

Company Update

August 2019

# Corporate Overview

## CAPITAL STRUCTURE

ASX Code	TEG
Shares on issue <sup>1</sup>	312.8 million
Unlisted options on issue	11.155M <i>exc @ \$0.15, exp 19 Jan 2020</i> 0.400M <i>performance shares</i>
Share price <sup>1</sup>	\$0.086
Market Capitalisation <sup>1</sup>	\$26.9 million
CY19 Attributable Gross Cashflow (78.75% Cliff Head) <sup>2</sup>	\$21.5 million <i>(Jan-May actuals 811 bbl/day, ave USD 63.8/bbl, USD/AUD 0.71; Jun-Dec forecast 806 bbl/day, USD 69/bbl, USD/AUD 0.73)</i>
Cash	\$2.49 million <i>(at 30 June 2019)</i>
Debt <sup>3</sup>	AUD 0.871 million <i>(TEO Intercompany Loan)</i>
Investments	AUD 28.7 million <i>(State Gas Shares ASX:GAS at ~\$0.60 per share 26-08-19)</i>

## OPERATING METRICS

	Dec 18 Qtr.	Mar 19 Qtr.	Jun 19 Qtr.
Cliff Head Daily Production (100%)	766 bopd	802 bopd	798 bopd
Net Reserves <sup>4</sup>	2P Reserves – 1.71 MMstb		

### Notes:

- At 20 August 2019. Undiluted market capitalisation
- Based on Jan-May actuals and Jun-Dec forecast ave 678 bbl/day (100% JV)
- Debt position at 30 June 2019, Triangle Energy (Operations) Pty Ltd Shareholder Loan (excess cash flow from operations of 50/50% jointly controlled entity)
- Reserves as at 30 June 2019 based on decline curve analysis. Reserves review ongoing.

## EXPERIENCED BOARD



**Tim Monkton**  
Non-Exec Chairman



**Rob Towner**  
Managing Director



**Darren Bromley**  
Exec Dir/CFO/COO



**Ted Farrell**  
Non-Exec Director



**Jason Peacock**  
Non-Exec Director



**Wai-Lid Wong**  
Non-Exec Director

## SHAREHOLDER COMPOSITION

Tamarind Resources & Assoc	19.9%
Institutional	14%
Directors	9%
Whitebark Energy	4%
Other Shareholders	54%

# Corporate – Portfolio Summary

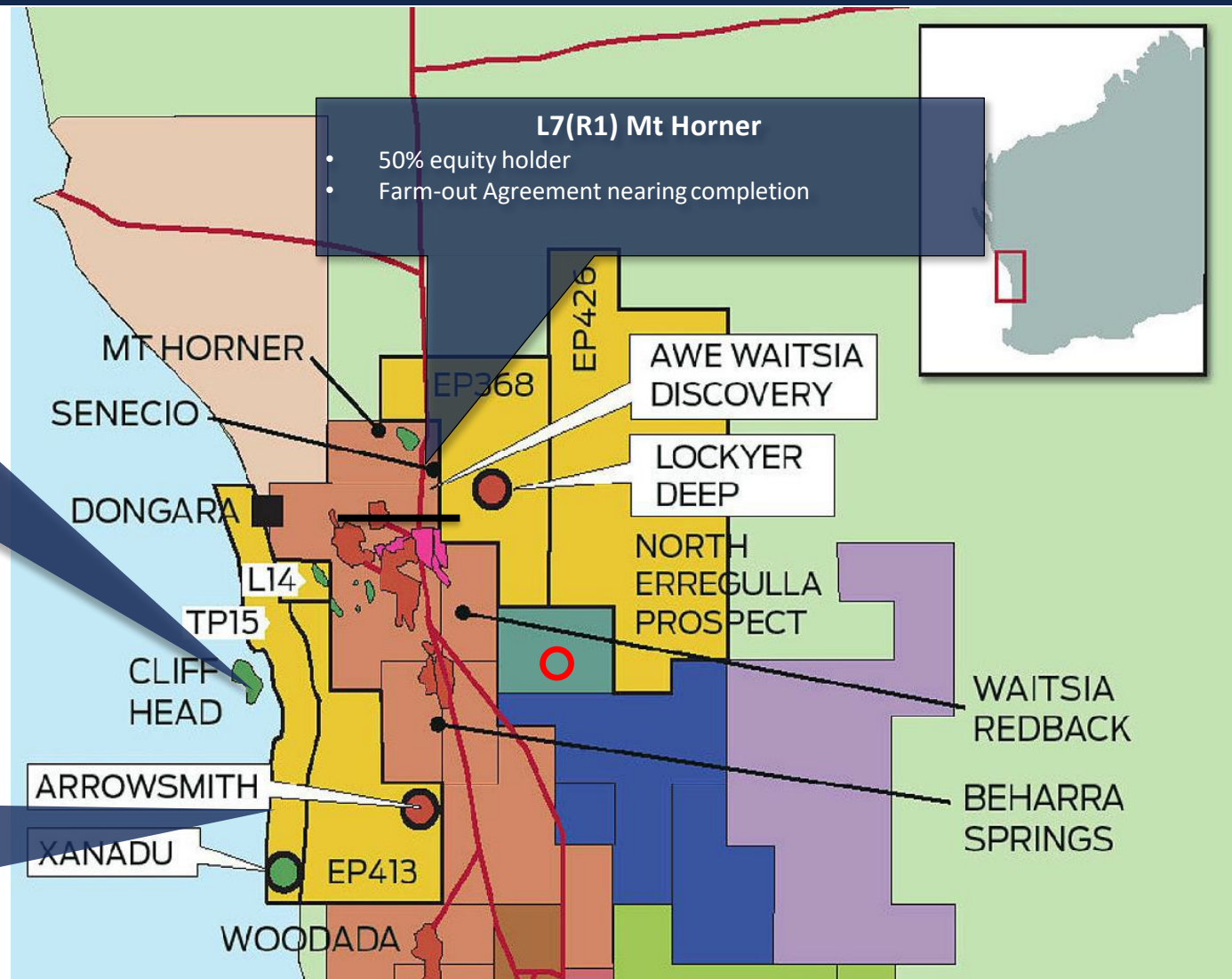
## WA-31-L Cliff Head Producing Asset

- 78.75% equity holder
- 2P reserves 1.71\* MMStb as at 30 June 2019
- Cliff Head Renewal Project to FID in December 2019
  - 2C Contingent Resource 4.79\* MMStb
  - Targetting reserves increase of circa 3\* MMStb (183%) on FID
    - CH-11 recompletion
    - SE Nose development well
    - West High development well
- Mentelle prospect Best Estimate Prospective Resource 3.3\*\* MMStb
- Further seismic planned for mid 2020
- Cliff Head Renewal Project development well drilling planned for Q4 2020-Q1 2021

\* 100% basis

## TP/15 – Xanadu Discovery

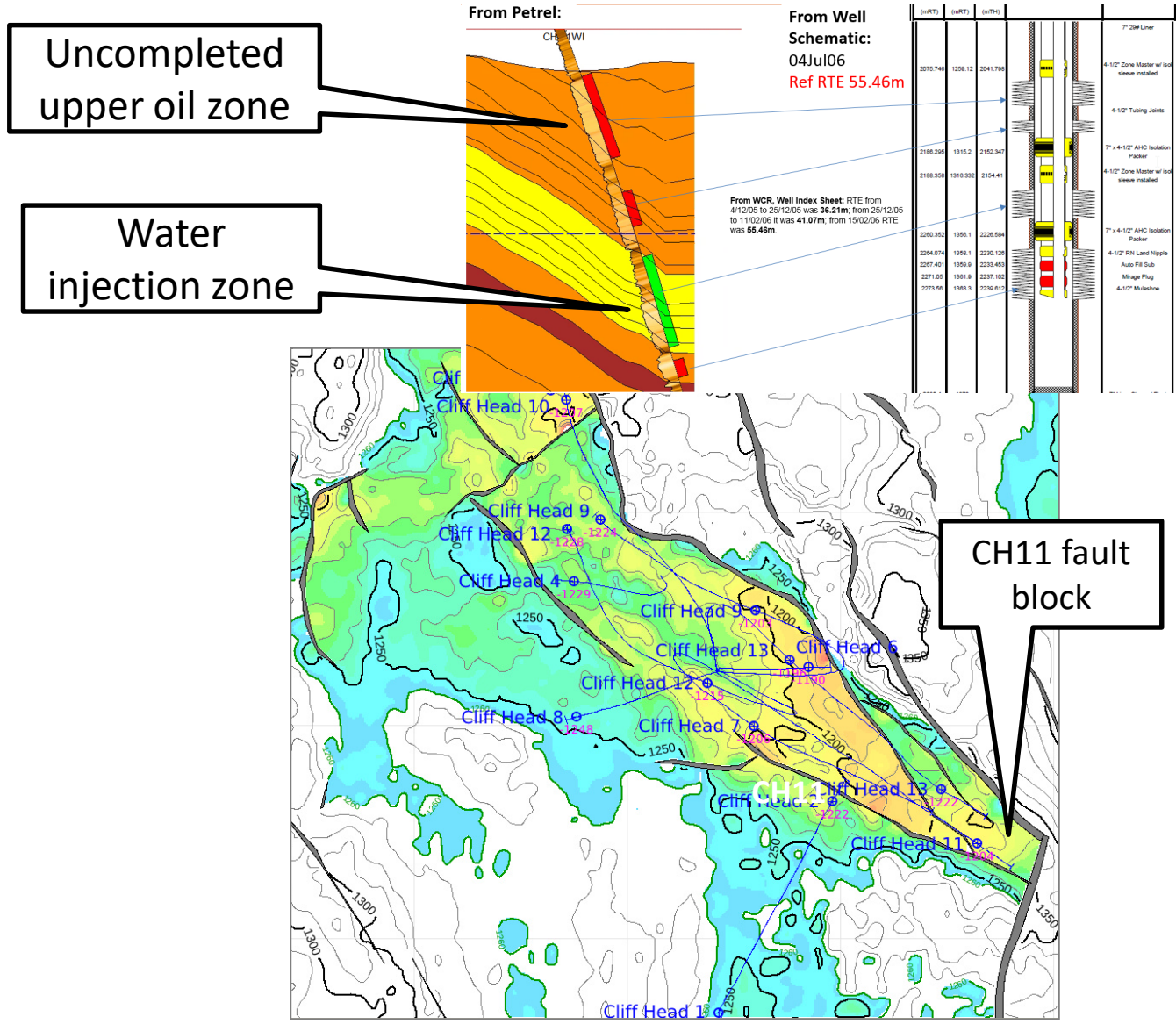
- 45% equity holder
- 3D seismic acquisition completed 14 July 2019
- Updated Xanadu discovery resource definition and appraisal well location in Q4 2019
- Xanadu appraisal well targeted for mid 2020
- Substantial additional prospectivity in TP15
  - West Xanadu leads
- Infill 2D seismic program being evaluated for mid 2020 to define these lead for drilling



\*\*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.



# Cliff Head 11 Recompletion Opportunity



- Low cost, robust, additional production stream
- Optimise utilisation of the CH11 well
  - CH11 water injection thought to be of limited benefit

1. Shut in and divert water injection to CH9
2. Convert to an oil producer from upper zone
  - Workover to produce from an unproduced upper oil zone above water injection zone
  - Expected initial production rate 500 BOPD
  - Contingent Resources 0.13 MMstb - 0.28 MMstb – 0.85 MMstb
  - Cost circa \$3m for work over
3. Economics very attractive

**Final Investment Decision Dec 2019**

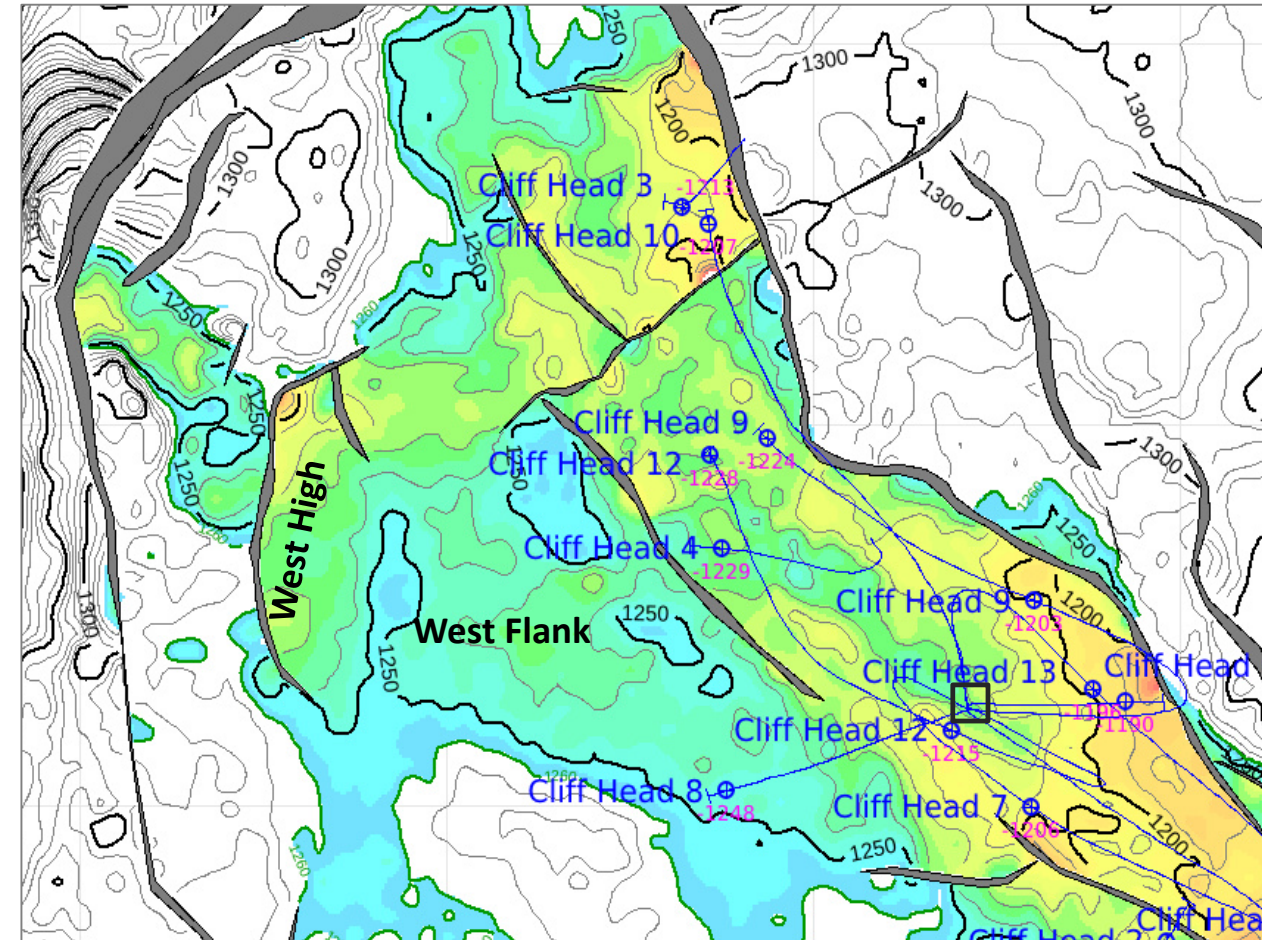
# West High/West Flank

## West High

- Undrilled structural culmination that appears to be connected to the main field
- Drillable from the platform
- Work continuing to finalise subsurface definition
  - Detailed geological interpretation for reservoir prediction and characterisation
  - Cliff Head 3D seismic to be reprocessed
- 1.42 MMstb 2C, 1.95 MMstb 3C Contingent Resources
- Attractive economics

## West Flank

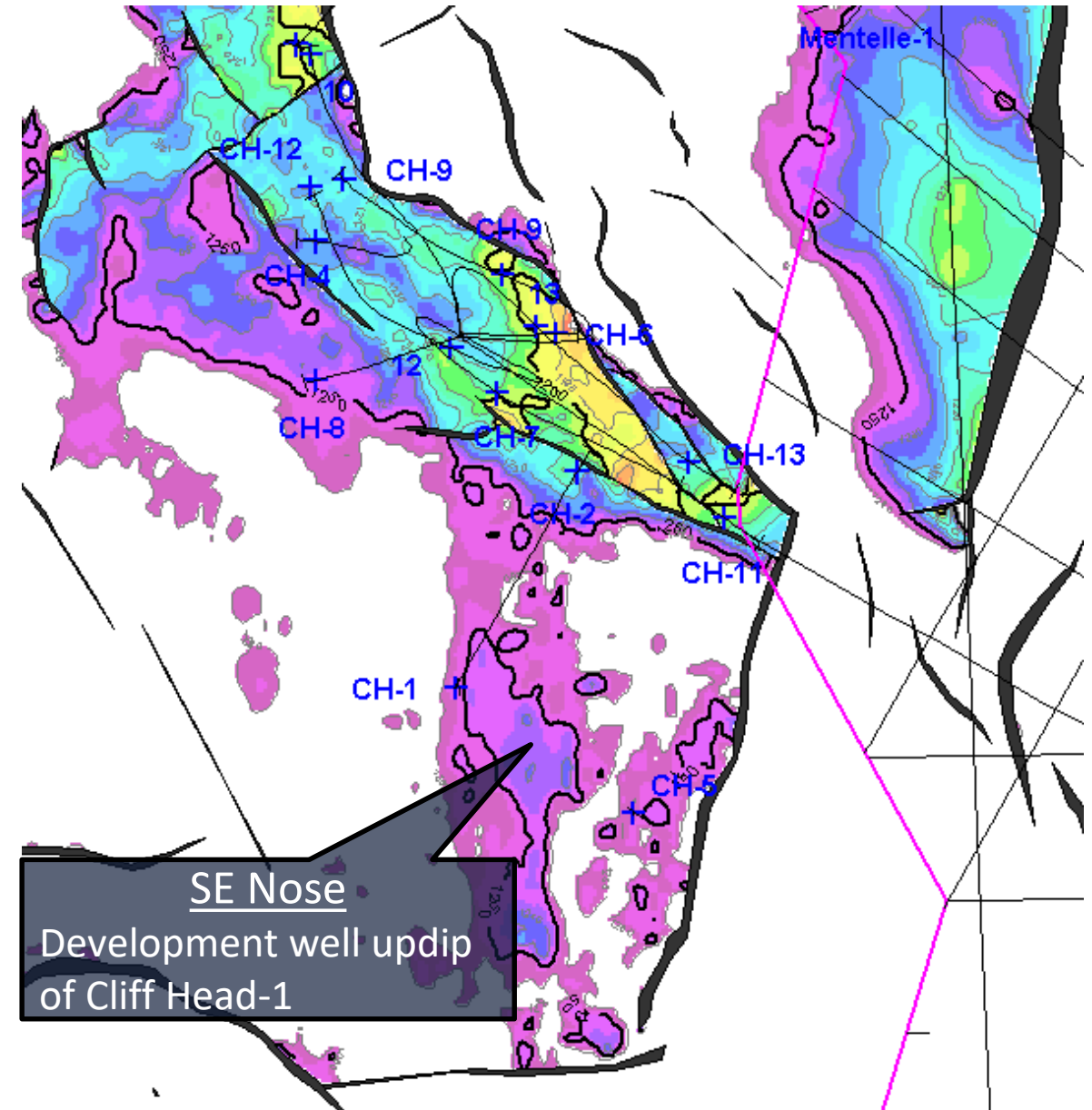
- Potential opportunity for bypassed oil between CH8 WI and West High
- 0.79 MMstb Contingent Resource
- Longer term opportunity, after West High

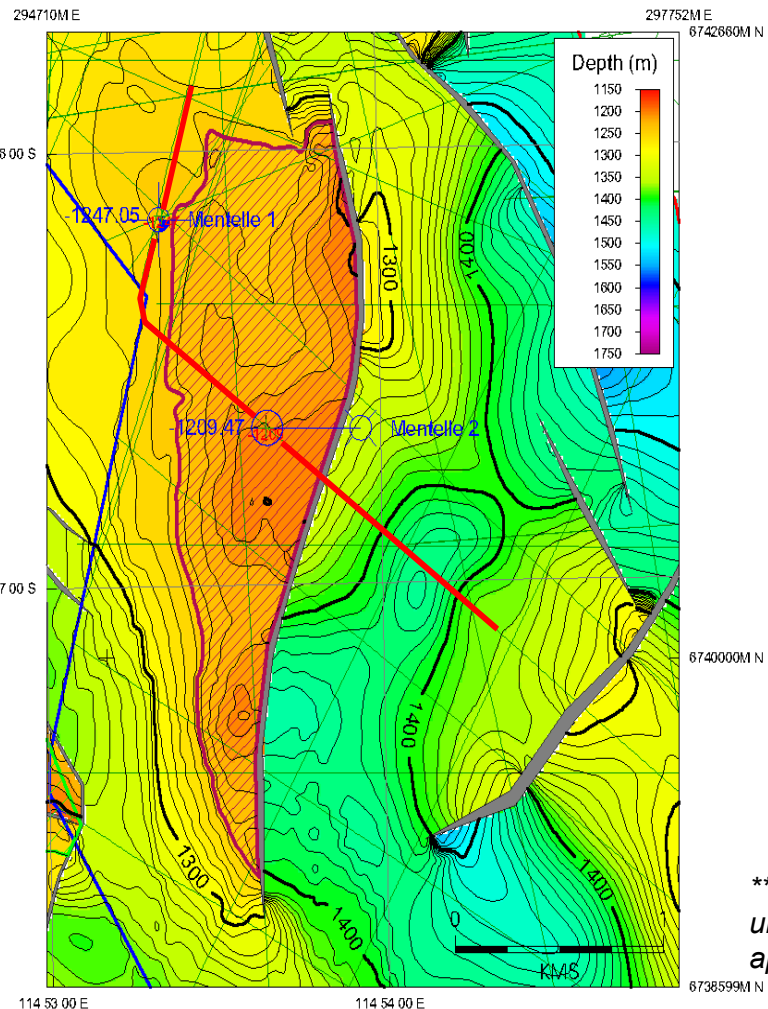
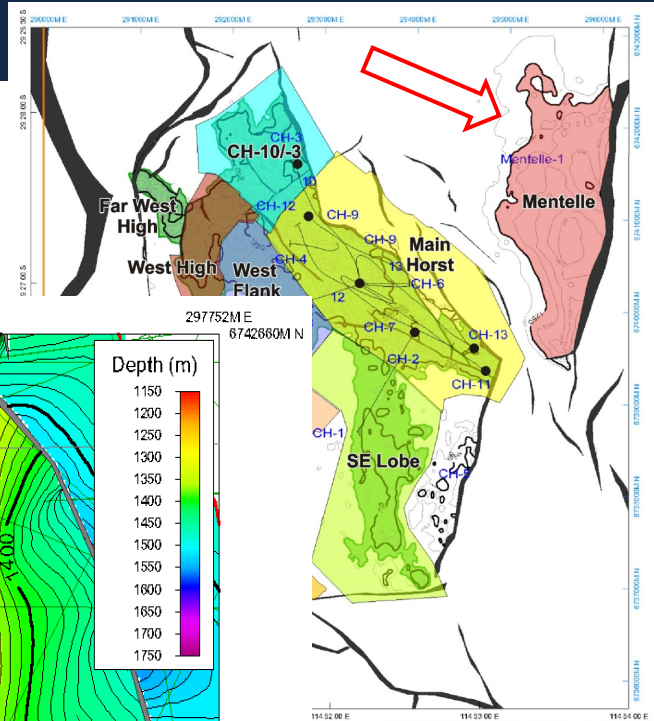


**Final Investment Decision Dec 2019**

- Low relief feature updip of Cliff Head-1 oil column
- Broad area of 10m - 15m column height
  - 0.86 – 1.43 – 2.4 MMstb Contingent Resources (1C-2C-3C)
- Long reach development well from the platform

**Final Investment Decision Dec 2019**





- Updip Mentelle-1
  - Oil shows in D3 reservoir
  - M1 drilled off structure, limited seismic when drilled
- 3.3 MMstb Best Estimate Prospective Resource
- Needs additional seismic to mature for drilling
  - Further seismic planned for 2020
- Can be developed from Cliff Head platform

### Updip Mentelle – Deterministic Prospective Resource Estimation

Parameter	Low Estimate	Best Estimate	High Estimate
OIIP (MMstb)	2.6	18.4	43.5
UR (MMstb)	0.3	3.3	10.0

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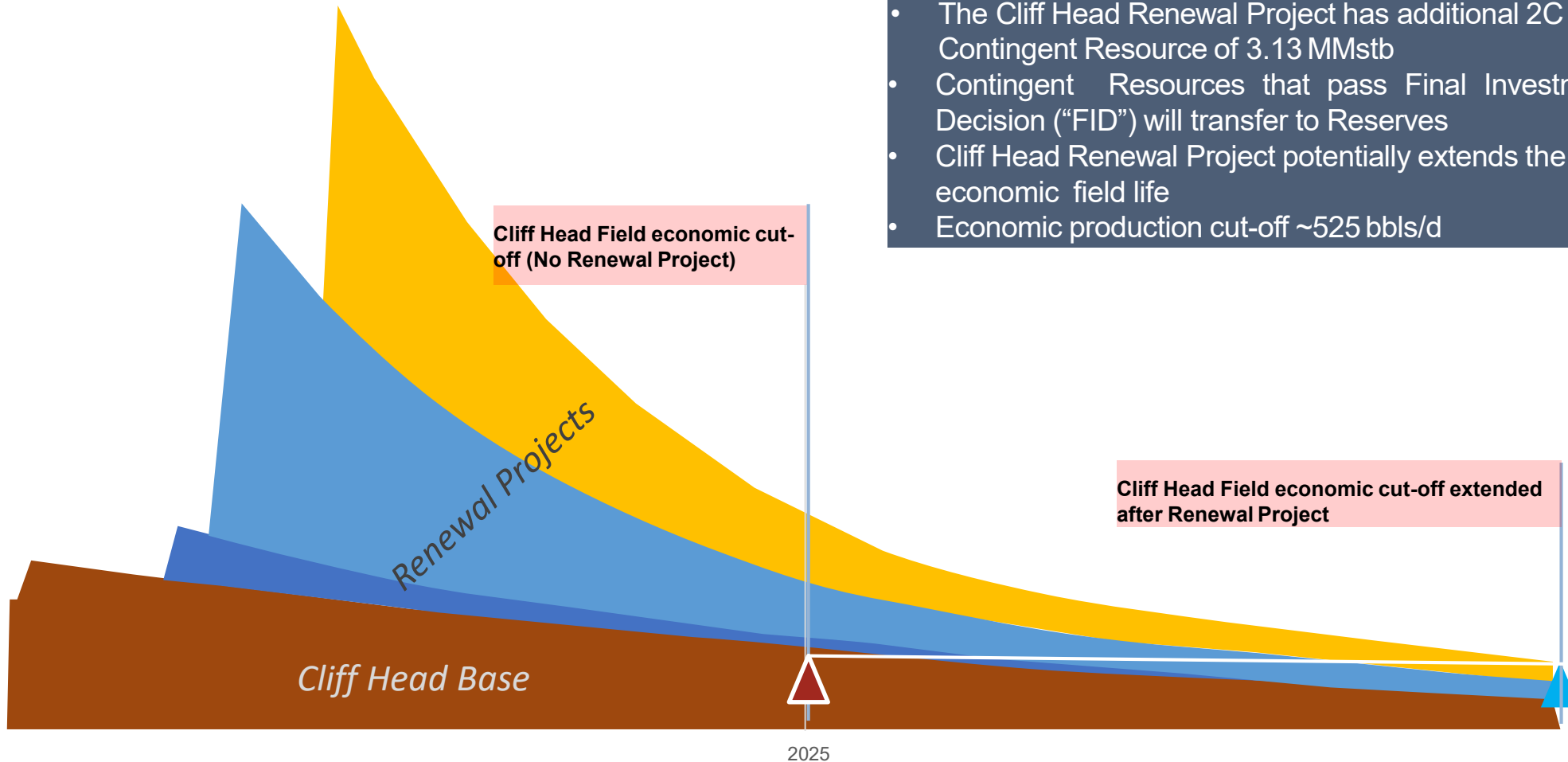


# Resource Summary WA-31-L Cliff Head

Cliff Head							
Gross Contingent Resources				Net TEG 78.75% Contingent Resources			
(MMstb Oil)	1C	2C	3C	(MMstb Oil)	1C	2C	3C
CH11 Recompletion	0.13	0.28	0.85	CH11 Recompletion	0.10	0.22	0.67
SE Nose	0.86	1.43	2.4	SE Nose	0.68	1.13	1.89
West High	0	1.42	1.95	West High	0.00	1.12	1.54
West Flank	0	0.79	1.14	West Flank	0.00	0.62	0.90
CH13 Attic		0.51		CH13 Attic		0.40	
East Horst K Sand		0.36		East Horst K Sand		0.28	
				<b>Total TEG Share</b>		<b>3.77</b>	
Gross Prospective Resources**				Net TEG 78.75% Prospective Resources**			
(MMstb Oil)	Low	Best	High	(MMstb Oil)	Low	Best	High
Cliff Head				Cliff Head (78.75% TEG share)			
Mentelle Updip	0.3	3.3	10	Mentelle Updip	0.24	2.60	7.88
South Cliff Head		3		South Cliff Head		2.36	
				<b>Total TEG Share</b>		<b>4.96</b>	

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# Extending the economic field life of Cliff Head infrastructure

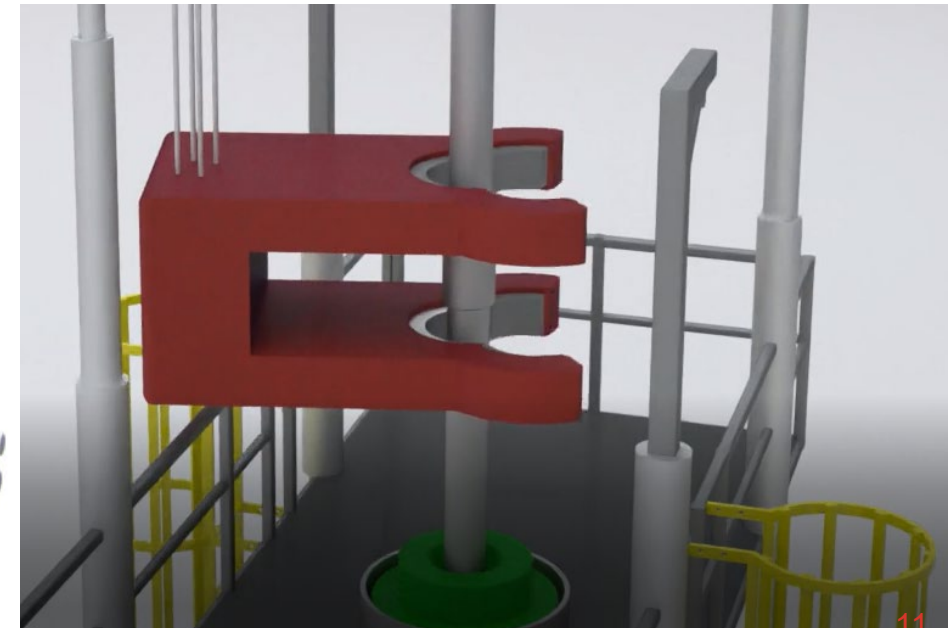


- **Current reserves\*1.71MMstb**
- The Cliff Head Renewal Project has additional 2C Contingent Resource of 3.13 MMstb
- Contingent Resources that pass Final Investment Decision (“FID”) will transfer to Reserves
- Cliff Head Renewal Project potentially extends the economic field life
- Economic production cut-off ~525 bbls/d

# Returning production to ~1000\* bbls/day by mid November 2019



- CH-13 is planned for production restart mid November 2019\* following completion of the Workover Step Change Project.
  - Conventionally deployed ESP's will replace the current Electric Coiled Tubing deployed ESP's.
  - Production downtime to be significantly reduce. Days offline due to ESP failure to reduce from >180 days to <90 days.
  - Following successful re-completion and fishing operations (to remove an ESP that was left in the well under the previous operators regime) Cliff Head production will be back to full capacity.



\* 100% JV share subject to final regulatory approvals

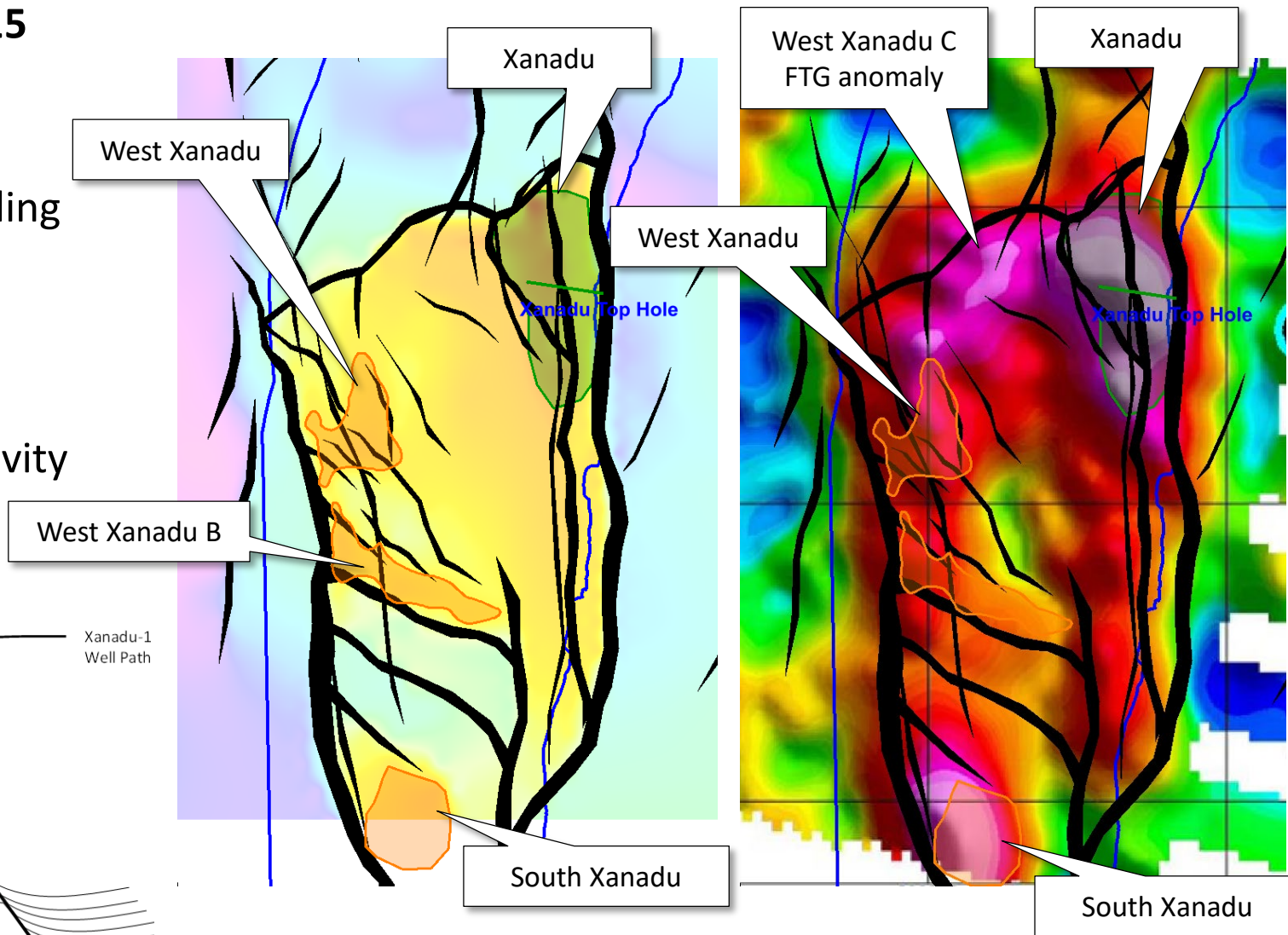
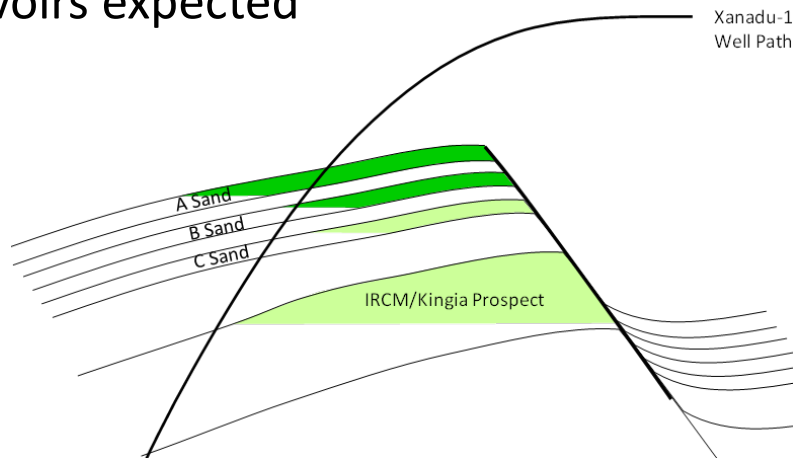




- **Xanadu 3D acquired during 31st May – 14th July**
  - Updated Xanadu discovery resource definition and appraisal well location
  - The seismic data is currently being processed
  - Results from the final interpreted data expected to be available by October 2019
  - The interpreted results of the 3D seismic program will form the basis for contingent resource estimation and appraisal well design
  - Xanadu appraisal well targeted for mid 2020

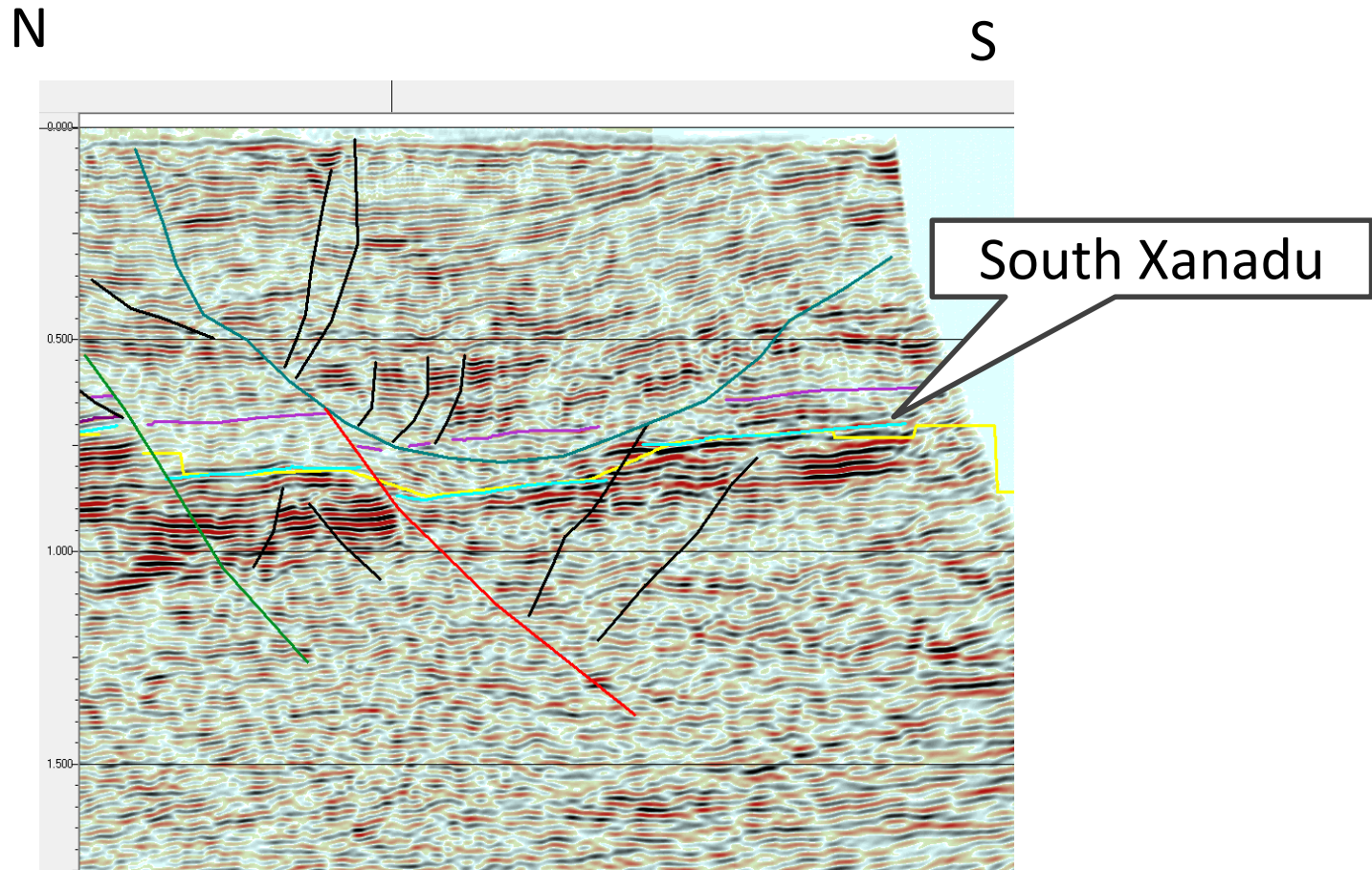
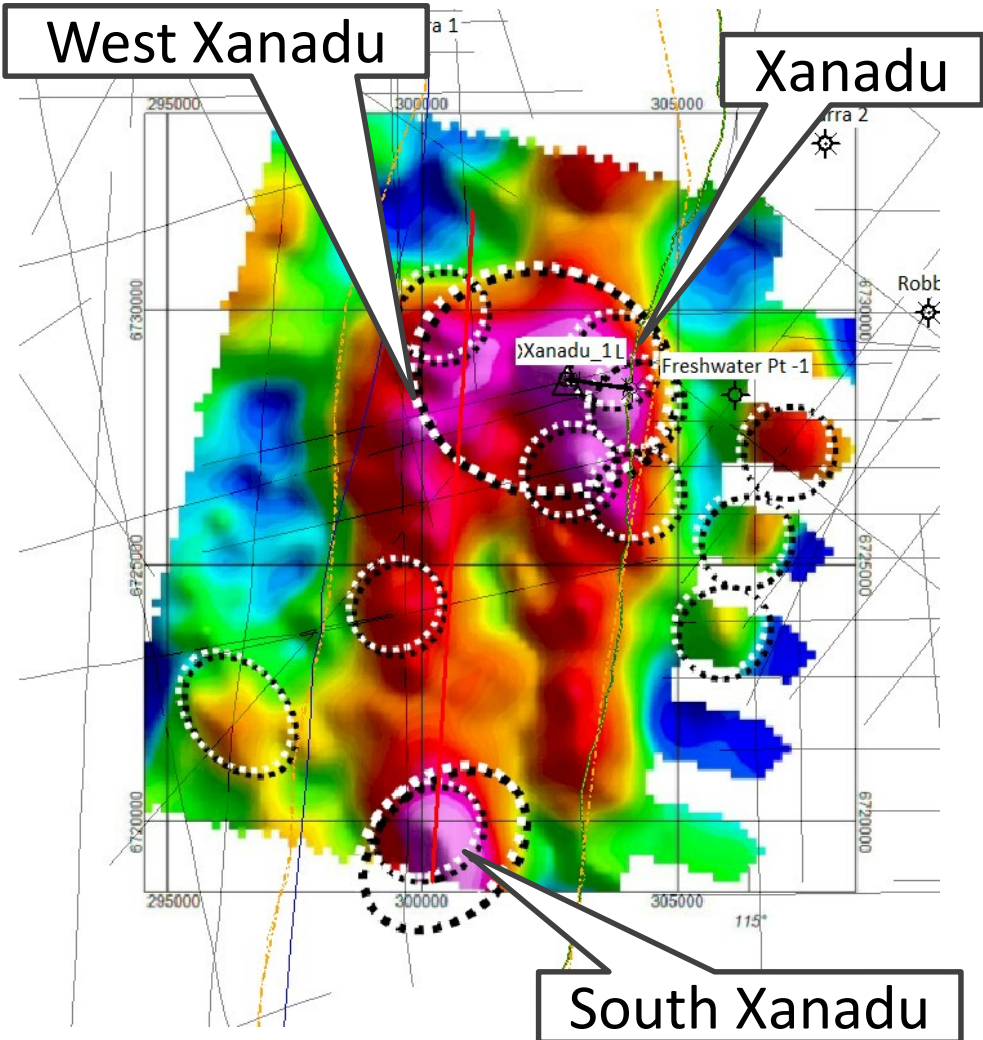
## Substantial additional prospectivity in TP15

- West Xanadu leads
  - Infill 2D seismic program being evaluated to define these for drilling
- Oil potential for lower IRCM/Kingia at Xanadu
  - Will be evaluated by Xanadu 3D
- South Xanadu and West Xanadu C gravity anomalies
  - High quality lower IRCM/Kingia reservoirs expected



# South Xanadu

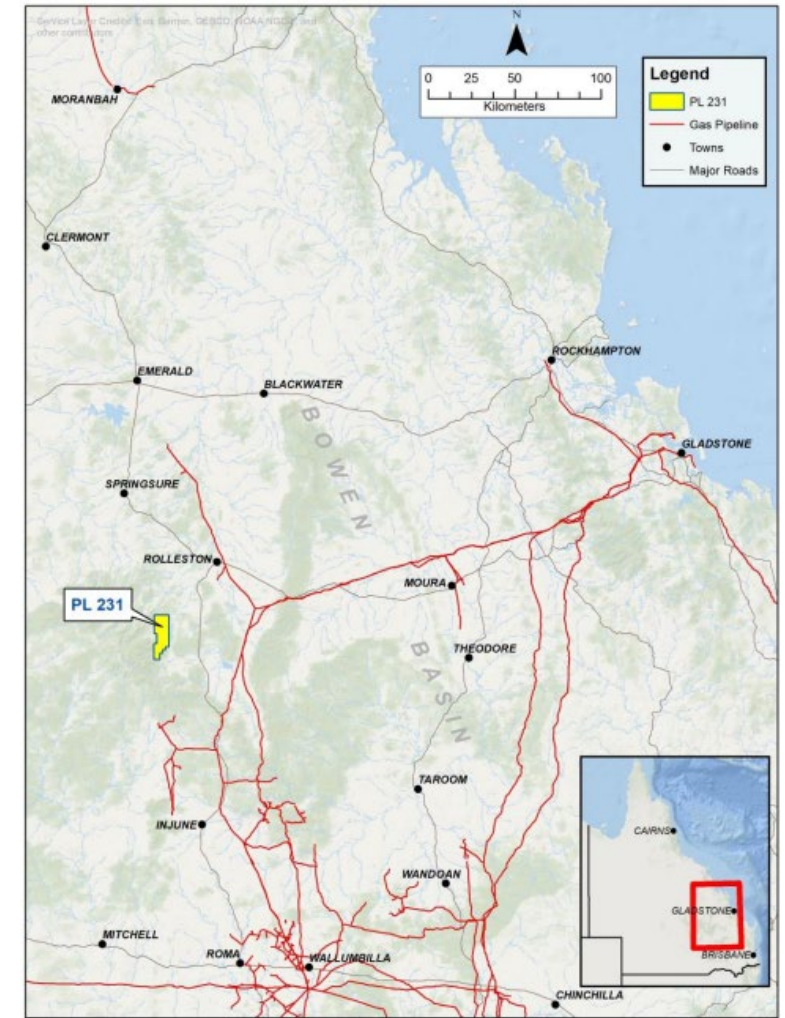
- Possible structure on Full Tensor Gravity and single seismic line
- Needs more seismic data to define closure to the South



## TEG trading at less than value of State Gas Shares

**33.34% equity interest worth ~\$ 28.7 million** (at ~\$0.60 per share 26-08-19)

- GAS holds an 80% interest and is the Operator of the Reid's Dome Gas Project (PL231) in the Bowen Basin QLD (47,830,148 shares)
- Successfully drilled two wells during Q4 2018, Primero West-1 and Nyanda-4
- Nyanda-4 drilled to 1200m encountering 40.4m of net coal seams and an additional 25m of carbonaceous shales and thinner coal seams
- Average gas content 11.6m<sup>3</sup>/t
- Q3 2019 Drilling Programme announced
  - Two new wells (one cored) and two production tests planned
  - Drilling is targeted to commence in Sept 2019.



# Moving contingent resource to reserves & production

## 2019 – Laying the foundation for growth

- ✓ Increasing equity to 45% in TP/15–Xanadu
- ✓ Reducing operating costs at Cliff Head
- ✓ Returning production to ~1000bbls/d
- ✓ Building subsurface expertise
- ✓ Re-defining prospective to contingent resource
- ✓ Completed of 3D seismic at Xanadu

## 2020 – Building capability in preparation for drilling

- ✓ Planning for Xanadu-2 appraisal well 2H 2020
- ✓ Preparations for drilling activity at SE Nose, West High, Cliff Head in-fill
- ✓ Commencing Cliff Head Growth drilling by Q4 2020
- ✓ Delivering production from wider Perth Basin portfolio by Q4 2020
- ✓ Target production to ~ 1500 BOPD at end 2020

## 2021 Target: 3000 bbls/d

- ✓ Drill & complete production well at SE Nose, West High, Cliff Head infill
- ✓ Continue to develop production from other Perth Basin assets
- ✓ Targetting peak production at Cliff Head of over 3000 bbls/d

### Late 2019 – FID & CH13 ESP Replacement

- ✓ Returning production to ~1000bbls/d (100%) by mid November
- ✓ FID decision gate for Cliff HeadGrowth Project
- ✓ Reserves review

Production\* ~615 bbls/d

Production\* ~790 bbls/d

Production\* ~1000 bbls/d

Production\* ~3000 bbls/d

Renewal Projects

Appraisal and exploration

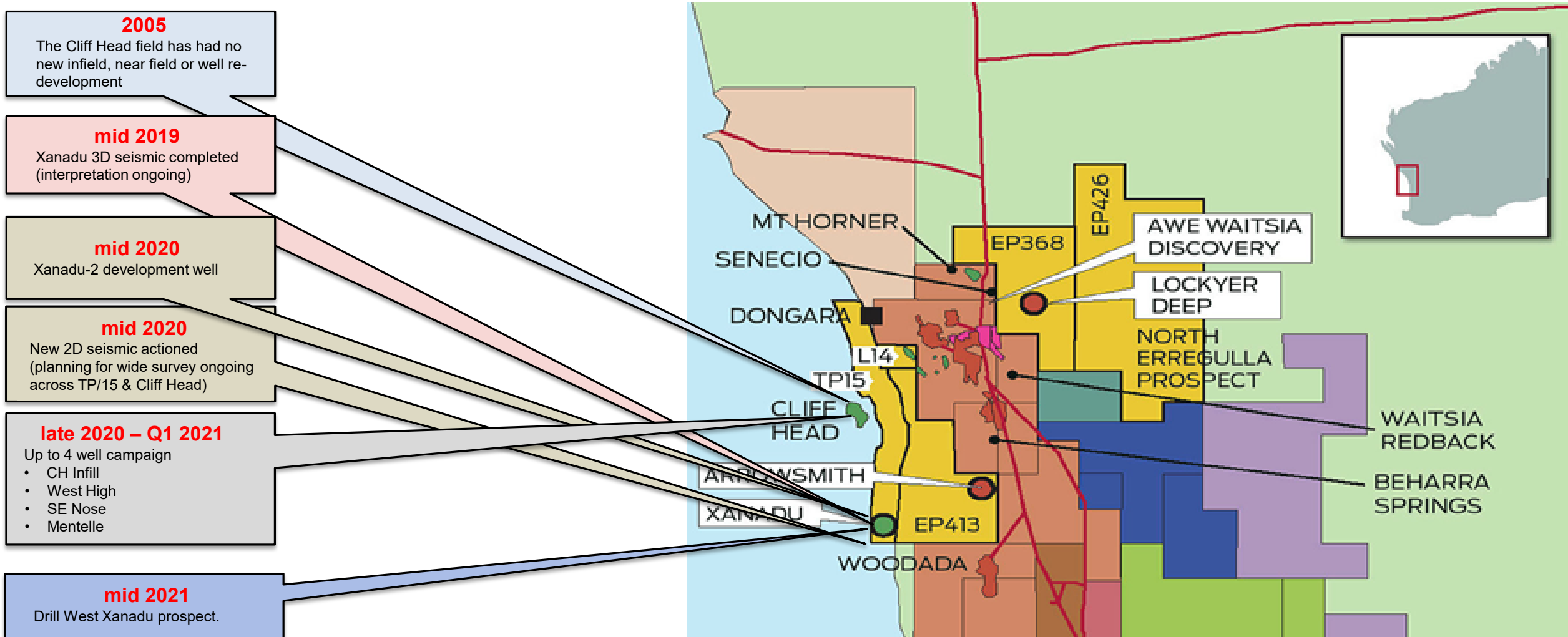
Cliff Head Base



- Triangle Energy (Global) Limited advised\* that it has received a request for arbitration from former joint venture partner Perusahaan Daerah Pembangunan Aceh (PDPA), an Acehnese government owned company
- PDPA are alleging Triangle Energy (Global) Limited owe:
  - Contribution for CSR: US\$ 0.781M
  - Building Road: US\$ 3.35M
- The Company intends to defend the claim and has engaged Indonesian legal counsel
- Upon Triangle Energy (Global) Limited successfully defending the allegation, the claimant (PDPA) would be obliged to bear all the arbitration cost and cost incurred or borne by the respondent (TEG) in order to defend its interest

\* See ASX announcement 6 March 2019

# Triangle is planning a period of company changing activity



## Launching into growth

### Our work in 2019

- ✓ Increasing equity to 45% in TP/15 – Xanadu
- ✓ Reducing operating costs at Cliff Head
- ✓ Returning production to ~1000bbls/d\*
- ✓ Taking responsibility for our subsurface strategy
- ✓ Completion of 3D seismic at Xanadu
- ✓ Planning for;
  - 3D seismic at Mt Horner\*\*
  - Interpretation of the Xanadu discovery and others
  - Mid 2020 Xanadu-2 well\*\*
  - FID at West High
  - FID at SE Nose
  - FID at CH-11
  - FID seismic at Xanadu West\*\* and Mentelle
  - 180% Reserves uplift (1.7mmbbls to 4.7 mmbbls)

### Has set up the Company for growth in 2020

- ✓ Increasing near term production at Cliff Head
- ✓ Xanadu-2 appraisal development well at TP/15\*\*
- ✓ Seismic at Mentelle, TP/15 and wider
- ✓ Preparation for a drilling campaign at Cliff Head
  - SE Nose
  - West High
  - CH-11 recompletion
  - Mentelle up dip

### .....with new drilling for the next wave of production and asset life growth in 2021/22

- ✓ Drilling campaign (SE Nose, West High, Mentelle, others)
- ✓ Cliff Head production >4000 bbls/d\*
- ✓ Mt Horner operations\*\*
- ✓ Wider Perth Basin activities

\* (100% JV share)

\*\* (Subject to JV & Regulatory approval)

# 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. 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 infra-structure.
- Summations of resources, where present, are arithmetic.
- The evaluation date for the Contingent Resources and Prospective Resources reported here is 23 August 2019. The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).

# DISCLAIMER AND FORWARD LOOKING STATEMENTS

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- Certain statements in this presentation contain ‘forward-looking statements’ including, without limitation to: expectations, beliefs, plans and objectives regarding production and exploration activities. Any matters that are not historical facts are forward-looking and accordingly, involve estimates, assumptions, risks and uncertainties and other factors discussed in our most recently lodged Annual Report, our website, <http://www.triangleenergy.com.au/>, and in our other public documents and press releases. These forward-looking statements are based on Triangle’s current expectations, estimates and projections about the company, its industry, its management’s beliefs and certain assumptions made by management. No assurance can be given that such expectations, estimates or projections will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation, including, Triangle’s ability to meet its production targets, successfully manage its capital expenditures and to complete, test and produce the wells and prospects identified in this presentation; to successfully plan, secure necessary government approvals, finance and to achieve its production and budget expectations on its projects.
- Whenever possible, these ‘forward-looking statements’ are identified by words such as “expects,” “believes,” “anticipates,” “projects,” and similar phrases. Because such statements involve risks and uncertainties, Triangle’s actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Unless legally required, we assume no duty to update these statements as of any future date. However, you should review carefully reports and documents that Triangle lodges periodically with the Australian Securities Exchange.
- Prospective Resource and Contingent Resource estimates were prepared by Triangle’s Subsurface Manager, Mt Matt Fittall on 18 June 2019. They are based on 2D and 3D seismic data, well data, geological data and other engineering data and are prepared by the deterministic method in accordance with the Petroleum Resources Management System (2018). Unless otherwise stated, Best Estimate Prospective Resources (2U) and Best Estimate Contingent Resources (2C) are reported.
- Information that relates to the prospective and contingent resources is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Fittall. He has provided his written consent to the form and context in which the information that relates to the Contingent Resources and Prospective Resources presented. Matt Fittall is a geologist and senior industry executive of over 30 years standing. He has a foundation of 25 years experience in a range of technical, operational and management roles with major Operators, primarily BHP Billiton, and Delhi Petroleum (now a subsidiary of Beach Energy). Mr Fittall is a member of the Petroleum Exploration Society of Australia (PESA). Mr Fittall has consented in writing to the inclusion of the information in the form and context in which it appears.

**Triangle Energy (Global) Limited  
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