



ASX ANNOUNCEMENT

31 October 2018
by e-lodgement

The Directors of Triple Energy Limited (ASX: **TNP**, **Triple** or **Company**) are pleased to provide the following update on activities during and since the quarter to 30 September 2018.

Xin 214 Project - Songyuan

On 10 September 2018, the Company announced it had entered into a Memorandum of Understanding (MoU) with Guangzhou Bofu Investment Co. Ltd (GBIC), which intends to acquire an 80% interest in Songyuan Petroleum Development Co. Ltd (SPDC), which in turn has the right to derive income from the development of 4 oil blocks in Songyuan City, Jilin Province in the PRC.

The terms of the MoU provides for an initial period of approximately 6 months (unless extended) and contemplates that the parties will negotiate a transaction whereby Triple indirectly or directly acquires GBIC, thereby obtaining the right to derive income from the above-mentioned oil blocks. MoUs of this type are commonly used in the PRC as a precursor to more formal documentation. Triple is continuing to progress negotiations and is undertaking due diligence on the project.

There are understood to be hydrocarbon quantities associated with the exploration areas based on existing wells and, subject to being able to agree terms, the Company intends to engage a suitably qualified reserves evaluator to undertake a review of the relevant technical information to produce an SPE-PRMS compliant report.

Aolong JV Project in Heilongjiang

Exploration activity during the quarter remained focused on the evaluation of regional technical studies to evaluate the prospectivity of the Hegang project area as well as other areas to which the Aolong Co-operative Joint Venture (**CJV**) holds contractual rights to acquire interests (as previously disclosed) under any potential future extension or variation of the CJV area. As an essential pre-cursor to any further on-ground exploration activities, the joint venture partners continue to discuss necessary measures for closer cooperation, to minimize any future development conflicts as well as identifying other project areas suitable for gas production, having regard to the geological complexities apparent in the project area. Work is ongoing to identify, rank and work-up potential sites for future drilling (subject to funding and the successful outcome of joint venture discussions).

Shaanmei Project Areas (Triple Project Interest – 80%)

As previously announced, a cooperation agreement (**Agreement**) with Shaanxi Province Coal Bed Methane Exploitation and Utilization Co. Ltd., a subsidiary of Shaanmei Coal Mining Company (**Shaanmei**) was terminated during the quarter.

The Agreement was in the form of production sharing for Coal Bed Methane Drainage of three linked areas in Wangfeng and Sangshuping Mining Areas in Hancheng, Shaanxi Province. Under the Agreement terms Triple was required to provide RMB5,000,000 (~A\$1,000,000) as a performance surety. TNP's largest shareholder, BGBS arranged and advanced this funding in support of TNP, with the funding initially in the form of a renewable loan facility.

Technical evaluation indicated that coal quality is soft, mostly pulverised coal, able to support fracturing only for a short period, such that commercial production is difficult to achieve using conventional vertical and fracturing drainage. Having regard to this, the Triple Board resolved during the quarter to endorse termination of the Agreement without financial penalty. Triple has agreed with BGBS that the RMB 5,000,000 loan advanced to the project will not be repayable by Triple or any of its subsidiaries.

Corporate & Financial

On 30 August 2018, the Company announced a fully underwritten, non-renounceable entitlements offer of 2 fully paid new shares for each 3 existing shares held at the record date. The new shares are offered at 2.2c per share, approximately a 4% discount to current market value, to raise up to \$633,565 before costs.

The rights issue closed on 24 October 2018. Valid rights issue acceptances and shortfall offer subscriptions from eligible shareholders were received in respect of 5,185,652 shares (**New Shares**), raising \$114,084. Allotment and issue of the New Shares took place on Tuesday 30 October 2018.

The remaining shortfall of 23,612,770 shares (**Shortfall Shares**) is fully underwritten by HK-based CIS Securities Asset Management Limited. New shares will be allotted and issued to the underwriter in accordance with the Underwriting Agreement and it is expected that this will occur in the next week.

Triple staff in Australia, HK and PRC, including and supported by BGBS employees, continue to work actively on the evaluation of other potential new projects consistent with the Company's strategy.

As of 30 September 2018 the Group's consolidated cash balance was A\$109k, including funds held by the Aolong CJV in China and prior to receipt of any entitlement issue proceeds. As previously disclosed, Triple continues to have the benefit of financial, strategic and operational support from BGBS and its management in continuing its operations and meet its business objectives.

An ASX Appendix 5B for the quarter accompanies this activities report.

TRIPLE ENERGY LIMITED 30 SEPTEMBER 2018 QUARTERLY ACTIVITIES REPORT
APPENDIX CONTAINING ASX Listing Rule 5.4.3 INFORMATION

1) Petroleum tenements held at the end of each quarter and their location.

N/A – Triple does not directly hold any petroleum tenements. Triple holds an 80% interest in a Cooperative Joint Venture (**CJV**, known as Aolong Energy) with LongMay Coal Mining Company (**Longmay**), one of China's largest State-owned coal mining companies. The CJV has the objective of degassing the coal mining leases held by Longmay and has a life of 45 years.

The equity in the CJV with Longmay is as follows;

Triple Energy Ltd* - 80% (Operator)

LongMay Coal Mining Company – 20%

**via its wholly-owned Hong Kong registered subsidiary CFT Heilongjiang (HK) Limited*

The CJV operates pursuant to the coal mining leases held by Longmay with the Joint Venture Agreement registered with the relevant Chinese Government authorities. The CJV is staged with exclusive access that can ultimately extend the CJV area to cover up to a total of 42 mine areas.

2) Petroleum tenements acquired and disposed of during the quarter and their location.

None.

3) Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

As disclosed above, Triple holds an 80% interest in a Cooperative Joint Venture (**CJV**, known as Aolong Energy) with LongMay Coal Mining Company (**Longmay**), one of China's largest State-owned coal mining companies. The CJV has the objective of degassing the coal mining leases held by Longmay and has a life of 45 years.

4) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

During the quarter the Company terminated a cooperation agreement (**Agreement**) in place with Shaanxi Province Coal Bed Methane Exploitation and Utilization Co. Ltd., a subsidiary of Shaanmei Coal Mining Company (**Shaanmei**). The Agreement covered production sharing for Coal Bed Methane Drainage of three linked areas in Wangfeng and Sangshuping Mining Areas in Hancheng, Shaanxi Province.

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

Triple Energy Limited

ABN

68 116 829 675

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(5)	(5)
(b) development	-	-
(c) production	-	-
(d) staff costs	(36)	(56)
(e) administration and corporate costs	(123)	(172)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(164)	(233)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	60
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	60

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	271	285
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(164)	(233)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	60
4.5	Effect of movement in exchange rates on cash held	-	(5)
4.6	Cash and cash equivalents at end of period	107	107

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	107	271
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (term deposit)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	107	271

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
15
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees.

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mining exploration entity and oil and gas exploration entity quarterly report

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	161*	161*
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.			
Relates to a HKD 850k unsecured, interest-free loan advanced to a subsidiary of the Company by BGBS.			

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation*	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	45
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	170

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				

As disclosed on 10 September 2018, During the quarter the Company terminated a cooperation agreement (**Agreement**) in place with Shaanxi Province Coal Bed Methane Exploitation and Utilization Co. Ltd., a subsidiary of Shaanmei Coal Mining Company (**Shaanmei**). The Agreement covered production sharing for Coal Bed Methane Drainage of three linked areas in Wangfeng and Sangshuping Mining Areas in Hancheng, Shaanxi Province.

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: 
(Company secretary)

Date: 31 October 2018

Print name: Alex Neuling

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.