of the joint venture. This amount is refundable if the joint venture cannot be established.

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 audit of the annual report. This Independence Declaration is set out on page 21 and forms part of this directors' report for the year ended 30 June 2016.

Non-audit services provided by our previous auditors, BDO Audit (WA) Pty Ltd, and their related entities, are set out below. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001and APES 110: Code of Ethics for Professional Accountant. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO Audit (WA) Pty Ltd and their related entities received or are due to receive the following amounts for the provision of non-audit services:

	2016 $	2015 $
BDO Corporate Tax (WA) Pty Ltd:		
Tax Compliance and advice	-	9,689
Corporate Advice	-	4,080
	-	13,769

On 5 July 2016 the Company changed its auditor to HLB Mann Judd (WA) Partnership. Non-audit services provided by the new auditors, HLB Mann Judd (WA) Partnership, and their related entities, are set out below. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001and APES 110: Code of Ethics for Professional Accountant. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

HLB Mann Judd (WA) Partnership and their related entities received or are due to receive the following amounts for the provision of non-audit services:

	2016 $	2015 $
HLB Mann Judd associated entities:		
Tax Compliance and advice	-	-
Corporate Advice	-	-
	-	-

Signed in accordance with a resolution of the directors.

Ted Farrell

Edward Farrell
Chairman
Date: 30 September 2016

CORPORATE GOVERNANCE STATEMENT

The board of directors of Triangle Energy (Global) Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council ("CGC'") published guidelines as well as its corporate governance principles and recommendations.

In fulfilling its obligations and responsibilities to its various stakeholders, the board of Triangle Energy (Global) Limited ("Triangle" or the 'Company') is an advocate of corporate governance. The board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations 3rd edition" ("Recommendations") where considered appropriate for a company of Triangle's size and nature.

This document describes the progress by Triangle in addressing these guidelines. The Company's Corporate Governance Statement is structured below with reference to the eight principles, and in a table which references the recommendations to each of these principles.

The CGC's published guidelines are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the board to add value

Principle 3. Act ethically and responsibly

Principle 4. Safeguard integrity in corporate reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of security holders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

Principle 1 – Lay Solid Foundations for Management and Oversight

"A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated."

The main function of the board is to set strategic objectives for the Company, supervising and guiding management through the implementation process. The aim is for the board to provide the entrepreneurial leadership required for the Company to evolve within a framework of prudent and effective risk management.

Triangle has adopted a formal Board Charter delineating the roles, responsibilities, practices and expectations of the board collectively, the individual directors and senior management. A copy of the Board Charter is on the Company's website: www.triangleenergy.com.au under the "Corporate Governance" section.

The board of Triangle ensures that each member understands their roles and responsibilities and ensures regular meetings (formally approximately six times a year but no less than four times per year, and informally with regular phone calls with the chairman, managing director, executive director and other senior management) so as to retain full and effective control of the Company.

The board specifically applies an emphasis on the following:

- Setting the strategic aims of Triangle and overseeing management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives;
- Overseeing management's performance and the progress and development of the Company's strategic plan;
- Selecting and appointing suitable executive directors with the appropriate skills to help the Company in the pursuit of its objectives;
- Determining the remuneration policy for the board members, company secretary and senior management;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system risk management and internal controls are in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the board losing sight of the direction that the Company is taking; and
- Any other matter considered desirable and in the interest of the Company.

The executive directors are responsible for:

- The executive management of the Company's operations;
- Policy direction of the operations of Triangle;
- The efficient and effective operation of Triangle; and
- Ensuring all material matters affecting Triangle are brought to the board's attention.

In addition to these responsibilities, the non-executive chairman is responsible for the following:

- Providing the necessary direction required for an effective board;
- Ensuring that all the directors receive timely and accurate information so that they can make informed decisions on matters of the Company;
- Ensuring that the board collectively and individual directors' performance is assessed annually; and
- Encouraging active engagement from all members of the board.

The company secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the board by:

- Ensuring a good flow of information between the board, its committees, non-executive directors and executive directors;
- Monitoring policies and procedures of the board;
- Advising the board through the chairman of corporate governance policies;
- Providing support and advice to individual directors, various board committees, senior executives and the board in general;
- Conducting and reporting matters of the board, including the despatch of board agendas, briefing papers and minutes;
- Ensuring that compliance systems relating ASX Listing Rules and the Corporations Act are maintained and the Company and board adhere to those; and
- Disseminating regulatory news announcement to the ASX.

Principle 2 - Structure the Board to Add Value

"A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively."

The Triangle board has been structured in such a way so as to provide an adequate mix of proficient directors that lead the board with enterprise, integrity and judgement. The board acts in the best interest of the Company and its stakeholders. The board is directed on the principles of transparency, accountability and responsibility.

In determining whether a director is independent, according to the Board Charter, the board considers whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with the Company or other group member other than as a director of the Company.

The ASX council guidelines recommend that ideally the board should constitute a majority of independent directors. The Triangle board currently consists of three directors. Mr Edward Farrell is considered to be a non-executive director. The executive directors are Mr Robert Towner and Mr Darren Bromley. No director is considered to be independent.

In line with recommendation 2.2, the board has developed a board skills matrix to simplify the process for identifying any 'gaps' in the board skills, expertise and experience. As part of the review of the skills matrix, the board monitors skills, expertise and experience that are relevant to the company and assess those against the collective attributes of the directors. The board skills matrix will be reviewed by the directors on an annual basis.

The board believes the composition of the board is appropriate at this stage of the Company's development. The board endeavours to review this policy from time to time.

A copy of the Board Charter and the board Performance Evaluation Policy are on the Company's website: www.triangleenergy.com.au under the "Corporate Governance" section.

Principle 3 - Act Ethically and Responsibly

"A listed entity should act ethically and responsibly"

Triangle is aware that law and regulations alone is no guarantee of fair practice and thus to ensure the integrity of its operations, it has adopted a code of ethics and conduct to sustain its corporate culture.

Triangle's ethical rules demand high standards of integrity, fairness, equity and honesty from all directors, senior management and Employees. Triangle expects its employees to understand that the Company acts morally and that the main goal of the Company is to maximise shareholders value.

The Code of ethics and conduct include the following issues:

- Avoiding conflicts of interest and reporting of any related-party transactions;
- Ensuring protection and proper use of company assets;
- Discharging directors and officer's duties responsibly and ethically;
- Maintaining commercial sensitive information confidential;
- Dealing fairly with customers, suppliers, employees and competitors;
- Ensuring effective relationships and a safe working environment;
- Ensuring compliance with laws and regulations (including Environment, Health and Safety); and
- Encouraging the reporting of illegal and unethical behaviour.

The Company has adopted a Company Code of Conduct, Continuous Disclosure Policy and Share Trading Policy which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance". The Share Trading Policy has been changed to ensure compliance with the new ASX Listing Rules on "Trading Policy" (LR 12.9 to 12.11) and "Content of Trading Policy" (LR 12.12).

When the Company progresses it's operations and acquires a long term project requiring further staff, the board will develop a "Diversity" Policy to address the ASX Corporate Governance Council's three new recommendations on diversity. The Oil & Gas Industry is known for its limited gender diversity. However, Triangle has previously attracted female employees to a number of significant positions within the Group. During the period, the Australian office administration and the Indonesian office's administration and exploration teams both have female staff members. Currently, Triangle has two male executive directors and no other employees.

Principle 4 - Safeguard Integrity in Financial Reporting

"A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting."

Triangle has a financial reporting process which includes half year and full-year results which are signed off by the board before they are released to the market.

The Audit Committee has been developed as per the guidelines of good corporate governance and its responsibilities are delineated in the Audit Committee Charter. Current members of the Audit Committee are Messer's Farrell (chairman) and Bromley (executive director and company secretary) who has also been the chief financial officer of the Group since April 2010.

The board and Audit Committee fulfils its corporate governance and oversight responsibilities, as well as advises on the modification and maintenance of the Company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the Company.

The board and Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The director / CFO reports in writing on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

The Committee also advises on the modification and maintenance of the Company's risk management systems, the Company's risk profile, compliance and control and assessment of effectiveness.

The Company has adopted an Audit Committee Charter, which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance".

Principle 5 - Make Timely and Balanced Disclosure

"A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities."

Triangle has adopted a formal policy dealing with its disclosure responsibilities.

The board has designated the company secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the Company's obligations to prevent the creation of a false market in its securities. Triangle ensures that all information necessary for investors to make an informed decision is available on its website.

The executive directors have ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the full board and executives of the Company.

In addition, the board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

The Company has adopted a Continuous Disclosure Policy, which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance".

Principle 6 - Respect the Rights of Shareholders

"A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively."

Triangle is aware that regular and constructive two-way communications between the Company and its shareholders can help investors understand what the board of directors is planning to achieve and how the Company intends to set about achieving its objectives.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company is committed to:

- communicating effectively in a timely and accurate way with shareholders through releases to the market via the ASX, Quarterly Activities and Cashflow Reports, Half-Yearly Reports, Annual Reports, the general meetings of the Company and any information mailed to shareholders;
- sending a notice of any general meetings to which they are entitled to attend together with an explanatory memorandum of proposed resolutions (as appropriate). If shareholders cannot attend the General Meeting, they are entitled to lodge a proxy in accordance with the Corporations Act and the Company's Constitution.
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The address made by the chairman and/or the executive director to the Annual General Meeting is released to the ASX.

All ASX announcements are accessible via the Company's website.

The Company has adopted a Shareholder Communication Policy, which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance".

Principle 7 - Recognise and Manage Risk

"A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework."

Triangle's policy is to regularly review processes and procedures to ensure the effectiveness of its internal systems control, so as to keep the integrity and accuracy of its reporting and financial results at a high level at all times.

Internal controls are devised and enforced to ensure, as far as practicable in the given circumstances, the orderly and efficient conduct of the business. They include measures to safeguard the assets of the Company, prevent and detect fraud and error, ensure the accuracy and completeness of accounting records and ensure the timely preparation of reliable financial information.

The board's Charter clearly establishes that it is responsible for ensuring that a sound system risk management and internal controls are in place.

The board has decided that due size, composition and structure of the board, there is no current requirement for the formation of a separate Risk Committee outside the board forum. As such, the roles of this Committee will be performed by the board, as and when necessary, but with a non-executive director as the chairman.

The executive directors and CFO are required to state to the board, in writing, that to the best of their knowledge the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

The executive directors and CFO are also required to report at board meetings on the areas they are responsible for, including material business risks and provide an annual written report to the board summarizing the effectiveness of the Company's management of material business risks.

Given the speculative nature of the Company's business it is subject to general risks and certain specific risks. Triangle recognises that the risks which could affect the results of the Company include:

- Share market;
- Economic and government risks (Indonesia and Australia);
- Future capital needs;
- Oil & Gas Sector risks;
- Insurance risks;
- Competition risk;
- Exploration and development risks;
- Commercialisation;
- Environmental risks;
- Commodity price volatility and exchange rate risks;
- Acquisitions; and
- Sustainability of future profitability.

The Company has adopted a Risk Management Policy, which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance".

Principle 8 - Remunerate Fairly and Responsibly

"A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders."

The Company is committed to remunerating its executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders.

Consequently, the board ensures that executive remuneration follows the guidelines of good governance and the criteria for remuneration are as follows:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in the Performance Rights Plan (which was last approved by shareholders in November 2013); and
- statutory superannuation.

The Company's objective is to establish and maintain a board that consists of experienced and motivated directors who possess appropriate skills and expertise to promote the Company's success. The policy of the Company is to seek to ensure a clear relationship between director performance, the role they perform and remuneration received.

In relation to the payment of bonuses, issue of securities and other incentive payments, discretion is exercised by the board having regard to both the Company's performance and the performance of the director concerned. Details of the Company's remuneration policy are contained in the Remuneration Report section of the directors' Report in this Annual Report.

The Company has adopted a Remuneration and Nomination Committee Charter, which can be accessed on the Company's website: www.triangleenergy.com.au under "Corporate Governance".

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Triangle Energy (Global) Limited for the year ended 30 June 2016, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**B McVeigh**
30 September 2016	**Partner**

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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Consolidated 2016 $	RESTATED 2015 $
Continuing operations			
Revenue	2(a)	-	5,211
Employment expenses	2(d)	1,110,198	(627,506)
General and administration expenses	2(c)	(670,861)	(408,807)
Occupancy costs		(40,142)	(39,716)
Impairment expense	2(b)	(29,997)	(30,591)
Profit / (loss) before income tax expense		**369,198**	**(1,101,409)**
Income tax expense	3	-	-
Profit / (loss) after tax from continuing operations		**369,198**	**(1,101,409)**
Discontinued operations			
Profit / (Loss) after tax from discontinued operations	9	5,523,614	(2,705,000)
Net profit / (loss) for the year		**5,892,812**	**(3,806,409)**
Other comprehensive income			
Items that may be realised through profit and loss			
Exchange differences on translation of foreign operations		-	-
Other comprehensive income/(loss) for the year, net of tax		**-**	**-**
Total comprehensive income/(loss) for the year		**5,892,812**	**(3,806,409)**
Total comprehensive income/(loss) for the year attributable to:			
Owners of Triangle Energy (Global) Limited		**5,892,812**	**(3,806,409)**
Non-controlling interest		**-**	**-**
		5,892,812	**(3,806,409)**
Continued operations			
Basic earnings/(loss) per share (cents per share)	5	0.0001	(0.0004)
Diluted earnings/(loss) per share (cents per share)	5	0.0001	N/A
Discontinued operations			
Basic earnings/(loss) per share (cents per share)	5	0.0017	(0.0010)
Diluted earnings/(loss) per share (cents per share)	5	0.0017	N/A

The accompanying notes form part of these consolidated financial statements. The restatement has been disclosed in note 1(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	Consolidated 2016 $	RESTATED 2015 $
Current Assets			
Cash and cash equivalents	7	3,836,646	84,587
Trade and other receivables	8	1,757,840	4,570
Held for sale assets	9	-	152,964
Total Current Assets		5,594,486	242,121
Non-Current Assets			
Property, plant and equipment	10	4,093	4,817
Exploration and evaluation expenditure	11	3,747,951	-
Available for sale investments	12	82,044	-
Oil and Gas properties	13	10,905,000	-
Deferred tax assets	14	11,886,312	-
Total Non-Current Assets		26,625,400	4,817
Total Assets		32,219,886	246,938
Current Liabilities			
Trade and other payables	15	2,367,840	533,536
Provisions	16	1,471,524	-
Borrowings - related party	17	-	720,085
Held for sale liabilities	9	-	193,590
Total Current Liabilities		3,839,364	1,447,211
Non-Current Liabilities			
Provisions	16	25,574,995	349,013
Total Non-Current Liabilities		25,574,995	349,013
Total Liabilities		29,414,359	1,796,224
Net Assets / (Liabilities)		2,805,527	(1,549,286)
Equity			
Issued capital	18(a)	21,901,005	21,687,179
Reserves	19(b)	36,174	1,787,999
Accumulated losses	19(a)	(19,131,652)	(25,024,464)
Total Equity / (Deficiency)		2,805,527	(1,549,286)

The accompanying notes form part of these consolidated financial statements. The restatement has been disclosed in note 1(a).

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Consolidated 2016 $	RESTATED 2015 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,308,896)	(963,467)
Interest paid		(1,001)	-
Interest received		-	5,211
Net cash outflows from operating activities	7	(1,309,897)	(958,256)
Cash flows from investing activities			
Cash acquired in business combination	27	461,990	-
Payment for plant and equipment		-	(9,955)
Proceeds from sale of Pase PSC assets	9	5,432,092	193,590
Payment for exploration expenditure		(29,997)	(30,591)
Payments for available sale investments		(82,044)	-
Net cash inflows/(outflows) from investing activities		5,782,041	153,044
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		-	894,467
Proceeds of loans from related parties		172,780	121,499
Payment of loans to related parties		(892,865)	(805,715)
Net cash inflows / (outflows) from financing activities		(720,085)	210,251
Net increase/(decrease) in cash and cash equivalents		3,752,059	(594,961)
Cash and cash equivalents at beginning of year		84,587	679,548
Cash and cash equivalents at end of year	7	3,836,646	84,587

The accompanying notes form part of these consolidated financial statements. The restatement has been disclosed in note 1(a).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated			
	Issued Capital $	**Accumulated Losses $**	**Share Based Payment Reserve $**	**Total Equity $**
Balance at 1 July 2015	21,687,179	(25,024,464)	1,787,999	(1,549,286)
Transactions with shareholders in their capacity as shareholders				
Issue of shares (consultants)	50,000	-	-	50,000
Capital raising costs	(36,174)	-	36,174	-
Issue of shares (directors)	150,000	-	-	150,000
Issue of shares (consultants)	50,000	-	-	50,000
Reversal of share based payments	-	-	(1,787,999)	(1,787,999)
Comprehensive Income				
Profit for the year	-	5,892,812	-	5,892,812
Total comprehensive income for the year	**-**	**5,892,812**	**-**	**5,892,812**
Reversal of share based payments	-	-	(1,787,999)	(1,787,999)
Balance at 30 June 2016	**21,901,005**	**(19,131,652)**	**36,174**	**2,805,527**

	Consolidated RESTATED			
	Issued Capital $	**Accumulated Losses $**	**Share Based Payment Reserve $**	**Total Equity $**
Balance at 1 July 2014	20,331,726	(21,736,438)	2,377,425	972,713
Transactions with shareholders in their capacity as shareholders				
Issue of shares (placement July)	882,218	-	-	882,218
Issue of shares (placement March)	200,250	-	-	200,250
Capital raising costs	(12,015)	-	-	(12,015)
Issue of shares (SPP March)	285,000	-	-	285,000
Reversal of share based payments	-	315,197	(386,240)	(71,043)
Transfer of expired options to accumulated losses	-	203,186	(203,186)	-
Comprehensive Income				
(Loss) for the year	-	(3,806,409)	-	(3,806,409)
Total comprehensive income/(loss) for the year	**-**	**(3,806,409)**	**-**	**(3,806,409)**
Balance at 30 June 2015	**21,687,179**	**(25,024,464)**	**1,787,999**	**(1,549,286)**

The accompanying notes form part of these consolidated financial statements. The restatement has been disclosed in note 1(a).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis except for assessing the fair value of the Groups available for sale investments and the fair values for the business combination.

As at 30 June 2016, the Company has the following interests:

(a) Oil production and exploration through the Company's newly acquired interest in the Cliff's Head asset in WA;

(b) 60% interest in the Reid's Dome tenement (PL 231) in the Bowen Basin in Queensland; and

(c) Strategic equity investments in other oil and gas industry participants.

Reporting convention

The consolidated entity made a number of changes to its legal structure during the year. These changes principally included the disposal of its Pase PSC assets (through the sale of its legal subsidiaries) and the acquisition of its 57.5% interest in the Cliff's Head production licence in Western Australia (through the purchase of two existing companies).

The consolidated entity had previously prepared its financial statements using the principle in AASB 3 "Business Combinations" relating to a reverse acquisition. A reverse acquisition occurred in 2009 when TEG entered into a purchase agreement with the original Pase shareholders to acquire the Indonesian PSC asset (**Pase Group**). This acquisition was considered to be a reverse acquisition for accounting purposes as the original shareholders of the Pase asset received more than 50% of the total shares on issue (after the transaction) therefore these shareholders obtaining control of the consolidated entity.

The accounting impact of a reverse acquisition is to assume that the new companies that join the group are the dominant undertaking for the newly formed consolidated entity. This results in the new companies being deemed (for accounting purposes) to have acquired the existing TEG group. The diagrams below show the legal structure of the group on 1 July 2014 and the accounting structure of the group at the same time based on the reverse acquisition accounting. The final diagram shows the consolidated group excluding the Pase Group.

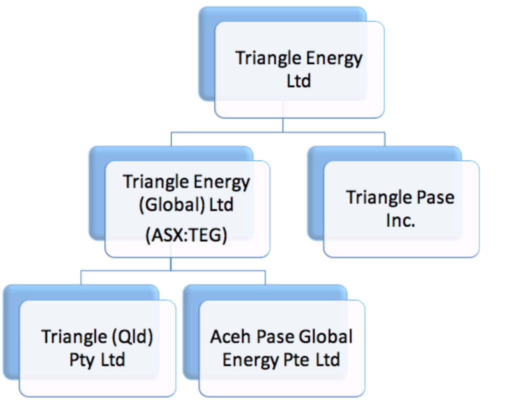

Figure 1: Accounting Structure

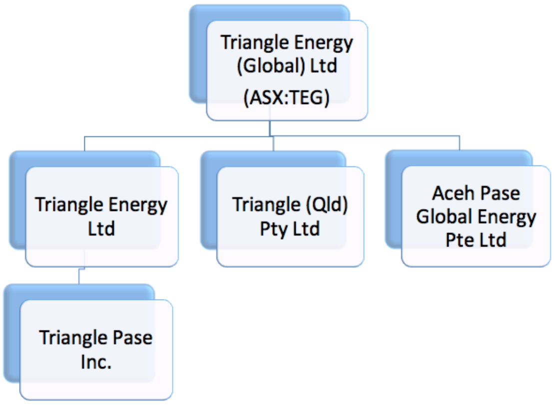

Figure 2: Legal Structure

During the 2016 financial year, the consolidated entity disposed of the companies that held the Pase PSC assets and with this disposal the consolidated entity removed the accounting parent from the group (**Old Parent**). The presentation of the consolidated entity's statement of financial position for the previous annual report was prepared using reverse acquisition accounting, however, now that the sale has occurred the consolidated entity no longer has its accounting parent and the 2016 TEG financial statements has been prepared without including the impact of the results, assets, liabilities and equity of the Old Parent. The basis for preparing the consolidated financial statements using this accounting methodology has been included below in note 1(d).

Comparative information

To ensure that the consolidated financial statements are prepared consistently across both the current and comparative periods, the consolidated entity has restated the comparative values to remove the impact of the results, assets, liabilities and equity of the Old Parent.

Going Concern

The consolidated financial statements for the year ended 30 June 2016 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As at 30 June 2016, the consolidated entity had $3,836,646 (2015 restated: $84,587) in cash and cash equivalents.

The Company has just completed the acquisition of its 57.5% interest in the Cliff's Head production licence located in the Perth Basin. This represents a significant investment for the Company and provides the Group with an income producing asset from the date of the acquisition. The directors believe that there are considerable opportunities to maximise the operating cash flows from the asset, however, the ability of the Company to continue as a going concern is subject to one or a combination of key factors and events listed below:

(a) The market price of oil does not significantly deteriorate over the next 12 months from the date of this report;

(b) The exchange rate between the United States Dollar (USD) and the Australia Dollar do not significantly change (devaluing the USD) from 2016 levels;

(c) The production from the oil field is not significantly adversely affected by an event outside the control of the Company;

(d) The estimated capital expenditure for the production plant does not substantially increase from budgeted levels;

(e) The Company would seek to raise additional capital (through debt or equity) should the existing cash reserves together with the operating cash flows from the Cliff's Head oil production asset be insufficient to cover capital and overhead expenses of the Group.

The Directors' believe that at the date of signing the financial statements, there are reasonable grounds to believe that the Company will generate reasonable operating cash flows over the next 12 months and be able to pay its debts when they become due and payable.

However, if the consolidated entity experiences a significant downturn in operations, there is a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Rounding

The Company presents these financial statements rounded to the nearest dollar.

(b) Statement of Compliance

The financial report was authorised for issue on in accordance with a resolution of directors on 30 September 2016.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) as adopted by the AASB.

(c) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the fair value of assets transferred, liabilities incurred to the former owner, equity interests issued and the fair value of any contingent consideration.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as an intangible asset. Dependent on the type of asset or entity acquired, this will either be oil and gas properties, exploration and evaluation expenditure or goodwill. If those amounts are less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the profit and loss as a bargain purchase.

(d) Principles of Consolidation

Consolidation process for the year ended 30 June 2016 and 2015

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2016 and the results of all of the Parent's subsidiaries for the year then ended. The Parent and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Parent entity is identified when the consolidation process occurs and is considered to be a presentation of the Parent and its subsidiaries at that point in time. As at the reporting date (30 June 2016) the Group has a new Parent entity (**New Parent**) for the purpose of accounting, being TEG, as the legal Group had disposed of the Old Parent during the period. A consolidation requires the Parent entity to identify the subsidiaries over which the consolidated entity has control throughout the period. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. These subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and are de-consolidated from the date that control ceases.

Under the reverse acquisition accounting, the Old Parent was deemed to control the entire group including the legal parent and its subsidiaries. However, as a consequence of the disposal of the Pase Group, the consolidated entity has a New Parent which, for accounting purposes, is not deemed to control the Pase Group during the periods presented. The result is that the consolidated entity presents its consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity on a restated basis as if the previous Pase Group's financial information did not exist, (consistent with the reverse acquisition accounting principle at the commencement of the acquisition).

General consolidation principles

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in a adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Triangle Energy (Global) Limited. When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors in accordance with the policy outlined in (bb) below. In conducting the review, the directors have determined that impairment indicators exist for Reid's Dome which has required the Company to test for impairment at 30 June. The standard requires an assessment of recoverability using either the "fair value less costs to sell" or "value in use". For Reids Dome, the company does not currently have a fair value for the asset given its early stage of development and the asset is not generating future cash flows, therefore, in the judgement of the directors the value of the asset has been impaired to nil. Events and circumstances or additional information may come to light in future periods which may result in the impairment being reversed as a fair value is determined for the asset.

Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Reserves

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make as assessment of the size, share, depth and quality of reservoirs and their anticipated recoveries. Estimates has been used to determine the fair value of the oil and gas properties for the purpose of the business combination. The estimates will be used to assess the depreciation, depletion and amortisation charges for the asset and will be assessed annually to determine if the estimates are appropriate.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and taxation losses when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences and losses. Significant management 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 two years together with future tax planning strategies. Where there are significant variables relating to generating taxable profits in the future and there is limited operating history, the Company will disclose the unrecognised deferred taxes.

Business combination

The Company completed the acquisition of the Cliff's Head production licence on 30 June 2016. The acquisition standard requires the Company to fair value the assets and liabilities of the business that it has purchased which includes significant estimates and judgements regarding the valuation techniques. The significant inputs have been listed in note 27. Events and circumstances or additional information may come to light in future periods which, if included in these calculations, may have a material impact on the assessment of the fair value of the business.

Contingent consideration

The Company sold its interest in the Indonesian Pase PSC assets during the period. As part of the sale process the Company obtained the right to receive a production royalty from the purchaser of the asset of 5% of its net profit share (excluding cost recoveries) up to a cap of USD$2 million per annum and in aggregate to USD$25 million. The ability of the Company to obtain any element of the royalty is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.

The Company has also obtained the right to receive a cost recovery split for previously incurred exploration and development costs from the purchaser up to a value of USD$7 million. The ability of the Company to obtain any cost recovery split is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of Triangle Energy (Global) Limited.

(g) Foreign Currency Translation

Both the functional and presentation currency of Triangle Energy (Global) Limited and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

At the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of Triangle Energy (Global) Limited at the exchange rate on that date. The Group's profit or loss is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component and recognised in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Sale of Condensate

Condensate revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer

(iii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

(iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Derivative financial instruments and hedging

The Group has not used derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.

(p) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Oil and gas production activities

Cost is allocated on an average basis and includes direct material, labour, related transportation costs to the point of sale and other fixed and variable overhead costs directly related to oil and gas production activities.

(q) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(r) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of profit or loss and other comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Interest in a joint arrangement

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangements. In a joint operation, the Group recognises its direct right to the assets, liabilities, revenues and expenses, these have been included in their separate classification categories in the statement of financial position as at 30 June. Interests in a joint venture are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(t) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 2 - 15 years depending upon the nature of the asset;

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(u) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Restoration of exploration and operating locations

Provision is made for the obligation to restore exploration and operating locations. The provision is first recognised in the period in which the obligations arises. The nature of the restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated periodically, with a corresponding movement recognised against the related exploration and evaluation asset or oil and gas properties.

Over time, the liability is increased for a change in the present value based on a pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the asset (based on the production profile).

(w) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits however due to the infancy of the Group, no long service leave has been accrued.

(x) Share-based payment transactions

Share-based compensation benefits are provided to employees via the TEG Employee Rights Plan. Information relating to these schemes is set out in Note 21.

The fair value of options granted under the TEG Employee Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(y) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(z) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(bb) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

(cc) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted (continued)

AASB reference	Nature of Change	Application date:	Impact on Initial Application
AASB 9 (issued December 2014)	**Financial Instruments** *Classification and measurement* AASB 9 amendments the classification and measurement of financial assets: • Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. • All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2018	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. The entity will assess the impact for the start of the comparative period if it continues to hold available for sale investments into the future.
AASB 15 (issued December 2014) and AASB 2016-3 (issued May 2016)	**Revenue from Contracts with Customers** An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 *Revenue*. Clarifies AASB 15 application issues relating to: • Identifying performance obligations • Principal vs. agent considerations • Licensing • Practical expedients.	Annual reporting periods beginning on or after 1 January 2018.	Due to the recent acquisition of the Group's income producing asset, the Group has not yet made a detailed assessment of the impact of this standard.
AASB 16 (issued February 2016)	**Leases** AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	Annual reporting periods beginning on or after 1 January 2019.	Due to the recent acquisition of the Group's income producing asset, the Group has not yet made a detailed assessment of the impact of this standard.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted (continued)

AASB reference	Nature of Change	Application date:	Impact on Initial Application
AASB 2015-2 (issued January 2015)	**Presentation of the financial statements** Amends AASB 101 Presentation of Financial Statements to clarify that: • Materiality applies to all primary financial statements and notes, and applies even to a list of specific, minimum disclosures. • Line items can be disaggregated if doing so could influence a user's decision. • Subtotals must be made up of items recognised in accordance with Australian Accounting Standards. • Additional subtotals in the Statement of Profit or Loss and Other Comprehensive Income must be reconciled back to subtotals required by AASB 101. • Notes no longer need to follow the order of items in the financial statements and related items can be grouped together (e.g. all financial instruments). • Accounting policies can be placed at the end of the notes to the financial statements. • Share of other comprehensive income of associates and joint ventures must be separately classified into amounts that will be reclassified to profit or loss in future, and amounts that will not be reclassified to profit or loss in future.	Annual reporting periods beginning on or after 1 January 2016.	This will have an effect on the presentation of the Group's financial statement for the next financial year.

(dd) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recoverable principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of the disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

(ee) Oil & Gas properties

Oil & Gas properties are stated as cost less accumulated depreciation and impairment charge (unless they have been acquired as part of a business combination). Oil & Gas properties include initial cost to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, transfers from exploration and evaluation assets, development of wells and estimates of costs for dismantling and restoring sites.

Subsequent capital costs, including major maintenance, are included in the assets carrying value only when it's probable that future economic benefits associated with the item will flow to the Group and the costs can be reliably measured.

Oil & gas properties (including all categories within the classification) are depreciated to their estimated residual value at a rate based on their expected useful lives with reference to the unit of production basis over proven reserves or proven plus probable.

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2016 $	RESTATED 2015 $
The profit or loss for the year from continuing operations includes the following items:		
(a) Revenue		
Bank interest	-	5,211
	-	5,211
(b) Impairment losses		
Impairment of Exploration expenditure – Reid's Dome	29,997	30,591
	29,997	30,591
(c) General and administration expenses		
Consulting expenses	172,888	144,360
Accounting expenses	7,579	15,732
Audit fees	32,556	56,652
Legal expenses	210,377	25,745
Due Diligence and project generation expense	22,915	4,530
Foreign exchange (gains) losses	61,393	171
Interest expense	1,001	-
Other administration expenses	162,152	161,617
	670,861	408,807
(d) Employment expenses		
Salary and wages	557,916	646,740
Other personnel costs	1,600	1,275
Superannuation	28,719	17,110
Increase / (decrease) in leave liabilities	(10,434)	33,424
	577,801	698,549
Share based payment (reversal)	(1,687,999)	(71,043)
	(1,110,198)	627,506

NOTE 3: INCOME TAX

	Consolidated 2016 $	RESTATED 2015 $
Income tax recognised in profit or loss		
The components of tax expense comprise:		
Statement of comprehensive income		
Current income		
Current income tax	-	-
Adjustments in respect of previous current income tax	-	-
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
Income tax expense (benefit) reported in statement of comprehensive income	-	-
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2016 and 30 June 2015 is as follows:		
Accounting profit/(loss) before tax from continuing operations	369,198	(1,101,409)
Accounting profit/(loss) before tax from discontinued operations	5,523,614	(2,705,000)
Accounting profit/(loss) before income tax	5,892,812	(3,806,409)
At the statutory income tax rate of 30% (2015: 30%)	1,767,844	(1,141,923)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	425	31,434
NANE related expenditure/(income)	(2,148,215)	1,411,680
Temporary differences and tax loss not recognised	379,946	185,608
Less:		
Unrecognised tax losses utilised		
Unrecognised capital loss utilised	-	(486,799)
At effective income tax rate of 0% (2015: 0%)	-	-
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:		
Business Related Costs	112,697	20,311
Foreign exchange	-	7,484
Property plant and equipment	109	218
Trade and other payables	37,753	45,141
Capital losses	2,094,210	452,395
Tax Losses	3,155,908	2,292,496
Provisions – Joint Venture	441,457	-
Provision for restoration	7,672,499	104,704
Project pools	14,327,633	-
Net deferred tax not recognised	27,842,266	2,922,749

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

NOTE 3: INCOME TAX (continued)

The potential deferred tax asset has not been brought to account at 30 June 2016 as the directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

(a) The Company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses to be realised;

(b) The Company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and

(c) No changes in tax legislation adversely affect the Company and its controlled entity in realising the benefit from the deductions for the tax losses.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	$	$	$	$	$	$
CONSOLIDATED						
Project Pool Costs	5,076,885	-	-	-	5,076,885	-
PRRT & Royalty	7,933,812	-	-	-	7,933,812	-
Exploration Expenditure	-	-	(1,124,385)	-	(1,124,385)	-
Tax (assets) liabilities	13,010,697	-	(1,124,385)	-	11,886,312	-
Set off of tax	(1,124,385)	-	1,124,385	-	-	-
Net tax (assets) liabilities	11,886,312	-	-	-	11,886,312	-

Movement in temporary differences during the year

	Balance 1 July 2015	Recognised in Income	Recognised on Acquisitions	Balance 30 June 2016
Project Pool Costs	-	-	5,076,885	5,076,885
PRRT & Royalty	-	-	7,933,812	7,933,812
Exploration Expenditure	-	-	(1,124,385)	(1,124,385)
	-	-	11,886,312	11,886,312

NOTE 4: SEGMENT REPORTING

Description of segments

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. Reportable segments have been identified as follows:

- Held for sale – Indonesian exploration
- WA Oil Production
- Australian corporate

The board monitors performance of each segment.

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2016 and 30 June 2015.

	Held for Sale Indonesia $	WA Oil Production $	Australian Corporate $	Consolidated $
Year ended 30 June 2016				
Revenue				
Sales to external customers	-	-	-	-
Total segment revenue	**-**	-	**-**	**-**
	-	-	-	**-**
Expenses				
Interest income	-	-		
Interest expense	-	-	(1,001)	(1,001)
Depreciation and amortisation	-	-	(725)	(725)
Impairment of assets	-	-	(29,997)	(29,997)
Segment net operating profit after tax	5,523,614	-	(1,348,798)	4,174,816
Year ended 30 June 2015 RESTATED				
Revenue				
Sales to external customers	-	-	-	-
Total segment revenue	-	-	-	-
Expenses				
Interest income	-	-	5,211	5,211
Interest expense	-	-	-	-
Depreciation and amortisation	-	-	-	-
Impairment of assets	(4,505,000)	-	(30,591)	(4,535,591)
Segment net operating (loss) after tax	(2,705,000)	-	(1,208,254)	(3,913,254)
Segment assets				
At 30 June 2016	-	30,282,216	1,937,670	32,219,886
At 30 June 2015	152,964	-	93,974	246,938
Segment liabilities				
At 30 June 2016	-	28,008,139	1,406,220	29,414,359
At 30 June 2015	193,590	-	1,602,634	1,796,224

NOTE 4: SEGMENT REPORTING (continued)

Reconciliation of reportable segment profit/(loss)

A reconciliation of reportable segment profit/(loss) to operating profit/(loss) before income tax is provided as follows:

	Consolidated	
	2016	**RESTATED 2015**
	$	**$**
Reconciliation of Profit/(loss)		
Total profit/(loss) for reportable segment	4,174,816	(3,913,254)
Impairment – Reid's Dome	29,997	30,591
Reversal of share based payments	1,687,999	71,043
Interest Income	-	5,211
Profit/(loss) before income tax from continuing operations	5,892,812	(3,806,409)

NOTE 5: EARNINGS PER SHARE

	Consolidated	
	2016	**RESTATED 2015**
	($) / Cents	**($) / Cents**
Continued Operations		
(a) Basic Earnings Per Share		
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company	369,198	(1,101,409)
Cents per share	0.0001	(0.0004)
(b) Diluted Earnings Per Share		
Cents per share	0.0001	N/A
Discontinued Operations		
(c) Basic Earnings Per Share		
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company	5,523,614	(2,705,000)
Cents per share	0.0017	(0.0010)
(d) Diluted Earnings Per Share		
Cents per share	0.0017	N/A

Weighted Average Number of Shares Used as the Denominator	**2016 Number**	**2015 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	3,296,773,206	2,794,554,353
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	3,332,937,590	N/A

On 9 October 2015, the Company issued 50,000,000 options at an exercise price of $0.001 per option. The holder of the options exercised the options post 30 June 2016.

(c) Information Concerning the Classification of Securities

Rights

Unvested rights are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The unvested rights have not been included in the determination of basic earnings per share.

NOTE 6: DIVIDENDS

No dividend has been paid by the Group in respect of the year ended 30 June 2016. (2015: Nil)

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated 2016 $	RESTATED 2015 $
(a) Reconciliation to cash at the end of the year		
Cash at bank and in hand	460,767	84,587
Joint Venture Cash	2,005,480	-
Restricted cash (i)	1,370,399	-
Balances per statement of cash flows	3,836,646	84,587

(i) As part of the disposal of the Pase PSC assets the Company agreed to place in an escrow (trust) account an amount of USD$1.02 million which would be released after the final administration approval for the transfer of the PSC has been granted by the Indonesian Government. As at reporting date, the funds remain in the escrow account pending the Government approval.

(b) Reconciliation of profit/(loss) after income tax to net cash flows provided by operating activities

	2016 $	2015 $
Profit / (loss) for the year	5,892,812	(3,806,409)
Non cash flows in operating loss:		
Cost reimbursement – related party non-cash	(50,896)	(1,800,000)
Gain on sale of Pase PSC assets	(5,472,718)	-
Impairment of assets	29,997	4,535,591
Depreciation	724	905
Share based payments expense / (reversal)	(1,687,999)	(71,043)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors		
(Increase)/decrease in other receivables	(16,626)	(2,560)
Increase/(decrease) in trade and other payables	(5,191)	185,260
Net cash outflows from operating activities	(1,309,897)	(958,256)

(c) Non-cash financing and investing

(i) During the year the Company entered into the following non-cash financing activities:

The Company issued 2 tranches of shares (50 million in October and 50 million in May) to consultants in satisfaction of services rendered relating to the disposal of the PSC. The Company also settled some of the outstanding salary / consultants' fees with directors by issuing 104,061,089 shares (after receiving shareholder approval in November 2015) to the directors on 30 November 2015. There was no non-cash transaction in 2015.

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated 2016 $	RESTATED 2015 $
Trade receivables	1,500,919	-
Other receivables	21,196	4,570
Joint venture other receivables	235,725	-
	1,757,840	4,570

(i) Trade debtors are amounts due from customers for services performed in the ordinary course of business. The trade receivables are generally due for settlement within 30 days and therefore are classified as current. The group does not currently have any provision for doubtful debts in respect to their receivables as at 30 June 2016.

(ii) Due to the short term nature of these receivables, their fair value is deemed to be their carrying value.

(iii) The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

(iv) Refer to Note 20 for more information on the risk management policy of the group and the credit quality of the group's trade receivables.

Past due but not impaired

As at 30 June 2016, the Company did not have any receivables past due but not impaired.

NOTE 9: HELD FOR SALE ASSETS / DISCONTINED OPERATIONS

(a) Description

On 31 July 2015 the Group announced its intention to exit the Pase PSC interests in Indonesia. The assets have been presented as held for sale in these financial statements.

The Pase PSC interests (together with the companies that held the asset) were sold on 16 February 2016. The financial information relating to the assets and liabilities is listed below.

(**b) Assets and liabilities classified as Held for sale assets**

	Consolidated 2016 $	RESTATED 2015 $
Investments in legal subsidiaries (assets)		
Investment in legal subsidiaries	-	10,232,316
Less impairment losses recognised	-	(10,079,352)
	-	152,964
Liabilities relating to held for sale assets		
Deferred income	-	193,590
	-	193,590

NOTE 9: HELD FOR SALE ASSETS / DISCONTINUED OPERATIONS (continued)

(c) Details of the sale of the Pase PSC asset

The legal subsidiaries have not been included in consolidated entity by virtue of the methodology used to prepare the consolidation (please refer to the basis of preparation in note 1 (a) and the accounting policy for consolidation above).

The following information is included in the consolidated entity's restated financial statements presented above

	2016 $	2015 $
Total gain on disposal		
The amount attributable to discontinued operations is:		
Other income/(loss) after tax from discontinued operations (iii)	50,896	(2,705,000)
Gain on disposal (i)	5,472,718	-
	5,523,614	(2,705,000)
(i) Consideration received or receivable		
Cash received		
- 2015 year	193,590	-
- 2016 year	5,432,092	-
Total disposal consideration	5,625,682	-
Net assets disposed of - carrying value of the investments	(152,964)	-
Net gain on disposal after income tax	5,472,718	-
(ii) Net cash inflow on disposal		
The cash inflow on disposal is:		
Cash consideration received	5,432,092	193,590
Net cash and cash equivalents disposed of	-	-
Net cash inflow on disposal	5,432,092	193,590
(iii) Financial performance and cash flow		
Financial performance from discontinued operation		
Gain on disposal	5,472,718	-
Other Income	50,896	1,800,000
Expenses - Impairment	-	(4,505,000)
Profit/(loss) before tax from discontinued operations	5,523,614	(2,705,000)
Income tax expense	-	-
Profit/(loss) after tax from discontinued operations	5,523,614	(2,705,000)
Cash flows from discontinued operation		
Net cash flow from operating activities	-	-
Net cash flow from investing activities	5,432,092	193,590
Net cash flow from financing activities	-	-
	5,432,092	193,590

On 31 July 2015, the Company announced the execution of a Sale and Purchase Agreement ("SPA") with Indonesian based company PT Enso Asia for the sale of its 100% interest in the Pase PSC for cash consideration. In the prior period, the Company received a deposit of funds in relation to the sale of $193,590.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Plant and equipment $	Total $
Year ended 30 June 2016		
At 1 July 2015, net of accumulated depreciation and impairment	4,817	4,817
Additions	-	-
Disposals	-	-
Depreciation charge for the year	(724)	(724)
At 30 June 2016, net of accumulated depreciation and impairment	4,093	4,093
Year ended 30 June 2015 – RESTATED		
At 1 July 2014, net of accumulated depreciation and impairment	6,031	6,031
Additions	-	-
Disposals	(309)	(309)
Depreciation charge for the year	(905)	(905)
At 30 June 2015, net of accumulated depreciation and impairment	4,817	4,817
At 30 June 2016		
Cost or fair value	9,955	9,955
Accumulated depreciation and impairment	(5,862)	(5,862)
Net carrying amount	4,093	4,093
At 30 June 2015 – RESTATED		
Cost or fair value	9,955	9,955
Accumulated depreciation and impairment	(5,138)	(5,138)
Net carrying amount	4,817	4,817

Capital Expenditure

There were no capitalised additions in 2015/16.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2016 $	2015 $
Costs carried forward in respect of areas of interest in the following phases:		
Balance at beginning of year	**-**	**-**
Expenditure incurred	29,997	30,591
Impairment of deferred exploration expenditure	(29,997)	(30,591)
Acquisition of Cliff's Head Exploration Assets	3,747,951	-
Total deferred exploration and evaluation expenditure	3,747,951	-

(i) During the year the Company acquired an additional 40% interest in the Reids Dome license for nil consideration.

(ii) The Company also completed the Cliff's Head acquisition of its 57.5% interest in the production license in WA. Details of the acquisition can be found in Note 27. Part of the acquisition has resulted in the recognition of the Exploration assets within the Mentelle and West High prospects.

(iii) The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. During the year, it was determined that the group's exploration targets in Reids Dome were impaired, and therefore the full expenditure amount has been provided for. No further expenditure has been incurred on this asset during the year.

NOTE 12: AVAILABLE FOR SALE INVESTMENTS

	Consolidated 2016 $	2015 $
Non-current assets		
Equity Securities	82,044	-
	82,044	-
Reconciliation - AFS Investments		
Opening net book value	-	-
Additions	82,044	-
Disposals	-	-
Fair value movement in share price	-	-
Impairment	-	-
Closing net book value	82,044	-

There were no gains or losses recognised in the profit or loss and other comprehensive income during the year.

Information relating to the fair value methodology and the risk exposure can be found in note 20 below.

NOTE 13: OIL AND GAS PROPERTIES

	Consolidated Development Costs $	Total $
Year ended 30 June 2016		
At 1 July 2015, net of accumulated depreciation and impairment		
Additions – acquisition of Cliff Head assets	10,905,000	10,905,000
Disposals	-	-
Depreciation charge for the year	-	-
At 30 June 2016, net of accumulated depreciation and impairment	10,905,000	10,905,000
Year ended 30 June 2015 – RESTATED		
At 1 July 2014, net of accumulated depreciation and impairment	-	-
Additions	-	-
Disposals	-	-
Depreciation charge for the year	-	-
At 30 June 2015, net of accumulated depreciation and impairment	-	-
At 30 June 2016		
Cost or fair value	10,905,000	10,905,000
Accumulated depreciation and impairment	-	-
Net carrying amount	10,905,000	10,905,000
At 30 June 2015 – RESTATED		
Cost or fair value	-	-
Accumulated depreciation and impairment	-	-
Net carrying amount	-	-

The Oil & Gas properties were acquired on 30 June 2016 as part of the purchase of the Cliff's Head production licence (refer note 27).

NOTE 14: DEFERRED TAXES

	Consolidated 2016 $	RESTATED 2015 $
Deferred tax assets / (liabilities)		
The balance comprises temporary differences attributable to:		
PRRT (credit on decommissioning) (DTA)	7,933,812	-
Project Pool costs (DTA)	5,076,885	-
Total Deferred tax assets	13,010,697	-
Set-off deferred tax liabilities pursuant to off-set provisions		
Exploration assets (DTL)	(1,124,385)	-
Net deferred tax assets	11,886,312	-
Deferred tax assets expected to be recovered within 12 months	-	-
Deferred tax assets expected to be recovered after more than 12 months	11,886,312	-

NOTE 15: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated 2016 $	RESTATED 2015 $
Trade payables (i)	100,469	364,786
Joint Venture trade payables	819,826	-
Accrued expenses	205,049	32,250
Joint Venture accruals	378,948	-
Payroll liabilities	13,568	-
Dividend payable in trust	7,044	7,044
Share buy-back funds in trust	6,796	6,796
GST Liabilities / (refund)	(1,405)	4,440
Employee entitlements (ii)	107,787	118,220
Acquisition Payable (iii)	729,758	-
	2,367,840	533,536

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms;

(ii) Employee entitlements have been classified as current as the group expects that all employee's will take their accrued leave within 12 months of reporting date;

(iii) The Company completed the acquisition of its interest in the Cliff Head production licence on 30 June 2016 with the final payment being made in July 2016.

NOTE 16: PROVISIONS

	Consolidated 2016 $	2015 $
(i) Current		
Joint Venture provisions	1,471,524	-
	1,471,524	-
(ii) Non-current		
Provision for rehabilitation	25,574,995	349,013
	25,574,995	349,013

(i) The current provision relates to holiday and long service leave accrued for employees of the contractor providing operations staff for the Cliff Head project.

(ii) The non-current provision relates to the Reid's Dome production Licence PL 231 (located in the Bowen Basin, Queensland) and the Cliff's Head production licence WA-31-L (located in the Perth Basin, WA);.

Under the terms within the Joint Venture agreement relating to PL 231, Triangle is liable to pay rehabilitation as follows:

- 100% of the rehabilitation costs relating to the Primero-1 Well - estimated to be $300,550; and
- 33.3% of the rehabilitation costs relating to the 5 Historic Wells - estimated to be $48,463

Under the terms of the licence relating to WA-31-L, Triangle is liable to pay rehabilitation as follows:

- 57.5% of the rehabilitation costs relating to the licence.

The liability associated with the provision has been present valued in accordance with the Company's accounting policy.

NOTE 17: BORROWINGS – RELATED PARTY

	Consolidated 2016 $	RESTATED 2015 $
Borrowings		
- Amounts owed to related party (legal subsidiary)	-	720,085
Movements in loans		
Opening balance	720,085	3,204,301
- Amounts borrowed	172,780	121,499
- Amounts repaid	(892,865)	(2,605,715)
- Amounts written off	-	-
Closing balance	-	720,085

(a) Terms of the borrowings

The borrowings where interest free with no set repayment amounts or date.

NOTE 18: ISSUED CAPITAL

	Consolidated 2016 $	Consolidated RESTATED 2015 $
(a) Ordinary shares		
3,399,023,471 (2015: 3,194,962,382) issued and fully paid shares	21,687,179	20,331,726
Share issued	250,000	1,367,468
Capital raising costs	(36,174)	(12,015)
	21,901,005	21,687,179

Movements in ordinary shares on issue	**No.**	**$**
At 1 July 2015	3,194,962,382	21,687,179
Shares issued during the year:		
October 2015 – consultant shares	50,000,000	50,000
Capital raising costs	-	(36,174)
November 2015 director shares	104,061,089	150,000
May 2016 – consultants shares	50,000,000	50,000
At 30 June 2016	3,399,023,471	21,901,005
At 1 July 2014	1,822,494,339	20,331,726
Shares issued during the year:		
July 2014 share placement	874,218,043	874,218
July 2014 share placement – related party approved at EGM	8,000,000	8,000
March 2015 vested performance rights	5,000,000	-
March 2015 share placement	200,250,000	200,250
April 2015 share purchase plan	285,000,000	285,000
Capital raising costs	-	(12,015)
At 30 June 2015	3,194,962,382	21,687,179

	Consolidated 2016 $	Consolidated 2015 $
(b) Options		
50,000,000 (2015: Nil) options		
Options issued	36,174	-
Costs	-	-
	36,174	-

Movements in options on issue	**No.**	**$**
At 1 July 2015	-	-
Options issued during the year:		
October 2015 – consultant options	50,000,000	36,174
At 30 June 2016	50,000,000	36,174
At 1 July 2014	-	-
Options issued during the year:		
Consultants options	-	-
At 30 June 2015	-	-

NOTE 19: ACCUMULATED LOSSES AND RESERVES

	Consolidated	
(a) Accumulated losses	**2016** **$**	**RESTATED 2015** **$**
Movements in accumulated losses were as follows:		
Balance at beginning of financial year	(25,024,464)	(21,736,438)
Net profit / (loss) for the year	5,892,812	(3,806,409)
Transfer of reserves due to cancelled / lapsed rights and options	-	518,383
Balance at end of financial year	(19,131,652)	(25,024,464)

(b) Reserves

Share based payment reserve		
Balance at beginning of financial year	1,787,999	2,377,425
Amortisation of vested share rights	-	26,157
Options issued during the period	36,174	-
Expiry of share rights	(1,787,999)	(97,200)
Expiry of share rights (previous period)	-	(315,197)
Expiry of options	-	(203,186)
Balance at end of financial year	36,174	1,787,999

Nature and purpose of reserves

Share Based Payment Reserve

The share based payment reserve is used to record the value of share based payments provided to employees, including key management Personnel, as part of their remuneration and securities (other than shares) issued to consultants.

NOTE 20: FINANCIAL RISK MANAGEMENT

(a) Capital risk management

The Group's principal financial instruments comprise trade receivables, cash, short-term deposits and available for sale investments. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

	Consolidated	
	2016	RESTATED 2015
	$	$
(b) Categories of financial instruments		
Financial assets		
Cash and cash equivalents	3,836,646	84,587
Trade and other receivables	1,736,644	-
Available for sale investments	82,044	-
	5,655,334	84,587
Financial liabilities		
Trade and other payables	1,517,860	364,785
Acquisition payable	729,758	-
Borrowings - related party	-	720,085
	2,247,618	1,084,870

(c) Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk) and liquidity risk. The Group seeks to minimise the effect of these risks, however it has not used derivative financial instruments to hedge these risk exposures to date. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and, with the acquisition of the Company's interest in the Cliff's Head Production Licence, commodity prices. The Company also has exposure to movements in share market prices as a consequence of its available for sale investments. As at 30 June the effective market value of available for sale assets was the same has the purchase price of the original shares. A 10% movement upward or downward would have effective an available for sale reserve by $8,204.

(e) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. To date, exchange rate exposures are not managed by utilising forward foreign exchange contracts. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date explained in Australian dollars are as follows:

	Liabilities		Assets	
	2016	RESTATED 2015	2016	RESTATED 2015
	$	$	$	$
US dollar denominated assets				
Cash at bank			1,778,332	
Debtors	-	-	1,311,776	-
	-	-	3,090,108	-

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

Foreign currency sensitivity analysis

As at 30 June the Group's exposure to foreign currency as at 30 June 2016 relates to USD cash at bank and trade receivables.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar weakens against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Impact Profit Consolidated		**Impact Equity Consolidated**	
	2016 $	**RESTATED 2015 $**	**2016 $**	**RESTATED 2015 $**
Profit or loss				
US dollar increase 10%[1]	309,011	-	309,011	-
US dollar decrease 10%[1]	(309,011)	-	(309,011)	-

[1] This is attributable to the exposure in USD bank accounts and a USD debtor at year end in the Group.

Interest rate risk sensitivity analysis

Weighted average interest rate exposure for 2016 is 1.30% (2015: 2.359%). The sensitivity analyses below have been determined based on the exposure to interest rates non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 10% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 10% higher or lower and all other variables were held constant, the Group's:

- net profit would increase by $68 and decrease by $68 (restated 2015: $1,430) calculated on a weighted average interest rate of 1.17% (restated 2015: 2.359%). This is mainly attributable to the Group's exposure to interest rates on cash deposits.

(f) Commodity price risk

During the current financial year, the Group has not been exposed to commodity price risk as there are no oil or gas sales during the year. However, with the Company's acquisition as at 30 June 2016 of its interest in the Cliff's Head production licence, the Group will have significant exposure to commodity prices going forward.

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading record to rate its major customers. Cash is only held with institutions of a rating of AA or above

The Group trades only with recognised, credit worthy third parties. In Indonesia, trade receivables, (balances with oil and gas purchasers) have not exposed the Group to any bad debts to date.

The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(h) Liquidity risk management

Liquidity risk is the inability to access funds, both anticipated and unforeseen, which may lead to the Group being unable to meet its obligations in an orderly manner as they arise.

The Group's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost effective manner. The Group is primarily funded through on-going cash flow, debt funding and equity capital raisings, as and when required. All cash and cash equivalents, debtors and trade and other payables mature within 6 months of reporting date, and therefore their carrying value is the same as their contractual cashflows.

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(h) Liquidity risk management (continued)

Management also regularly monitors actual and forecast cash flows to manage liquidity risk.

Contractual maturities of financial liabilities At 30 June 2016	Less than 1 year $	6 – 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 Years $	Total contractual cash flows $	Carrying Amount (assets)/ liabilities $
Non-derivatives							
Trade payables	1,650,053	-	-	-	-	1,650,053	1,650,053
Borrowings	-	-	-	-	-	-	-
Total non-derivatives	1,650,053	-	-	-	-	1,650,053	1,650,053
At 30 June 2015 – RESTATED							
Non-derivatives							
Trade payables	364,785	-	-	-	-	397,035	397,035
Borrowings – related party	-	720,085	-	-	-	720,085	720,085
Total non-derivatives	364,785	720,085	-	-	-	1,117,120	1,117,120

(i) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The Company also has exposure to price risk relating to available for sale investments. These are investments in other oil and gas companies listed on the Australian Stock Exchange within the same sector as TEG and are subject to movements in equity prices in the normal course of business.

Financial Instruments Measured at Fair Value

To provide an indication of the reliability of inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group only has one financial instruments carried at fair value, available for sale assets, and consequently only has level 1 financial instruments, quoted prices in an active market.

NOTE 21: SHARE BASED PAYMENTS

During the periods presented the Company had the following share based payments which had lapsed due to failing to meet vesting conditions:

	Consolidated	
	2016 No.	2015 No.
Performance rights issued between 2010 and 2013 - performance condition (grant of PSC).	54,500,000	32,000,000
	54,500,000	32,000,000

	Consolidated	
	2016 $	RESTATED 2015 $
Expense		
Reversal of the expense relating to the performance rights	(1,787,999)	(97,200)
Record consultants' shares issued during the period	100,000	-
	(1,687,999)	(97,200)
Capital raising costs		
Issue of options for capital raising services	36,174	-
	36,174	-

The fair value of the rights was established at the grant date with reference to the share price which ranged from $0.0044 to $0.045.

The summary of the Company's share based payment transactions during the year is as follows:

Type of instrument	Number	Issue date	Value at Grant Date	Expense recorded
Consultants' shares	50,000,000	9/10/2015	$0.001	50,000
Consultants' shares	50,000,000	9/10/2015	$0.001	50,000
Consultants' options	50,000,000	12/10/2015	$0.000724	36,174

The fair value of the shares was established as the market value of the shares at the date the shares were granted.

The fair value of the options was determined using a Black Scholes Pricing Model with the following inputs:

(a) Grant Date – 12 October 2015
(b) Exercise date – 9 October 2017
(c) Market price of securities - $0.001
(d) Exercise price of securities - $0.001
(e) Risk free rate – 2.50%
(f) Volatility – 152%

NOTE 22: COMMITMENTS AND CONTINGENCIES

The Group has entered into commercial leases on office premises. These leases ends on April 2017. The Company also has an office lease on a rolling month to month basis for $1,520 per month. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2016 are as follows:

	Consolidated	
	2016 $	RESTATED 2015 $
Within one year	15,327	21,601
After one year but not more than five years	-	15,327
More than five years	-	-
	15,327	36,928

Remuneration commitments

The Group has no remuneration commitments arising from service contracts of key management personnel referred to in the Remuneration Report that are not recognised as liabilities and are not included in the key management personnel compensation.

Contingent Liabilities

Royalty

As part of the acquisition of the Cliff's Head production licence the Company agreed to pay a royalty of USD$5 per barrel to the seller of the asset when the oil price reaches USD$70 per barrel. At the date of the acquisition, the short to medium term forecast oil price is not expected to reach USD$70/bbl and the Company has not recognised a potential liability for this contingency.

Claims against the Company

On 17 November 2014, Triangle Energy entered into a contract with MonTerra Ltd who was to assist the Company in exploring possible joint ventures or strategic partnerships in Indonesia, developing strategies to secure a long-term PSC for the Pase gas project and securing investment into the Company or its projects. For Pase advisory and only in the event of Triangle Energy securing a Production Sharing Contract ("PSC") equal to or greater than 15 years, a success fee of US$750,000 was to be payable within 60 days of the announcement and includes all the consents and approvals from all the appropriate bodies. For investment advisory and only in the event MonTerra successfully introduces and investor or financier to the Company, a fee of 7% of the proceeds raised from the relevant investor of financier was to be payable at the time of completion.

On 20 April 2015, Triangle terminated the agreement with MonTerra Ltd. There is a risk that there may be a future claim against the Company in relation to the termination.

As announced on 21 December 2015, Triangle received a notice of arbitration issued by MonTerra Ltd, a company previously engaged as a strategic advisor to Triangle.

The Company is working through the process with the Hong Kong International Arbitration Commission and has an arbitration hearing commencing on 19 October 2016.

The Company strongly believes that the firms claims have no basis and the amounts requested are not payable. However, in any dispute there is a potential for the result to adversely affect the Company's financial position. The Company will vigorously defend any claims made against it by MonTerra Ltd including seeking costs or damages incurred by any action.

NOTE 23: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Triangle Energy (Global) Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2016	% Equity Interest 2015	$ Investment 2016	$ Investment 2015
Triangle Energy (QLD) Pty Ltd	Australia	100	100	2	2
Triangle (Perth Basin) Pty Ltd	Australia	100	-	100	100
A.C.N. 008 988 930 Pty Ltd	Australia	100	-	1,136,624	-
A.C.N. 008 939 080 Pty Ltd	Australia	100	-	1,136,624	-

The consolidated financial statements include an investment in the following companies that are not deemed for accounting purposes to be part of the consolidated group.

Name	Country of Incorporation	% Equity Interest 2016	% Equity Interest 2015	$ Investment 2016	$ Investment 2015
Triangle Energy Limited	Australia	-	100	-	103,647
Triangle Pase Inc.	Cayman Islands	-	100	-	-
Aceh Global Energy Pte Ltd	Singapore	-	100	-	49,316

Triangle Energy (Global) Limited is the ultimate Australian Parent Entity and ultimate Parent of the Group.

Total amount of transactions that were entered into with related parties for the relevant financial year.

Related party	Income from Related Parties $	Expenditure Related Parties $	Amounts Owed by Related parties $	Amounts Owed to Related parties $
Consolidated				
Entities with significant influence over the Group:				
2016				
Aceh Global Energy Pte Ltd	50,896	-	-	-
2015				
Triangle Energy Limited	1,800,000	-	-	720,085

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest free and where possible settlement occurs in cash.

For the year ended 30 June 2016, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties due to solid payment history (2015: $nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

Loans to related parties

At reporting date, Triangle Energy (Global) Limited had borrowed $83,000 to its wholly owned subsidiary Triangle (Qld) Pty Ltd to fund investments (2015: nil). The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract.

During the 2015 year, $1.8 million was recognised as income in the parent company Triangle Energy (Global) Limited and booked to the intercompany loan between Triangle Energy (Global) Limited relating to costs reimbursements. During 2016 a cost reimbursement from Ache Global Energry Pte Ltd occurred for an amounts of $50,896.

NOTE 23: RELATED PARTY DISCLOSURE (continued)

Key management personnel compensation

	Consolidated 30 June 2016 $	RESTATED 30 June 2015 $
Short-term employee benefits	550,000	597,000
Post-employment benefits	38,618	24,042
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	(86,000)	(27,300)
	502,618	593,742

Transactions with related parties

	30 June 2016	30 June 2015
Mandolin Pty Ltd *(Mr Robert Towner and John Towner are directors)*		
Management and consulting fees	-	5,600
Cornerstone Corporate Pty Ltd *(Mr Robert Towner is a director)*		
Consulting fees	16,315	41,852

Terms and conditions of transactions with related parties

The terms of the transactions are based on arms-length, third party market rates for the type of services received.

NOTE 24: PARENT ENTITY DISCLOSURES

Financial position

	Consolidated As at 30 June 2016 $	As at 30 June 2015 $
Assets		
Current assets	1,852,123	242,121
Non-current assets	2,360,341	4,817
Total assets	4,212,464	246,938
Liabilities		
Current liabilities	1,057,271	1,447,211
Non-current liabilities	349,013	349,013
Total liabilities	1,406,284	1,796,224
Equity		
Issued capital	21,901,005	21,687,179
Accumulated losses	(19,130,999)	(25,024,464)
Reserves	36,174	1,787,999
Total equity	2,806,180	(1,549,286)

Financial performance

	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Profit (Loss) for the year	5,893,465	(1,101,409)
Other comprehensive income	-	-
Total comprehensive loss	5,893,465	(1,101,409)

NOTE 25: EVENTS AFTER THE REPORTING DATE

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in subsequent financial years, other than the following:

- On 18 July 2016, the Company allotted 46,568,854 Fully Paid Ordinary Shares to Directors following immediate vesting of Unlisted Share Rights (Rights) issued without Performance Vesting Criteria under the TEG Employee Rights Plan. The allotment was pursuant to shareholder approval for *resolutions 6 - 8* at the Annual General Meeting held on 26 November 2015. The issue price of Rights is equal to the six month VWAP to 30 June 2015 = $0.0015568 (0.15568 cents);
- On 12 August 2016, the Company allotted 150,000,000 unlisted options exercisable at $0.0015 and expiring on 30 June 2017 to Tamarind Energy Management Sdn Bhd (**Tamarind)**.
- Allotted 50,000,000 fully paid ordinary shares following the exercise of unlisted options at $0.001 upon the receipt of $50,000 from Mac Equity Partners.
- On 23 September 2016, Triangle) announced that it has entered into an agreement with a wholly owned subsidiary of Norwest Energy NL (Norwest) to farm-in to the Perth Basin offshore exploration permit, subject to the successful formation of a joint venture agreement. Under the agreement, Triangle will earn up to a 30% working interest in TP/15 by contributing 40% of the well costs, with customary cost caps to be applied. The farm-in will not be binding until Norwest can finalise the make-up of the joint venture, expected to be completed by December 2016. Triangle paid Norwest a refundable amount of A$25,000 to progress the development of the joint venture. This amount is refundable if the joint venture cannot be established.

NOTE 26: AUDITOR'S REMUNERATION

The auditor of Triangle Energy (Global) Limited for 30 June 2015 was BDO Audit (WA) Pty Ltd. On 5 July 2016 the Company changed its auditor to HLB Mann Judd (WA) Partnership. Non-audit services provided by the new auditors, HLB Mann Judd (WA) Partnership, and their related entities, are set out below:

	Consolidated	
	2016 **$**	**2015** **$**
Assurance Services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review of the financial report of the entity and any other entity in the Group	51,249	56,652
Non- Assurance Services		
Amounts received or due and receivable by BDO Corporate Tax (WA) Pty Ltd for:		
Australian Tax Compliance	-	13,769
Corporate advice	-	-
	51,249	70,421

Assurance Services		
Amounts received or due and receivable by HLB Mann Judd (WA) Partnership for:		
An audit or review of the financial report of the entity and any other entity in the Group	15,000	-
Non- Assurance Services		
Amounts received or due and receivable by HLB Mann Judd (WA) tax:		
Australian Tax Compliance	-	-
Corporate advice	-	-
	15,000	-

NOTE 27: BUSINESS COMBINATIONS

On 30 June 2016 the Company acquired 100% of the issued capital of AWE Oil Pty and AWE (Offshore) Pty Ltd that together hold a 57.5% interest in the Cliff's Head production licence WA-31-L. The acquisition provides the group with an instant source of revenue and well established infrastructure in a highly developed and prospective Oil and Gas region.

	Consolidated 2016 $	2015 $
Purchase Consideration		
Cash paid and payable	2,273,247	-
- Total purchase consideration	2,273,247	-

The assets and liabilities recognised as a result of the acquisition are as follows:

	2016 $	2015 $
Cash	2,005,480	-
Receivables	1,736,644	-
Oil and Gas Properties	10,905,000	-
Exploration and Evaluation Assets	3,747,951	-
Deferred tax assets	13,010,697	-
Trade Creditors	(1,310,634)	-
Provisions	(1,471,524)	-
Deferred tax liability	(1,124,385)	-
Rehabilitation provisions	(25,225,982)	-
Net identifiable assets acquired	2,273,247	-
Fair value of net assets acquired	2,273,247	-

The fair value of assets and liabilities acquired includes a number of valuation techniques and assumptions to determine the individual amounts disclosed above. These include:

NPV of the oil field production capabilities (based on current reserves) using the following significant inputs:

(a) Average oil price of between USD$53 and USD$56;
(b) Discount to brent crude of $5;
(c) AUD:USD exchange rate 0.74;
(d) Maintaining current production cost levels; and
(e) Discount rate of 10%.

NPV of the rehabilitation provision using the following significant inputs:

(a) Discount rate 4%;
(b) Current independent assessment of the estimate cost of decommissioning; and
(c) Inflation factor 2.5%.

The production licence includes a number of significant exploration opportunities (namely Mentelle and West High) which if ultimately proven successful has the ability to extend the production life of the field substantially. There are no guarantees of exploration success however the Company has undertaken the acquisition on the basis that these opportunities represent significant value to the Group and has therefore assigned a value based on the prospective nature of the exploration potential.

The acquired companies did not contribute any revenue or profits during the year and if the acquisition (of 57.5% of the Cliff Head joint venture) had occurred on 1 July 2015 the companies would have contributed $14.7mill in revenue and a loss of approximately $3mill (before interest, tax and hedges) due to low oil prices.

Purchase consideration - Cash outflow

Outflow of cash to acquire subsidiaries, net of cash acquired	
Purchase Consideration	$
Total cash consideration	(1,543,490)
Less: Balance acquired	
- Cash	2,005,480
Net outflow of cash - investing activities	461,990
Amounts payable as at 30 June 2016	(729,758)

Acquisition-related costs have all been included in the administration expenses in the profit and loss.

NOTE 28: INTEREST IN JOINT VENTURES

The Group has a 57.5% interest in an unincorporated joint venture at Cliff's Head in Western Australia to produce oil and sell to a local refinery.

The Group accounts for its interest in the Joint Arrangement as a joint operations and records its share of the assets, liabilities, revenue and expenses.

The Joint Venture did not have any commitments as at 30 June.

The Joint Venture did not have any contingent liabilities as at 30 June.

The share of the Company's assets and liabilities in the financial position of Cliff Head at 30 June 2016 is as follows:

	As at 30 June 2016 $
Current Assets	
Cash and cash equivalents	2,005,480
Trade and other receivables	235,725
TOTAL CURRENT ASSETS	2,241,205
Current Liabilities	
Trade and other payables	1,198,774
Provisions	1,471,524
TOTAL CURRENT LIABILITIES	2,670,298

DIRECTORS' DECLARATION

1. In the opinion of the directors of Triangle Energy (Global) Limited (the 'Company'):

   a. the accompanying consolidated financial statements, notes and the additional disclosures are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and other mandatory professional reporting requirements

   b. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

   c. the consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the board of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Edward Farrell
Chairman
Dated this 30th day of September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Triangle Energy (Global) Limited

Report on the Financial Report

We have audited the accompanying financial report of Triangle Energy (Global) Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Auditor's opinion

In our opinion:

(a) the financial report of Triangle Energy (Global) Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1(a) to the financial report which indicates that the ability of the Group to continue as a going concern is dependent on the outcome of the synergies expected through the acquisition of interest in Cliff Head and its ability to raise additional funds through capital raising. If the Group is unable to achieve the expected benefits of the Cliff Head acquisition or raise sufficient funds, there exists a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Triangle Energy (Global) Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
30 September 2016

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION IN ACCORDANCE WITH LISTING RULES OF THE ASX LIMITED.

Substantial Shareholder Information as at 31 August 2016

Shareholder Name	Securities	%
HSBC Custody Nom Aust Ltd	337,146,277	9.64%
Ucan Nom PL	250,788,807	7.17%
Jarrad Street Corp PL	250,000,000	7.15%
Sas Sochrastem	200,000,000	5.72%
	1,037,935,084	29.68%

Holder of 20% or more Options expiry 30 June 2017. As at 31 August 2016

Options Holder Name	Securities	%
Tamarind Energy Mngmt	150,000,000	100.00%

Distribution of Shareholders as at 31 August 2016

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	76	25,054
1,001 - 5,000	61	159,495
5,001 - 10,000	29	215,069
10,001 - 100,000	282	14,630,383
100,001 - 9,999,999	664	3,480,562,324
	1,112	3,495,592,325

Distribution of Options holders as at 31 August 2015

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 - 9,999,999	1	150,000,000
	1	150,000,000

Top Twenty Shareholders as at 31 August 2016

Rank	Holder Name	Securities	%
1	HSBC Custody Nom Aust Ltd	337,146,277	9.64%
2	Ucan Nom PL	250,788,807	7.17%
3	Jarrad Street Corp PL	250,000,000	7.15%
4	Sas Sochrastem	200,000,000	5.72%
5	Arnett Michael Norman	150,000,000	4.29%
6	Citicorp Nom PL	137,463,764	3.93%
7	McAuliffe David Jerimiah	100,000,000	2.86%
8	Bromley Darren Michael	89,394,307	2.56%
9	J P Morgan Nom Aust Ltd	86,403,219	2.47%
10	Pt Prestige Global Petrol	81,849,207	2.34%
11	KKSH Hldgs Ltd	64,138,249	1.83%
12	Smithers Nancy	63,925,734	1.83%
13	Austin 4 PL	61,498,682	1.76%
14	One Managed Invt Funds Ltd	58,516,668	1.67%
15	Mayburys PL	51,459,090	1.47%
16	Bull Kenneth John	41,500,000	1.19%
17	Hall Darren John	41,358,000	1.18%
18	First Investment Partners PL	40,000,000	1.14%
19	Thorburn Gary Patrick	35,000,000	1.00%
20	Papapetros Katerina	28,200,000	0.81%
	Twenty Largest Shareholders	2,168,642,004	62.04%
	Others	1,326,950,321	37.96%
		3,495,592,325	100.00%

Top Twenty Options Holders as at 31 August 2016

Rank	Holder Name	Securities	%
1	Tamarind Energy Mngmt	150,000,000	100.00%
		150,000,000	100.00%

- *The shares carry the right to one vote for each ordinary share held.*
- *On 31 August 2016, 568 holders held less than a marketable parcel of $500 worth of shares in the Company.*
- *Unlisted Options exercisable at $0,015 and expire 30 June 2017*