

ASX Announcement

15 March 2021
ASX:TEG



HALF YEAR FINANCIAL REPORT

The Board of Triangle Energy (Global) Limited (**Triangle / the Company**) (ASX: **TEG**) is pleased to present the Company's Half Year Financial Report for the period ended 31 December 2020, as attached to this announcement.

Authorised for Release by: The Board of Directors.

ENDS

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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. Triangle also has a 50% share of the Mt Horner L7 production licence 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 an 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.



TRIANGLE ENERGY (GLOBAL) LIMITED

ABN 52 110 411 428

INTERIM FINANCIAL REPORT

For the six months ended 31 December 2020



CORPORATE DIRECTORY

DIRECTORS

Mr Timothy Monckton (Non-Executive Chairman)
Mr Robert Towner (Executive Director)
Mr Wai-lid Wong (Non-Executive Director)
Mr Malcolm King (Non-Executive Director)

COMPANY SECRETARY

Lucy Rowe

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PRINCIPAL PLACE OF BUSINESS

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BANKERS

Westpac Banking Corporation
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SECURITIES EXCHANGE LISTING

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

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SOLICITORS

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DIRECTORS' REPORT

The Directors present the interim financial report of Triangle Energy (Global) Limited (the **Company, Group, Consolidated Entity or TEG**) for the half-year ended 31 December 2020 and the Auditor's review report therein:

Directors

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Timothy Monckton (Non-Executive Chairman) – appointed Non-Executive Director on 17 July 2018 and as Chairman on 21 March 2019

Mr Robert Towner (Executive Director) - appointed 9 July 2014

Mr Wai-lid Wong (Non-Executive Director) - appointed 11 April 2018

Mr Malcolm King (Non – Executive Director) – appointed 1 June 2020

REVIEW OF OPERATIONS

Company Overview

Triangle is an experienced and successful oil production and exploration company based in Perth, Western Australia. The Company currently has a 78.75% interest in, and is Registered Operator of, the producing Cliff Head Oil Field, which includes the onshore Arrowsmith Stabilisation Plant and offshore Cliff Head Alpha Platform, located in the Perth Basin. Triangle has a 45% joint venture interest in Licence TP-15 which includes the Xanadu-1 oil discovery and a 50% participating interest¹ in Production Licence L7(R1), both also in the Perth Basin. During the reporting period the Company also entered into an agreement to acquire a 78.75% interest in offshore Perth Basin exploration permit WA-481-P².

The Company holds a substantial (27.67%) equity interest in Australian Securities Exchange listed State Gas Limited (**ASX:GAS**) which has an 100% operating interest in the Reid's Dome production Licence PL 231 in Queensland.

Triangle has eleven years of operational experience in the oil and gas sector. The Company has a track record of performing ahead of industry averages in safety performance and will continue to pursue the highest standards in HSE.

Cliff Head, Perth Basin, Western Australia

The Cliff Head Oil Field (**Cliff Head**) is located approximately 300 kilometres north of Perth and 12 kilometres off the coast of Dongara in Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km² and the oil field covers 6km². It was the first commercial oil discovery developed in the offshore Perth Basin with a development cost of AU\$327m and first oil production commencing in May 2006.

Ownership/Operatorship

Triangle has a majority 78.75% interest in, and is Registered Operator of, the producing Cliff Head Oil Field.

The Company is committed to upgrading the Cliff Head onshore and offshore infrastructure and is working to finalise a reserves upgrade. The investment in infrastructure supports future anticipated increases in field production and enables the handling of regional oil through the Arrowsmith Stabilisation Plant (**Arrowsmith: ASP**).

¹ Subsequent to the end of the period the Company entered into a Sale and Purchase Agreement for the remaining 50% of L7(R1) and a further 86.94% in Exploration Permit 437 and is subject to Completion.

² This Sale and Purchase Agreement is subject to Completion.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Production

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

Prior to the start of the financial period, two wells (CH-6 and CH-7) were shut-in. On 25 October 2020, the workover campaign for the two wells commenced with the arrival of the Hydraulic Workover Unit at Cliff Head Alpha Platform.

On 1 December 2020, operations for CH-7 returned after a successful Workover Programme (**Workover**) which included the installation of a new, downhole Electric Submersible Pump (ESP) and was completed ahead of schedule and under budget.

Performance testing and verification was performed and the Company was pleased to announce that production associated with the CH-7 stabilised at approximately 237 bopd, bringing the field total production to approximately 800 bopd as at 31 December 2020.

The successful resumption of production on the CH-7 well revalidates the Company's decision in 2019 to move to the Hydraulic Workover Unit (**HWU**) alternative system for safe and lower cost operations, ESP design and replacement.

The Company also updated shareholders on the CH-6 Workover, which commenced concurrently with the CH-7 Workover. This Workover has been temporarily suspended after initial attempts to retrieve the old ESP were unsuccessful. The failed ESP had been in production for over ten years. This exceptional runlife is a testament to the operation of the well and the Cliff Head field from the Triangle team in Dongara. This pause in CH6 operations enables the Company to progress with contingency planning without incurring any standby costs.

As at 31 December 2020 the field produced 16.46 million barrels of oil (**mmbbls**) and continues to produce at above originally forecast rates.

Oil sales revenue from 1 July 2020 to 31 December 2020 was US\$4.60 million (100%) at a production rate of 605 bopd.

Facilities and Infrastructure

The Cliff Head Alpha Platform and Arrowsmith Stabilisation Plant is the only offshore and operational onshore infrastructure in the highly prospective and under-explored Perth Basin, and are therefore important for any exploration success or development in the surrounding area. An unmanned platform in 15m to 20m of water with a 14km pipeline, carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith with a production capacity of 15,000bopd. The crude oil is trucked 350km to the BP refinery in Kwinana. The Arrowsmith stabilisation processing plant has the capacity to process third party crude.

The remotely operated unmanned offshore platform has five production wells and three water injection wells. The two 14km, 250mm diameter pipelines connect the offshore platform to the onshore crude stabilisation plant. The facility operates on a closed loop water re-injection system.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Exploration Upside

Cliff Head Renewal Project

The Company has been progressing several opportunities within and near the Cliff Head field to enhance production, thereby extending the economic life of the offshore Cliff Head platform, and onshore Arrowsmith Oil Stabilisation Plant.

Several drilling and workover opportunities in the Cliff Head area have matured to Contingent Resources. Subject to positive investment decisions and development drilling success, these opportunities will provide new production streams and represents a step change to oil production rates at Cliff Head. Upon positive investment decisions and key stakeholder approvals, it is intended that the contingent resource will be classed as reserves for the Cliff Head field.

On 29 October 2020, the Company announced an updated Reserves and Resources summary for the Cliff Head Field. The impact of the cessation of production at the Refinery (refer page 13) and the need to transition to an alternate opportunity on the economic parameters underpinning these Reserves is unknown at this time. Accordingly, the Company withdrew its Cliff Head Reserves statements while the position is confirmed. The Company will release an update once the underlying economic assumptions can be confirmed with a reasonable degree of certainty.

On 15 March 2021, subsequent to the end of the reporting period, Triangle confirmed its Contingent and Prospective Resource estimates, as outlined below, as these estimates are not reliant on economic parameters and there has been no material changes to the previous assessment as announced on 29 October 2020.

Contingent and Prospective Resources are tabulated below:

Cliff Head (WA-31-L)

Contingent Resources (Gross)			
(MMstb Oil)	1C (Low)	2C (Best)	3C (High)
SE Nose	0.49	0.81	1.25
West High	0.61	1.06	1.94
West Flank		0.79	
Far North		0.41	
Cliff Head Field Life Extension		0.70	
Total (Gross)		3.77	

Net TEG (78.75%) Contingent Resources			
(MMstb Oil)	1C (Low)	2C (Best)	3C (High)
SE Nose	0.39	0.64	0.98
West High		0.83	1.53
West Flank		0.62	
Far North		0.32	
Cliff Head Field Life Extension		0.55	
Total TEG Share		2.97	

Prospective Resources (Gross)			
(MMstb Oil)	Low	Best	High
Mentelle Updip	1.71	5.44	9.96
Catt	0.35	0.83	1.42
South Cliff Head		3.00	
Total (Gross)		9.27	

Net TEG (78.75%) Prospective Resources**			
(MMstb Oil)	Low	Best	High
Mentelle Updip	1.35	4.28	7.84
Catts	0.28	0.65	1.12
South Cliff Head		2.36	
Total TEG Share		7.30	

Table 1 Contingent and Prospective Resources

**The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Three attractive drilling opportunities that could be drilled and developed from the Cliff Head platform and are technically mature and economically justified for drilling were developed from the previously completed Cliff Head Renewal Project (CHRP); the South-East Nose development, West High appraisal/development and Mentelle Updip exploration prospect. The Contingent and Prospective Resources above were originally announced on 29 October 2020 as outlined above. Success with these opportunities could materially extend the life of the Cliff Head oil field subject to oil price and operating costs.

DIRECTORS' REPORT (continued)

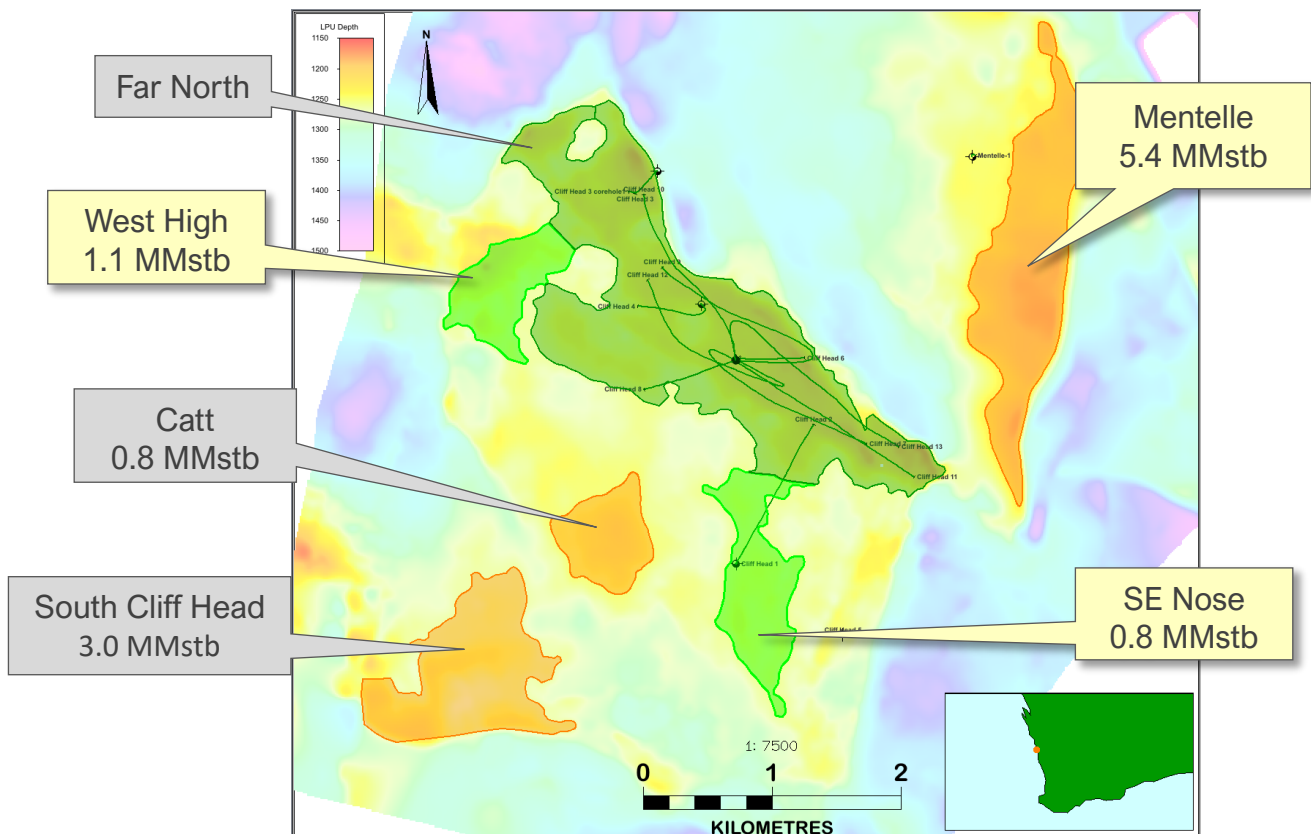
REVIEW OF OPERATIONS (continued)

The company also evaluated a low-cost workover opportunity to initiate water injection into the uppermost perforated interval of CH11 to support production from CH7 and CH13. By activating a sliding sleeve, water injection into the upper perforated zones of CH11 could enhance production from CH7 and improve sweep efficiencies in the eastern extent of the field. The workover of CH11 is planned for Q2 2021.

Farmout Campaign and Commencement of Well Planning

The Company has commenced a farmout campaign on behalf of the Cliff Head Joint Venture, to seek interested parties to participate in the drilling of West High, Mentelle and/or SE Nose. A number of companies were approached with several still evaluating the opportunity.

The company has also commenced well planning for SE Nose, West High and Mentelle Updip targeting a drilling campaign during the first half of 2022. The well planning is moving into the detailed design phase to meet a 2022 drilling timetable.



Safety and Asset Integrity

The CHJV is dedicated to HSE and Asset Integrity Management. The facility at Cliff Head has been producing oil since May 2006 and the operation has been without significant safety or operational incident since start-up. Offshore Australian projects are subject to the OPGGSA safety case regime and all requirements are being implemented at the offshore and onshore facilities.

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

Through its existing Cliff Head oil field production operations, the CHJV has established good relations with the regulators, fishing community, landholding sectors, tourism stakeholders and other operators in the area.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

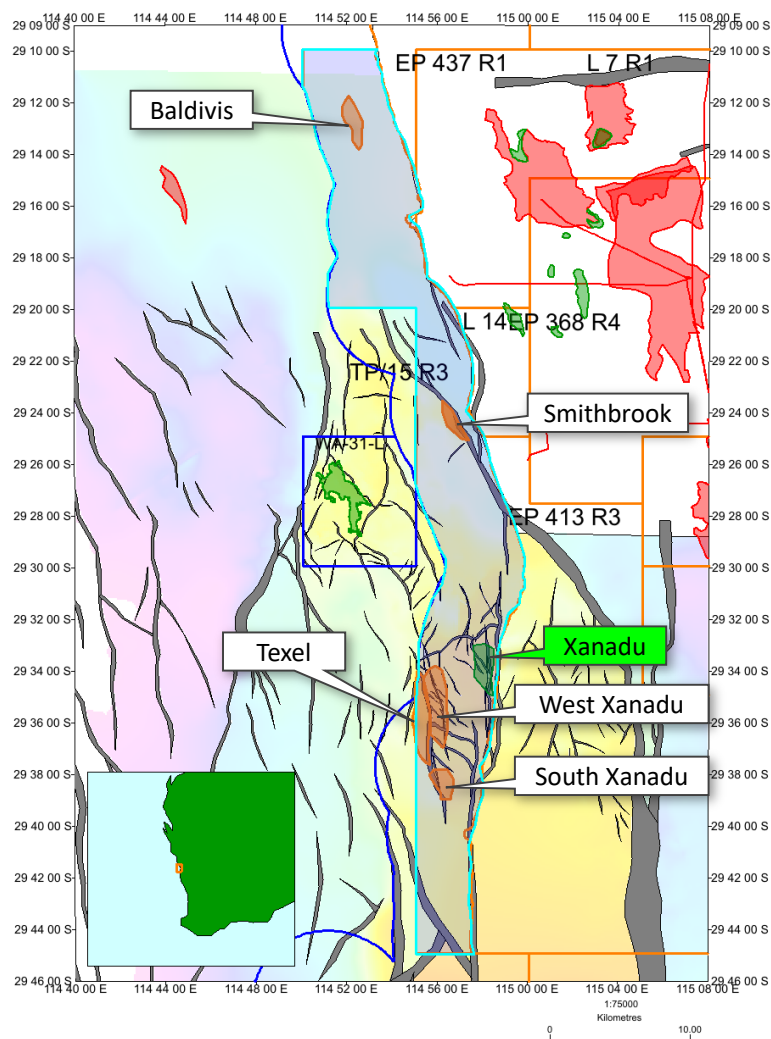
TP/15 Joint Venture, Perth Basin, Western Australia

As at the date of this report, Triangle has a 45% interest in the TP/15 Joint Venture which is located in the Perth Basin approximately 300 kms north of Perth. The permit occupies the three nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covering an area of 645km². Norwest Energy NL (**Norwest**; ASX:NWE) is the Operator of the Joint Venture.

TP/15 hosts the Xanadu oil discovery within the large Xanadu structure. Although the reservoir quality is less than optimal, the discovery of oil in the Xanadu-1 well is positive in so far as it demonstrates an oil charge to and moveable oil within TP/15. The results of the Xanadu 3D seismic data, along with the well data, suggests that commercial potential of the Xanadu discovery may be limited. However, the recovery of moveable oil in the Xanadu-1 well is very encouraging for TP/15. It indicates that an oil charge is present south of the Cliff Head.

The Company also expects reservoir quality to improve west of the Xanadu structure. Significant exploration potential remains in TP/15 with the West Xanadu and in the Texel leads, located some 10km to the southwest of Xanadu. Texel is a high potential Permian oil play, targeting the High Cliff Sandstone which hosts the prolific gas discoveries onshore, on the other side of the Beagle Ridge. Additional oil potential exists in the Dongara Sandstone and Irwin River Coal Measures, the latter being the reservoir at the Cliff Head oil field.

Additional seismic coverage is required to progress Texel and West Xanadu to drillable status. The company is actively reviewing the opportunity to cost effectively combine seismic acquisition in TP/15 along with data acquisition in the adjacent WA-481-P to mature these leads for drilling.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

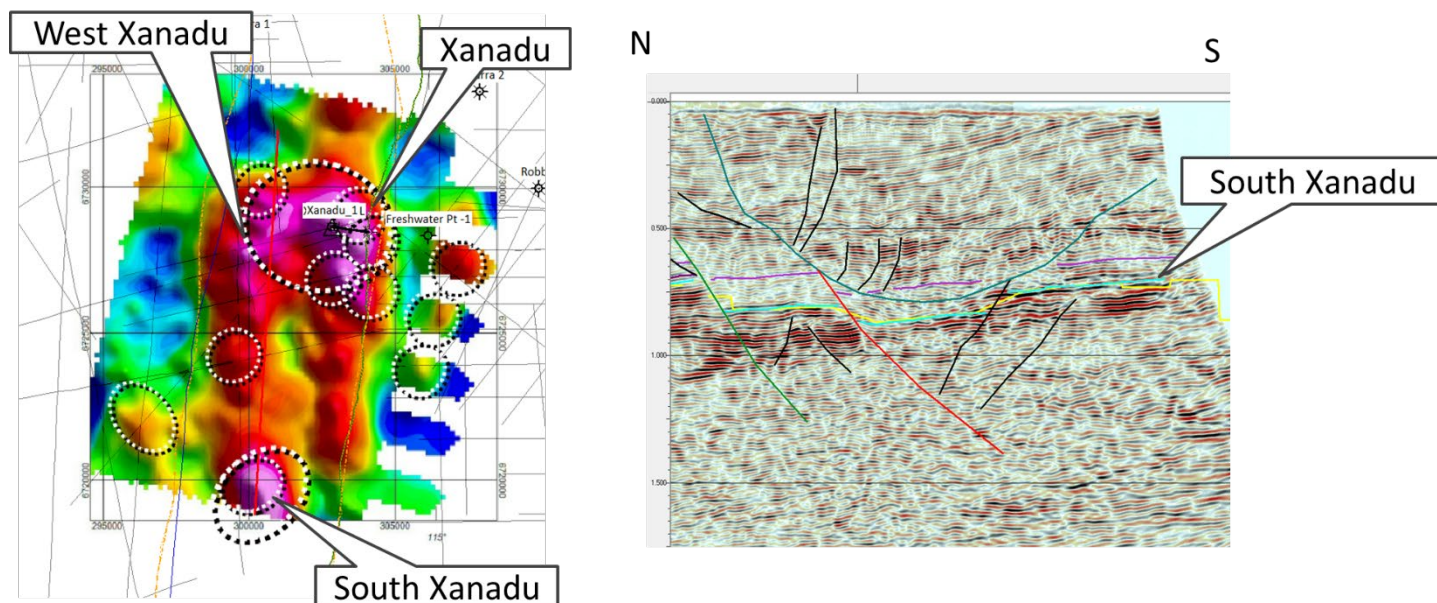


Figure: Possible South Xanadu structure on Full Tensor Gravity and single seismic line

Joint Venture interests

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

Mt Horner Production Licence L7(R1) Joint Venture, Perth Basin, Western Australia

On 31 October 2018, the Board of Triangle was pleased to announce that it had entered into a Farmout Agreement with Key Petroleum Limited (ASX:KEY) to acquire a 50% participating interest in Production Licence L7(R1) (Acquisition). A wholly owned subsidiary of Triangle will hold the relevant interest earned under the Farmout Agreement.

On 2 October 2019, the Company announced that the Farmout Agreement had completed with all approvals received.

During the reporting period, planning activities were undertaken for the Bookara 3D Seismic Survey, with the Survey to be conducted in 2021 as part of the agreed Farmin Work Program under the Farmout Agreement signed on 31 October 2018, to be funded by Triangle Energy (Global) Limited and further activities commenced including, survey design, Botanical Survey, and high-resolution aerial photo survey as part of the environmental approvals. Stakeholder engagement pertaining to access is also well underway.

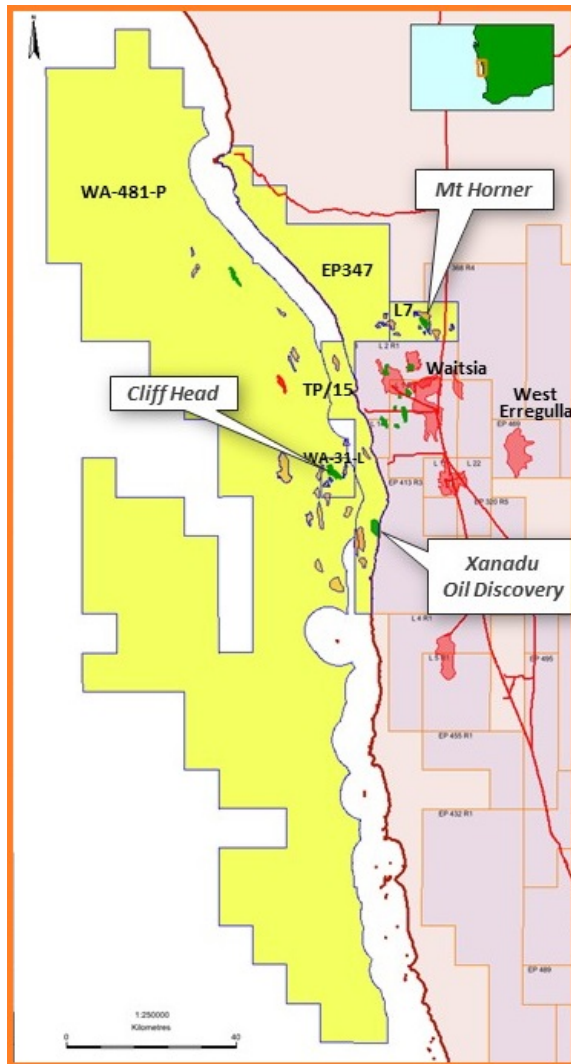
On 31 January 2021, subsequent to the end of the reporting period, the Company announced that it had entered into a Sale and Purchase Agreement (Agreement) and Royalty Deed (Royalty Deed) with subsidiaries of Key Petroleum Limited (ASX:KEY) to acquire Key Petroleum (Australia) Pty Ltd's (**Key Petroleum**) 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.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Joint Venture interests as at 31 December 2020³

JV Participant	ASX Code	Percentage Interest
Key Petroleum Ltd (via subsidiary) (Operator)	ASX:KEY	50%
Triangle Energy (Global) Ltd (via subsidiary)	ASX:TEG	50%



Acquisition of 78.75% of WA-481-P and Formation of Joint Venture

On 9 November 2020, the Company was pleased to advise it had entered into an agreement with Pilot Energy Limited (**Pilot**) to acquire a 78.75% interest in offshore Perth Basin exploration permit WA-481-P covering 8,605km². WA-481-P is located immediately adjacent to, and contiguous with, the Triangle owned and operated offshore Cliff Head Oil Field. Pilot is currently the 60% owner and operator of offshore Exploration Permit WA-481-P and has entered into definitive agreements to acquire the remaining 40% interest from Key Petroleum Limited (ASX:KEY), subject to Pilot shareholder approval.

Upon Completion of the acquisition of Key's 40% interest, Pilot will hold a 100% interest in WA-481-P.

Triangle has entered into a binding agreement with Pilot to acquire a 78.75% interest in, and operatorship of, WA-481-P, with Pilot retaining a 21.25% non-operated working interest in the permit. This transaction is conditional on Pilot acquiring Key's 40% interest in WA-481-P and Pilot and Triangle agreeing;

- (i) a revised joint operating agreement in respect of WA-481-P;
- (ii) a joint operating agreement in respect of the Cliff Head Wind & Solar Project Joint Venture; and
- (iii) access agreements in respect of the Cliff Head and Arrowsmith infrastructure and operations on the area of WA-481-P. The transfer of WA-481-P is subject to standard regulatory approvals.

The cut-off date to agree these documents and for the WA-481-P transaction to complete was 15 March 2021 (or as otherwise agreed). The Completion date has subsequently been extended by mutual agreement between the parties, from 15 March 2021 to 9 April 2021. As consideration for the acquisition, Triangle will:

- Pay Pilot \$300,000 at completion; and
- Carry Pilot's 21.25% share of costs for the first 3 years of the WA-481-P minimum work program (up to a maximum of \$1.22 million based on the current minimum work program).

Triangle is majority owner and operator of the Cliff Head Oil Field (located in the Offshore Production Licence WA-31-L) and the onshore Arrowsmith Separation and Processing Facilities. As previously announced to ASX on 25 September 2020, Pilot has entered into definitive agreements to acquire Royal Energy Pty Ltd, which holds an effective 21.25% interest in the Cliff Head Oil Field through its ownership of 50% interest in Triangle Energy Operations Pty Ltd (TEO), the operator and owner of 42.5% joint venture interest in the Cliff Head Oil Field.

Upon completion of the sale of the majority 78.75% interest in and transfer of operatorship of WA-481-P, Pilot and Triangle will have created substantial alignment through the newly created WA-481-P Joint Venture and the existing Cliff Head Oil Field Joint Venture (in which Pilot will acquire an effective 21.25% interest upon the completion of the Royal Energy Acquisition).

³ This licence is the subject of a Sale and Purchase Agreement which is subject to completion

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Triangle has agreed that Pilot's share in any oil and gas discoveries in WA-481-P will be developed and produced through the Cliff Head Oil Field facilities and that Pilot will have access to these facilities on the same basis as Triangle (subject to market standard terms).

The WA-481-P permit contains numerous leads and prospects located within close proximity to the Cliff Head Alpha Production Platform. As part of the definitive agreement to acquire the majority interest in WA-481-P, Triangle has also agreed that the work program to be conducted in the permit will be directed in the defined area around Cliff Head covering these numerous previously identified leads and prospects.

Triangle's initial focus in WA-481-P will be on the prospectivity west and south of Cliff Head field. This area is considered highly prospective for oil as evidenced by Cliff Head oil field and the Xanadu oil discovery. Several leads are mapped in this area which require further definition with seismic acquisition. Any discovery that could arise from these leads could potentially be developed through the Cliff Head infrastructure.

The wider WA-481-P area is also highly prospective for oil and gas. Triangle will evaluate and develop the greenfield exploration potential of this very large permit which lies on the eastern margin of the Abrolhos Sub-basin, a proven source kitchen. Development of the Dunsborough oil and gas discovery will also be further investigated. Triangle and Pilot will enter into a conventional offshore oil and gas joint operating agreement covering the establishment of the joint venture managing the permit and the operatorship of the permit with Triangle as the operator. Under these arrangements, Pilot will be designated the operator's representative in connection with all matters relating to the interface with any potential offshore wind development affecting the WA-481-P permit area.

Cliff Head Wind and Solar Project Joint Venture

In addition to and in parallel with the sale of the majority interest in WA-481-P, Triangle and Pilot have also agreed to form the Cliff Head Wind and Solar Project Joint Venture (Wind & Solar JV) with Pilot owning 80% and Triangle 20% (subject to agreeing the terms of a joint operating agreement and the WA-481-P transaction completing).

The Wind & Solar JV will assess the feasibility of the development of an offshore wind and onshore wind and solar power project centred around the Cliff Head Offshore Oil Field production facilities, Cliff Head Alpha and the onshore Arrowsmith Separation and Processing Facilities, encompassing:

- taking advantage of well-recognised, world-class wind and solar resources of Western Australia's Mid-West Region.
- multi-tasking the existing Cliff Head Oil Field offshore and onshore facilities to improve their utilisation and extend their life.
- Triangle and Pilot negotiating an access and coordination agreement to establish the basis for providing accessing to the existing Cliff Head Alpha Platform, the offshore/onshore pipeline right of way from the platform and to the onshore Arrowsmith Separation and Processing Facilities; and
- Pilot carrying Triangle's costs in conducting the feasibility study for the development of the wind and solar power project.

Joint Venture interests⁴

JV Participant	ASX Code	Percentage Interest
Pilot Energy Limited (Operator)	ASX:KEY	21.25%
Triangle Energy (Global) Ltd (via subsidiary)	ASX:TEG	78.75%

Investments

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Limited (**State Gas**) (**ASX:GAS**) with an interest of 27.67% The investment is equivalent to \$26.82million in value at a \$0.56 price (as at 31 December 2020) per State Gas share.

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

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

⁴ This acquisition is still subject to completion.

DIRECTORS' REPORT (continued)

CORPORATE (continued)

Shareholder Meetings:

Annual General Meeting

Triangle held its Annual General Meeting of shareholders on 27 November 2020 and all resolutions were passed by a sufficient majority.

Capital Raisings

Private Placement of Shares to Professional and Sophisticated Investors

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

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

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

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

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

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

There were no underwriting arrangements entered into for the Placement.

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

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

CH6 has been shut in since June this year. The successful workover for this well will return additional barrels of oil at Cliff Head, taking total production close to approximately 1000 barrels of oil per day.

Share Purchase Plan

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

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

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

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

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



DIRECTORS' REPORT (continued)

CORPORATE (continued)

The Company received SPP applications totalling \$4,934,000 and the Board exercised its absolute discretion in accepting all valid oversubscriptions to the maximum threshold permitted under ASX Listing Rule 7.2 Exception 5 (being up to 30% of the Company's issued capital) and pursuant to the terms and conditions of the Company's SPP. Therefore, the total amount raised under the SPP was \$3,906,903, representing 130,230,084 Shares.

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

The SPP Shares were issued on 13 October 2020.

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

Pase PSC – PT Enso Asia

Triangle was owed US\$1.02 million, held in escrow, in relation to the Sale and Purchase Agreement of the Pase Production Sharing Contract by PT Enso Asia which completed in February 2016. The US\$1.02 million (AU\$1.46 million) held under contract, to be released to Triangle after the Indonesian Ministry of Energy and Resources (**ESDM**) or Special Unit for Upstream Oil and Gas Operations (**SKKMIGAS**) provides written approval of the Change of Control of the Pase PSC.

On 2 December 2020, the Company announced that it had commenced arbitration proceedings against PT Enso Asia by filing a Notice of Arbitration with the Singapore International Arbitration Centre over this unpaid consideration from the Company's sale of its Indonesian asset (**Pase PSC**) in 2016.

Subsequent to the end of the reporting period on 21 January 2021, the Company advised that further to its announcement on 2 December 2020, the US\$1.02M of escrowed funds from PT Enso Asia had been released from escrow and paid into Triangle's bank account as cleared funds.

Triangle has accordingly instructed its lawyers to withdraw its claim against PT Enso Asia in the Singapore International Arbitration Centre (**SIAC**). On 16 February 2021, the Company received an advice from its lawyers that the proceedings will be closed with no further costs due.

Request for Arbitration from PDPA

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

The claim relates to the Production Sharing Contract for the Pase Concession (in which the Company sold its interest in February 2016). PDPA is alleging Triangle Energy (Global) Limited owe:

- a) Contribution for CSR: US\$ 0.781 million; and
- b) Building Road: US\$ 3.35 million.

On 9 December 2019, Triangle attended an evidentiary hearing followed by a closing hearing on 20 December 2019 at the BANI Arbitration Centre in Jakarta.

On 27 July 2020 the Company was pleased to announce the results of the award hearing in respect of the arbitration proceedings which were held in the BANI Arbitration Centre in Jakarta on Friday 24 July 2020.

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



DIRECTORS' REPORT (continued)

CORPORATE (continued)

BP Kwinana Refinery Conversion

On 30 October 2020, BP announced its intention to cease fuel production at its Kwinana Refinery and convert the refinery into a fuel import terminal.

Triangle continues to deliver crude oil produced at its Cliff Head Oil Project in the Perth Basin to the BP Kwinana Refinery under a Crude Oil Supply Agreement (Supply Agreement).

Triangle has investigated several export and domestic markets for its product in the past and will continue these efforts in parallel with government policy measures aimed at protecting Australia's domestic refining capability. Triangle shares the concerns voiced by the Western Australian and Federal governments and believes ongoing refining capability is vital for the nation's future energy security.

On 29 October 2020, the Company announced an updated Reserves and Resources summary for the Cliff Head Field. The impact of the cessation of production at the Refinery and the need to transition to an alternate opportunity on the economic parameters underpinning these Reserves and Resources is still unknown at this time. Accordingly, the Company withdrew its Reserves and Resources statements while the position is confirmed. The Company will release an update once the underlying economic assumptions can be confirmed with a reasonable degree of certainty.

On 11 January 2021, subsequent to the end of the reporting period, the Company announced that it had received formal notice of termination from BP under the Crude Oil Supply Agreement with the termination effective date being 16 February 2021.

On 11 February 2021, the Company announced that the termination effective date had been extended to 1 March 2021. On 1 March 2021, the Company announced that it had received a notice of variation of the termination date from BP under the Crude Oil Supply Agreement and an amendment of the Crude Oil Supply Agreement. The termination effective date has been extended from 1 March 2021 to 22 March 2021.

The Company is continuing to assess the alternate opportunities which may be available once production at the Kwinana Refinery ceases.

Capital and Management Expenditure

As at 31 December 2020, Triangle had a cash balance of \$3.06 million of which \$1.33 million was held in escrow but was received as cleared funds subsequent to the end of the reporting period.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd and the CHJV. This investment is equity accounted for in the Group's financial statements and is carried at cost.

Triangle continues to implement initiatives to reduce operating expenditure and has achieved significant cost reductions across all aspects of the Cliff Head joint venture.

Loan and borrowings

The Company considers loans to be part of its capital management. The Company has a loan with its 50% jointly controlled subsidiary, Triangle Energy (Operations) Pty Ltd which stands at \$860,967 (net of repayment) as at 31 December 2020. The loan is interest free, unsecured and repayable on demand.

The Company also lent money to Triangle Energy (Operations) Pty Ltd amounting to \$800,000 in relation to expenditures on CH-6 and CH-7 workovers at Cliff Head.

Shareholder Analysis

As at 31 December 2020 the Company had 1417 shareholders and 564,330,438 Shares on issue. The Top 20 shareholders hold 41.55% of the total issued capital.



DIRECTORS' REPORT (continued)

CORPORATE (continued)

RESULTS

The net loss of the Consolidated Entity after income tax for the half-year was \$5.039 million (2019 net loss: \$0.216 million) due to a combination of significant cash and non-cash items set out below:

- Reduction in gross profit margin due to lower oil price and lower barrels produced, net change for the comparative period is \$3.639 million; and
- The Company recognised an impairment of its oil and gas assets to a total of \$3.155 million as a consequence of changes to the significant assumptions on operating costs as a result of BP Refinery closure and foreign currency.

Financial Position

Triangle holds a 50% shareholding of Cliff Head's operating company, Triangle Energy (Operations) Pty Ltd with Royal Energy Pty Ltd holding the other 50%. The Company currently accounts for this investment as an associate on the basis that it is jointly controlled by both shareholders.

The Company continues to hold an investment in State Gas Limited of 27.67%. The investment is considered to be an associate, for accounting purposes given the Company's significant shareholding and one director on the board.

The Company financial statements show the following key movements in the Group's assets and liabilities over the period:

- Increase in cash assets by \$0.652 million to \$3.057 million (30 June 2020: \$2.405 million);
- Increase in trade receivables by \$0.178 million to \$0.809 million (30 June 2020: \$0.631 million);
- Decrease in trade and other payables by \$0.505 million to \$3.158 million (30 June 2020: \$3.663 million);
- Decrease in other receivables by \$0.393 million to \$0.563 million (30 June 2020: \$0.955);
- Non-current assets \$28.980 million (30 June 2020: \$28.370 million); and
- Non-current liabilities \$22.513 million (30 June 2020: \$22.392).

Events Subsequent to Reporting Date

BP Refinery

On 11 January 2021, the Company announced it had received formal notice of termination from BP under the Crude Oil Supply Agreement with the termination effective date being 16 February 2021. On 11 February 2021, the Company further announced that it had received a notice of variation of the termination date from BP under the Crude Oil Supply Agreement. The termination effective date has therefore been extended from 16 February 2021 to 1 March 2021. On 1 March 2021, the Company announced that the termination effective date had further been extended to 22 March 2021.

Escrowed Funds

On 21 January 2021 the Company was pleased to advise that further to its announcement on 2 December 2020, the US\$1.02M of escrowed funds from PT Enso Asia was released from escrow and paid into Triangle's bank account as cleared funds. Triangle accordingly instructed its lawyers to withdraw its claim against PT Enso Asia in the Singapore International Arbitration Centre (SIAC).

Triangle had been owed the amount of US\$1.02 million (held in escrow) since completion of the Sale and Purchase Agreement for the Pase PSC in February 2016.

Acquisitions

On 31 January 2021 the Company announced that it had 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.



DIRECTORS' REPORT (continued)

CORPORATE (continued)

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

The Company was also pleased to announce that it had received binding commitments to raise gross proceeds of A\$1.19 million from sophisticated and professional investors by way of a share placement (**Placement**). The Company received binding commitments under the Placement 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, representing 21.36% discount to the 15-trading day VWAP

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 placement shares were issued on 8 February 2021. The Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A.

Significant Changes in The State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the interim period not otherwise disclosed in this report and the interim financial statements.

DIRECTORS' REPORT (continued)

CORPORATE (continued)

Notes Regarding Contingent and Prospective Resources

The Contingent Resources for the Cliff Head asset are held under the Production Licence WA-31-L in which Triangle holds a net equity share of 78.75%. Some of these Contingent Resources were previously reported as Prospective Resources (Triangle Energy ASX announcement of 18 July 2018). West High was previously reported as A1(a): NFE West and SE Nose as A3(b): NFE South East. West High and West Flank are interpreted to be a western extension of the main Cliff Head field and nearby the Cliff Head 8 oil column. SE Nose is updip of the Cliff Head-1 oil recovery. The Contingent Resources are based on detailed interpretation of the Cliff Head 3D seismic survey and geological interpretation based on the Cliff Head exploration, appraisal and development wells that were undertaken as part of the 2019 geological modelling update. The CH11, West High, West Flank and SE Nose Contingent Resources were prepared using the probabilistic method and those for CH13 attic and East Horst K sand were prepared using the deterministic method. These Contingent Resources are contingent on further field development studies and economic evaluation.

The Prospective Resources are also held under the Production Licence WA-31-L in which Triangle holds a net equity share of 78.75%. The Mentelle and Cliff Head South Prospects are based on the interpretation of 2D seismic data and Cliff Head area wells. The Mentelle Prospective Resources were prepared using the probabilistic method and the South Cliff Head Prospective Resources using the deterministic method. The South Cliff Head prospect was previously referred to as A2(a) NFE South. The acquisition of additional seismic data is planned for 2020 and exploration drilling in 2021. They are considered to have a moderate chance of discovery and a high chance of development if exploration drilling is successful development and can be developed through the Cliff Head infrastructure.

Summations of resources, where present, are arithmetic.

The evaluation date for the Contingent Resources and Prospective Resources reported here is 26 October 2020. The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).

Qualified Petroleum Reserves and Resources Evaluator Statement

In accordance with ASX Listing Rules, Information in this report that relates to all Petroleum Resources and Prospective Resources and proved, and probable reserves has been reviewed and signed off by Mr Matt Fittall, a full-time employee of Triangle Energy (Global) Limited. Information that relates to reserves is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Fittall. He has consented to the form and context in which the information that relates to the reserves is presented. Mr Fittall is a Geologist BSc(hons)Geology with more than 30 years' experience, practising in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australia (PESA).

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 interim financial report. This Independence Declaration is set out on page 17 and forms part of this Directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Timothy Monckton
Chairman

Date: 15 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Triangle Energy (Global) Limited for the half-year ended 31 December 2020, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2021



D I Buckley
Partner

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TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(INCOME STATEMENT)
HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	31 DECEMBER 2020 \$	31 DECEMBER 2019 \$
Revenue	1.1	3,649,190	7,672,084
Cost of sales		(3,513,825)	(3,897,491)
Gross profit		135,365	3,774,593
Other income	1.1	385,368	201,713
Employment expenses	1.2	(1,536,835)	(1,517,571)
General and administration expenses	1.2	(722,400)	(762,375)
Finance costs		(6,263)	-
Amortisation and depreciation expense		(404,041)	(474,683)
Share of associate's (loss) / profit		(30,000)	345,522
Interest – unwind of discounts for provision for restoration	4.6	(156,854)	(152,356)
Impairment expenses	2.1	(3,155,217)	-
Profit / (Loss) before income tax expense		(5,490,877)	1,412,187
Income tax benefit / (expense)	1.3	452,201	(1,628,639)
(Loss) after tax from continuing operations		(5,038,676)	(216,452)
Other comprehensive income			
<i>Items that may be realised through profit or loss</i>			
Movement in reserves (net of tax)		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive (loss) for the half-year, net of tax			
Owners of Triangle Energy (Global) Limited		(5,038,676)	(216,452)
Loss per share attributed to the owners of the Company	1.4		
Basic (loss) per share – cents per share		(1.084)	(0.063)
Diluted (loss) per share – cents per share		(1.084)	(0.063)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)
AS AT 31 DECEMBER 2020

	Notes	31 DECEMBER 2020 \$	30 JUNE 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.1	3,057,017	2,405,103
Trade receivables	4.1	809,144	631,092
Other receivables and assets	4.2	562,564	955,188
Total current assets		4,428,725	3,991,383
NON-CURRENT ASSETS			
Plant and equipment	4.4	158,457	184,024
Other receivables	4.2	800,000	-
Exploration and evaluation expenditure	2.2	12,791,271	12,450,472
Other financial assets	4.3	110,000	110,000
Investment in associates	2.3	-	-
Oil and gas properties	2.1	2,869,491	4,264,580
Deferred tax assets	1.3	7,822,310	7,370,109
Total non-current assets		24,551,529	24,379,185
TOTAL ASSETS		28,980,254	28,370,568
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4.5	3,158,328	3,663,462
Lease liability	3.4	38,728	31,530
Total current liabilities		3,197,056	3,694,992
NON-CURRENT LIABILITIES			
Provisions	4.6	21,593,476	21,436,622
Borrowings	3.3	860,967	870,967
Lease liability	3.4	58,863	84,598
Deferred tax liabilities	1.3	-	-
Total non-current liabilities		22,513,306	22,392,187
TOTAL LIABILITIES		25,710,362	26,087,179
NET ASSETS		3,269,892	2,283,389
EQUITY			
Issued capital	3.2	42,690,308	36,715,029
Reserves	3.5	820,834	770,934
Accumulated losses		(40,241,250)	(35,202,574)
TOTAL EQUITY		3,269,892	2,283,389

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	31 DECEMBER 2020 \$	31 DECEMBER 2019 \$
Cash flows from operating activities			
Receipts from customers		4,201,851	7,902,530
Payments to suppliers and employees		(7,665,976)	(7,438,177)
Interest paid		(3,356)	-
Income tax received / (paid) including PRRT		279,920	(279,920)
interest received		1,002	4,370
Net cash (outflows) / inflows from operating activities		(3,186,559)	188,803
Cash flows from investing activities			
Payment for plant and equipment		(710,745)	(1,113,328)
Payments for exploration expenditure		(340,800)	(1,287,861)
Payment to acquire associates shares		(30,000)	-
Payment to associate – loan		(800,000)	-
Net cash (outflows) from investing activities		(1,881,545)	(2,401,189)
Cash flows from financing activities			
Proceeds from issue of shares		6,107,303	3,600,000
Payment for share issue costs		(117,624)	(242,909)
Proceeds from the issue of options		-	47,577
Repayment of borrowings		(28,537)	-
Net cash inflows from financing activities		5,961,142	3,404,668
Cash and cash equivalents at the beginning of the period		2,405,103	2,490,036
Net increase in cash and cash equivalents		893,038	1,192,282
Effect of exchange rate fluctuations on cash held		(241,124)	3,089
Cash and cash equivalents at end of half-year	3.1	3,057,017	3,685,407

The above Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated					
	Issued capital	Accumulated losses	Share based payment reserve	Option reserve	Convertible note reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	36,715,029	(35,202,574)	691,780	72,151	7,003	2,283,389
Transactions with shareholders in their capacity as shareholders						
Issue of shares (cash)	6,107,303	-	-	-	-	6,107,303
Cost of share issue	(132,024)	-	-	-	-	(132,024)
Issue of Performance Rights	-	-	49,900	-	-	49,900
Comprehensive Income						
(Loss) for the period	-	(5,038,676)	-	-	-	(5,038,676)
Total comprehensive (loss) for the half-year	-	(5,038,676)	-	-	-	(5,038,676)
Balance at 31 December 2020	42,690,308	(40,241,250)	741,680	72,151	7,003	3,269,892

	Issued capital	Accumulated losses	Share based payment reserve	Convertible note reserve	Option Reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	33,357,938	(31,416,010)	570,287	7,003	-	2,519,218
<i>Transaction with shareholders in their capacity as shareholders</i>						
Issue of shares (cash)	3,600,000	-	-	-	-	3,600,000
Cost of share issue	(242,909)	-	-	-	-	(242,909)
Issue of options	-	-	-	-	47,577	47,577
Issue of Performance Rights	-	-	52,316	-	-	52,316
<i>Comprehensive Income (Loss) for the period</i>	-	(216,452)	-	-	-	(216,452)
<i>Total comprehensive (loss) for the half-year</i>	-	(216,452)	-	-	-	(216,452)
Balance at 31 December 2019	36,715,029	(31,632,462)	622,603	7,003	47,577	5,759,750

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

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TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year report of Triangle Energy (Global) Limited (the **Company, Group or Triangle Energy**) for the period ended 31 December 2020 was authorised for issue in accordance with a resolution of directors on 15 March 2021.

The Company is a public company limited by shares incorporated and domiciled in Australia whose securities are traded on the Australian Securities Exchange Limited (ASX Limited).

The nature of the operations and principal activities of the Company are described in the directors' report.

(a) Basis of Preparation

The principle accounting policies adopted for the preparation of interim financial report are set out below. These accounting policies have been applied consistently to all periods presented unless otherwise stated.

(i) Statement of compliance

This interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual financial report.

It is recommended that this interim financial report be read in conjunction with the any public announcements made by Triangle Energy (Global) Limited up to the date of this report in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

(ii) Basis of measurement and reporting convention

This interim financial report has been prepared on an accruals basis and is based on historical cost except for assessing the fair value of the Group's investments. The interim financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Segment Information

Operating Segments – AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period. Operating segments are reported in a uniform manner to which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

An operating segment is a component of the group that engages in business activity from which it earns revenue or incur expenditure, including those that relate to transactions with other group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Board monitors the operations of the Company based on two segments, operational and corporate. The financial results of each segments are reported to the board to assess the performance of the Group.

The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and the consolidation of the oil producing subsidiaries which represent the finance, treasury, compliance and funding elements of the Group (legal parent and Triangle (Qld)) and Triangle Perth Basin Pty Ltd, T Offshore and T Oil are the operational performance of the Group's revenues and costs of production and sale.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

(c) Revenue recognition (AASB 15)

The Company currently has one contract for the delivery of crude oil to a local refinery. The Company has assessed the performance obligations under the contract and these relates specifically to the delivery of all product produced by the Cliff Head joint venture to this refinery. The customer takes delivery of this product at the refinery gate and at this point the Company's obligations end.

(i) Sale of oil

Revenue is recognised when the Company completes its obligations to deliver its produced crude oil to its customer at a local refinery.

(d) Financial Instruments (AASB 9)

The Company has a number of receivables in the statement of financial position which are subject to the requirements of AASB 9. As at 30 June 2020 and 31 December 2020, the Company has made an assessment using the requirements of the standard, to identify possible credit losses within these balances. A review of each category has not identified any requirement to record a provision for expected credit losses on consolidation as there is no history of debtor defaulting and amounts outstanding have been collected or are fully recoverable. The Company also holds an equity investment in a unlisted company. This asset has been marked to market at the latest share issue price used to raise capital for the company (arm's length third party value). This is considered to be a level 2 observable price for the equity investment.

(e) 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 average exchange rates for the month. 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.

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.

(f) Leases

The Company has adopted the new accounting pronouncements which came into effect from 1 July 2019 this year. AASB 16 Leases replaces the previous lease standard, AASB 117 along with three Interpretations, IFRIC 4, SIC 15 and SIC 27.

The Company does not have any leases in its own right but has a 50% interest in a jointly controlled entity which operates the Cliff Head Asset. The Company has reviewed the position of its Associate and has identified a number of leases that give rise to a right to use asset as at the transition date.

The Company has used the modified retrospective #1 method which does not result in the opening retained earnings being adjusted or any adjustments to the comparative period. The Company has elected to measure the right to use assets at an amount equal to the lease liability.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for low value assets the Company has applied the optional exemptions to not recognise the right to use asset but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.6%.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

(f) Leases (continued)

For any new contracts entered into on or after 1 July 2019, the Company must consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset through the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial costs incurred by the Group, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use-assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments, variable payments based on an index and amounts expected to be payable under a residual value guarantee. Payments which are subject to an option will only be included if there is strong objective evidence to suggest that option will be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset has been reduced to zero.

The Group has elected to account for short term leases and leases of low value asset using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit and loss on a straight-line basis over the lease term.

On the statement of financial position, the right -of-use asset has been included in property, plant and equipment and the lease liability has been classified in trade and other payables.

(g) New accounting standards and interpretations that are not yet mandatory

The new standards and amendments to standards are applicable to the Company and are mandatory for the first time for the financial year beginning 1 July 2020 and beyond. None of the standards and interpretations have affected any of the amounts recognised in the current period or any prior period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Company has made an assessment and there are no standards which would effect the future periods.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
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1 Profit and loss items

	31 December 2020 \$	31 December 2019 \$
1.1 Revenue		
At a point in time:		
Sales of oil	3,649,190	7,672,084
Other income		
Interest income	13,271	4,370
Sundry revenue	372,097	197,343
	<u>385,368</u>	<u>201,713</u>
Total number of barrels sold by the Company was 64,052 at an average sales price of AUD\$56.97.		
1.2 Expenses		
(a) Employment expenses		
Salaries and wages	1,249,294	1,245,332
Other personnel costs	61,170	68,232
Superannuation	98,602	123,135
Increase in leave liabilities	77,869	28,556
	<u>1,486,935</u>	<u>1,465,255</u>
Share based payment expense	49,900	52,316
Total	<u>1,536,835</u>	<u>1,517,571</u>
(b) General and administration costs		
Accounting expenses	27,328	23,634
Audit fees	16,000	14,825
Consulting expenses	64,602	268,020
Legal expenses	88,296	143,253
Arbitration expenses	7,867	11,094
Foreign exchange (gains) / losses	247,654	(6,614)
Other administration expenses	270,653	308,163
	<u>722,400</u>	<u>762,375</u>



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1 Profit and loss items

1.3 Taxation

Income tax recognised in profit or loss

The components of tax expense comprise:

Statement of profit or loss and comprehensive income

Current income

Current income tax

**31 December
2020
\$**

**31 December
2019
\$**

Deferred tax

Decrease / (increase) in deferred tax assets

(Decrease) / increase in deferred tax liabilities

Income tax expense / (benefit) reported in *statement of profit or loss*

Petroleum resource rent tax

Current income

Current income tax

Deferred tax

Decrease / (increase) in deferred tax assets

(Decrease) / increase in deferred tax liabilities

PRRT Income tax expense / (benefit) reported in statement of profit or loss

Total Income tax (benefit) / expense for the period

Numerical reconciliation between tax expense and pre-tax net loss

Loss before income tax expense

Income tax expense / (benefit) calculated at 26% (2019: 27.5%)
effect of non-deductible item

Total non-deductible items

Movements in unrecognised temporary differences

Movement in PRRT deferred tax assets

Payment of PRRT

Income tax (benefit) / expense reported in *statement of profit or loss*

The balance comprises temporary difference attributable to:

PRRT (credit on decommissioning) (DTA)

Project Pool costs (DTA) (a)

Assessable receipts PRRT (DTL) (a)

Tax losses recognised (DTA)

Exploration assets (DTL) (a)

Total deferred taxes

7,152,944	5,696,688
3,653,517	3,499,558
(1,859,765)	(1,602,630)
1,812,521	1,423,866
(2,936,907)	(2,548,251)
<u>7,822,310</u>	<u>6,469,231</u>

(a) Part of the Project Pool DTA has been off-set against the Exploration asset DTL and the assessable receipts for PRRT.



TRIANGLE ENERGY (GLOBAL) LIMITED
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1 Profit and loss items

	31 December 2020 \$	31 December 2019 \$
1.3 Taxation		
Set-off deferred tax liabilities pursuant to off-set provisions		
Deferred tax asset on project pool costs (oil and gas properties)	2,984,151	2,727,015
Assessable receipts PRRT	(1,859,765)	(1,602,630)
Deferred tax asset on carry forward tax losses	1,812,521	1,423,866
Deferred tax liability on exploration asset	(2,936,907)	(2,548,251)
	<u>-</u>	<u>-</u>

Estimates and judgements - Assumptions used to carry forward deferred taxes

Deferred tax assets are recognised for deductible temporary differences, taxation losses and PRRT decommissioning credits when the directors consider that it is probable that sufficient future tax profits or costs will be available to utilise those temporary differences, losses and credits. Significant 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 few years together with future tax planning strategies. There are significant variables relating to generating taxable profits in the future and while the directors take care in assessing the current available information, by its nature any forecast may be materially different to the final actual outcome.

1.4 Loss per share

	31 December 2020 (\$) / Cents	2019 (\$) / Cents
Continued Operations		
Basic loss Per Share		
Loss from continuing operations attributable to the ordinary equity holders	(5,038,676)	(216,452)
Cents per share	(1.08)	(0.063)
Weighted average number of shares used as the denominator	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator	464,811,619	344,579,769
Calculation of weighted average number of shares		
Number of shares at the beginning of the period	360,753,682	312,753,682
Shares issued but adjusted (pro-rata) for the period of issue	104,057,937	31,826,087
Number of shares used to calculate the loss per share for the period	464,811,619	344,579,769



TRIANGLE ENERGY (GLOBAL) LIMITED
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2 Significant assets

2.1 Oil and gas properties

	31 December 2020 \$	30 June 2020 \$
Oil and gas properties carried forward – Cliff Head	2,869,491	4,264,580
Reconciliation – Cliff Head		
Carrying amount at the beginning of the period	4,264,580	4,950,760
Additions to the oil and gas properties	2,135,882	2,960,180
Less: Amortisation	(375,754)	(999,151)
Less: Impairment	(3,155,217)	(2,647,209)
Carrying amount at end of the period	2,869,491	4,264,580

The original oil & gas properties were acquired on 30 June 2016 as part of the purchase of the Cliff's Head production licence. Additional capital expenditure has been added over the last 3 years as the Group reinvests in more plant and equipment.

Impairment assessment

During the period the Company undertook an impairment assessment for its oil and gas assets as a consequence of identifying impairment indicators including changes to the price of oil, foreign currency rates and the anticipated increases in operating costs relating to the announcement from the Company's customer on the closure of the Kwinana refinery. The Company is in commercial negotiations with external parties to finalise an offtake agreement and associated logistics and sales costs and has estimated these costs based on the current negotiation process. As a consequence of the review, the Company has recognised an impairment of \$3,155,217 for the period ended 31 December 2020. The discount rate used for the model was 10% and the additional key inputs used for the impairment assessment include:

Forecast	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Pricing (US\$ / bbl)	54.5	72.5	75.0	75.0	75.0
Foreign currency exchange rates	0.81	0.82	0.76	0.73	0.73

Estimates and judgements

Impairment

The assessment of impairment requires the Company to make judgements related to the likely forecast of pricing for oil and foreign currency. These forecasts are based on the most appropriate third-party information available at the time of the assessment. The forecast may not be accurate and may result in a material variance to the expected outcome noted above.

Assumptions used to carry forward the oil and gas properties

The write-off or impairment of oil and gas properties is based on a periodic assessment of pre-determined impairment indicators relevant to the operating asset and with the information available at the time of preparing this report. The directors assess whether there are any clear indicators of impairment and if they exist a value in use calculation is prepared to assess the carrying value of the operating assets. The assessment of impairment indicators requires the directors to make judgements in relation to internal and external factors that impact the assets, however, information may come to light in subsequent periods which the directors were unable to predict at the time of making the assessment of indicators.

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, share, depth and quality of reservoirs and their anticipated recoveries. Estimates have been used to determine the fair value of the oil and gas properties for the purpose of the assessment of depletion and amortisation charges.



TRIANGLE ENERGY (GLOBAL) LIMITED
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HALF-YEAR ENDED 31 DECEMBER 2020

2 Significant assets

	31 December 2020 \$	30 June 2020 \$
2.2 Exploration and evaluation assets		
Exploration, evaluation and development costs carried forward in respect of areas of interest	<u>12,791,271</u>	<u>12,450,472</u>
Reconciliation – Mentelle & West High prospects		
Carrying amount at the beginning of the period	4,368,914	3,776,364
Additions to the exploration and evaluation asset	<u>209,760</u>	<u>592,550</u>
Carrying amount at end of the period	<u>4,578,674</u>	<u>4,368,914</u>
Reconciliation – Xanadu-1 TP/15 Joint Venture		
Carrying amount at the beginning of the period	7,947,891	7,007,900
Additions to the exploration and evaluation asset	<u>600</u>	<u>939,991</u>
Carrying amount at end of the period	<u>7,948,491</u>	<u>7,947,891</u>
Reconciliation – Mt Horner (L7) Joint Venture		
Carrying amount at the beginning of the period	133,667	-
Additions to the exploration and evaluation asset	<u>130,439</u>	<u>133,667</u>
Carrying amount at end of the period	<u>264,106</u>	<u>133,667</u>

Estimates and judgements

Assumptions used to carry forward the exploration assets.

The write-off, impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors were unable to predict the outcome.



TRIANGLE ENERGY (GLOBAL) LIMITED
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2 Significant assets

2.3 Investment in Associate

	31 December 2020 \$	30 June 2020 \$
Triangle Energy (Operations) Pty Ltd (i)	-	-
State Gas Ltd (ii) (a) and (b)	-	-
	<u>-</u>	<u>-</u>

(i) Triangle Energy (Operations) Pty Ltd

The entity name is Triangle Energy (Operations) Pty Ltd in which the Company has a 50% shareholding as at 31 December 2020 and is one of two directors of the company. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method. The carrying value is listed above.

(ii) State Gas Limited

The Company holds an interest of 27.67% as at 31 December 2020. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method as a consequence of its holding and one common director. The carrying value is listed above.

Reconciliation - Triangle Energy (Operations) Pty Ltd (i)

Carrying amount at beginning of the period	-	493,026
Loss for the period	-	(493,026)
Carrying amount at end of the period	<u>-</u>	<u>-</u>

Reconciliation - State Gas Ltd (ii)

Carrying amount at beginning of the period	-	-
Loss for the period (c)	(30,000)	-
Investment in associate (d)	30,000	-
Carrying amount at end of the period (a) and (b)	<u>-</u>	<u>-</u>

(a) As at period end, the Company held 47,884,693 fully ordinary shares representing 27.67% of the issued capital of State Gas Limited (ASX:GAS). The fair value of the Company's holding as at 31 December 2020 was \$26.8 million (at \$0.56 per share).

(b) The Company's holding is no longer subject to an escrow agreement and are able to be sold.

(c) The Associates loss has been capped at the carrying value of the investment during the period.

(d) The Company participated in a rights issued during the period.



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3 Financing – Capital, debt and risk management

	31 December 2020 \$	30 June 2020 \$
3.1 Cash		
Cash at bank and in hand	1,687,499	870,634
Joint Venture cash	42,215	47,222
Restricted cash (i)	<u>1,327,303</u>	<u>1,487,247</u>
Balances per statement of cash flows	<u>3,057,017</u>	<u>2,405,103</u>

(i) As part of the disposal of the Pase PSC assets the Company agreed to place in an escrow (trust) account an amount of US\$1.02 million which will be released after the governmental administration processes. As at reporting date, the funds remain in the escrow account, however, subsequent to period end, the Company received the entire amount.

3.2 Equity (number of shares on issue and the amount paid (or value attributed) for the shares)

(a) Share capital - 564,330,438 fully paid ordinary shares (30 June 2020: 360,753,682).

The following changes to the shares on issue and the attributed value during the periods:

	31 December 2020 Number	30 June 2020 Number	31 December 2020 \$	30 June 2020 \$
Balance at the beginning of the year	360,753,682	312,753,682	36,715,029	33,357,938
Issue of shares (placement) ¹	-	48,000,000	-	3,600,000
Issue of shares (placement) ²	73,346,667	-	2,200,400	-
Issue of Share Rights issue ³	130,230,089	-	3,906,903	-
Share issue costs ⁴	-	-	(132,024)	(242,909)
Balance as at period end	<u>564,330,438</u>	<u>360,753,682</u>	<u>42,690,308</u>	<u>36,715,029</u>

1. On 11 September 2019 the Company issued 48,000,000 at an issue price of \$0.075 per share to sophisticated investors.
2. On 4 September 2020 the company issued 73,346,667 shares at an issue price of \$0.03 per share to sophisticated investors.
3. On 13 October 2020, the Company completed a share rights placement to existing shareholders and issued 130,230,089 shares at an issue price of \$0.03 per share.
4. The Company incurred costs in issuing the shares.



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3 Financing – Capital, debt and risk management

3.2 Equity (continued)

(b) Options – share based payments

	31 December 2020 Number	30 June 2020 Number	31 December 2020 \$	30 June 2020 \$
Balance at the beginning of the year	1,803,768	11,155,908	559,840	532,337
Issue of options to consultants ¹	-	1,803,768	-	27,503
Expiry of options ²	-	(11,155,908)	-	-
Balance as at period end	1,803,768	1,803,768	559,840	559,840

1. On 6 November 2019 the Company issued 1,803,768 options with an exercise price of \$0.10 per option to external consultants.

2. On 19 January 2020, options issued in prior periods lapsed without being exercised.

(c) Performance Rights – share based payments

	31 December 2020 Number	30 June 2020 Number	31 December 2020 \$	30 June 2020 \$
Balance at the beginning of the year	29,486,757	400,000	131,940	37,950
Rights redeemed ¹	(400,000)	-	-	(37,950)
Rights granted during the year ²	-	24,292,237	34,642	114,382
Rights granted during the year ²	-	4,794,520	5,318	-
Rights granted during the year ³	4,492,698	-	9,940	17,558
Balance as at 30 June	33,579,455	29,486,757	181,840	131,940

1. On 30 June 2020, Mr Farrell resigned as a director of the Company. The Rights require continued service to be maintained and therefore the Rights have been forfeited at this date. In July 2020, the Rights have been redeemed.

2. The Company issued 24,292,237 Rights to the Managing Director (after shareholder approval) on 19 November 2019. On 17 February 2020, the Company issued 4,794,520 Rights to the Chief Financial Officer after approval from the Board. The half-year cost of amortising the fair value over the vesting period has been recorded in this period.

3. At the Company's annual general meeting, shareholders approved the issue of 4,492,698 Performance Rights to Mr Robert Towner on the following terms:

Period:	3 years from 1 July 2020
Grant Date	27 November 2020
Fair value:	\$0.019
Number of rights	ATSR 2,246,349 (max)
Hurdles	
- Absolute Total Shareholder Return (ATSR)	<ul style="list-style-type: none"> 100% of the rights vest if the compound annual growth rate (CAGR) of the ATSR increases by 25% or more; 50%-100% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 15%-24.99%; 50% of the rights vest if the CAGR of the ATSR increases by 15%; 0%-50% of the rights vest (on a pro-rata basis) if the CAGR of the ATSR increases by 10%-14.99%.



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3 Financing – Capital, debt and risk management

(c) Performance Rights – share based payments (continued)

Period:	3 years from 1 July 2020
Grant Date	27 November 2020
Fair value:	\$0.023
Number of rights	RRR: 2,246,349 (max)
Hurdles	
- Reserves replacement ratio (RRR)	<ul style="list-style-type: none"> 100% of the rights vest if the RRR increases by 100% or more; 50%-100% of the rights vest (on a pro-rata basis) if the RRR increases by 50%-100%; 50% of the rights vest if the RRR increases by 50%; 0%-50% of the rights vest (on a pro-rata basis) if the RRR increases by 10%-49.99%.
Probability	50%

3.3 Borrowings

	31 December 2020 \$	30 June 2020 \$
Borrowings – current	-	-
Borrowings – non-current ¹	860,967	870,967
 <i><u>Reconciliation of movements in the balances – current</u></i>		
Opening balance	-	870,967
Transferred to non-current	-	(870,967)
Closing balance at end of period (i)	-	-
 <i><u>Reconciliation of movements in the balances – non-current</u></i>		
Opening balance	870,967	-
Amount repaid	(10,000)	-
Transferred from current	-	870,967
Closing balance at end of period (i)	860,967	870,967

(i) Terms of the borrowings – related party loan

The Company has received a loan from its Joint Venture, Triangle Energy (Operations) Pty Ltd of \$870,967. During the prior period the Company entered into a formal agreement with the entity which is subject to an interest rate based on the RBA rate as at March 2020 (compounded daily), unsecured and repayable after 5 years or upon a default event.

The total value of the loan is \$860,967 and there is no further unused draw down amount available

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3 Financing – Capital, debt and risk management

3.4 Leases

	30 December 2020 \$	30 June 2020 \$
Lease – current ¹	38,728	31,530
Lease – non-current ¹	58,863	84,598
<i><u>Reconciliation of movements in the balances</u></i>		
Opening balance	116,128	-
Additions	-	119,165
Less: Amount repaid	(18,537)	(3,037)
Closing balance at end of year	97,591	116,128

1. There have been no changes to the leases during the period.

3.5 Reserves

	31 December 2020 \$	30 June 2020 \$
Convertible note reserve	7,003	7,003
Share based payments reserves	741,680	691,780
Option reserve	72,151	72,151
	820,834	770,935
<i><u>Convertible Note reserve</u></i>		
<i><u>Reconciliation of movements in the balance</u></i>		
Opening balance	7,003	7,003
Convertible note equity portion	-	-
Closing balance at end of period	7,003	7,003
<i><u>Share based payments reserves</u></i>		
<i><u>Reconciliation of movements in the balance</u></i>		
Opening balance	691,780	570,287
Prior period rights (i)	39,960	121,493
Additional rights (ii)	9,940	-
Closing balance at end of period	741,680	691,780

- (i) During the prior period the Company agreed to issue a maximum of 24,292,237 (MD) and 4,794,520 (CFO) Performance Rights based on staff reaching hurdles (refer note 3.2(c)). The fair value of the Rights has been determined based on the outcomes of a statistical monte carlo simulation of an anticipated share price after 3 years using historical data (TSR) and the share price as at grant date (RRR).
- (ii) During this period the Company agreed to issue a maximum of 4,492,698 (MD) Performance Rights based on staff reaching hurdles (refer note 3.2(c)). The fair value of the Rights has been determined based on the outcomes of a statistical monte carlo simulation of an anticipated share price after 3 years using historical data (TSR) and the share price as at grant date (RRR).

3.6 Commitments

There are no additional commitments for the period



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4 Other assets and liabilities

	31 December 2020 \$	30 June 2020 \$
4.1 Trade and other receivables		
Trade receivables	809,144	631,092
	<u>809,144</u>	<u>631,092</u>

Estimates and judgement

Recoverability of the assets

The directors have assessed the likelihood that the asset will be received in cash after the reporting date (assessment of the recovery of the assets and impairment (write-off)) and have determined that the assets are expected to be recovered after period end.

Due to the short-term nature of the current receivables, their carrying amounts approximate their fair value.

	31 December 2020 \$	30 June 2020 \$
4.2 Other receivable and assets		
Current assets		
GST receivable	10,947	16,468
Prepayments	31,149	2,898
JV GST receivable	98,659	73,065
JV other receivables	38,157	160,518
PRRT receivable	-	279,920
Deposits and guarantees	196,262	198,262
Other assets	187,390	224,057
	<u>562,564</u>	<u>955,188</u>
Non-current asset		
Other receivable – loan (i)	<u>800,000</u>	<u>-</u>

(i) During the period the Company agreed to provide a loan facility to its jointly controlled entity, Triangle Energy (Operations) Pty Ltd. The terms of the loan are as follows:

Term: 2 years

Facility limit: A\$2million

Interest rate: 10% payable quarterly in arrears

Security: Over all assets of the entity

4.3 Other financial assets

	31 December 2020 \$	30 June 2020 \$
Non-current assets		
Equity Securities		
Investments	110,000	110,000
	<u>110,000</u>	<u>110,000</u>

Fair value has been determined based on the latest market value of the shares issued.



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4 Other assets and liabilities

	31 December 2020 \$	30 June 2020 \$
4.4 Plant and equipment		
Plant and Equipment		
Right of use asset	119,165	119,165
Accumulated depreciation	<u>(23,171)</u>	<u>(3,310)</u>
	<u>95,994</u>	<u>115,855</u>
Office equipment	10,345	7,625
Accumulated depreciation	<u>(5,559)</u>	<u>(5,007)</u>
	<u>4,786</u>	<u>2,618</u>
Furniture and fittings	78,747	78,747
Accumulated depreciation	<u>(21,070)</u>	<u>(13,196)</u>
	<u>57,677</u>	<u>65,551</u>
Total plant and equipment	<u>158,457</u>	<u>184,024</u>

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and at the end of the current period.

	Right of use assets \$	Furniture & Fittings \$	Office Equipment \$	Total \$
Opening net book value at 1 July 2020	115,855	65,551	2,618	184,024
Additions during the year	-	-	2,720	2,720
Depreciation expenses	(19,861)	(7,874)	(552)	(28,287)
Closing net book value at 31 December 2020	<u>95,994</u>	<u>57,677</u>	<u>4,786</u>	<u>158,457</u>



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4 Other assets and liabilities

4.5 Trade and other payables (debts)

	31 December 2020	30 June 2020
	\$	\$
<i><u>Current liabilities (debts payable within 12 months)</u></i>		
Trade payables	107,736	348,025
JV trade payables	1,078,613	2,095,633
Accrued expenses	455,991	406,531
JV accruals	1,189,331	630,232
Payroll liabilities	79,040	27,850
Dividend payable in trust	7,044	7,044
Share buy-back funds in trust	6,796	6,796
GST liabilities	68,241	53,685
Employee entitlements	165,536	87,666
	<u>3,158,328</u>	<u>3,663,462</u>

Due to the short-term nature of current payables, the carrying amount of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms

	31 December 2020	30 June 2020
	\$	\$
4.6 Provisions		
Restoration provision (Cliff Head) – non-current	<u>21,593,476</u>	<u>21,436,622</u>
Reconciliation		
Balance brought forward	21,436,622	21,126,599
Unwind of discount (Cliff Head)	156,854	310,023
Balance carried forward	<u>21,593,476</u>	<u>21,436,622</u>

The non-current provision relates to the Cliff Head production licence WA-31-L (located in the Perth Basin, WA).

Under the terms within the Joint Venture agreement relating to WA-31-L, Triangle Energy (Global) subsidiaries are liable to pay rehabilitation cost of 57.5% relating to the licence. Triangle Energy (Operations) Pty Ltd is liable to pay the remaining 42.5% of which Triangle owns 50% of this jointly controlled entity.

Estimates and judgement

Assumptions used to assess the rehabilitation provision

The updated study has a substantial number of assumptions embedded in the cost estimate all of which could change and result in the actual amount paid to restore the site being materially different to the carrying value of the liability.

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 balance date.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

5 Additional disclosures

5.1 Subsequent events

On 11 January 2021, the Company announced it had received formal notice of termination from BP under the Crude Oil Supply Agreement with the termination effective date being 16 February 2021. On 11 February 2021, the Company further announced that it had received a notice of variation of the termination date from BP under the Crude Oil Supply Agreement. The termination effective date has therefore been extended from 16 February 2021 to 1 March 2021. On 1 March 2021, the Company announced that the termination effective date had further been extended to 22 March 2021.

On 21 January 2021 the Company was pleased to advise that further to its announcement on 2 December 2020, the US\$1.02M of escrowed funds from PT Enso Asia was released from escrow and paid into Triangle's bank account as cleared funds. Triangle accordingly instructed its lawyers to withdraw its claim against PT Enso Asia in the Singapore International Arbitration Centre (SIAC). Triangle had been owed the amount of US\$1.02 million (held in escrow) since completion of the Sale and Purchase Agreement for the Pase PSC in February 2016.

On 31 January 2021 the Company announced that it had 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 purchase price will be \$600,000 in cash and any outstanding cash calls for the work programme and budget for these tenements. The acquisition agreement also provides for a 5% overriding Royalty on production.

The Company was also pleased to announce that it had received binding commitments to raise gross proceeds of A\$1.19 million from sophisticated and professional investors by way of a share placement (Placement). The Company received binding commitments under the Placement 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, representing 21.36% discount to the 15-trading day VWAP.

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 placement shares were issued on 8 February 2021. The Placement shares were issued under the Company's 10% placement capacity under ASX Listing Rule 7.1A.

5.2 Contingent liabilities

Royalty

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

Contingent payable

During the prior period the Group completed the acquisition of a 15% interest in TP/15 from Whitebark Energy Limited (subject to regulatory procedural approvals). The sale and purchase agreement include clauses for the payment of two amounts which are contingent on the milestones below:

- \$1 million payable on a successful appraisal outcome which is to be settled either 100% in cash or 50% in cash and shares in the Company (at the election of the seller); and
- \$1 million on the delivery of first oil from the prospect.

Indonesian arbitration

The Company received a successful outcome, and the matter is now closed.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2020

5 Additional disclosures

5.3 Segment reporting

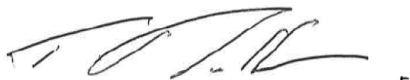
	Oil Production	Australian Corporate	Consolidated
	\$	\$	\$
Half-Year ended 31 December 2020			
Segment Revenue	3,649,190	-	3,649,190
Expenses			
Interest income	4,485	8,785	13,270
Finance expenses	(2,973)	(3,290)	(6,263)
Depreciation and amortisation	(375,754)	(28,287)	(404,041)
Share of associates loss	-	(30,000)	(30,000)
Deferred taxes and PRRT	452,201	-	452,201
Impairment expenses	(3,155,217)	-	(3,155,217)
Segment net operating (loss) after tax	<u>(3,980,215)</u>	<u>(1,058,461)</u>	<u>(5,038,676)</u>
Half-Year ended 31 December 2019			
Segment Revenue	7,672,084	-	7,672,084
Expenses			
Interest income	3,518	852	4,370
Finance expenses	-	-	-
Depreciation and amortisation	(470,594)	(4,089)	(474,683)
Share of associates profit/(loss)	345,522	-	345,522
Deferred taxes and PRRT	(1,628,639)	-	(1,628,639)
Segment net operating (loss) after tax	<u>921,214</u>	<u>(1,137,666)</u>	<u>(216,452)</u>
Segment assets			
At 31 December 2020	16,712,481	12,267,773	28,980,254
At 30 June 2020	21,025,006	7,345,562	28,370,568
Segment liabilities			
At 31 December 2020	(24,951,675)	(758,687)	(25,710,362)
At 30 June 2020	(25,283,985)	(803,194)	(26,087,179)

DIRECTORS' DECLARATION

In the opinion of the directors of Triangle Energy (Global) Limited:

- (a) the financial statements and notes set out on pages 18 to 40 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 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Tim Monckton

Chairman

Dated at Perth, Western Australia this 15th day of March 2021.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Triangle Energy (Global) Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Triangle Energy (Global) Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Triangle Energy (Global) Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2021



D I Buckley
Partner