



## ASX ANNOUNCEMENT

29 April 2016  
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 31 March 2016.

### **“Moke” Acquisition**

The Moke acquisition has been a principal area of focus during and since the end of the March quarter and Triple remains on track to complete the acquisition.

By way of background, in October 2015 Triple signed a Letter of Intent (**LoI**) to acquire interests in a number of CBM blocks in Shaanxi Province, China currently owned by a company named “Moke”.

In summary, the LoI includes 4 x blocks covering around 378 km<sup>2</sup> total in the Ordos Basin of Shaanxi Province in PRC.

- The Tongchuan Block already has nine CBM wells drilled with seven currently on long term test production.
- The WangFeng Block has four wells drilled to date (with two production tested and a full field development plan being progressed).

Moke has continued to drill both horizontal and vertical wells in the Tongchuan area during Triple’s evaluation process, yielding further valuable technical information on the project which is able to be used to ensure that the acquisition consideration is appropriately structured.

Management considers the CBM blocks held by Moke well suited to the growth plans and overall strategy of Triple Energy (and TNP’s major shareholder, Blue Sky Power). Specifically, they have the potential to generate near term production and further TNP’s goal to become as a relevant gas production company.

At this stage, there are four options to monetise the gas, which are now well understood by Triple. These include generating power for the local electricity grid, making LNG, CNG or piping it to a nearby gas pipeline. A decision will be made on this after the acquisition is completed.

Economic analysis of all development options demonstrates the potential to add material value to Triple shareholders, based on current modelling.



This acquisition remains on track and the parties are now working towards finalising the amount of consideration, the performance share structure and documentation for the acquisition.

## **Aolong JV Project in Heilongjiang**

As previously announced, the fracking and production-testing programme could not be conducted over winter due to the freezing temperatures.

The technical studies for the Hegang area in Heilongjiang Province have now been reviewed in detail by Triple and the Drilling Contractor. In summary, the Yixin-1 well drilled in 2015 remains under evaluation for fracking and testing, subject to certain clearances, while it is not expected that it will be possible to fracc and test the Xian Xian-1 well drilled in 2013.

The timing of any fracking of the Yixin-1 well will be dependent on the adequate sealing by the coal mining lease owner (Longmei) of a nearby mining borehole which it appears is currently being used for watering by local farmers. Triple is currently in discussion with Longmei in respect of this matter.

Both wells have already provided a great deal of valuable data (including desorption analysis in Yixin-1) and, notwithstanding the likely delay, Triple remains confident in the outlook for the Joint Venture project. The forward plan is to conclude discussions with Longmei to enable the fracking and testing of Yixin-1 and, in parallel to begin accessing the data from the Jixi area as mentioned below.

### **Other Areas In Aolong Joint Venture**

The Aolong JV contains rights of exclusivity to TNP's wholly owned subsidiary (CFT Heilongjiang (HK) Ltd) over four other Longmei coal mining areas, including the Jixi area to the south of Hegang.

The Jixi area has already shown considerable promise wherein TNP is advised that five CBM wells have already been drilled in 2015. Triple understand these wells have demonstrated good gas flow rates and as such, the area is likely ready for immediate development. TNP is accordingly arranging discussions with Longmei to procure the data from these wells with a view to exercising its rights over this area.

### **Other New Ventures**

Other new ventures in China are under analysis and consideration again with the objective of booking reserves/resources and generating near term production. The strategic imperative is to establish TNP as a relevant producer of gas as soon as possible. Further updates on these projects will be made in due course as they develop.



## Corporate & Financial

As of 31 March 2016 the Group's consolidated cash balance was A\$350k, including funds held by the CJV in China but before creditors. An ASX Appendix 5B for the quarter to 31 March 2016 accompanies this activities report.

Subsequent to the quarter end, TNP announced that the Triple Board had agreed to place up to approximately 117 million new fully paid ordinary shares at an issue price of 1.5 cents per share to raise approximately A\$1.75 million before associated costs (**Placement**).

The funds raised will be applied towards furthering the Moke transaction and for general working capital purposes. Placement Shares were issued to Asian based investors enthusiastic about TNP's business strategy. Shareholder approval was not required for the Placement which fell within the Company's placement capacity under Listing Rule 7.1.

### CONTACT DETAILS FOR FURTHER INFORMATION;

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Technical Information contained in this release is based on information reviewed by Mr Billy Bian (a consultant to the Company and Chief Technical Officer of the Aolong Joint Venture). Mr Bian has a Degree from the Petroleum University of China. He became certified as a Petroleum Geologist with the CNPC and SINOPEC in the year of 2001. Mr Bian has in excess of 28 years experiences in petroleum geology and has consented to the inclusion of the information in the form and context in which it appears.



### About Triple Energy and its projects

Triple Energy Limited is an Australian registered Oil & Gas exploration company listed on ASX. Triple Energy's ordinary shares trade under the code TNP.

#### NEW PROJECTS

TNP has recently announced that it entered into a non-binding Letter of Intent to purchase two new CBM projects in Shanxi Province, in the People Republic of China. These projects have a number of test wells on production. The acquisition is progressing well and the final acquisition price is currently under negotiation. If this acquisition is completed, it is expected that TNP will become a producer of gas in China in the very near term. Other new growth projects are also under evaluation.

#### EXISTING PROJECT

Triple Energy 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.

The CJV has now drilled three wells, one in 2013 and two in 2015.

**TRIPLE ENERGY LIMITED 31 MARCH 2016 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.

None.

# 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, 01/05/2013

Name of entity

Triple Energy Limited

ABN

68 116 829 675

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(197)	(938)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(233)	(892)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
<b>Net Operating Cash Flows</b>		<b>(430)</b>	<b>(1,822)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(430)</b>	<b>(1,822)</b>

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+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(430)	(1,822)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	1,534
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital-raising costs)	-	(201)
	<b>Net financing cash flows</b>	-	1,333
	<b>Net increase (decrease) in cash held</b>	(430)	(489)
1.20	Cash at beginning of quarter/year to date	825	846
1.21	Exchange rate adjustments to item 1.20	(1)	37
1.22	<b>Cash at end of quarter</b>	394	394

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries, superannuation, consulting fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Pursuant to shareholders approval granted on 24 April 2015, during the June quarter the Company issued ordinary shares in settlement of the A\$500k loan to Aolong from BSP and has also issued Drilling Performance Shares to BSP which will convert into ordinary shares on a 1:1 basis upon satisfactory completion of the 2-well drilling program funded by the issue of the Performance Shares.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	105
<b>Total</b>	<b>255</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	379	810
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (term deposits)	15	15
<b>Total: cash at end of quarter (item 1.22)</b>	<b>394</b>	<b>825</b>

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## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	1,132,940,941	1,132,940,941		

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7.4	Changes during quarter				
	(a) Increases through issues				
	<i>Tranche 2 BSP Placement</i>				
	<i>BSP Loan Settlement</i>				
	<i>SPP</i>				
	(b) Decreases through returns of capital, buy-backs				
7.5	<b>*Convertible debt securities</b> (description)				
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	<b>Options</b> (description and conversion factor)	77,000,000	-	Exercise price <b>\$0.015</b>	Expiry date 31/8/18
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	<b>Class A</b> 15,000,000 <b>Class B</b> 15,000,000 <b>Class C</b> 15,000,000 <b>Class E</b> (director) 15,000,000	-	Exercise price <b>\$0.03</b> <b>\$0.03</b> <b>\$0.04</b> <b>\$0.04</b>	Expiry date 14/2/2016
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## DRILLING PERFORMANCE SHARES


In April 2015 Shareholders approved the issue of 595.2 million drilling performance shares (**Performance Shares**) to BSP in consideration for the procurement of drilling services for 2 wells at the Company's Aolong project by 31 December 2015. On satisfaction of the attached vesting conditions the Performance Shares are due to convert into ordinary shares on a 1:1 basis. As at 31 December 2015 the 2 wells had been drilled and cored as announced by the Company to ASX previously, however certain other specified components of the drilling services were not able to be met by 31 December 2015 through no fault of Triple or BSP and are now expected be met during 2016. The Independent Directors of Triple (being, in this instance the Directors not nominated by or associated with BSP) have resolved to take such remedial action as may be necessary to enable the commercial substance and intent of the drilling services arrangements with BSP to be honoured. This may involve or include the seeking of shareholder approval for a reissue of the Performance Shares on amended terms, or for a new issue of ordinary

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shares at some point in the future. Triple is in dialogue with BSP and ASX to identify the most appropriate route forward and will update shareholders accordingly.

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29/04/16  
(Company Secretary)

Print name: ALEXANDER NEULING

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