

ASX: TEG

www.triangleenergy.com.au

52 Wk Share Price Range

\$0.02 - \$0.064

Market Capitalisation

\$19.86M (at \$0.032 per share as at 29 April 2021)

Issued Capital (as at 31 March 2021)

620.8M Outstanding Shares
49M Performance Rights
1.8M Unlisted Options @\$0.10
4M Unlisted Options @\$0.03

Cash (as at 31 March 2021)

\$3.11M

Investment in State Gas Limited

\$24.9 million (at \$0.52 per share, as at 29 April 2021)

Top 20 Shareholders (31 March 2021)

40.69%

Board and Management

Timothy Monckton
Non-Executive Chairman

Rob Towner
Managing Director/CEO

Wai-Lid Wong
Non-Executive Director

Malcolm King
Non – Executive Director

Marvin Chan
Chief Financial Officer

Lucy Rowe
Company Secretary

Triangle Energy (Global) Ltd

Suite 2, 100 Havelock Street,
West Perth, WA 6005
T: +61 8 9219 7111
E: info@triangleenergy.com.au

HIGHLIGHTS OF THE QUARTER

- ❖ **Sale and Purchase Agreement signed with Key Petroleum Limited for acquisition of further 50% of L7 (R1) and 86.94% of EP437**
- ❖ **Successful Capital Raising of \$1.2M**
- ❖ **US\$1.02M in escrowed funds received as cleared funds**

Cliff Head Oil Field (Cliff Head) Operations

- **Average Oil Price: US\$56.00 per barrel**
- **Produced and sold: 44,730 bbls (ave. 758 bopd) equivalent to 2 months of production. From 1 March 2021, all produced crude oil will be stored at BP Kwinana until offtake arrangements finalised**
- **Cliff Head Joint Venture (CHJV) crude sales revenue: AU\$3.24 million equivalent to 2 months revenue at an oil price of US\$56.0 (average)**
- **Lifting costs: US\$28.68/bbl (previous quarter US\$26.92/bbl) – increased cost due to additional routine work**
- **Operating profit: US\$14/bbl**

Corporate

- **January 21, 2021, the Company announced PT Enso Asia had released US\$1.02M funds as cleared funds subsequent to the commencement of arbitration proceedings in December 2020**
- **January 29, 2021, acquisition of further 50% of L7(R1) and 86.94% of EP 437 from Key Petroleum Limited**
- **January 29, 2021, successful completion of private placement of shares, raising AU\$1.2M**
- **Storage Agreement signed with BP Kwinana and non-binding Off Take Term Sheet agreed subsequent to the end of the quarter**
- **The Company is the major shareholder of State Gas Limited (ASX:GAS, State Gas) with an interest of 27.67% as at the date of this report. The investment is equivalent to AU\$24.90 million in value at \$0.52 (as at 29 April 2021) per State Gas share**
- **Cash: AU\$3.11 million (previous quarter: AU\$3.06 million)**

COMPANY UPDATE

Cliff Head Oil Field (100%)

Production and Revenue

- CHJV crude oil produced and sold for January and February 2021 (2 months): 44,730 **bbls**
- CHJV crude oil sales revenue for January and February 2021 (2 months): **AU\$3.24 million**
- CHJV crude oil average barrels produced and sold: 758 **bopd**

| March 2021 Quarter | CHJV Total (100%) AU\$ Millions | CHJV Total (100%) US\$* Millions | Per barrel US\$* |
|--------------------------------|---------------------------------------|--|---------------------|
| Sales | 3.238 | 2.505 | \$56.01/bbl |
| Lifting costs ¹ | (1,658) | (1.283) | (\$28.68)/bbl |
| Operating margin | 1,580 | 1.222 | \$27.33/bbl |
| Trucking | (0.221) | (0.171) | (\$3.82)/bbl |
| Routine profit | 1.359 | 1,051 | \$23.51/bbl |
| Non-routine costs ¹ | (0.548) | (0.424) | (\$9.49)/bbl |
| Gross profit (loss) | 0.811 | 0.627 | \$14.02/bbl |

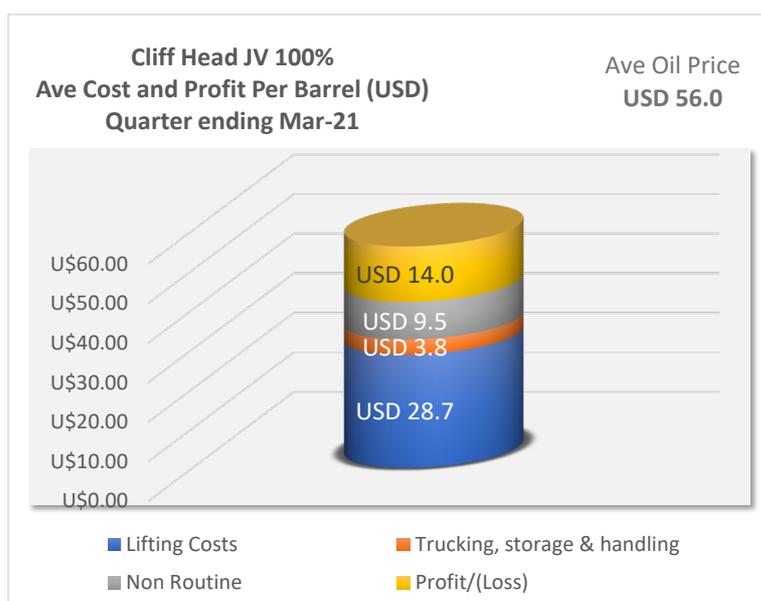
* US\$/AU\$ conversion rate of 0.774

Note: Triangle will be continuing to report for the CHJV at 57.5% as it currently controls two of the three joint venture participants in the CHJV. The 42.5% acquired by Triangle and Royal Energy Pty Ltd² (21.25% each) on 31 March 2017 is controlled 50/50 and is not consolidated into the Triangle Group of Companies.

Cliff Head Operations

Cliff Head Joint Venture (**CHJV**) continued to produce and deliver crude oil to BP Kwinana during the quarter. Operations were uninterrupted by the closure of the BP refinery and crude oil sales continued in January and February 2021. From 1 March 2021, crude oil delivered to BP Kwinana will be recorded as crude oil inventory until the actual lifting of the crude oil. Subsequent to the end of the quarter, the CHJV, through the Operator, Triangle Energy (Operations) Pty Ltd, agreed the terms of a non-binding offtake term sheet with BP Singapore Pte Ltd.

Cliff Head financials improved this quarter compared to the period ending December 2020 resulting in a profit of US\$14 per barrel. The main drivers of the improved performance are the increase in crude oil price and the additional production from Cliff Head 7 well (**CH7**).



¹ Lifting costs are calculated to include routine production costs only. Non-routine costs exclude exploration, capitalisable expenditures and the associated amortisation.

² On 25 September 2020, Pilot Energy Limited announced that it had entered into a definitive share sale deed with Royal Energy Pty Ltd subject to shareholder approval.

Costs almost remain unchanged except for the fabric maintenance campaign in January 2021. Overall, total expenditure during the quarter was below the budgeted amount.

CH6 and CH7 Workover Campaign

As previously announced, the CH6 and CH7 wells have been shut in since June 2020. The Company was pleased to advise that CH7 well returned to production on the afternoon of 28 November 2020.

CH6 well however continues to be temporarily suspended after attempts to retrieve the old ESP were unsuccessful. After careful investigation of the cause of failure to retrieve the ESP, CHJV has formulated a solution and is now in the planning stage to restart the CH6 workover campaign.

The Company looks forward to keeping shareholders updated on the campaign's progress.

BP Kwinana Refinery Conversion

In October 2020, BP announced its plans to convert the Kwinana Refinery to an oil import terminal. As a result, the Crude Oil Sales Agreement was terminated, and the Company announced that the termination effective date was to be 16 February 2021.

In order to allow the Company to continue to produce and deliver its crude oil to the BP Refinery this termination effective date was subsequently extended, during the quarter to 22 April 2021.

On 22 April 2021, subsequent to the end of the quarter, the Board was pleased to announce that, Triangle Energy (Operations) Pty Ltd, (**TEO**), as Operator of the Cliff Head Joint Venture and on behalf of the Cliff Head Joint Venture Participants (**Producers**), had entered into a binding agreement with BP Refinery (Kwinana) Pty Ltd (**BP Kwinana**) in relation to the storage of the Company's crude oil produced at the Company's Cliff Head Asset (**CHA**). The Company also agreed terms with BP Singapore Pte Ltd (**BP Singapore**) in a non-binding term sheet for a related offtake agreement for its product.

Product Storage Services Agreement

Under the Product Storage and Services Agreement (**Storage Agreement**), it was agreed that BP Kwinana will provide access to and use of the BP Kwinana Facility to TEO to store its crude oil. BP Kwinana will provide services associated with the storage and lifting of the crude oil.

The crude produced and delivered by TEO will be stored at BP Kwinana in 2 tanks, at Kwinana, Perth, Western Australia as a commingled product with crude and condensate from other Producers also using the storage facility.

The initial term of this Agreement is to be one year from 22 April 2021. BP Kwinana and the Company have also agreed to discuss in good faith a possible extension of the term for 1 year or any other term mutually agreed by all parties. Any extension may be subject to revised commercial terms.

The Company will pay a monthly capacity rental charge and a throughput fee per barrel. These charges are linked with the charges applicable to other users of the facility and may be changed if other users cease to use the facility or commence using the facility.

Non-binding Offtake Term Sheet

Under the non-binding offtake term sheet, it is proposed that BP Singapore will purchase the crude produced from the Cliff Head Oil Field, commingled with crude and condensate of other producers, on FOB BP Kwinana terms. The non-binding offtake term sheet provides that the binding agreements will be conditional on, amongst other conditions, the other producers proposing to utilise the Storage Terminal (together the Designated Sellers) each signing storage agreements with BP Kwinana and all Designated Sellers having procured approvals to store and export the Crude. It also provides that the initial term of the offtake agreement will be two years from satisfaction of the conditions precedent, but will be aligned with the term of the Storage Agreement. The offtake will be for the entire production quantity, and pricing will be at a fixed discount to Brent. BP Singapore has a last right of refusal on all Cliff Head Product, including after expiry of the formal offtake agreement. The Producers may be subject to penalties and liabilities if they, or another Designated Seller, delivers off-specification product.



Triangle cautions that the Offtake Term Sheet is non-binding. Although the negotiations to date, culminating in the execution of the Offtake Term Sheet, give Triangle a reasonable basis to believe that a binding offtake agreement will be entered into in the coming weeks, there can be no certainty that a binding agreement will be reached. Further, there can be no certainty that any conditions precedent to any such binding agreement will be satisfied. Investors are therefore cautioned against placing undue reliance on the Offtake Term Sheet.

The Company will keep shareholders updated in accordance with its continuous disclosure obligations.

Mt Horner Production Licence L7(R1)

On 29 January 2021, the Board of Directors was pleased to announce that the Company 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.

Summary of the key terms of the Agreement and Royalty Deed

Completion of the Agreement is conditional on usual regulatory approvals and execution of a deed of covenant in respect of the EP 437 JOA. Under the terms of the Agreement:

- Triangle will pay to Key a cash consideration of A\$600,000 (\$A200,000 was 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.

In the previous quarter, planning activities were undertaken for the Bookara 3D Seismic Survey, with the Survey to be conducted in 2021 as part of the agreed Farmout Work Program under the Farmout Agreement signed on 31 October 2018, to be funded by Triangle Energy (Global) Limited.

During the March Quarter activities commenced including, survey design, Botanical Survey, and a high-resolution aerial photo survey as part of the environmental approvals. Stakeholder engagement pertaining to access is also well underway.

The Company also commenced a technical review of L7 to evaluate the numerous oil shows and oil and gas exploration opportunities in the Lower Jurassic, Triassic and Permian in advance of the Bookara 3D seismic acquisition.

Cliff Head Contingent and Prospective Resources

On 15 March 2021, the Company provided an update on its Resources, Well Planning and Farmout process as follows:

On 3 November 2020, Triangle announced that in light of BP's intention to cease fuel production at its Kwinana Refinery and convert the Refinery into an import terminal, the Company withdrew its Resources and Reserves estimates on the basis that the economic parameters underpinning these were now unknown.

Triangle announced on 29 October 2020, a review of the Prospective and Contingent Resources for the Cliff Head asset, as a result of additional depth conversion work. As these estimates are not reliant on economic parameters, the Company was therefore in a position to restate the estimates as outlined below. These Contingent and Prospective Resources of October 29, 2020 are confirmed (Table 1). There are no material changes to the previous assessment.

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 WA-31-L Contingent and Prospective Resources Summary

** The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both a 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.

Triangle confirms that its Reserves estimates remain retracted at this time, as it considers oil marketing opportunities available within the greater South East Asian region. In regards, to the Company's Reserves, the economics that underpin the quantum of Reserves are dependent on the outcome of the aforementioned oil marketing opportunities being considered following BP's announcement of the Kwinana refinery shutdown. The Reserves for Cliff Head field will be reviewed for a June 30, 2021 evaluation date when Triangle has a reasonable basis upon which to consider the economic assumptions underpinning its Reserves estimates.

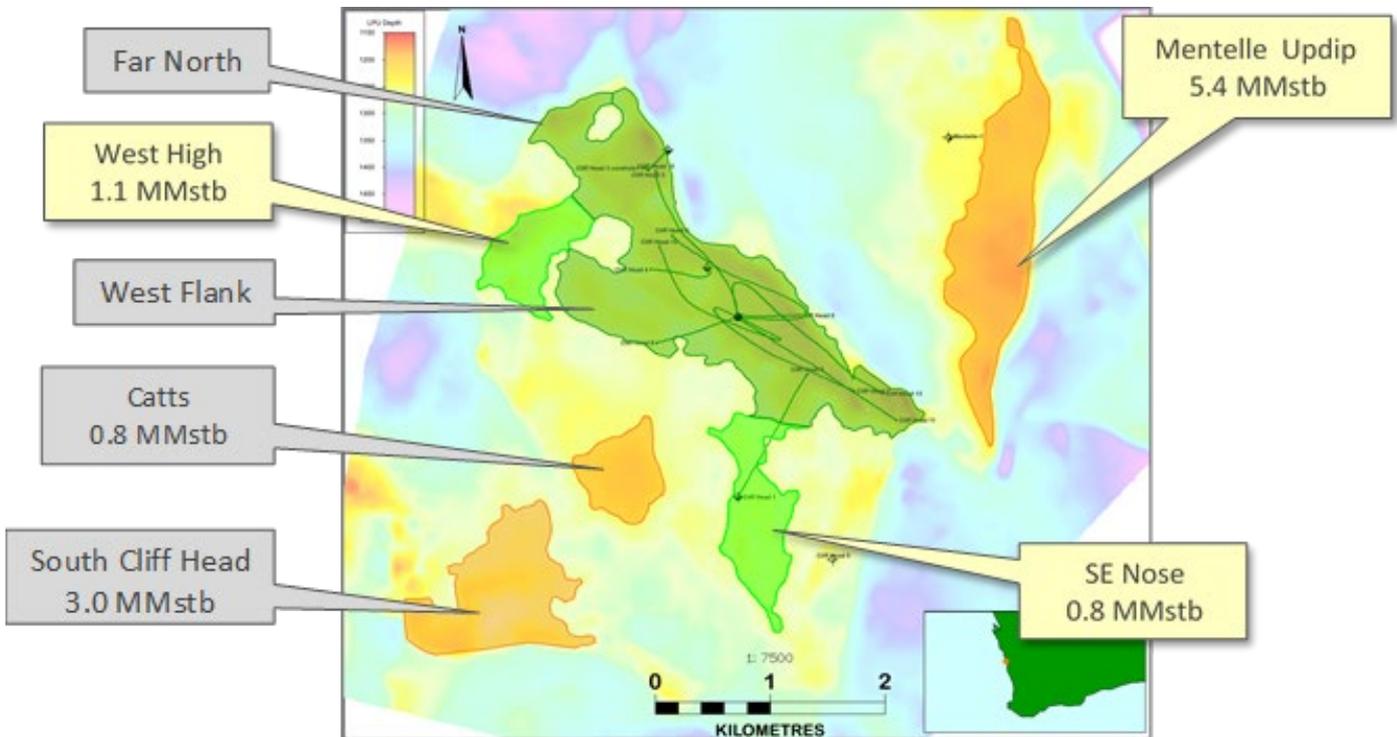


Figure 1 Cliff Head Satellite Opportunities

Cliff Head Mark 2 (Renewal Project)

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/West Flank appraisal/development (Western Development) and Mentelle Updip exploration prospect. The results of this work were announced on 23 April 2020. If these opportunities are successful, it could materially extend the life of the Cliff Head oil field.

During the quarter the company also undertook further evaluation and well planning for a combined West High and West Flank well (Western Development) to access potential bypassed oil on West Flank at low additional cost to a West High well.

Cliff Head Satellite Drilling Farmout

As previously announced, Triangle, on behalf of the Cliff Head Joint Venture has commenced a farmout campaign to introduce a new partner to assist with the drilling of the priority targets at West High/West Flank (Western Development), Mentelle Updip and SE Nose. Successful wells on Western Development or SE Nose could be completed for immediate production and could have initial production rates of 3000 – 4000 BOPD providing a material uplift to the Cliff Head production if successful and extend asset life.

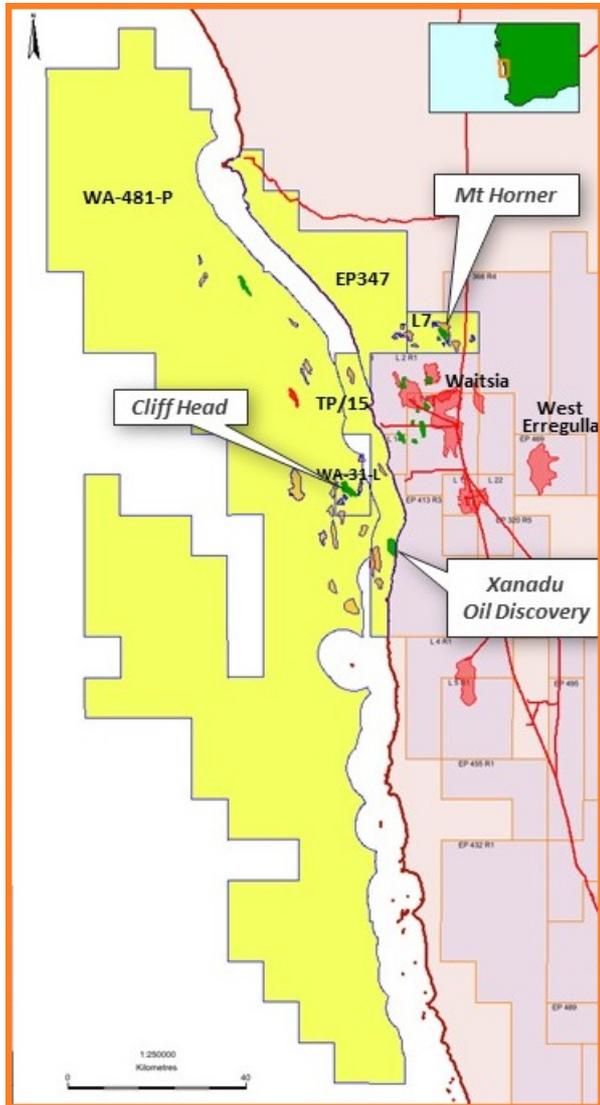
An online data room has been established with multiple companies engaged in the farmout process.

Well Planning

The Company is also continuing to progress the well planning for the Cliff head satellite wells. The Company has received quotes from well construction service providers to complete the Select phase work leading into detailed design for SE Nose, Western Development and Mentelle Updip, targeting drilling during 1H 2022.



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.

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.

During the quarter, the Company and Pilot have worked towards finalising the above documents with the cut-off date to agree these documents amended by mutual agreement to 7 May 2021.

As consideration for the acquisition, Triangle will:

- (i) Pay Pilot \$300,000 at completion; and
- (ii) 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).

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.



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 access 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.



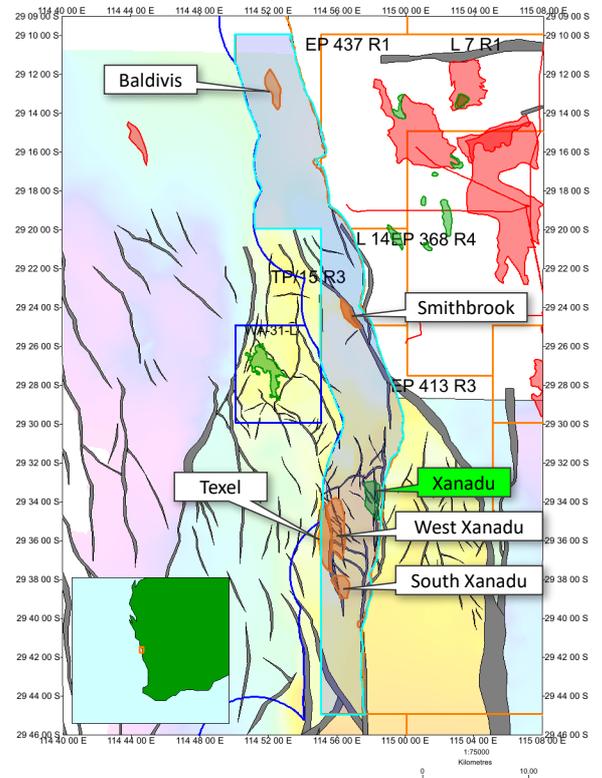
TP/15 Xanadu-1 JV (45%)

TP/15 hosts the Xanadu oil discovery within the large Xanadu structure., 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.

Significant exploration potential remains in TP/15 with the West Xanadu and in the Texel leads, located some 10km to the southwest of Xanadu-1, where reservoir quality is expected to improve Texel is a 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.

The Joint Venture will also shortly commence full abandonment of the Xanadu-1 exploration well, with partial restoration of the well site. Subject to regulatory approval the TP/15 Joint Venture will then hand over the Xanadu-1 well site to Main Roads WA, to be used as a logistical base for local roadworks operations. This is a favourable outcome for the TP/15 Joint Venture, as full site rehabilitation and revegetation will no longer be a requirement.



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% (as at the date of this report), the investment is equivalent to AU\$24.90 million in value at AU\$0.52 (as at 29 April 2021) per State Gas share.

The following developments occurred during the quarter ending 31 March 2021:

- On 6 January 2021, State Gas announced that the drilling at Nyanda-8 has reached the targeted Total Depth of 1200m on 3 January 2021. Wireline logs have indicated that the well had intersected 19.7m net coal with open fractures apparent on the image log, exhibiting good potential for CSG production. All three wells (Nyanda-7, Nyanda-4 and Nyanda-8) have intersected good quality coals, with seams of similar thicknesses and depths, confirming the widespread presence of gas-bearing coal seams and significant net coal within the Nyanda Focus Area
- With the encouraging results at Nyanda area, State Gas has embarked on production testing of the wells, commencing with the Nyanda-4 being returned to production on 19 January 2021. Gas flows re-commenced immediately at Nyanda-4 with the resumption of dewatering. Nyanda-7 was placed on production test on 25 January 2021. The well commenced producing gas on 1 February 2021 with a performance analogous with the successful Nyanda-4 well. Dewatering at Nyanda-8 also commenced on 30 January 2021.
- On 18 February 2021, State Gas announced that gas production at Nyanda-4 continued strongly with growth in the production rate showing consistency with prior testing of the well. At this time, current rates were around 100,000 cubic feet a day which is ahead of the previous comparable production tests. On 16 March 2021, Nyanda-4 has produced exceptional results producing 620,000 cubic feet in the previous 24 hours.

- On 16 March 2021, State Gas announced that Nyanda-7 was experiencing strong water recharge, indicating good permeability, although slowing the progress in reducing downhole pressures aimed at accelerating gas production. Nyanda-8 gas flows continued to build, producing 31,000 cubic feet per day in the last 24 hours,

For further information on State Gas Limited, please refer to the company's website at 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.

CORPORATE

Private Placement of Shares

On 29 January 2021, the Company announced that it had received binding commitments under a Placement to raise A\$1.19 million (before costs) 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.

The funds raised pursuant to the Placement are intended to be applied towards the cash consideration payable to Key pursuant to the Acquisition, also announced on 29 January 2021, the work program for Mt Horner and EP 437, and general working capital.

The issue price of A\$0.021 represented a 21.36% discount to the 15-trading day VWAP.

Upon completion of the Placement, the 56,433,043 new shares represented approximately 9.09% of the share capital of the Company, which now has 620,763,481 ordinary shares on issue.

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

Settlement of the placement occurred on 8 February 2021.

Capital and Management Expenditure

As at 31 March 2021, Triangle had a cash balance of AU\$3.11M.

During the quarter, the Company made payments on the following expenditures:

- Production expenditure:** Normal production operations at Cliff Head of AU\$1,012K. This amount represents 57.5% participating interest in CHJV;
- Exploration and evaluation expenditure:** the Company paid AU\$336K for subsurface work in Cliff Head and L7 (Mt Horner);
- Staff cost:** Payments to staff not directly involved in the Cliff Head operations of AU\$645K; and
- Administration and corporate:** other general and administration expenses of AU\$524K incurred by the Company in other areas of the business.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty. This investment is equity accounted for in the Company's financial statements.

Payments to Related Parties of the Company and its Associates

During the quarter ending 31 March 2021, the Company paid AU\$150K to related parties of the entity and their associates. The payment is broken down as follows:

- payments to executive director of AU\$96K, and
- payments to non-executive directors of AU\$54K.



Pase PSC – PT Enso Asia

On 2 December 2020, the Company advised it had commenced arbitration proceedings against PT Enso Asia by filing a Notice of Arbitration with the Singapore International Arbitration Centre over unpaid consideration from the Company's sale of its Indonesian asset (Pase PSC) in 2016 amounting to US\$1.02 million held in escrow account.

On 21 January 2021, the Company received the funds (US\$1.02 million) in full and without any deduction. Accordingly, the Company instructed its lawyers to withdraw the arbitration proceedings against PT Enso Asia.

Shareholder Analysis

As at 31 March 2021 the Company had 1517 shareholders and 620,763,481 Shares on issue. The Top 20 shareholders held 40.69% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 31 March 2021, the Company held a:

- 78.75% interest in WA-31-L in the Perth Basin, Western Australia;
- 45% interest in TP/15 Joint Venture in the Perth Basin, Western Australia;
- 100% participating interest in Production Licence L7(R1³), Perth Basin, Western Australia;
- 86.94% participating interest in Exploration Permit 437⁴, Perth Basin, Western Australia; and
- 78.75% participating interest in WA-481-P⁵, Perth Basin, Western Australia.

The Group did not acquire or dispose of any other tenements during the quarter.

³ On 29 January 2021 the Company announced that it had entered into an agreement with Key Petroleum Limited to acquire the additional 50% of this licence, this transaction is still subject to Completion

⁴ On 29 January 2021 the Company announced that it had entered into an agreement with Key Petroleum Limited to acquire 86.94% of this licence, this transaction is still subject to Completion

⁵ On 9 November 2020 the Company announced it had entered into agreements with Pilot Energy Limited, this transaction is still subject to Completion



BACKGROUND TO OPERATIONS

WESTERN AUSTRALIA

Cliff Head Oil Field - Operator WA-31-L Offshore Perth Basin (78.75%)

The Cliff Head Oil Field is located 10km 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\$327 million 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.

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 15,000 bopd.

The field has the capacity to produce approximately 1000 bopd from five production wells (3 horizontal and 2 deviated). The production from the field is supported by a water flood with 3 water injection wells (1 horizontal and 2 deviated). An additional unused well slot is available on the platform for future drilling activities.

Production Optimisation and Exploration Upside

The Perth Basin has more than 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 developed a set of near field opportunities within the WA-31-L permit area to enhance production through the asset. These include in-field appraisal and development drilling, and near field exploration. Three opportunities are both technically mature and economically justified for drilling.

Western Development

The West High appraisal/development opportunity, on a likely western extension of the Cliff Head field, could be drilled by a deviated appraisal well from the Cliff Head platform, and then completed as a production well in the event of success. A West High well path could also intersect a bypassed oil opportunity on West Flank for low additional cost, enhancing the recovery and economics of a West High well.

SE Nose

The SE Nose development opportunity is a low relief structure updip of the original Cliff Head 1 discovery well, that was confirmed and de-risked by depth conversion studies and is assessed to have Best Estimate Contingent Resources of 0.81 MMstb (100%) and is also mature for drilling.



Arrowsmith Stabilisation Plant



Mentelle Updip

The Mentelle Updip prospect has developed into an opportunity with sufficient resource potential to materially impact the life-cycle of the Cliff Head asset. Further seismic acquisition was evaluated and is not justified because of relative cost and additional time delays. Mentelle Updip is mature for drilling.

Two new features were identified from the CHRP, the Catts exploration prospect 1.4 kms SSW of the Cliff Head Alpha platform, and the Far North opportunity north of Cliff Head 10. Catts is a subtle two-way-time closure that is enhanced with depth conversion and analogous to the SE Nose structure and can also be developed from the Cliff Head Alpha platform in the event of exploration success. Far North is a possible structural culmination on the northern limit of the field that is indicated by upside scenarios of the depth conversion work. The upside depth model is supported by the production performance of the Cliff Head 10 well. Far North is still under evaluation. The Cliff Head south area also appears to provide long term exploration potential that could be drilled from the Cliff Head Alpha Platform, which requires further seismic acquisition to adequately define it.

The next steps are to commence detailed well planning, targeting a drilling campaign within the constraints of the current oil price and industry down-turn.

Health, Safety and Environment (HSE)

The Cliff Head Joint Venture is dedicated to HSE and Asset Integrity Management.

Offshore Australian projects are subject to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* 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.

Xanadu - TP/15 Offshore Perth Basin (45%)

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 covers an area of 645km².

Both Cliff Head and Xanadu lie on Beagle Ridge, east of the major Geraldton fault. 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 reservoir units. The technical understanding of the Xanadu prospect including reservoir seal and trap dynamics, is greatly enhanced by the analogous Cliff Head Oil Field.

The Xanadu-1 well was spudded on 4 September 2017 and reached a total depth of 2035 MDRT on 17 September 2017. On 25 September 2017, Triangle announced that an oil discovery at Xanadu-1 was confirmed. This was an outstanding achievement and the first oil discovery in the offshore Perth Basin since Cliff Head more than 15 years ago.

Analysis of the oil recovered from Xanadu-1 samples show a yield of 34.7° API crude oil with no H₂S and extremely low levels of CO₂ (0.02%). The Xanadu crude is similar to that produced at Cliff Head Oil Field and would be expected to receive similar pricing in the market. The minimal levels of CO₂ and no H₂S characteristics of the crude oil enable the use of lower-cost and schedule efficient development options.

The Xanadu 3D seismic survey was acquired during June and July 2019 to evaluate the extent and resource potential of the Xanadu structure and evaluate appraisal well locations. The results of the Xanadu 3D seismic data, along with the well data, suggests that commercial potential of the Xanadu discovery may be limited.

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. A number of potentially large leads are mapped on the western sector of the Xanadu structure (West Xanadu) that appear to have excellent reservoir potential and are upgraded by the Xanadu discovery. The acquisition of low cost 2D seismic is being considered to mature these leads for drilling. The wider prospectivity of TP/15 is also being re-evaluated for the Xanadu-1 well data.

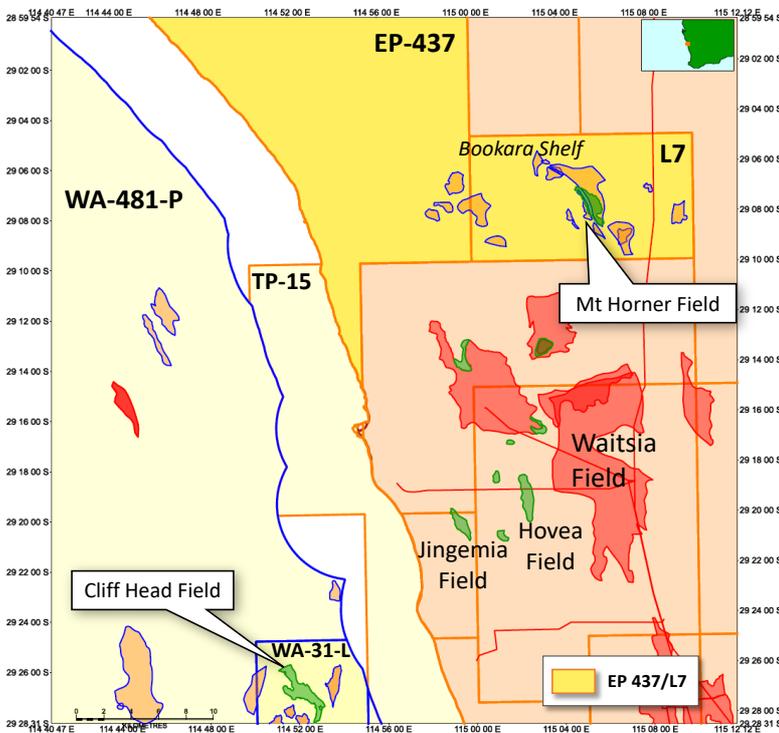
The value of any discoveries in the near shore TP/15 licence are potentially highly valuable because of the low cost to develop through the Cliff Head and Arrowsmith infra-structure.



TP/15 Joint Venture as at the date of this Report

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

L7 (Mt Horner) and EP437



Triangle Energy agreed to farm-in to the Mt Horner Oil Field Production Licence, L7, in late 2018 and the company subsequently revised the farm-in agreement with Key Petroleum in late 2020 to include the adjacent EP437 enabling the company to take a dominant acreage position on the Bookara Shelf oil fairway of the North Perth Basin.

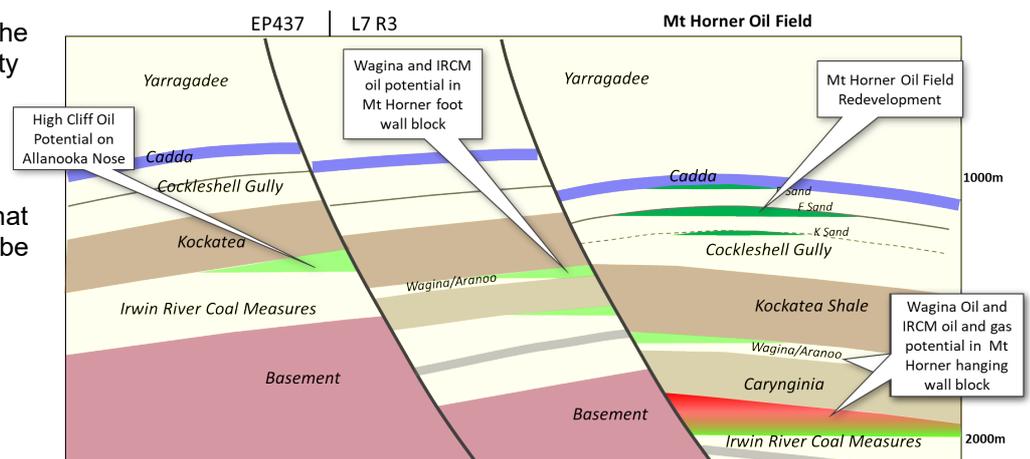
The Bookara Shelf contains the historical Mt Horner Oil field and is fallow ground with little activity having been undertaken in the last 20 years. The area contains numerous wells with oil shows and DST oil recoveries that have never been followed up. Modern industry technology, such as 3D seismic, has never been applied to the area and appraisal and exploration has not had the benefit of a systematic approach.

The company is targeting 4 key plays in the acreage:

1. Jurassic oil: Targeting Mt Horner field attic/infill opportunities at two levels, the F sand, historically the main producing Interval and the productive K sand. Mt Horner B sand is also a secondary objective.
2. The Basal Triassic (Wagina) sandstone for oil in both the Mt Horner hanging wall and foot wall fault blocks.

3. The Permian Kingia and High Cliff sandstone (IRCM) for oil on the Mt Horner foot wall/Allanooka Nose.
4. The Permian Kingia and High Cliff Sandstone for gas in the Mt Horner hanging wall block

The company is reviewing the subsurface mapping and opportunity portfolio in L7 and EP437. The acquisition of the Bookara 3D seismic survey, to cover the Bookara Shelf, is planned for the summer of 2021/22. It is expected that multiple drilling opportunities will be matured from the Bookara 3D.





TriangleEnergy

Authorised for Release by: Robert E T Towner
Managing Director

ENDS

General Shareholder Enquiries: info@triangleenergy.com.au

Notes Regarding Contingent and Prospective Resources

1. *The Contingent Resources and Prospective Resources lie within the Cliff Head Production Licence WA-31-L, operated by Triangle Energy (Operations).*
2. *Gross Contingent Resources and Prospective Resources are attributed to 100% joint venture interest in WA-31-L.*
3. *The Company's net Contingent Resources and Prospective Resources are attributed to Triangle Energy's 78.75% net interest in WA-31-L.*
4. *The Contingent and Prospective resources reported here were reported on 29 October 2020.*
5. *The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).*

Qualified Petroleum Reserves and Resources Evaluator Statement

The Reserves, Contingent Resources and Prospective Resources are based on and fairly represent information and supporting documentation prepared by, or under the supervision of, the Company's Sub-Surface Manager Mr Matt Fittall, who is a full time employee of Triangle Energy (Global) Limited. Mr Fittall has provided his prior written consent 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 Australian (PESA).

About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX: TEG) oil and gas 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, and a 45% share of the Xanadu-1 Joint Venture and has executed a Farmout Agreement with Key Petroleum Limited for its Production Licence L7(R1), all located in the Perth Basin. The Company also has a 27.67% interest in State Gas Limited, a company with an 100% operating interest in the Reid's Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Triangle Energy (Global) Limited

ABN

52 110 411 428

Quarter ended ("current quarter")

31 March 2021

| 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 | 2,762 | 6,852 |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | 0 | 0 |
| (b) development | 0 | 0 |
| (c) production | (1,012) | (6,513) |
| (d) staff costs | (645) | (2,055) |
| (e) administration and corporate costs | (524) | (1,169) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 0 | 1 |
| 1.5 Interest and other costs of finance paid | (1) | (4) |
| 1.6 Income taxes / PRRT (paid) / received | 0 | 280 |
| 1.7 Government grants and tax incentives | 0 | 0 |
| 1.8 Other (provide details if material) | 0 | 0 |
| 1.9 Net cash from / (used in) operating activities | 580 | (2,608) |

| | | |
|--|---------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | 0 | 0 |
| (b) tenements | 0 | 0 |
| (c) property, plant and equipment | (1,371) | (2,709) |
| (d) exploration & evaluation (if capitalised) | (336) | (677) |
| (e) investments | 0 | (30) |
| (f) other non-current assets | 0 | 0 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | 0 | 0 |
| | (b) tenements | 0 | 0 |
| | (c) property, plant and equipment | 0 | 0 |
| | (d) investments | 0 | 0 |
| | (e) other non-current assets | 0 | 0 |
| 2.3 | Cash flows from loans to other entities | 0 | (800) |
| 2.4 | Dividends received (see note 3) | 0 | 0 |
| 2.5 | Other (provide details if material) | 0 | 0 |
| 2.6 | Net cash from / (used in) investing activities | (1,707) | (3,586) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,185 | 7,292 |
| 3.2 | Proceeds from issue of convertible debt securities | 0 | 0 |
| 3.3 | Proceeds from exercise of options | 0 | 0 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (58) | (176) |
| 3.5 | Proceeds from borrowings | 0 | 0 |
| 3.6 | Repayment of borrowings | (127) | (156) |
| 3.7 | Transaction costs related to loans and borrowings | 0 | 0 |
| 3.8 | Dividends paid | 0 | 0 |
| 3.9 | Other (provide details if material) | 0 | 0 |
| 3.10 | Net cash from / (used in) financing activities | 1,000 | 6,960 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,057 | 2,405 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 580 | (2,608) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,707) | (3,586) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,000 | 6,960 |

| 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 | 176 | (65) |
| 4.6 | Cash and cash equivalents at end of period | 3,106 | 3,106 |

| 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 | 2,999 | 1,688 |
| 5.2 | Call deposits | 0 | 0 |
| 5.3 | Bank overdrafts | 0 | 0 |
| 5.4 | Other (provide details) Escrow and Joint Venture Cash | 107 | 1,369 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,106 | 3,057 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| (150) |
| 0 |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 0 | 0 |
| 7.2 Credit standby arrangements | 0 | 0 |
| 7.3 Other (please specify) | 0 | 0 |
| 7.4 Total financing facilities | 0 | 0 |
| 7.5 Unused financing facilities available at quarter end | | 0 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | 580 |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (336) |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | 244 |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 3,106 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | 0 |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 3,106 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 13 |
| 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |
| 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: N/A | |

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.

Date: 30 April 2021

Authorised by: Robert E T Towner on behalf of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.