

ASX Announcement

QUARTERLY REPORT

For the period ended 31 March 2017

30 April 2017

ASX: TEG



The Directors of Triangle Energy (Global) Limited (**Triangle** or **Company**) are pleased to provide the quarterly report for the period ended 31 March 2017.

HIGHLIGHTS

- **Cliff Head Oil Field**
 - **17.1% increase in production during the March quarter totalled 117,084 bbls (Triangle 57.5%: 67,323 bbls) at an average production rate of 1,301 bopd (Triangle 57.5%: 748 bopd net).**
 - **26.6% increase in oil sales revenue for the March quarter totalling \$8.10 million (Triangle 57.5%: \$4.66 million)**
 - **Acquisition of the 42.5% balance of the Cliff Head Oil Field from Roc Oil Company Limited (Roc) - jointly (50/50) executed a Share Purchase Agreement (SPA) in partnership with Royal Energy Pty Ltd (Royal) increasing Triangle's interest in the Project to a majority 78.75% on completion**
- **Finalisation of Norwest Energy NL's Joint Venture participants in the TP/15, 160MMbbl Xanadu-1 prospect - drilling expected during the second half of 2017**
- **Reids Dome Conventional Gas Project - value realisation strategy gaining momentum**

PRODUCTION AND REVENUE

Cliff Head Oil Field

- Total JV production 30 June 2016 - 31 March 2017: **323,022 bbls (Triangle 57.5%: 185,738 bbls)**
- JV oil sales revenue 30 June 2016 - 31 March 2017: **\$20.22 million (Triangle 57.5%: \$11.60 million)**

During the March quarter, the production rate was 1,301 bopd, up 17.1% from the previous quarter. The combination of a recovering oil price and increased production had a significant 26.6% increase in oil sales revenue from the December 2016 quarter. This, along with the implementation of operational efficiencies enhanced cash flow during the period.

Late in the December quarter, the CH13 electrical submersible pump (ESP) workover was successfully completed increasing the average daily production rate from 1,111 bopd to 1,301 bopd. Triangle's costs associated with the workover totalled \$1.83 million of which approximately \$0.443M were paid during the March quarter. The costs of the workover have now been settled in full.

Managing Director Comments - Mr Rob Towner

"Since Triangle acquired the 57.5% of the Cliff Head Oil Field in July 2016, oil prices have stabilised giving the Board confidence to proceed with further exposure to this producing field. The decision to acquire Roc's 42.5% interest and operatorship of the Cliff Head Oil Field with Royal demonstrates Triangle's commitment to the offshore Perth Basin.

"Triangle will hold a 78.75% interest in the Project at completion which is expected to occur on or prior to 31 May 2017. The Company looks forward to progressing exploration of near-by appraisal targets and the larger offshore Perth Basin.



Photo: Cliff Head Platform

“In addition, our 40% contribution to earn 30% interest in the TP/15 Joint Venture with Norwest Energy NL (“Norwest”) to drill the neighbouring Xanadu-1 prospect helps position Triangle as a lead player in the resurgence of interest and consolidation in the Perth Basin. Drilling of the Xanadu-1 well is planned for the second half of 2017 and is currently subject to regulatory approvals.



Photo: Arrowsmith Stabilisation Facility

Rob Towner
Managing Director

“The Company continued to pursue a strategy aimed at realising value for our 60% interest Reids Dome Conventional Gas Project in Queensland. With the looming gas shortage for Australia’s east coast domestic energy market, Triangle is well positioned to further develop Reids Dome.

“It has been a very busy period for the Company with major milestones achieved. Triangle remains focussed on a highly prospective exploration program while generating strong operating cash flows. Our vision to unlock the potential and build a material asset in the underexplored Perth Basin is gaining considerable momentum.”

COMPANY UPDATE

WESTERN AUSTRALIAN OPERATIONS

Cliff Head Oil Field (57.5%). Offshore Perth Basin

The Cliff Head Oil Field is located 10 kilometres off the coast of 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. The development cost of the field was A\$327m with first oil production commencing in May 2006.

Production is from five ESP production wells and produced water is reinjected into three injection wells. Produced Crude oil is trucked to the BP refinery in Kwinana, 42kms south of Perth.

To date the field has produced 15.39 mmbbl and continues to produce at above originally forecast rates. Production in the March quarter was 117,084 bbls (57.5%: 67,323 bbls) averaging 1,301bopd (57.5%: 748 bopd).

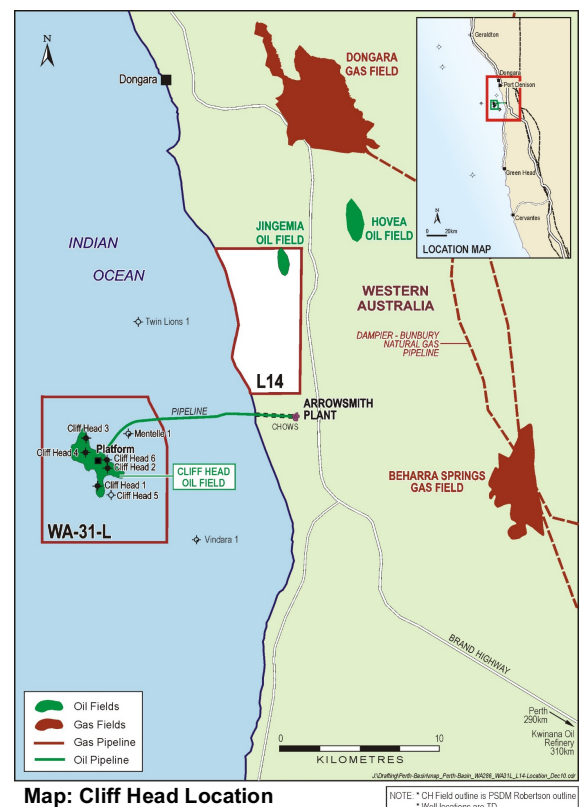
Facilities and Infrastructure

The Cliff Head facilities are the only offshore infrastructure in the Perth Basin and are therefore important for any development in the surrounding area. An unmanned platform with a 14km pipeline carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith with a production capacity of 15,000bopd.

Exploration Upside

The Perth Basin has over 60 wells drilled offshore (approximately 47 wildcat wells) and 320 wells drilled onshore. The Northern Perth Basin has 20 commercial oil and gas fields and numerous additional significant discoveries of varying sizes. The Northern Perth Basin has proven production with 10 producing fields and with Cliff Head being the only offshore producing field.

The Cliff Head joint venture has identified near term upside opportunities in the license; specifically, one exploration, one appraisal and other development opportunities. Opportunities total approximately 8mmbbl resources. The Cliff Head joint venture continues to assess other potential development and well optimisation opportunities. Any new producing wells within the vicinity can be tied into the existing production platform.



Map: Cliff Head Location

The Cliff Head joint venture has developed a set of near field opportunities within the WA-31-L permit area. The Cliff Head Oil Field and associated prospects comprise fault and dip-closed structures, targeting oil in the stacked sands of the early Permian Irwin River Coal Measures (IRCM) and the underlying High Cliff Sandstone and the late Permian Dongara Sandstone.

Hydrocarbon source is from the early Triassic Kockatea Shale and the early Permian IRCM. The main sealing unit is the regional Kockatea Shale.

Mapping of the Cliff Head Oil Field is based primarily on the 32km² Cliff Head 3D Seismic Survey acquired in October 2003. The Cliff Head joint venture also has 2D seismic surveys over the full permit area.

Since Dec 2001, the Cliff Head joint venture has drilled 1 exploration well, 4 appraisal and 8 development wells on the Cliff Head Oil Field. Unexploited resource opportunities have been identified in the area of the production license outside of the area currently accessed by the Cliff Head producing wells. If successful, these opportunities could be rapidly tied in to existing facilities and accelerate the production potential. One well has been drilled on the Mentelle structure.

The Perth Basin is well explored with over 320 wells drilled onshore and 60 wells drilled offshore. The recent success at Watsia onshore has led to renewed interest in the offshore Perth Basin. Three quarters of the wells drilled are in the northern part of the Perth Basin. The Northern Perth Basin has 20 commercial oil and gas fields and numerous additional significant discoveries of varying size.

More recently onshore, AWE Limited's (AWE) appraisal of the Senecio field (tight sands of the Dongara/Wagina Fm) led to discovery of the deeper Waitsia gas field (conventional sands of the Kingia / High Cliff), a new play in the Perth Basin. Watsia is the largest discovery in the basin since Dongara in the 1960s. Recent exploration offshore includes Murphy's exploration program to the west of Cliff Head (now Pilot Energy Ltd's led JV) and AWE's new block to the northwest of Cliff Head (in the Houtman-Abrolhos sub basin).

There are unexploited resource opportunities identified within the production license. Successful opportunities would leverage current infrastructure leading to rapid tie-in.

The key opportunities lie within:

- Updip Mentelle exploration prospect
- West High appraisal prospect
- Cliff Head-10/3 Area infill well
- Cliff Head field enhanced oil recovery (EOR) project.

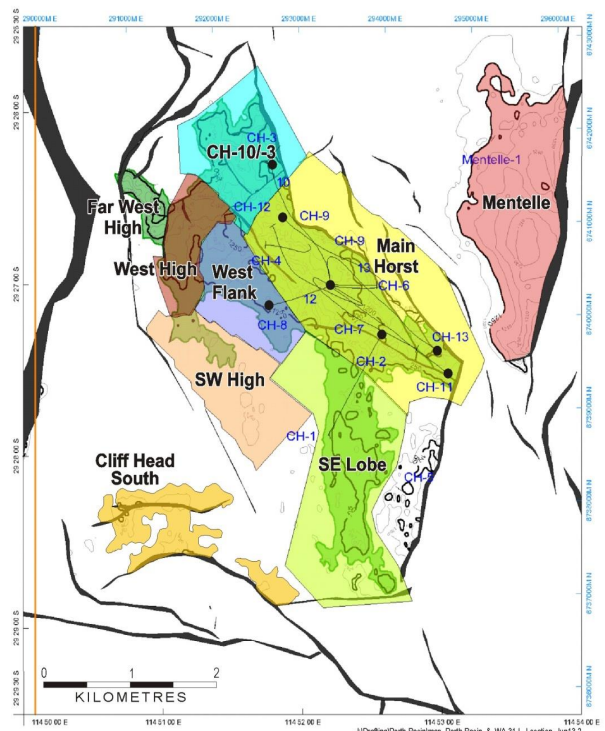
Health, Safety and Environment

The Cliff Head joint venture 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 operation incident since start-up. Offshore Australian projects are subject to the OPGGSA safety case regime and all requirements are 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 Cliff Head joint venture has established good relations with the regulators, fishing community, landholding sectors, tourism stakeholders and other operators in the area.



Cliff Head Near field upside opportunities

Share Purchase Agreement

On 31 March 2017, the Company announced that it had jointly (50/50) executed a Share Purchase Agreement in partnership with Royal Energy Pty Ltd (**Royal**) to acquire the 42.5% balance of the Cliff Head joint venture from Roc. On completion of the transaction Triangle will hold a majority 78.75% stake in the Cliff Head Oil Field

| | |
|--------------------------------------|--|
| Total consideration | US\$3,750,000 (Triangle 50% US\$1,875,000) |
| Effective date of transaction | 1 January 2017 |
| Settlement of the acquisition | on or before 31 May 2017 |

Managing Director, Mr Robert Towner said the acquisition of ROC's 42.5% interest and operatorship of the Cliff Head Oil Field with Royal demonstrates Triangle's commitment to the offshore Perth Basin and provides greater financial flexibility for the Company into 2017 and 2018. It also allows Triangle to unlock the potential of near-by appraisal wells and exploration opportunities within the Perth Basin. With the current oil price environment, coupled with the Company's production and infrastructure profile we provide exceptional leverage for renewed interest in the Australian Oil and Gas sector.

Convertible Loan Agreement

Triangle entered into a Convertible Loan Agreement (**Agreement**) with Tamarind Classic Resources Private Limited for US\$1,215,000 over a period of 12 months to 31 March 2018 at an interest rate of 10%. Under the terms of the Agreement, the price for conversion is the lower of:

1. AU\$0.04 cents per Share; or
2. the 30 day VWAP of the Ordinary Shares prior to the Conversion Date

Triangle has issued Tamarind 6,000,000 options to subscribe for shares in the Company at an exercise price of \$0.06 per share expiring on 29 March 2019 and paid a Facility fee of US\$120,000.

Xanadu Prospect

On 10 February 2017, Triangle announced the successful completion of the farm-in participants for the drilling of the Xanadu-1 well within the Perth Basin offshore exploration permit TP/15 (Xanadu conventional oil prospect) by Norwest Energy NL (100% owner).

Under the agreement, Triangle will earn up to 30% working interest in TP/15 by contributing 40% of the drilling costs of Xanadu-1, with customary cost caps to be applied. The Joint Venture contributions towards drilling costs and subsequent interest are as follows:

| Joint Venture | Contribution | To Earn | Allocation of Expenditure | Interest in TP/15 |
|------------------------------|--------------|---------|---------------------------|-------------------|
| Norwest Energy NL (Operator) | Free carried | 25% | 0% | 25% |
| 3C Group IC Limited | 40% | 30% | 40% | 30% |
| Triangle Energy Limited | 40% | 30% | 40% | 30% |
| Transerv Energy Ltd | 20% | 15% | 20% | 15% |

TP/15 is located in the offshore northern Perth Basin approximately 280km north of Perth. The permit occupies the 3 nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covering an area of 645km². The Operator is planning to drill a well on the Xanadu prospect, located at the southern end of TP/15, and holds an un-risked best estimate prospective recoverable resource of 160MMbbls (see NWE ASX announcement dated 10 February 2017 for ASX Listing Rule 5.25.3 requirements).

Both Cliff Head and Xanadu lie on Beagle Ridge, east of the major Geraldton fault. Xanadu is one of the few remaining untested structures along this trend. The oil generation kitchen filling the Cliff Head Oil Field is viewed as the same source kitchen for the Xanadu prospect. Cliff Head and Xanadu also share the same sand packages and target reservoirs. The technical understanding of the Xanadu prospect including reservoir seal and trap dynamics, is greatly enhanced by the analogous Cliff Head Oil Field.

Planning by the Operator for Xanadu-1 is well underway.

Xanadu-1 is an offshore target, to be drilled from an adjoining onshore permit (EP413) also operated by the Operator removing the need for access negotiations. The surface location for the well is also situated on Crown Land with extinguished Native Title, and is outside the boundaries of any nature reserves.

Project Delivery

Aztech Well Constructions (Aztech) has been working closely with Norwest management since late 2016 on planning for the Xanadu-1 well. Aztech has assisted with identification and selection of qualified third party service providers, liaison with the Department of Mines and Petroleum (“DMP”) and Main Roads Department. Aztech will also provide project management and technical support throughout the operational phase of the project, and is also contracted for project planning and management services by AWE for their imminent Waitsia drilling campaign, providing excellent synergies between the two.

Third Party Services & Consumables

- Work is progressing on finalising all third party services for the drilling campaign, with the Operator close to issuing a Letter of Intent to the successful drilling service provider. More formal contractual agreements will be prepared and executed in due course.
- Long-lead consumable items have been sourced, and deposits paid where required to secure optimal pricing and delivery timeframes.
- Drilling camp, transportation, communications equipment and other third party services are currently under an Expression of Interest process, with the Operator working hard to secure optimal service and pricing for all work to be completed.

Regulatory Approvals

- Current approvals under the lead Regulator - the (DMP) are well advanced. The necessary approvals include environmental, technical and health & safety.
- The Operator self-referred this project to the Office of Environmental Protection Authority (OEPA) in late 2016, with the period for public comment now complete. The OEPA will now make a determination on whether the project requires further assessment or information.
- Strategen Environmental (Strategen) provides environmental support to the Operator on all projects. Most recently, Strategen assisted with the approvals associated with the EP413 3D Seismic Survey, and is now assisting with rehabilitation of this area. Strategen is again assisting with the Xanadu-1 approvals processes. A detailed review to identify any environmental concerns with this project has been completed, with several botanical surveys completed over the proposed drilling location area by qualified botanists. No rare or endangered flora or fauna were identified within the project boundaries.
- A Heritage Survey with a recognised anthropologist and the local Amangu Elders is planned for mid-May to survey the project area for any indigenous artifacts to be identified and protected. During siteworks, Amangu representatives will also be on site in a similar capacity.

In summary, the technical and operational planning for the drilling of Xanadu-1 is well advanced, with the drilling date to be determined upon final approvals being granted by DMP and OEPA.

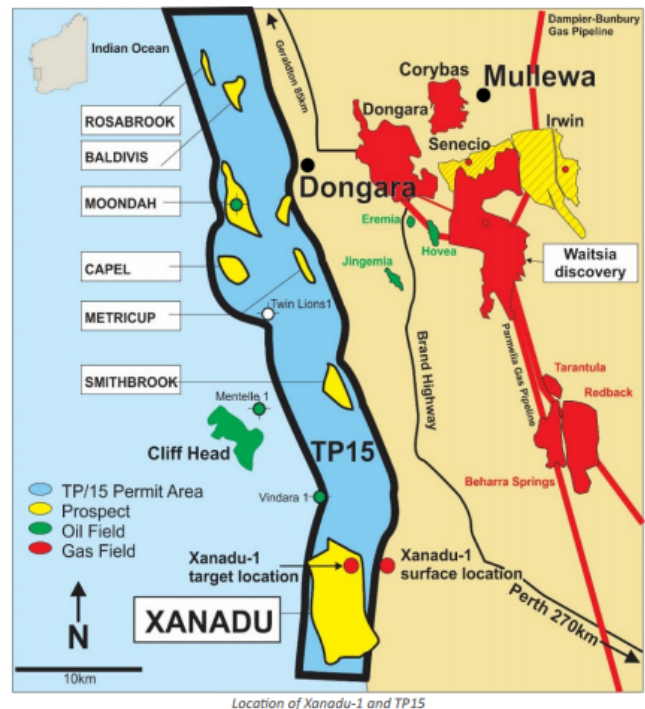


Table 2. Un-risked Prospective Resource: Recoverable volumes of oil (MMstb)

| Un-risked Prospective Resource: recoverable volumes oil (MMstb) ¹ | | | |
|--|--------------|---------------|---------------|
| Reservoir | Low estimate | Best estimate | High estimate |
| Dongara Sandstone | 3 | 12 | 22 |
| Irwin River Coal Measures | 13 | 88 | 159 |
| High Cliff Sandstone | 29 | 60 | 256 |
| Total | 45 | 160 | 437 |

¹The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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.

Norwest's assessment of the chance of discovery and chance of development associated with Xanadu are provided in Table 3 as per their announcement to the ASX on 29 October 2014.

Table 3. Chance of success

| Reservoir | Chance of Success |
|---------------------------|-------------------|
| Dongara Sandstone | 14% |
| Irwin River Coal Measures | 13% |
| High Cliff Sandstone | 6% |

Refer announcement released to ASX on 29/10/2014.

QUEENSLAND OPERATIONS

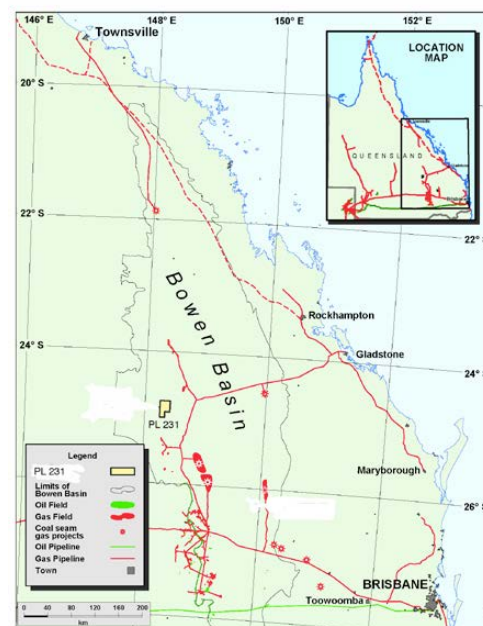
Reids Dome (Petroleum Lease 231) - Operator (60%)

The Reids Dome conventional gas project is 60% owned by Triangle as Operator and 40% owned by Dome Petroleum Resources Plc via a joint venture agreement. During the quarter the Company progressed discussions with Corporate Advisers with the intention of investigating options to fund advanced exploration of the Reids Dome Project.

The Reids Dome Tenement covers an area of 181 square kilometres and is located over a large surface anticlinal feature on the western margin of the Denison Trough in the Permian - Triassic Bowen Basin in south-east Queensland.

The Denison Trough contains a number of producing gas fields which are connected by pipeline to Brisbane and to Gladstone. PL 231 is located approximately 60km west of this pipeline.

Fifteen exploration wells have been drilled within the area of PL 231 over the past 55 years, seven of which flowed meaningful flows of gas to surface. All gas flows have been from the shallow Cattle Creek Formation at around 400m in depth. In addition, significant shows of gas have been encountered from the deeper Reids Dome Beds below 1,000m. Shallow sands have been tested with flow rates up to 2.8MMcf/gpd.



The Reids Dome Gas Field is situated within Reids Dome Tenement and based on initial reservoir studies, a reserve of up to 1 billion cubic feet of gas is indicated for the three wells drilled on the Reids Dome Gas Field prior to November 1994.

Establishing Contingent Resources and Proven Reserves for these accumulations will require further drilling for both reservoir horizons. No definitive calculation of gas reserves is possible on present data, but potential resources have been estimated at up to 30bcf for the Cattle Creek Formation and as much as 300 bcf for the Reids Dome Beds. It must be emphasised, however, that this estimate is highly conjectural.

If sufficient reserves can be established to justify the building of a spur pipeline to the existing system, then profitable field developments should be possible.

Queensland gas prices have increased dramatically in recent years and there is a high demand for domestic gas. Technical assessment of the project is underway and Triangle is working with a partner to expedite the realisation of value from the Reids Dome asset.



Reids Dome Gas flow flare

INVESTMENTS

Elixir Petroleum Limited

The company has a 3.67% shareholding in ASX listed Elixir Petroleum Limited (ASX:EXR).

DIVESTMENT OF THE PASE PSC

US\$0.9 million (\$1.2 million) of the consideration is held in an escrow account to be released to Triangle after the Indonesian Ministry of Energy and Resources or SKK MIGAS (Oil and Gas Regulator) provides written approval and notification of the Change of Control of the Pase Production Sharing Contract (**PSC**). This amount is held by Triangle under contract and has been reported as cash in the 31 March 2017 Appendix 5B.

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

CORPORATE

Less than Marketable Parcel Share Sale Facility

The Company announced details of a share sale facility (**Facility**) for holders of less than a marketable parcel of the Company's shares (defined in the ASX Listing Rules as a parcel of securities with a market value of not less than \$500) (**Less than Marketable Parcel**). A less Than Marketable Parcel of Triangle shares will be any registered holding of 13,157 shares or less on the Record Date.

Details of Facility

| | |
|---|---|
| Record Date | 15 March 2017 |
| Closing Date for receipt of Share Sale Facility forms | 2 May 2017 at 5:00pm (AEST) |
| Number of TEG shareholders | 1,049 |
| Number of shareholders eligible | 609 (58% of the Company's shareholders) |

Triangle is providing the Facility to holders of Less Than Marketable Parcels to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. The Company is offering this Facility to assist holders of Less Than Marketable Parcels to sell shares without having to use a broker or pay brokerage. Triangle will pay for all the costs of the sale for shareholders who use this Facility, excluding tax

consequences from the sale which remains the shareholder's responsibility. The price that those shareholders receive for their shares under the Facility will be determined by, when, and how the shares are sold. The shares will be sold as soon as practicable after 5:00pm (AEST) on 17 May 2017.

Capital and Management Expenditure

As at 31 March 2017, Triangle had cash balance of \$1.632 million of which \$1.204 million is held in escrow.

The Company has worked hard in collaboration with Roc to reduce operating expenditure and has achieved efficiencies in many aspects of the Cliff Head joint venture.

Shareholder Analysis

As at 31 March 2017 the Company had 1,043 shareholders and 146,823,915 ordinary fully paid shares on issue with the top 20 shareholders holding 66.52% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 31 March 2017, the Company held:

- 57.5% participating interest in WA-31-L, the Cliff Head Oil Field; and,
- 60% participating interest in PL231 located in Queensland, Australia.

The Group has not acquired or disposed of any other tenements during the quarter.

For further information, please contact:

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Darren Bromley (Executive Director / CFO) +61 419 940 587
admin@triangleenergy.com.au | www.triangleenergy.com.au

ABOUT TRIANGLE ENERGY

Triangle Energy is an oil and gas production and exploration company based in Perth. The Company holds a 57.5% working interest in the producing Cliff Head Oil Field in the Perth Basin and an operating interest in the Reids Dome Production Licence in Queensland. Triangle Energy continues to assess acquisition prospects to diversify and grow the portfolio of assets.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Triangle Energy (Global) Limited

ABN

52 110 411 428

Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 4,605 | 11,585 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (6) | (72) |
| (b) development | - | - |
| (c) production | (3,975) | (11,484) |
| (d) staff costs | (169) | (478) |
| (e) administration and corporate costs | (479) | (1,084) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 6 |
| 1.5 Interest and other costs of finance paid | (9) | (29) |
| 1.6 Income taxes paid | - | 188 |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (32) | (1,368) |

| | | |
|--|---|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | (8) |
| (b) tenements (see item 10) | - | (722) |
| (c) investments | - | (66) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| (d) other non-current assets | | |
| • deposit for acquisition | (131) | (131) |
| • reduction in restricted cash | - | (138) |
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (131) | (1,065) |

| | | |
|---|------------|------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | 131 | 131 |
| 3.3 Proceeds from exercise of share options | - | 50 |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | 131 | 181 |

| | | |
|---|-------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 1,675 | 3,837 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (32) | (1,368) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (131) | (1,065) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 131 | 181 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (11) | 47 |
| 4.6 | Cash and cash equivalents at end of period | 1,632 | 1,632 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 134 | 339 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other: | | |
| - Funds held in escrow | 1,204 | 1,276 |
| - Cliff Head JV cash at bank | 295 | 60 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,632 | 1,675 |

*US\$1.019M (AU\$1.415M) of the consideration is held in an escrow account to be released to Triangle after the Ministry of ESDM or SKK MIGAS, provides written approval and notification of the Change of Control of the PSC.

6. Payments to directors of the entity and their associates

- | | Current quarter
\$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | (87) |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Included at 6.1 are:

- Directors fees of \$8k
- Payments made for professional services pursuant to consultancy agreements totalling \$79k

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |
| N/A | |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | 1,620 | 131 |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | (40) |
| 9.2 Development | - |
| 9.3 Production | (2,900) |
| 9.4 Staff costs | (170) |
| 9.5 Administration and corporate costs | (400) |
| 9.6 Other – net cash flow for costs of acquisition | (1,200) |
| 9.7 Total estimated cash outflows | (4,710) |

Mining exploration entity and oil and gas exploration entity quarterly report

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 28 April 2017

(Director/Company secretary)

Print name: Darren Bromley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.