

ACQUISITION OF ADDITIONAL INTERESTS IN MT HORNER AND EP 437 AND CAPITAL RAISING

Highlights

- Triangle to acquire a further 50% interest in Mt Horner and an 86.94% interest in EP 437 from Key Petroleum
- Consideration comprised of a cash payment of A\$600,000, payment of any outstanding cash calls in respect of L7 (based on an agreed work program and budget) plus a 5% gross overriding royalty on production from L7 and EP 437
- Binding commitments received for a placement to raise A\$1.19 million
- The acquisition and capital raising forms part of Triangle's continued Perth Basin exploration and expansion strategy

The Board of Triangle Energy (Global) Limited (ASX: **TEG**) (**Triangle, the Company**) is pleased to announce that the Company has entered into a Sale and Purchase Agreement (**Agreement**) and Royalty Deed (**Royalty Deed**) with subsidiaries of Key Petroleum Limited (ASX:**KEY**) to acquire Key Petroleum (Australia) Pty Ltd's (**Key Petroleum**) 50% participating interest in Production Licence L7(R1) (**L7**) and Key Petroleum and Key Midwest Pty Ltd's (**Key Midwest**) combined 86.94% interest in Exploration Permit EP 437 (**EP 437**) (together, the **Acquisition**). A wholly owned subsidiary of Triangle will hold the relevant interests acquired under the Agreement and Pilot Energy Limited (**Pilot**) holds the remaining 13.06% interest in EP 437.

The Board of Triangle is also pleased to announce that it has received binding commitments to raise gross proceeds of A\$1.19 million from sophisticated and professional investors by way of a share placement (**Placement**).

Summary of the key terms of the Agreement and Royalty Deed

Completion of the Agreement is conditional on usual regulatory approvals, execution of a deed of covenant in respect of the EP 437 JOA, Triangle receiving binding commitments for a capital raising of at least \$1,000,000 and, if required, Key obtaining the approval of its shareholders under Chapter 11 of the ASX Listing Rules for the Key subsidiaries to sell its interests in these assets. Under the terms of the Agreement:

- Triangle will pay to Key a cash consideration of A\$600,000 (\$A200,000 of which is payable as a non-refundable deposit, unless Key does not obtain shareholder approval), any outstanding cash calls in respect of L7 based on an agreed work program and budget plus a 5% gross overriding royalty payable on production from L7 and EP 437;
- subject to Completion occurring, the existing Farmout Agreement between Triangle and Key in relation to the L7 licence at Mt Horner, the execution of which was announced on 31 October 2018, will terminate and the parties will release each other from all claims and liabilities in respect of L7 and the Farmout Agreement, except in relation to certain rehabilitation work undertaken by Key

Petroleum prior to execution of the Agreement, including any disputes in respect of the Farmout Agreement (refer announcement by TEG on 4 August 2020); and

- TEG is guaranteeing the performance by the Triangle subsidiary acquiring the interest under the Agreement and the Royalty Deed.

Triangle has agreed to assume all of Key's ongoing work program commitments within EP 437, which now requires the acquisition of 20 square kilometres of 3D seismic and the drilling of one well prior to the end of Year 3 of the permit term on 27 May 2022 with a second discretionary well due by the end of the permit term on 22 May 2023. The terms of the original Farmout Agreement for L7 are removed, allowing Triangle to acquire a much larger 3D survey across the area, which will also tie into the existing Irwin 3D survey to the south and extend into EP 437 to the west. The primary aim of the larger 3D is to provide a near complete coverage of the Bookara Shelf hydrocarbon fairway. The terms of the Sale and Purchase Agreement require Triangle to assume all ongoing liabilities associated with L7 and EP 437 upon completion of the sale.

Placement details

The Company received binding commitments under the Placement to raise A\$1.19 million (before costs) from professional and sophisticated investors who subscribed for 56,433,043 new ordinary shares at an issue price of A\$0.021 per new share.

The funds raised pursuant to the Placement are intended to be applied towards the cash consideration payable to Key pursuant to the Acquisition, the work program for Mt Horner and EP 437, and general working capital.

The issue price of A\$0.021 represents a 21.36% discount to the 15-trading day VWAP.

Upon completion of the Placement, the 56,433,043 new shares will represent approximately 9.09% of the share capital of the Company, which will have 620,763,481 ordinary shares on issue.

The Placement shares are proposed to be issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A.

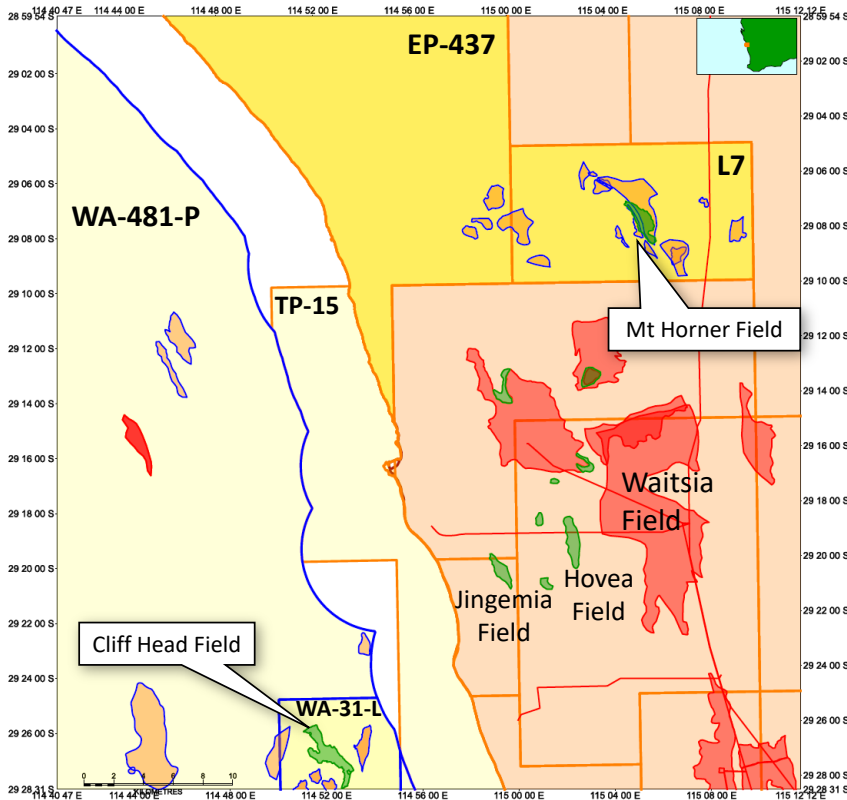
Settlement of the placement is expected to occur on or before 5 February 2021.

Additional Information on L7 and EP 437

Once completed, Triangle will hold a 100% interest in the L7 Mount Horner production licence and a 86.94% interest in the adjacent exploration permit, EP-437, on the northern margin of the Dandaragan Trough of the North Perth Basin. Triangle is in the planning stages of a new 125 sq km 3D seismic survey, the Bookara 3D seismic survey, to develop several drilling opportunities identified in the area.

L7 and EP 437 lie on the northern extent of oil migration in the basin and contain an opportunity portfolio that ranges from;

- infill drilling and redevelopment of Mt Horner oil field;
- Mt Horner look-alike Jurassic oil exploration;
-



- Higher upside Permo-Triassic oil exploration;
- Permian gas exploration potential in the Mt Horner footwall block;
- Triangle aims to develop a new north Perth Basin oil production centre.

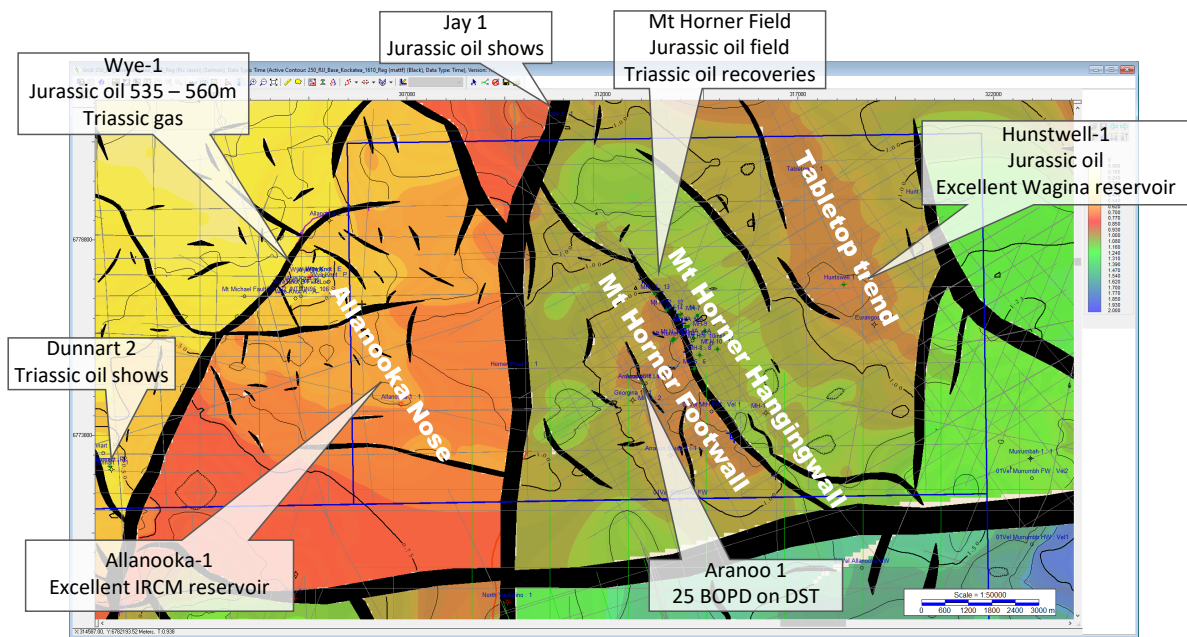


Figure 2 Regional Structure Map (Base Kockatea)

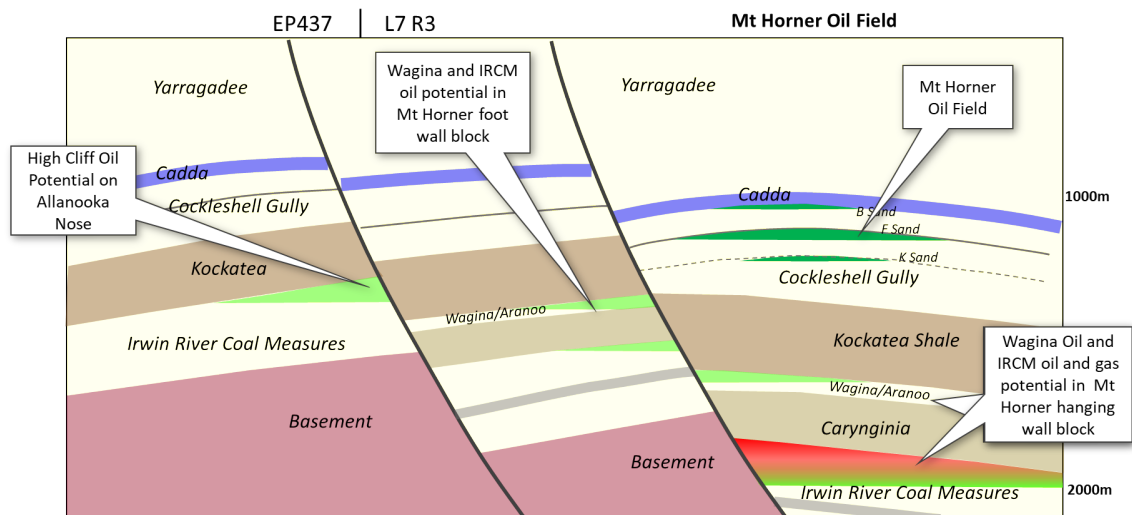


Figure 3 Schematic Regional Cross Section

Mt Horner Infill Drilling and Jurassic Exploration

Several potential infill drilling locations and work-over opportunities have been identified within the historical Mt Horner field (F sand) for bypassed oil. The Bookara 3D seismic targets undeveloped attic oil in infill well locations within Mt Horner field. Two potential well locations, MH9/10 Updip and SW CH6 are prioritised for evaluation. Additional potential infill locations have been identified and further potential may be present in other Jurassic reservoirs (e.g. K sand) that have been previously been produced at Mt Horner.

Mt Horner look-alike, Jurassic exploration targets are also present at Delilah, on trend immediately north of Mt Horner, In the Wye/Parse are in EP-437 and possibly in the east of L7 on the Huntswell/Tabletop trend.

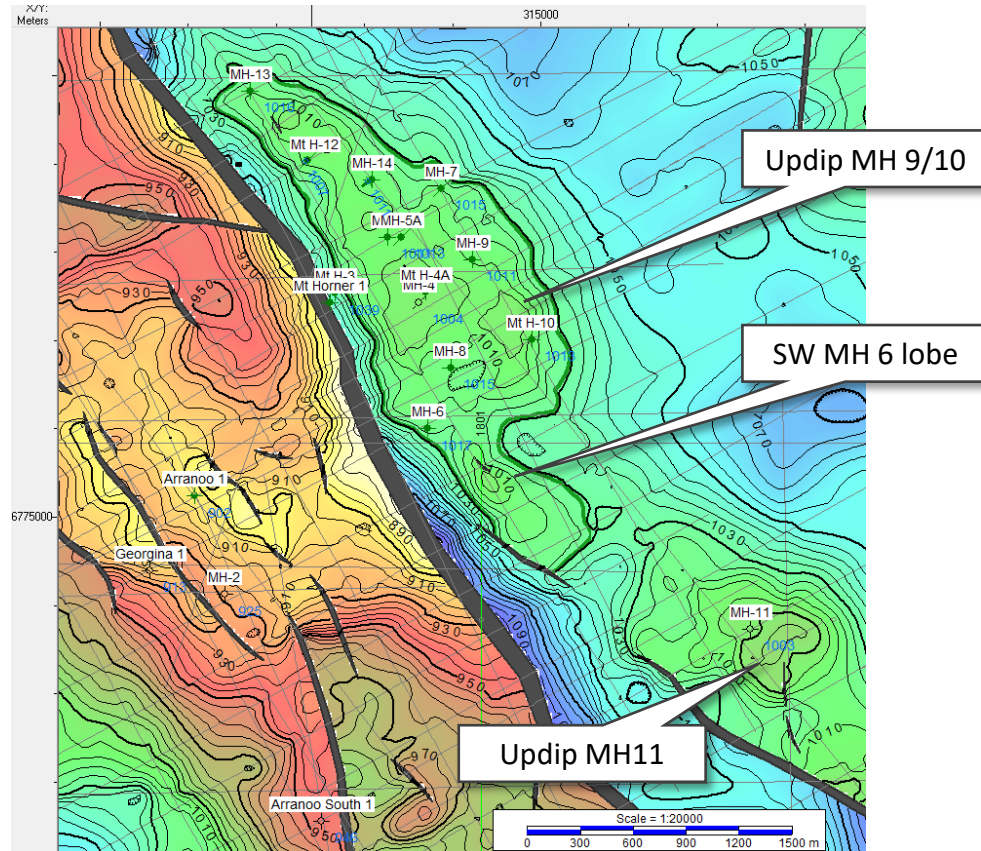


Figure 4 Mt Horner Field Attic Well Locations

Mt Horner Triassic Footwall Fault Block Leads

Several conventional fault blocks are interpreted in the Mt Horner footwall the Hinkley and Aranoo Updip leads. The Triassic Wagina Formation sealed by Kockatea Shale is the primary objective in these blocks. Oil has been recovered from the high quality Triassic sandstones (Wagina Formation) in earlier wells (Aranoo-1, Mt Horner 3) so these are likely to be low risk when defined by 3D seismic.

Mt Horner Hanging Wall Fault Block Leads (Triassic and Permian)

High quality Triassic (Wagina Formation) reservoirs are present below the main F Sand reservoir of Mt Horner field in the hanging wall fault block of the Mt Horner fault. Oil has been recovered from the Wagina at Mt Horner 1, and 5A. The Wagina reservoir in Mt Horner 14 is interpreted to be oil bearing from log analysis. Several potential closures are interpreted.

Permian Potential

The potential of the Permian Irwin River Coal Measures in the Mt Horner Hanging wall block is identified but largely conceptual because this section is yet to be fully penetrated in this setting and poorly defined on seismic. However, a viable trapping mechanism is likely to be present and could have upside potential for gas, in a similar setting to the large Waitsia gas field immediately to the south.

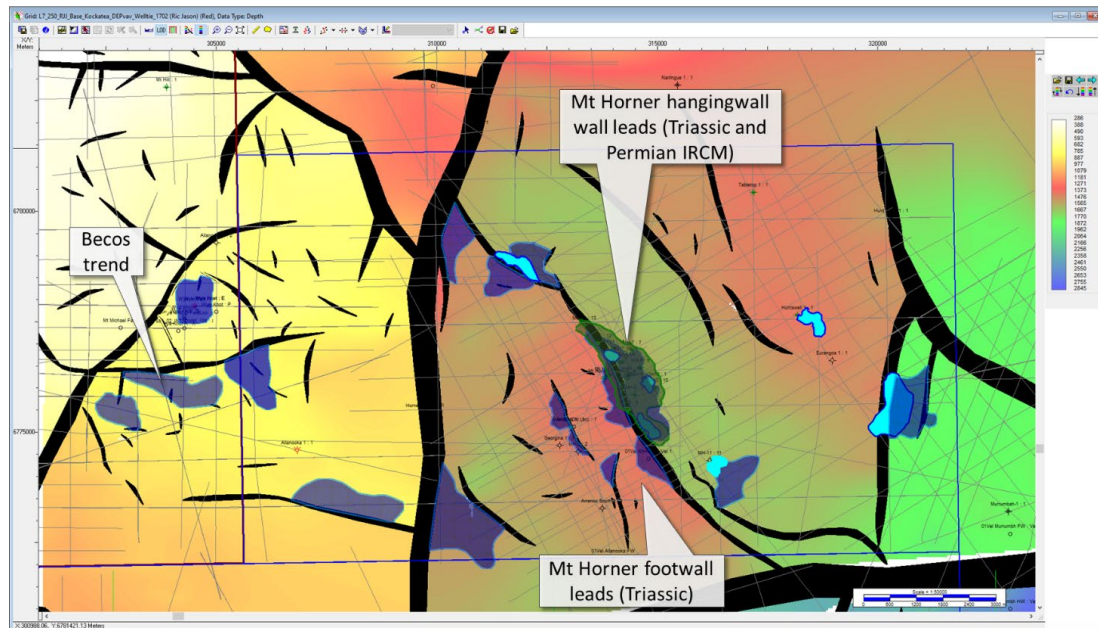


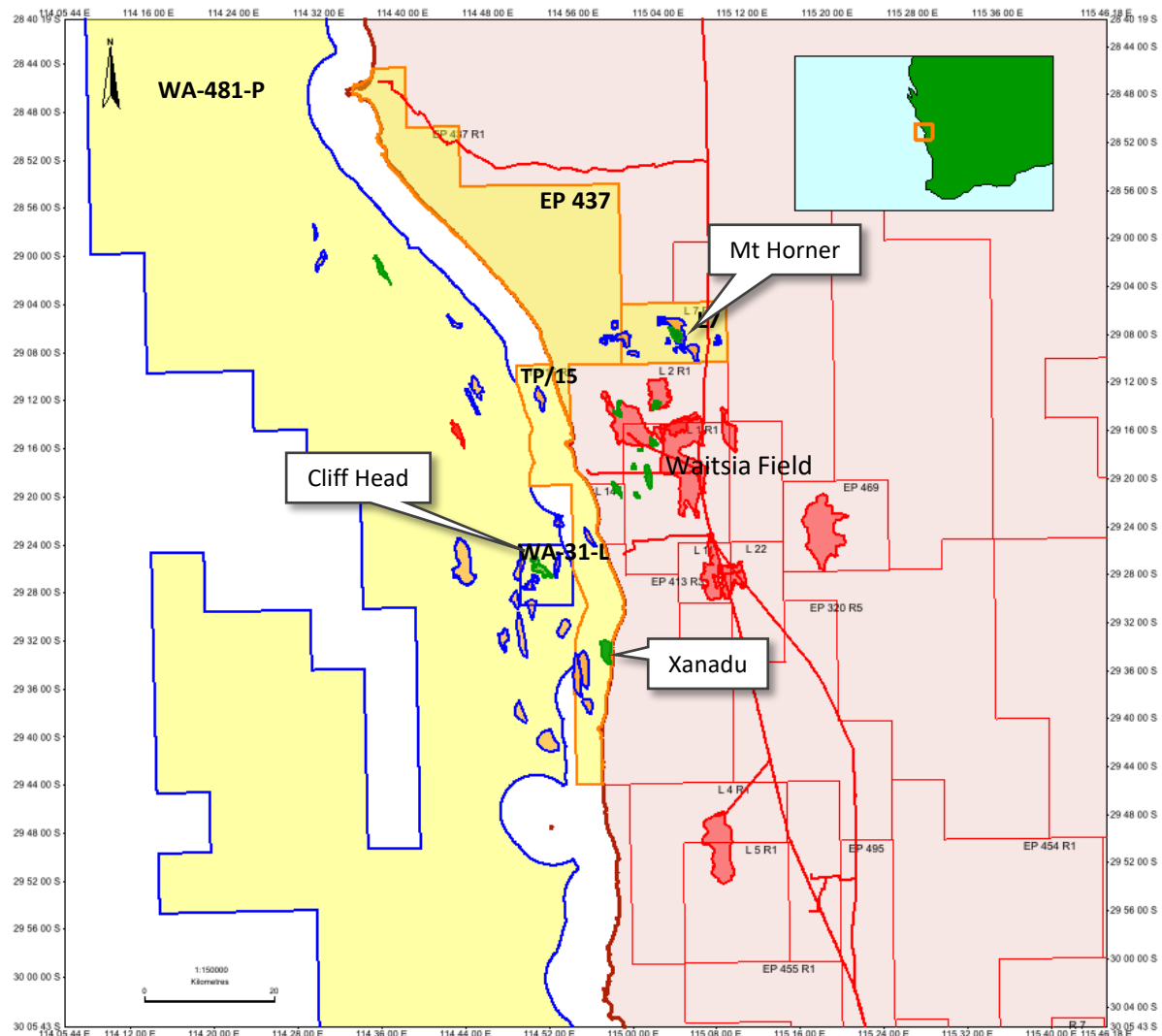
Figure 5 Prospects and Leads Map

EP 437 Leads

The main leads of interest in EP437 is the potential of the Permian Irwin River Coal Measure (IRCM) on the Allanooka Nose with the Becos trend leads. Downthrown rollovers may be enhanced by buttress against lower Permian shales or basement. Allanooka-1 intersected a very high quality IRCM reservoir which is the primary objective of the Becos trend. The Becos leads appear to have upside potential and are a key target of the Bookara 3D seismic survey. Seismic coverage is relatively poor at present.

The Wye Not prospect, targeting oil in the Triassic has also been matured based on the existing 2D seismic data. A possible shallow oil column in the Jurassic F sand is also present in the Wye-1 well.

The consolidation of EP 437 and L7 provides Triangle Energy an extensive portfolio of Jurassic and Triassic oil opportunities along with the upside Permian play. Triangle Energy now becomes a material player in the onshore North Perth Basin as well as the dominant acreage holder offshore.



Approved for Release By: The Board of Directors

ENDS

For further information:

Mr Robert E T Towner

Managing Director

P: +61 8 9219 7111

E: rtowner@triangleenergy.com.au

About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX:TEG) oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant, and a 45% share of the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has a 100% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.