Triple Energy Limited

ACN 116 829 675

Notice of General Meeting

This is an important document. Please read it carefully.

If you are unable to attend the General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on the proxy form.

The General Meeting of the Company will be held at 38 Station Street, Subiaco, Western Australia at 2.00 pm (Perth time) on 19 December 2012**.**

Time and Place of Meeting and How to Vote

Venue

The General Meeting of Shareholders of the Company will be held at:

38 Station Street Subiaco WA 6008	Commencing 2.00 pm (Perth time) on 19 December 2012

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary on facsimile number + 61 8 6134 1557; or
- deliver to the Company at 38 Station Street, Subiaco WA 6008,

so that it is received not later than 4.00 pm on 17 December 2012.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
    - the proxy is not recorded as attending the meeting;
    - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your proxy form is enclosed.

Chairman's Letter

Dear Shareholders

As announced to ASX on 5 October 2012, the Company entered into a conditional share purchase agreement ("**Share Purchase Agreement**") for the acquisition of all of the issued share capital of CFT Heilongjiang (HK) Ltd ("**CFT**"), a company incorporated in Hong Kong ("**Acquisition**").

Following the appointment of Mr Paul Underwood as a Director in February 2012, the Company reviewed a large number of investment opportunities in the oil and gas sector. After considering the merits of the various opportunities evaluated, the Board concluded that the acquisition of CFT (and hence the opportunity to develop a potentially large coal bed methane ("**CBM**") resource) was the best value adding option for Shareholders.

CFT is a shareholder of, and holds an 80% profit interest in, Heilongjiang Aolong Energy Co. Ltd ("**Aolong**"), a co-operative joint venture established under the laws of the People's Republic of China (**"PRC"**) and incorporated as a limited liability company under the Company Law of the PRC**.** The other shareholder of Aolong is Heilongjiang LongMay Coal Mining Group Joint-Stock Company Ltd ("**LongMay**"), which is one of the largest coal mining companies in the PRC, and the biggest provincially-owned state-owned enterprise in Heilongjiang province.

Aolong was formed by LongMay and CFT with the objective to de-gas the coals in LongMay's coal mining operations in the Daqing Coal Basin of the PRC. Specifically, LongMay and CFT are parties to the Sino-Foreign Contractual Joint Ventures Contract ("**CJV Contract**") which sets out the rights to carry out CBM related activities and operations in specified areas owned by LongMay in the Daqing Basin of the PRC ("**CFT CBM Project**"). Per the CJV Contract, CFT is entitled to 80% of any profit generated by Aolong whilst LongMay is entitled to 20%, and such profit distribution splits remain unchanged during the whole term of the CJV Contract.

The Board considers that the CFT CBM Project has the potential to establish a meaningful gas production business in the near term, providing successful results from the upcoming drilling campaign are achieved. A well programme comprising of 2 to 3 appraisal wells is already in the implementation phase. These are expected to be completed within the next 6 months.

There is understood to be an immediate market for any gas that may be produced at a price of around US$7+ per mmscf (million standard cubic feet of gas). The prospects to grow the gas market in the area are believed to be considerable given the growing demand for electricity in the Heilongjiang region in the PRC.

The acquisition of CFT represents an excellent opportunity for Triple's Shareholders to be exposed to near term value adding events. If the Acquisition proceeds, Triple will be lead by a highly experienced oil, gas and CBM management team. The prospects for early production of gas in this strategy and business model are considered to be significant.

The consideration for the Acquisition will be:

- $150,000 in cash;
- 30,000,000 fully paid ordinary shares in the issued capital of Triple (**"Shares**"); and
- 350,000,000 performance Shares in Triple ("**Performance Shares**").

The Performance Shares will vest and be convertible into Shares on a 1:1 basis only upon the achievement of a number of clearly understood and measurable value-adding milestone events as set out in Section 1.4 of this Notice of Meeting ("**Milestones**"). In the event that these Milestones are not met, any unvested Performance Shares will convert on the basis of 1 Share for each 10,000,000 Performance Shares held.

The Share Purchase Agreement requires that the Company secure funding commitments of $2,000,000 or more. As notified in the Company's ASX announcement released on 26 October 2012, the Company intends to conduct a capital raising ("**Share Placement**"). The Share Placement was oversubscribed with firm commitments being received for $2,250,000. At this Meeting the Company will seek approval to raise up to $2,400,000 under the Share Placement.

A summary of CFT's structure, current activities, the Milestone for the Performance Share and the effects of Triple undertaking the Acquisition and associated matters is set out in the Explanatory Statement accompanying this Notice of Meeting.

This Notice of Meeting seeks approval from Shareholders for:

(a) the Acquisition of CFT;

(b) a Share Placement;

(c) the issue of 25,000,000 options to acquire Shares (**"Options"**) to advisors to the Share Placement (**"Advisor Options"**);

(d) the appointment of Mr Rod Bresnehan as a Director of Triple;

(e) the issue of 15,000,000 Options to Messrs Underwood, Ralston and Hayward (**"Director Options"**); and

(f) other matters set out in the Notice of Meeting.

It is important that you read the information set out in the attached documents and form your own view on the merits of the proposal. **The Directors intend to vote their Shares in favour of all resolutions**, subject to any applicable voting exclusion statements set out in the Notice of Meeting.

Yours faithfully

Paul Underwood
Chairman

Notice of General Meeting

Notice is hereby given that a General Meeting of shareholders of Triple Energy Limited (**Company**) will be held at 38 Station Street, Subiaco WA 6008 on 19 December 2012 at 2.00 pm (Perth Time) (**General Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Proxy Form and Explanatory Statement form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4.00 pm (Perth Time) on 17 December 2012.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in Section 3 of the Explanatory Statement.

Agenda

Special Business

Resolution 1 – Approval for Acquisition under Listing Rule 11.1.2

To consider, and if thought fit pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolutions 2 to 6 and 12, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to:*
>
> *(a) enter into the Share Purchase Agreement and acquire 100% of the issued capital of CFT; and*
>
> *(b) make a change to the scale of its operations,*
>
> *as set out in the Explanatory Statement"*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities), and an associate of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Issue of Shares to the CFT Lenders

To consider, and if thought fit pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolutions 1, 3 to 6 and 12, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue to the CFT Lenders (and / or their nominees) 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the CFT Lenders (and their nominees) and any person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities), and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Issue of Performance Shares to the Vendors

To consider, and if thought fit pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolutions 1, 2, 4 to 6 and 12, for the purpose of Section 246B of the Corporations Act, Listing Rule 7.1 and for all other purposes, the Company be authorised to allot and issue to the Vendors (and / or their nominees) 350,000,000 Performance Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Vendors (and their nominees) and any person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities), and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Share Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 3, 5, 6 and 12 and implementation of the Acquisition, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 153,500,000 Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Issue of Advisor Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 4, 6 and 12 and implementation of the Acquisition, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 Advisor Options on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Election of Mr Rod Bresnehan as an Executive Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

> "*That, subject to the passing of Resolutions 1 to 5 and 12 and implementation of the Acquisition, for the purposes of Article 6.2 of the Company's constitution and for all other purposes, that, Mr Rod Bresnehan, being eligible and having consented to act, be elected as a Director of the Company, effective upon completion of the Acquisition.*"

Resolution 7 – Adoption of Employee Share Plan

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

> *"That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, the Directors be authorised to adopt the "Triple Energy Ltd Employee Share Plan" (**Plan**) (the terms of which are summarised in the Explanatory Statement accompanying this Notice) and to grant Shares under the Plan from time to time, upon the terms and conditions specified in the rules of the Plan as an exception to ASX Listing Rule 7.1"*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company) and any associates of the Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:
In accordance with the Corporations Act, a vote on Resolution 7 must not be base by a person appointed as a proxy if:

(a) the proxy is either:

   (i) a member of the Key Management Personnel; or

   (ii) a Closely Related Party of a member of the Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the above prohibition does not apply if:

(c) The proxy is the Chairperson; and

(d) The appointment expressly authorises the Chairperson to exercise the proxy even if Resolution 7 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 8 – Issue of Director Options to Related Party - Mr Paul Underwood

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, subject to and conditional upon the passing of Resolutions 9 and 10, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 10,000,000 Director Options to Mr Paul Underwood (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Paul Underwood (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair; and

(d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 9 – Issue of Director Options to Related Party - Mr Garry Ralston

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolutions 8 and 10 for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Director Options to Mr Garry Ralston (or his nominee) on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Garry Ralston (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair; and

(d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 10 – Issue of Director Options to Related Party - Mr Richard Hayward

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolutions 8 and 9, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Director Options to Mr Richard Hayward (or his nominee) on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Richard Hayward (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair; and

(d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 11 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all purposes, Shareholders approve and ratify the allotment and issue of 37,500,000 Shares at an issue price of $0.015 each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 12 – Issue of Shares to Related Party - Mr Garry Ralston

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolutions 1 to 6, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 6,500,000 Shares to Mr Garry Ralston (or his nominee) on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Garry Ralston (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair; and

(d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Conditional Resolutions

Resolutions 1 to 6 and 12 are interdependent on each other and will not be given effect to unless each of Resolutions 1 to 6 and 12 is passed. Information concerning the Resolutions is contained in Section 2 of the Explanatory Statement.

Resolutions 8 to 10 are interdependent on each other and will not be given effect to unless each of Resolutions 8 to 10 is passed. Information concerning the Resolutions is contained in Section 2.7 of the Explanatory Statement.

Dated this 19th day of November 2012
By Order of the Board

Paul Underwood
Chairman

Notes:

(a) A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

(b) Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Triple Energy Limited

ACN 116 829 675

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting of shareholders of Triple Energy Limited to be held at 38 Station Street, Subiaco WA 6008 at 2.00 pm (Perth Time) on 19 December 2012 (**General Meeting**).

Section 1 General Information

1.1 Overview

The business to be conducted at the General Meeting relates primarily to the Company's proposed acquisition of CFT. The Acquisition will be implemented in accordance with a Share Purchase Agreement between the parties dated 4 October 2012 ("**Share Purchase Agreement**") pursuant to which the Company will acquire all of the issued capital of CFT in consideration for the issue of:

(a) 30,000,000 Shares to ECI International Pty Ltd (ACN 006 039 309), Ralcorp Pty Ltd (ACN 074 337 198) and Periwinkle Investments Pty Ltd (ACN 103 915 251) (**"CFT Lenders"**); and

(b) 350,000,000 Performance Shares to the Vendors,

the ("**Acquisition Shares**") in addition to paying $150,000 in cash to the CFT Lenders. Further information regarding the Acquisition is set out in Section 1.3 of this Explanatory Statement.

In addition, as announced to the market on 26 October 2012, Triple intends to conduct a capital raising by the issue of up to 150,000,000 Shares to professional and sophisticated investors at an issue price of $0.015 per Share to fund the CFT business and for general working capital. The Share Placement was oversubscribed and as such, Triple is now seeking approval to issue 160,000,000 Shares pursuant to Resolutions 4 and 12, rather than 150,000,000 Shares as previously announced.

The effect of the issue of the Acquisition Shares and Share Placement on Triple's capital structure is set out in Section 1.6 of this Explanatory Statement.

The key dates regarding the General Meeting and the Acquisition are as follows:

Critical Dates for Shareholders

1.	Despatch of Notice of Meeting	20 November 2012
2.	Snapshot date for eligibility to vote at the General Meeting	4:00 pm (WST) 17 December 2012
3.	General Meeting to consider Resolutions regarding the: - Acquisition; - Appointment of Director; - Share Placement; and - Other matters outlined in the Notice of Meeting.	19 December 2012
4.	Closing of Share Placement	19 December 2012
5.	Despatch Shares pursuant to Share Placement	24 December 2012
6.	Acquisition Shares issued to CFT Lenders and Vendors on completion of Acquisition	27 December 2012

* These dates are indicative only and are subject to change without notice.

Note: This timetable is indicative only. The actual timetable will depend upon the time at which the conditions precedent to the Acquisition ("**Conditions Precedent**") are satisfied or, if applicable, waived. Further details of the Conditions Precedent are set out in Section 1.3 of this Explanatory Statement. Triple has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX and the Vendors, where required. Any variation to the timetable set out above will be announced to ASX.

Three Technical Reports have been prepared by MBA Petroleum Consultants Pty Ltd (**"MBA Petroleum Consultants"**) to provide Shareholders with technical information on the assets held by CFT. The Technical Reports are annexed hereto as Schedule 3.

An Investigating Accountants Report has been prepared by HLB Mann Judd to provide Shareholders with information on the expected effect of the Acquisition on the financial position of the Company. The Investigating Accountants Report is annexed hereto as Schedule 4.

A legal opinion has been prepared by King & Wood Mallesons based on Triple's instructions to provide Shareholders with information on legal regime regulating foreign direct investment into the PRC generally and into the PRC's CBM regime specifically (**"KWM Legal Opinion"**), and on the relevant legal aspects of Aolong. The KWM Legal Opinion is annexed hereto as Schedule 5.

1.2 Background to the Acquisition

On 5 October 2012, Triple announced to ASX that it had entered into a conditional Share Purchase Agreement for the Acquisition. The Company is seeking approval of Shareholders to complete the Acquisition. The Acquisition, if completed, will result in the Company acquiring ownership of all of the issued capital of CFT from the Vendors and thereby acquiring the 80% profit interest held by CFT in Aolong, the co-operative joint venture established by CFT and LongMay under the PRC laws in respect of extracting gas from certain coal mining leases owned by LongMay in the Daqing coal basin in the PRC.

Aolong was formed by LongMay and CFT with the objective of de-gassing the LongMay coal mining lease areas in the Daqing Coal Basin of China, for mine safety reasons.

As noted in the Chairman's Letter and the KWM Legal Opinion herein, LongMay and CFT are parties to the CJV Contract, which provides that CFT and LongMay may operate on the CFT CBM Project as a Joint Venture, with CFT (Triple following completion of the Acquisition) as operator of the CFT CBM Project.

Given that there is substantial amount of existing data in relation to the location of the coal seams in the initial area (refer to the Technical Reports prepared by MBA Petroleum Consultants in Schedule 3) and that there is good anecdotal evidence that the coals are gas charged, it is considered that the CFT CBM Project has good prospects for success. Provided that the coal seams demonstrate sufficient gas saturation, sales gas quality gas and commercial flow rates, the Board considers that the CFT CBM Project has good potential to establish a meaningful gas production business in the near term.

A 2 to 3 well programme is planned to be completed in the next 6 months (the first commencing in March 2013, subject to weather conditions) which have the objective of establishing the gas quality and production potential of the coal seams for CBM production.

There is understood to be an immediate market for any gas that may be produced and independent research suggests that at a gas price of around US$7+ per mmscf (million standard cubic feet) can be achieved.

If the Acquisition completes, Triple will be lead by a highly experienced oil and gas management team that has CBM expertise.

Full details of the terms of the Acquisition are set out in this Section 1.3 of this Explanatory Statement. Details of the Joint Venture Interests which are the principal assets of CFT at the time of the Acquisition by Triple are set out in Section 1.11 of this Explanatory Statement. An overview of the profile of the Company following the transaction is set out in Section 1.15 of this Explanatory Statement and a summary of the key risks associated with the Acquisition are set out in Section 1.9.

1.3 Terms of the Acquisition

The material terms of the Share Purchase Agreement provide that the Acquisition will proceed as follows:

(a) Triple will acquire 100% ownership of CFT and therefore CFT's 80% profit interest in Aolong.

(b) Consideration for the Acquisition is:

  (i) $150,000 in cash, which will be paid to the CFT Lenders;

  (ii) 30,000,000 Shares, which will be issued and allotted to the CFT Lenders; and

  (iii) 350,000,000 Performance Shares, which will be issued and allotted to the Vendors on the terms and conditions set out in Schedule 1, vesting on satisfaction of the Milestones. Refer to Section 1.4 for the Milestones.

(c) The 30,000,000 Shares will be issued to the CFT Lenders in equal portions. These Shares will be issued to extinguish a debt of $540,000 which has been advanced from the CFT Lenders (in equal proportions) to CFT Heilongjiang.

(d) The Performance Shares will vest and be convertible into Shares on a 1:1 basis only upon satisfaction of the Milestones set out in Section 1.4 of this Notice of Meeting. In the event that these Milestones are not met, any unvested Performance Shares will convert on the basis of 1 Share for each 10,000,000 Performance Shares held.

(e) To facilitate drilling operations on the CFT CBM Project, Triple has agreed to loan CFT $500,000, such loan being secured over three Petroleum Exploration Licenses in Victoria. The loan is documented in a facility agreement, which is described below in Section 1.13.

(f) Subject to satisfaction of the Conditions Precedent to the Acquisition (refer to Section 1.3(e) below), at completion of the Acquisition, the Directors will appoint Mr Rod Bresnehan to the Board of Triple as an executive Director and one of Triple's existing Directors will resign.

(g) The Acquisition is subject to the following Conditions Precedent:

  (i) Triple completing due diligence investigations on Aolong, the CJV Contract and related contracts, CFT and CFT Holdings (HK) Ltd's ("**CFT Holdings**") ownership of the 100% of the issued capital in CFT and being satisfied, in its absolute discretion, with the results of that due diligence.

  (ii) Triple securing "firm" written commitments of $2,000,000 or more for the Share Placement.

  (iii) Triple's Shareholders passing Resolutions 1 to 6 to give effect to the Acquisition.

  (iv) CFT obtaining a legal opinion, to Triple's satisfaction, regarding whether any PRC authorisations ("**Authorisations**") are required in connection with the Acquisition and the proposed surface based gas production activities, and details of those Authorisations.

  (v) Triple completing the Share Placement.

  (vi) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction, no preliminary or final decision, determination, or order issued by any Regulatory Authority (as that term is defined in the Share Purchase Agreement) and no other legal restraint preventing any of the Acquisition is in effect or has been issued or made and not withdrawn immediately prior to completion of the Acquisition (**"Completion"**).

(vii) There being no material breach of a warranty given by CFT in the Share Purchase Agreement (**"CFT Warranty"**) given at the date of the Share Purchase Agreement, and there being no event or circumstance which would reasonably constitute a material breach of a CFT Warranty by CFT if that warranty were repeated at Completion.

(viii) There being no material breach of a of a warranty given by Triple (**"Triple Warranty"**) given at the date of the Share Purchase Agreement, and there being no event or circumstance which would reasonably constitute a material breach of a Triple Warranty by Triple if that warranty were repeated at Completion.

(ix) No Material Adverse Change (as that term is defined in the Share Purchase Agreement) has occurred.

(x) Execution by the relevant parties of the Loan Agreement (as that term is defined in the Share Purchase Agreement).

(xi) Execution by the relevant parties of the License Deed (as that term is defined in the Share Purchase Agreement).

(xii) Execution by each of the CFT Lenders of an Escrow Deed (as those terms are defined in the Share Purchase Agreement).

(h) The Company will appoint a nominee of CFT, Mr Rod Bresnehan, as a Director of Triple at Completion. A summary of Mr Rod Bresnehan's background is set out in Section 2.5 of this Explanatory Statement.

The Share Purchase Agreement also contains additional provisions, including warranties and indemnities in respect of the status of CFT, considered standard in an agreement of this type.

1.4 Performance Share Milestones

The 350,000,000 Performance Shares will be issued in 4 tranches as follows:

(i) **Tranche 1**: Tranche 1 will comprise 50,000,000 Performance Shares, which will vest upon successful data acquisition from the near term drill stem test well on the CFT CBM Project, such data establishing flow and pressure build-up information demonstrating reservoir permeabilities interpreted to provide commercial gas flow rate estimates and gas composition information to enable the experts report to be completed to confirm recoverable gas estimates. The Performance Shares offered pursuant to Milestone 1 expire 9 months from the date the Performance Shares are issued.

(j) **Tranche 2**: Tranche 2 will comprise 50,000,000 Performance Shares, which will vest upon the drilling and coring of two pressurised core wells on the CFT CBM Project testing for gas saturation and desorption isotherms and drill stem tests, which confirm sufficient long term gas flow rates to support a financial investment decision to commence a commercial development of a meaningful gas production operation (i.e. 20 well development with a forecast production rate of not less than 10MMscf/d), together with all regulatory approvals. The Performance Shares offered pursuant to Milestone 2 expire 12 months from the date the Performance Shares are issued;

(k) **Tranche 3**: Tranche 3 will comprise 125,000,000 Performance Shares, which will vest upon the completion of 10 development wells having been drilled and completed on the CFT CBM Project or the completion of an alternative development well drill programme which the parties have agreed, which independent engineers prognose will deliver an equivalent or better economic development outcome at a similar cost as a 10 well programme producing not less than 5 mmscf/day. The Performance Shares offered pursuant to Milestone 3 expire 18 months from the date the Performance Shares are issued (unless otherwise extended).

(l) **Tranche 4**: Tranche 4 will comprise 125,000,000 Performance Shares, which will vest upon the completion of 20 development wells having been drilled and completed on the CFT CBM Project or the completion of an alternative development well drill programme which the parties have agreed, which independent engineers prognose will deliver an equivalent or better economic development outcome at a similar cost as a 20 well programme producing not less than 10 mmscf/day. The Performance Shares offered pursuant to Milestone 4 expire 24 months from the date the Performance Shares are issued (unless otherwise extended).

1.5 Facility Agreement

In consideration for entering into the Share Purchase Agreement, Triple, CFT, CFT CBM Holdings Pty Ltd (**"CFT CBM Holdings"**) and ECI International Pty Ltd (**"ECI"**) have entered into a facility agreement ("**Facility Agreement**") for the provision by Triple of a loan of $500,000 to CFT to fund the drilling of the first drill stem test ("**DST**") well by Aolong ("**Loan**").

Drawdown of the Loan was conditional upon execution of the Share Purchase Agreement, which condition was subsequently met. As at 30 October 2012 Triple had remitted all of the $500,000 and preparation of the rig, drilling pad and health and safety procedures for the first of 2 to 3 planned wells in the CFT CBM Project have since commenced. Refer to Section 1.13 for a summary of the Facility Agreement.

1.6 Effect on Issued Capital

The effect of the Resolutions proposed in the Notice of General Meeting on the issued capital of the Company is as follows (assuming all Resolutions are approved and $2,400,000 is raised under the Share Placement):

	Shares	Performance Shares[2]	Options[1]
Current issued capital	287,500,000	Nil	60,000,000
Shares issued to the CFT Lenders (Resolution 2)	30,000,000	Nil	Nil
Performance Shares issued to the Vendors (Resolution 3)	Nil	350,000,000	Nil
Share Placement – unrelated parties (Resolution 4)	153,500,000	Nil	Nil
Advisor Options (Resolution 5)	Nil	Nil	25,000,000
Director Options (Resolutions 8 – 10)	Nil	Nil	15,000,000
Share Placement – related party (Resolution 12)	6,500,000	Nil	Nil
Total upon completion of Acquisition[3]	**477,500,000**	**350,000,000**	**100,000,000**

Notes:

1. Options currently on issue are exercisable as follows:

- Class A - 15,000,000 exercisable at 3c on or before 14 February 2016
- Class B - 15,000,000 exercisable at 3c on or before 14 February 2016 (subject to vesting conditions)*
- Class C - 15,000,000 exercisable at 4c on or before 14 February 2016 (subject to vesting conditions)
- Class D - 15,000,000 exercisable at 4c on or before 14 February 2016 (subject to vesting conditions)**

* As described in the Company's notice of meeting dated 26 March 2012, the Class B Options vest upon the Company completing a capital raising of not less than $2,000,000. On this basis, Mr Underwood will not vote in Resolution 4, due to his vested interest in the outcome of this Resolution.

**Mr Underwood has confirmed that in the event the Options the subject of Resolution 8 are approved by Shareholders he will not exercise the Class D Options.

Refer to Schedule 6 for the terms and conditions of the Options to be issued to Advisors.

Refer to Schedule 7 for the terms and conditions of the Options to be issued to the Directors.

2. The Performance Shares will vest in 4 tranches, subject to the satisfaction of the Milestones.

3. Refer to Schedule 1 for the terms and conditions of the Performance Shares.

4. The above totals do not include:

   (a) Up to 350,000,000 Shares that may be issued on conversion of the Performance Shares on achievement of the Milestones as set out in Section 1.4 of this Explanatory Statement.

   (b) Up to 60,000,000 Shares that may be issued on exercise of the unlisted Options currently on issue (subject to satisfaction of applicable vesting conditions).

1.7 Advantages of the Acquisition

Resolutions 1 to 6, if passed, will permit the Company to acquire all of the issued share capital of CFT and CFT's direct interest in Aolong for which CFT will be entitled to 80% of any profit generated by Aolong.

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Acquisition:

(a) exposure to a quality unconventional gas project covering a potentially large acreage position in a prospective coal basin in the PRC, offering significant scale potential;

(b) access to a highly experienced director and technical support team with a profound knowledge of and contacts with the Chinese unconventional gas sector, regulations and systems of Government;

(c) the continuing viability of the Company as a going concern listed on the ASX depends on identifying suitable opportunities that will sustain a viable business. The Acquisition presents one such opportunity and, as such, the Board expects that the Acquisition will allow the Company to continue as a going concern; and

(d) through the acquisition of CFT, a larger market capitalisation and enhanced shareholder base should increase the liquidity of the Company's Shares.

1.8 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Acquisition:

(a) if the Acquisition proceeds, the Company will be changing the scale of its activities, becoming focused on unconventional gas exploration, appraisal and development activities in the PRC, which may not be consistent with the objectives of all Shareholders;

(b) there are many risk factors associated with the change in scale of the Company's activities, with the CJV Contract and with a focussed investment strategy in a region where investment by Western companies does not have a long history (refer to Section 1.9 below for further information); and

(c) the issue of the Acquisition Shares to the Vendors and CFT Lenders will dilute the shareholding of current Shareholders, particularly if the Milestones are satisfied and the Performance Shares vest and are converted into Shares. Accordingly, the voting power of each current Shareholder and the corresponding control over the affairs of the Company that those Shareholders presently enjoy will be reduced.

1.9 Risk Factors

Shareholders should be aware that if the Resolutions are approved, the Company will be making a significant change to the scale of its activities to invest in a PRC-focussed unconventional gas project which is subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors are as follows:

(a) ***Risks relating to CFT***

Conditions Precedent

The Acquisition is to occur under the Share Purchase Agreement, which is subject to a number of Conditions Precedents as summarised in Section 1.3 of this Notice of Meeting. If these conditions are not satisfied or waived by the relevant due date, the Acquisition may not proceed, in which case the Company will need to evaluate whether it can continue as a going concern.

If the Acquisition does not proceed, Triple may be unable to recover the Loan of $500,000 that was advanced to CFT to mobilise the upcoming drilling programme on the CFT CBM Project.

International operations

CFT currently operates in the PRC and is registered in Hong Kong. International sales operations and activities are subject to a number of risks, including:

(i) potential difficulties in enforcing agreements;

(ii) potential difficulties in protecting intellectual property;

(iii) restrictive governmental actions, such as imposition of trade quotas, production quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

Foreign exchange

As outlined above, CFT has operations in the PRC. Expenditure will be required in US dollars, Australian Dollars, Hong Kong Dollars and Chinese Renminbi.

In the future a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

The Company operates in industries which are cyclical

Upon completion of the Acquisition, the Company's revenues and earnings will be sensitive to the level of activity in a number of industries, but principally the energy industry. These industries are sensitive to a number of factors outside of the Company's control, including general economic conditions. The Company is not able to predict the timing, extent and duration of the economic cycles in the global markets in which it operates. Because many of the Company's costs will be fixed, it may not readily be able to reduce its costs in proportion to the extent of an economic downturn. Any significant or extended downturn in the construction or manufacturing industries will negatively affect the Company's revenues, profits and financial position, as would the permanent closure of significant manufacturing operations.

A New Start up Risk

An investment in the CFT shares and hence Aolong may tend to be more speculative than investments in a company with an established business.

Performance Risk

The coal mines and leases operated by LongMay over which the activities will be conducted are in the early stages of CBM evaluation. Whilst there is good anecdotal evidence that the coal seams have potential for commercial methane production, this is still unknown and un-proven at this stage.

Resources

The characteristics of the coal seams in the areas subject to the CJV are unknown at this stage in respect of permeability, porosity, gas saturation and gas composition, i.e. potential gas volumes, quality and flow rates. The number of coal seams in each area and the thickness of the respective seams also require further delineation. The coal seams are in the process of being evaluated to identify these characteristics however until the planned test drilling and coring has been conducted, an estimate of recoverable resources cannot be undertaken.

Competition and gas prices

The Company will likely be competing with existing coal fired power generation in the area of operations and hence will be competing in the same energy markets.

There is a risk that the Company will not be able to continue to compete profitably in the competitive industry in which it operates should gas prices fall significantly in the future. The potential exists for the nature and extent of the competition to change rapidly, which may cause a loss to the Company.

Set up costs

Registration, set up, application and developments costs associated with projects the size and nature of a large scale CBM development can be high. Initial evaluation activities may also cost more than budgeted due to the location and availability of necessary equipment and technical expertise.

(b) ***General Risks***

Changes in government policy and laws

Changes in government policy (such as taxation and procuring necessary approvals) or statutory changes may affect the Company's business and its operations.

General economic climate

The Company's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

Counterparty risk

As part of the Company's commercial activities, the Company will be a party to, and enter into, various contracts with third parties for the supply of products and services, sales contracts and financial instruments, amongst other things. An inability of counterparties to meet their commitments under such contracts may have an impact on the Company's financial position.

The Company will be in joint venture with LongMay in the PRC and will operate within LongMay's coal mining leases. As such, the Company will need to cooperate with LongMay's coal mining schedules and procure numerous approvals over time to grow the gas production facilities and gas markets. The Company is thus dependent on the coal mining leases being accessible and kept in good standing by LongMay.

Subject to completion of the Acquisition, the CJV Contract provides the Company with the potential for staged access to substantial acreage held via the LongMay coal mining leases, under an exclusivity arrangement. Under this arrangement, the acreage ultimately available to Triple will depend on the performance of the Company over time in extracting coal seam gas.

Accessing the existing domestic gas pipeline network in the Hegang area may also require certain approvals which may cause delays or additional costs.

Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Dependence on key customers and supply relationships

The Company will rely on various key customer and supplier relationships in certain of its businesses. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements could be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

Additional requirements for capital

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

Industrial and personnel risk

Interruptions to the Company's operations, arising from industrial disputes, work stoppages and accidents may result in drilling delays, production losses and delays, which may adversely affect the financial position and performance of the Company.

The Company may also have difficulty attracting and retaining staff with specialised skills necessary for the operation of the Company's facilities, particularly in regional locations in China. A failure to attract and retain such staff may adversely affect the financial performance of the Company.

Dividends

The Company's future dividend levels will be determined by the Board of the Company having regard to financial results and the financial position of the Company. There is no guarantee that any dividend will be paid in future.

Insurance risks

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Market risk and interest rate volatility

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its profit.

Share market

There are general risks associated with any investment and the share market. The price of Shares on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Company's Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of accepting the General Offer.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

1.10 Profile of CFT

Background

As noted above, the Company has entered into a Share Purchase Agreement to acquire all of the shares in CFT.

CFT is a private company incorporated in Hong Kong and wholly owned by the Vendors. CFT is a shareholder of Aolong, a co-operative joint venture established under the laws of the PRC and incorporated as a limited liability company under the Company Law of the PRC. The other shareholder of Aolong is LongMay, which is one of the largest coal mining companies in the PRC, and the biggest provincially-owned state-owned enterprise in Heilongjiang province.

Aolong was formed by LongMay and CFT with the objective to de-gas the coal mining areas in LongMay's coal mining operations in the Daqing Coal Basin of the PRC. Specifically, LongMay and CFT are parties to the CJV Contract which sets out the rights to carry out CBM related activities and operations in specified areas owned by LongMay in the Daqing Basin of the PRC. Per the CJV Contract, CFT is entitled to 80% of any profit generated by Aolong whilst LongMay is entitled to 20%, and such profit distribution splits remain unchanged during the whole term of the CJV Contract.

If the Acquisition proceeds, Triple will also acquire access to the expertise of CFT's managing director in CBM operations and their contacts in the PRC.

CFT's capital structure and ownership

CFT is 100% owned by CFT Holdings, a private company incorporated in Hong Kong. The shareholders of CFT Holdings (who are unrelated parties), being the Vendors, and their respective shareholdings in CFT Holdings are as set out below.

Under the terms of the Share Purchase Agreement, the Performance Shares will be issued to the CFT Lenders on the basis of approximately 993 Tranche 1 Performance Shares, 993 Tranche 2 Performance Shares, 2,482 Tranche 3 Performance Shares and 2,482 Tranche 4 Performance Shares for each CFT Holdings share held.

	CFT Holdings Shares	**Interest in CFT (%)**
E.C.I. International Pty Ltd	13,170	26.15
Ralcorp Pty Ltd	12,066	23.96
Deruma Pty Ltd	5,246	10.42
Bubbly Water Pty Ltd	5,036	10.00
Bresnehan Family Super Fund Pty Ltd	6,391	12.69
Mabe Nominees Pty Ltd	5,204	10.33
BLG Asset Resources Inc	2,828	5.62
Jeffrey David Vorbach	210	0.42
Jaye Tian Marchiandi	210	0.42
TOTAL	**50,361**	**100**

1.11 Project

The principal asset of CFT is are its rights under the CJV Contract, which authorise LongMay and CFT to carry out CBM exploration, appraisal development and sales operations in specified areas in the Daqing Basin of the PRC. The Board considers that the CFT CBM Project has potential to establish a meaningful gas production business in the near term given the amount of existing data available across the CBM target areas and the expected results from near term drilling.

A description of the CFT CBM Project is contained in the Technical Reports, which are contained in Schedule 3 of this Notice.

The Board believes that the key aspects of the CFT CBM Project are:

(a) management with significant CBM experience;

(b) excellent fiscal terms and equity position (80% interest in any profit generated by Aolong);

(c) potential for a material acreage position;

(d) potential for material reserves;

(e) a ready gas market for any/all produced gas is understood to be available;

(f) good gas price – A$7.00 to A$8.00 / mmscf;

(g) near term news-flow – drilling DST well in the near term;

(h) if exploration of the CFT CBM Project is successful, time to development is expected to be very short – could be as early as mid 2013; and

(i) strong Chinese partner that is the biggest provincially-owned state-owned enterprise in Heilongjiang province in the PRC motivated for project to succeed for mine safety and financial return.

The Hegang area covered by the CJV Contract will be the initial focus of the evaluation wells planned for the CFT CBM Project.

Specifically, there are 2 to 3 evaluation wells planned to be drilled in this region where multiple coal seams are known to exist. It is understood that LongMay has drilled approximately 200 boreholes at the CFT CBM Project to plan future mining operations. LongMay has advised that the log data from these wells is available and these will be invaluable in planning development wells, should the initial drilling prove successful.

The location and depths of the coal seams are consequently already mapped by LongMay across a large area. This differentiates the CFT CBM Project from other CBM projects whereby it is typically an exploration exercise in the initial years, to locate the coal seams and their thickness.

This is expected to be a significant advantage of the CFT CBM Project however what remains to be known are the size of any recoverable gas resource, the quality of the gas and the rate at which it can be produced.

There is a large amount of anecdotal information via the drilling of boreholes by LongMay that the coals flow considerable volumes of gas. Should the upcoming test wells demonstrate that coals do indeed produce commercial quantities of sales quality gas, an investment decision for a multi well development will likely follow rapidly as the information to optimally locate production wells is already available.

The proximity of the coal seam areas to gas markets and infrastructure also differentiates the CFT CBM Project. The market for domestic gas and other power generation markets are only a few kilometres away and hence long distance infrastructure does not appear to be required.

Specifically, it is understood that there is a 118km gas reticulation network already in place supplying existing domestic customers with gas, just 2.8 kms from the first planned well site.

Another advantage of the CFT CBM Project is that there is a USA built special purpose CBM drilling unit available for use by Aolong already in the LongMay yard, in Hegang.

1.12 Directors and senior management

Management of the Company following the Acquisition will be led by Mr Paul Underwood as Chairman.

Subject to Resolutions 1 to 6 being approved, the Board of the Company will comprise:

(a) Paul Underwood (Chairman);

(b) Mr Rod Bresnehan (Executive Director);

(c) Richard Hayward (Non-Executive Technical Director); and

(d) Robert Pertich (Alternate Director to Rod Bresnehen).

1.13 Material contracts

(a) **Share Purchase Agreement**

As noted previously in this Explanatory Statement, Triple has entered into the Share Purchase Agreement with CFT in relation to the Acquisition whereby Triple will acquire all of the shares in CFT and an 80% profit interest in Aolong. The key terms of the Share Purchase Agreement are summarised in Section 1.3 of this Explanatory Statement.

(b) **Sino Foreign Joint Venture Contract (CJV Contract)**

In 2011 CFT and LongMay entered into a joint venture contract to create a co-operative joint venture for the establishment of Aolong under Chinese Law.

Capitalised terms used in under this Section that are not defined in this Notice are as defined in the CJV Contract.

(i) **Warranties and Representations** LongMay represents and warrants that it will not grant any interest in whatsoever nature to any third party in respect of the Cooperation Areas which is likely to be in conflict with the contract, and except for a Coal Seam Exploration right held by Daqing in respect of Daqing Blocks, there will be no third party interest existing within the Cooperation Areas which is likely to be in conflict with the contract. LongMay further represents and warrants that Aolong will be able to wholesale and retail the Coal Seam Gas it extracts.

(ii) **Establishment of the Company** Aolong was established as a Sino-foreign Co-operative Joint Venture which was registered as a limited liability company under the law of the People's Republic of China (**"PRC Law"**).

(iii) **Legal Status** Aolong is an enterprise legal person under PRC Law and is a limited liability company and the liability of each party to the contract for all liabilities incurred by Aolong is limited to each party's contribution to Aolong's registered capital.

(iv) **Purpose** The purpose of Aolong is, subject to ensuring safety production at coal mines within the Cooperation Areas, to comprehensively treat, extract, produce and utilise Coal Seam Gas that may exist within the Cooperation Areas with the aim to achieve a sustainable growth and maximum investment return for Aolong's investors.

(v) **Scope of Business** Aolong includes business activities in connection with the comprehensive treatment and utilisation of coal seam gas and related technical consultation and project management services (excluding projects restricted by the Chinese government).

(vi) **Total Investment and Registered Capital** The total investment in Aolong shall be RMB 14,000,000, and the total registered capital shall be RMB 10,000,000.

(vii) **Co-operative Conditions Provided by Each Party** To be entitled to the profit sharing in Aolong, CFT must contribute RMB 8,000,000 (~6.5 RMB = AUD$1.00) in cash to the registered capital and its proprietary technology, technological expertise, and downstream expertise. LongMay must contribute RMB 2,000,000 to the registered capital, the right of full access to the Cooperation Areas, the right to own any and all coal seam gas extracted, any information related to the Cooperation Areas and services which may be requested.

(viii) **Conditions Precedent to the Capital Contribution by CFT** CFT is not obliged to make contributions to capital until it receives the approval document of the governmental authority approving the contract, the Business Licence of Aolong reflecting the scope of business detailed in this contract, the written confirmation of the warranties from each party and a copy of the payment receipt issued by MBA Petroleum Consultants in respect of 50% of the fees payable by LongMay.

(ix) **Conditions Precedent to the Capital Contribution by LongMay** LongMay is not obliged to make any contributions until it receives a copy of the payment receipt issued by MBA Petroleum Consultants in respect of 50% of the fees payable by CFT.

(x) **Additional Investment** Both parties agree to use their best endeavours to conclude negotiations for an increase to the registered capital once the project is considered viable by the Board of Directors. However, LongMay shall not be required to make any further investment in any form.

(xi) **Responsibilities of CFT to Aolong** At the request and expense of Aolong, CFT must instruct and train selected Chinese technical personnel and staff, arrange offshore financing approved by the Board of Directors, procure and provide equipment and supplied manufactured outside of the PRC, relocate and expatriate staff from and to their home countries, increase the registered capital in a timely manner and introduce to Aolong advanced foreign technology for Coal Seam Gas development and utilisation, and be responsible for the technology support for Aolong.

(xii) **Responsibilities of LongMay to Aolong** At the request and expense of Aolong, LongMay is required to assist in the preparation and monitoring of all applications and reports to customs, entry and exit authorities, import and export commodities inspection and quarantine authorities in accordance with PRC Law which are necessary for Aolong to bring foreign expatriates, machinery/materials and technology into China, including monitoring and procuring any corresponding approvals, registrations, clearances, and other formalities. LongMay is also responsible for assisting Aolong to negotiate with the relevant authorities to seek favourable tax treatment, providing technical and economical information possessed by LongMay, assist in recruitment of qualified Chinese management and technical personnel, assist Aolong to obtain RMB loans as approved by the Board of Directors, and assist to procure equipment and supplies manufactured in PRC.

(xiii) **Cooperation Areas** LongMay agrees to first provide Hegang mine area as the initial cooperation area. On and from the date of the contract, CFT has absolute exclusivity over Jixi mine areas, Qitaihe mine area and Shuangyashan mine area. The minimum work commitments or capital expenditures for each mine areas in such five year work programme and budget must not be less than the minimum work commitments committed for the Hegang mine in the first Five-Year Work Programme and Budget set after the first meeting of the Board of Directors of Aolong.

(xiv) **LongMay's Obligations with Respect to Mining Licences** LongMay undertakes to comply with each of the mining licences relating to the Cooperation Areas and do anything necessary to maintain the validity of and renew such licences.

(xv) **Cooperation with Daqing Aolong i**s to enter into a separate cooperation agreement with Daqing in connection with Daqing's exploration rights for certain blocks within the Cooperation Areas. Daqing will be entitled to 5% of the total output of the gas extracted from these areas as a royalty.

(xvi) **Profit Distributions** The annual profit of Aolong will be split as follows: 80% will be distributed to CFT, and 20% will be distributed to LongMay. The profit sharing percentages and sequences shall remain unchanged in the event where the registered capital of Aolong is reduced or increased, or Aolong's Shareholders are changed or that number is changed. CFT undertakes that it will consider in due course a moderate increase of LongMay's profit sharing percentage in light of

Aolong's profitability, such decision to be unanimously approved by the Board of Directors.

(xvii) **Term of the CJV Contract** The term of the CJV Contract shall be 45 years from the establishment date, and may be extended if an application is submitted by the parties to the government authority at least six (6) months prior to the expiry of the term.

(xviii) **Termination** This contract shall automatically terminate upon the expiration of Aolong's original term, or any extension of such term.

(xix) **No Fault Termination Events** A no fault termination event shall occur where: the parties agree in writing to terminate the contract and liquidate Aolong; Aolong suffers significant losses from which it cannot financially recover; the Coal Seam Gas resources have been exhausted to the extent the venture is commercially unviable; mining licences cannot be renewed or Aolong is not granted mining rights for the Cooperation Areas; a Force Majeure event has a material adverse effect on the business and continues for an excess of six (6) months; a change in law occurs and the parties cannot agree on necessary adjustments within 90 days, or cannot implement changes within 180 days; or the parties agree that during the operation of Aolong, the required Coal Seam Gas commerciality, such commerciality to be determined by CFT in its sole discretion, cannot be established within 12 months of the issue of the Business Licence.

(xx) **Default Termination Events** A default termination event shall occur where: a party commits a material breach of the contract which would have a material adverse effect on the financial condition or business operations of Aolong (and where remediable, cannot be remedied within 30 days of notice from the non-defaulting party); any representation or warranty made by a party to the contract was incorrect in any material aspect when made; bankruptcy, liquidation or similar proceedings are commenced in respect of a party; or a party fails to make its contributions to the registered capital of Aolong when due, where such failure continues for a period of more than three (3) months and is not waived by the other party.

(xxi) **Right to Seek Compensation** If the contract is terminated as a result of a Default Termination Event, the non-defaulting party may seek compensation for its losses caused by the breach.

(xxii) **Assignment** There may be no assignment of the rights or obligations under the contract without the prior written consent of the other party, the unanimous approval of the Board of Directors, and the approval of the relevant government authority.

(xxiii) **Additional Parties** Subject to the consent of LongMay, further persons may be brought in as additional equity investors in Aolong at the request of CFT in order to provide additional funding and/or technical expertise to the Company providing profit sharing percentages and sequences remain unchanged.

(c) **Letter of Engagement with MBA Petroleum Consultants**

On 8 July 2010 MBA Petroleum Consultants and CFT entered into a letter of engagement in respect of CBM mapping and evaluation services (**"Services"**) to be provided by MBA Petroleum Consultants to CFT and LongMay for the CFT CBM Project to be undertaken by Aolong (**"Letter of Engagement"**).

(i) **Term** The Letter of Engagement continues in force from 8 June 2010 until the earlier of the completion of the provision of Services by MBA Petroleum Consultants or valid termination pursuant to the terms of the Letter of Engagement.

(ii) **Payment** The preliminary budget was due and payable by CFT and LongMay in July 2010. From 1 August 2010 payment is due and payable on the first day of each month. Failure to make payments when due gives MBA Petroleum Consultants the right to suspend its Services until any outstanding payment is received.

(iii) **Provision of Data** MBA Petroleum Consultants is reliant on Aolong providing MBA Petroleum Consultants with reports, records, data, studies, materials, documents, drawings, calculations, maps, notes, software, concepts, process samples and other information with respect to the coal mine (**"Data"**). Aolong acknowledges that it is responsible for the accuracy of the Data.

(iv) **LongMay Warranties** LongMay represents and warrants to MBA Petroleum Consultants and CFT that it will comply with all relevant laws, regulations and guidelines. LongMay further warrants that none of the Data that it provides to MBA Petroleum Consultants is a commercial secret or state secret.

(v) **Confidentiality Obligations** Any information that is designated or treated by either party as confidential, or any information that is regarded as confidential at law must not be disclosed to any person or party that is not a party to the Letter of Engagement, unless the disclosure is permitted pursuant to the terms of the Letter of Engagement.

(vi) **Termination** Any party may terminate the Letter of Engagement by giving prior notice if the other party commits a material breach of any of its obligations under the Letter of Engagement or if a party enters into an insolvency event.

(d) **Facility Agreement**

On 5 October 2012 the Company entered into the Facility Agreement with CFT, CFT CBM Holdings and ECI to make available a loan facility to CFT up to the amount of $500,000 (**"Loan"**) subject to certain terms and conditions.

(i) **Conditions Precedent** The Facility Agreement is subject to a number of conditions precedent that are ordinarily incorporated in such an agreement, including:

(A) the Company securing written commitment of $2,000,000 or more for the proposed Share Placement;

(B) the Share Purchase Agreement being duly executed by all parties thereto;

(C) all finance documents which relate to the Facility Agreement being duly executed; and

(D) the Company receiving shareholder approval for the Loan.

(ii) **Execution** The Facility Agreement is executed by all parties except for the Company. The Company's consent to the terms of the Facility Agreement is implied by the provision of the funds to CFT.

(iii) **Term** The Loan is available for CFT to draw down from and including 5 October 2012 until 4 April 2013.

(iv) **Interest** Interest on the Loan accrues daily on any monies advanced to CFT at the rate of 8% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days.

(v) **Security** The Loan is secured pursuant to a charge of petroleum leases agreement between Triple, CFT CBH Holdings Pty Ltd and ECI International Pty

Ltd dated 26 October 2012 ("**Security Agreement**"). The Loan is secured under the Security Agreement by 3 Petroleum Exploration Licenses in Victoria, which held by CFT CBM Holdings and ECI.

(vi) **Purpose** CFT must only use the Loan for payment of its capital contribution under the CJV Contract for purposes directly associated with the drilling of the first DST well. No part of the Loan may be paid to directors, employees or advisors of any member of the CFT or its subsidiaries, other than independent technical consultants or advisors associated with well planning operations.

(vii) **Review Event** In the event that the Acquisition does not complete on or before 30 January 2013 (or any such later date as CFT and Triple agree in writing), this will constitute a Review Event under the terms of the Facility Agreement and Triple and CFT will endeavour to agree a mutually acceptable timeframe for repayment of the Loan.

(viii) **Repayment** CFT must repay to the Company all monies advanced by the Company and all other amounts due and payable under the Facility Agreement on the repayment date, being 4 October 2013, unless otherwise agreed between the parties.

(ix) **Default and Termination** The Facility Agreement sets out a number of events that amount to default events, whether or not they are beyond the control of CFT. If a default event occurs the Company may terminate the Facility Agreement rendering all amounts owing under the Facility Agreement due and payable to the Company immediately. Default events include:

(A) failure to pay an amount payable at or before the due date;

(B) failure to comply with a provision of the Facility Agreement;

(C) default by a security provider under the Facility Agreement;

(D) misrepresentation or making an untrue warranty;

(E) if an event of insolvency occurs;

(F) in the event that CFT repudiates or evidences an intention to repudiate the Facility Agreement; and

(G) CFT ceases or threatens to cease carrying on all or a material part of its business.

Drilling and rig usage contracts

CFT has entered into a number of contracts to drill a test well in the initial Hegang mine lease area. These contracts include the hiring of a drilling rig, the supply of drilling support services and CBM expert consultants from Australia.

The consideration owed pursuant to these contracts combines to around $500,000 and will be funded using the loan funds advanced under the Facility Agreement.

1.14 Financial information

Financial Information in relation to the Acquisition, including an a pro-forma balance sheet for Triple after adjusting for the anticipated effect of the Acquisition and Share Placement can be found in the Investigating Accountants Report contained in Schedule 4.

1.15 Profile of the Enlarged Entity

This Section contains a summary of the operations of the Company, following completion of the Acquisition ("**Enlarged Entity**") assuming the Acquisition is approved by Shareholders and is completed.

The Acquisition of CFT's interests by Triple will create a focussed unconventional gas company.

The principal assets of the Enlarged Entity immediately following the Acquisition will be its 80% profit interest in Aolong in the PRC, via its rights under the CJV Contract. The Enlarged Entity will also have prospective interests in potential unconventional gas projects pursuant to the CJV Contract and other potential acquisition opportunities introduced by the CFT directors.

Together with Triple's existing cash and the cash raised through the Share Placement (assuming shareholder approval and completion of the Share Placement) and the skills of the existing management team of Triple and the new director representing CFT will result in a company with a solid platform for future growth.

The Enlarged Entity's positive net asset position will allow it to immediately move forward with corporate objectives, including:

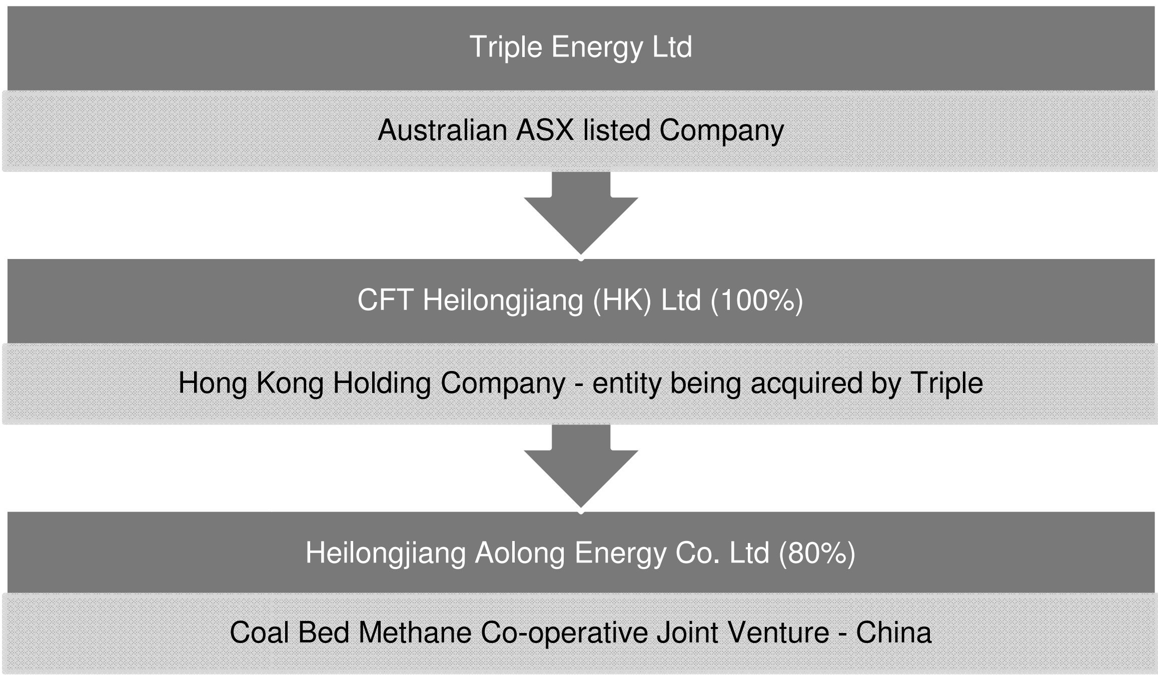
(a) to implement the drilling of a well and a drill stem test, to acquire reservoir data;

(b) to implement the drilling of two pressurised core wells to facilitate a financial investment decision;

(c) to pursue other unconventional gas projects in the PRC; and

(d) to recruit and retain additional talented management and staff to help drive the company's growth objectives.

Following Completion of the Acquisition, the corporate structure of the Enlarged Entity will be as set out in the diagram below:



1.16 Business objectives

Following completion of the Acquisition, Triple's strategy will be to establish and grow a significant upstream gas company focused in Asia.

Triple intends to achieve the growth of its business initially through the appraisal of the coal seams in the Hegang area of the CJV Contract acreage and should this be successful and commercial, the development of any Mineral Resources that may be proven up. Following this, it is planned that the other areas under the CJV Contract will be appraised in a similar manner.

The Company's immediate business plan is to execute the work programme on the existing interests under the CJV Contract comprising of 2 to 3 wells drilled to an approximate depth of 950 meters in the Hegang area. The first well will be a DST well and the other two planned for the first half of 2013 will be pressurised core-hole(s) which should provide the gas flow characteristics of the coal seams intersected. There is potential for one or more of these wells to be used as pilot production wells should gas flow rates be established early.

Should this initial work in the Hegang area be successful in establishing the presence of commercially recoverable hydrocarbons, the Company has the goal of constructing production facilities and commencing production as soon as possible. The Company will also continue to consider other viable investment opportunities in oil and gas.

1.17 Work programmes and proposed use of funds

A summary of the work programmes proposed are summarised below:

(a) 1 x DST well – March 2013 (weather permitting); and

(b) 1 or 2 x pressurised core wells – first half - 2013.

Assuming that commercial gas flow rates can be demonstrated from the data collected from the above 2 to 3 well data points, it is proposed that some or all of these wells will be evaluated for use as pilot production wells to conduct long term production testing.

Simultaneous with this, a feasibility study for a 75 well production operation wells will be commenced on the CFT CBM Project.

The Company intends to apply funds raised from the Share Placement, together with existing cash reserves, over the next two years as follows:

Funds available	**Amount ($)**
Existing cash (at date of this Notice of Meeting)	950,000
Other revenue	62,000
Share Placement	2,400,000
Total	**3,412,000**
Use of Funds	
Costs of the Share Placement and Acquisition[1]	294,000
Consideration for Acquisition	150,000
Well programme for 2-3 wells	1,902,000
Working Capital	1,066,000
Total	**3,412,000**

1 Refer to the Investigating Accountant's Report in Schedule 4 for the costs of the Share Placement and Acquisition.

The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. It is noted that the Company may use and expend its cash reserves more quickly than contemplated. The work programs to be undertaken on the CFT CBM Project can change depending on the results of the work. The exact timing of the implementation of the work programs is also dependant on weather, conditions for drilling and the timely availability of drilling and ancillary equipment.

1.18 Effect on voting power

Following the Acquisition, the Vendors and CFT Lenders will in aggregate acquire 30,000,000 Shares and 350,000,000 Performance Shares which will give the Vendors and CFT Lenders an interest in:

(a) 45.92% of Triple's issued share capital (assuming no Options have been exercised, all Performance Shares vest and are converted into Shares and the Share Placement results in the issue of 160,000,000 Shares); and

(b) 40.97% of Triple's issued share capital (assuming all Options have been exercised, all Performance Shares vest and are converted into Shares and the Share Placement results in the issue of 160,000,000 Shares).

The following table sets out details of each of the Vendors who will acquire Acquisition Shares upon completion of the Acquisition and the representative potential percentage of issued capital in Triple (assuming no Options have been exercised, all Performance Shares vest and are converted into Shares and the Share Placement results in the issue of 160,000,000 Shares):

Vendor	**Maximum Potential Ownership in Triple**
E.C.I. International Pty Ltd	12.27%
Ralcorp Pty Ltd	11.34%
Deruma Pty Ltd	4.41%
Bubbly Water Pty Ltd	4.23%
Bresnehan Family Super Fund Pty Ltd	5.37%
Mabe Nominees Pty Ltd	4.37%
BLG Asset Resources Inc	2.38%
Jeffrey David Vorbach	0.18%
Jaye Tian Marchiandi	0.18%
Total	**44.71%**

As at the date of the Notice of Meeting, based on the information known to the Company as regards the current substantial shareholding in Triple and the Vendors who will become substantial shareholders of the Enlarged Entity as a result of the Acquisition, the following table sets out the substantial shareholders of the Company post the Acquisition (assuming no Options have been exercised, all Performance Shares vest and are converted into Shares and the Share Placement results in the issue of 160,000,000 Shares):

Substantial Shareholder	**Interest in Shares (including associates) post Acquisition**	**Total voting power post Acquisition**
E.C.I. International Pty Ltd	101,529,159	12.27%
Ralcorp Pty Ltd	93,856,556	11.34%
Bresnehen Family Super Fund Pty Ltd	44,416,314	5.37%

Item 7 of Section 611 of the Corporations Act

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(a) from 20% or below to more than 20%; or

(b) from a starting point that is above 20% and below 90%.

Pursuant to the Share Purchase Agreement, if the Acquisition proceeds, the Vendors may acquire, subject to satisfaction of the Milestones, a total interest in the Company of 44.7% (assuming no Options have been exercised, all Performance Shares vest and are converted into Shares and the Share Placement results in the issue of 160,000,000 Shares).

The Company has considered the application of section 606 of the Corporations Act in respect of the issue of the Acquisition Shares to the Vendors. As none of the Vendors are associated with each other, Shareholder approval is not required for the issue of the Acquisition Shares pursuant to item 7 of section 611 of the Corporations Act as none of the Vendors alone will acquire an interest in Triple that is greater than 19.9%.

1.19 Employees and Registered Office

The current intention is that the management team at Triple will lead the business of the Enlarged Entity with the assistance of the CFT directors and advisors.

The Enlarged Entity's registered office will be in Perth with its head office to be located at Unit 8, 88 Forrest Street Cottesloe, Perth. Through the acquisition of CFT, Triple will also have an office in Beijing in the PRC.

1.20 Interests of Directors

As at the date of this Explanatory Statement, the Directors and their associates have interests in the following securities in the Company:

Director	Shares Held		Options Held	
	Directly	Indirectly	Directly	Indirectly
Mr Paul Underwood	10,000,000	0	0	60,000,000[1]
Mr Garry Ralston	6,000,000	0	0	0
Mr Richard Hayward	0	0	0	0

Based on information available as at the date of this Explanatory Statement, the Directors and the proposed director (Mr Rod Bresnehan) and their associates will have interests in the following securities in the Company, post the Acquisition and the Share Placement:

Director	Shares Held		Options Held	
	Directly	Indirectly	Directly	Indirectly
Mr Paul Underwood	10,000,000	0	10,000,000	60,000,000[1]
Mr Garry Ralston	12,500,000	0	2,500,000	0
Mr Richard Hayward	0	0	2,500,000	0
Mr Rod Bresnehan	0	0	0	0

1. Options currently held by Mr Underwood are exercisable as follows:

- Class A - 15,000,000 exercisable at 3c on or before 14 February 2016
- Class B - 15,000,000 exercisable at 3c on or before 14 February 2016 (subject to vesting conditions)
- Class C - 15,000,000 exercisable at 4c on or before 14 February 2016 (subject to vesting conditions)
- Class D - 15,000,000 exercisable at 4c on or before 14 February 2016 (subject to vesting conditions)*

* As described in the Company's notice of meeting dated 26 March 2012, the Class B Options vest upon the Company completing a capital raising of not less than $2,000,000. On this basis, Mr Underwood will not vote in Resolution 4, due to his vested interest in the outcome of this Resolution.

**Mr Underwood has confirmed that in the event the Options the subject of Resolution 8 are approved by Shareholders he will not exercise the Class D Options.

1.21 Future of the Company if Resolutions 1 to 6 and 12 are not passed

If Resolutions 1 to 6 and 12 are not passed, the Acquisition will not proceed and the Company will continue to focus on acquiring other value adding oil and gas projects and or acreage.

No Directors or proposed directors of Triple, other than Mr Gary Ralston, will participate in the Share Placement.

Voting Exclusion Statements

Voting exclusion statements for each resolution to which they apply are set out in the Notice of Meeting.

Each of the Directors intends to vote in favour of Resolutions 1 to 6 and 12 and recommend that Shareholders vote in favour of Resolutions 1 to 6 and 12.

The Directors decline to make a recommendation in respect of Resolution 7 as it relates to the proposed approval of an incentive scheme in which the Company's executive Directors may participate.

Resolution 1 is dependent on, and will not be given effect to unless, each of Resolutions 2 to 6 and 12 are passed.

Section 2 Resolutions

2.1 Resolution 1 – Approval for Acquisition Under Listing Rule 11.1.2

ASX Listing Rule 11.1 provides that, where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and must comply with the following:

(a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for; and

(b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting.

ASX Listing Rule 11.1.2 provides that if ASX requires, a listed company must obtain shareholder approval if a proposed transaction is likely to result in a significant change to the nature or scale of the company's activities.

ASX has indicated to the Company that, given the proposed change in the scale of the Company's activities, it requires the Company to obtain Shareholder approval for the change in scale of its activities.

Given the significance of the proposed Acquisition contemplated by Resolutions 1, 2 and 3 and the size of the proposed issue under Resolutions 2 and 3, the Directors consider it prudent to obtain Shareholder approval for the purposes of ASX Listing Rule 11.1.2.

In accordance with Listing Rule 11.1.2, the Company seeks Shareholder approval to approve the proposed change in the scale of the activities of the Company which will involve, subject to progression to a financial investment decision, the exploration and potentially the commercial production of gas in the PRC.

Detailed information on the Acquisition and the Share Placement are set out throughout this Explanatory Statement.

Resolution 1 is dependent on, and will not be given effect to unless, each of Resolutions 2 to 6 and 12 are passed.

2.2 Resolutions 2 and 3 - Issue of Shares to the CFT Lenders and Performance Shares to the Vendors

Shareholder approval is required pursuant to:

(a) ASX Listing Rule 7.1 for the proposed issue of 30,000,000 Shares; and

(b) ASX Listing Rule 7.1 and Section 246B of the Corporations Act for the proposed issue of 350,000,000 Performance Shares,

(together the "**Acquisition Shares**") pursuant to the Share Purchase Agreement.

One of the Vendors, Bresnehan Family Super Fund Pty Ltd, is a related party of the Company by virtue of the fact that Rod Bresnehan is a director of the Bresnehan Family Super Fund Pty Ltd and is a proposed director of the Company. However, the Board considers that the issue of Performance Shares to Mr Bresnehan does not require Shareholder approval pursuant to:

(a) ASX Listing Rule 10.11 as the Bresnehan Family Super Fund Pty Ltd is a related party by reason only of the Acquisition (i.e. Mr Bresnehan's appointment as an Executive Director is conditional on completion of the Acquisition), which is the reason for the issue of the Performance Shares, pursuant to Exception 6 of ASX Listing Rule 10.12; and

(b) section 208 of the Corporations Act as the issue will be on arm's length terms, pursuant to the exception contained in section 210 if the Corporations Act.

The Acquisition Shares to be issued to the Vendors and CFT Lenders may be subject to escrow in accordance with the ASX Listing Rules. ASX may, in its absolute discretion, impose an escrow for a period of up to 24 months from the date of issue of the Acquisition Shares to the Vendors and CFT Lenders.

Section 246B of the Corporations Act

Section 246B of the Corporations Act and the Constitution of the Company requires that the creation of a new class of shares requires:

(a) the written consent of the holders of three quarters of the issued shares of the affected class; or

(b) a special resolution passed in a meeting of the holders of the issued shares of the affected class.

A special resolution is a resolution that has been passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

A company with a single class of shares on issue that proposes to issue new shares, not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

The terms of the Performance Shares are not the same as the Shares. The Company has applied to ASX for approval of the terms of the Performance Shares.

Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares to the Vendors on the terms set out in Schedule 1 of this Notice.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The effect of Resolutions 2 and 3 and will be to allow the Directors to issue the Acquisition Shares pursuant to the Share Purchase Agreement during the period of 3 months after the Annual General Meeting (or a longer period if allowed by ASX) without affecting the Company's 15% placement capacity.

ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following in relation to the proposed issue pursuant to Resolutions 2 and 3:

Resolution 2:

(a) the maximum number of securities to be issued under Resolution 2 is 30,000,000 Shares;

(b) the Shares will be issued to the CFT Lenders, none of whom are considered related parties of the Company;

(c) the Shares will be issued for no cash consideration;

(d) it is proposed that the Shares will be allotted and issued within 3 months of the date of the meeting (subject to any extension of time granted by ASX) and allotment of the Shares will occur on one date;

(e) the Shares are ordinary fully paid shares in the capital of the Company on the same terms and conditions as existing Shares; and

(f) no funds will be raised from the issue of the Shares as they will be issued as part consideration under the Share Purchase Agreement (as outlined above).

Resolution 3:

(a) the maximum number of securities to be issued under Resolution 3 is 350,000,000 Performance Shares;

(b) the Performance Shares will be issued to the Vendors, none of whom are considered related parties of the Company other than the Bresnehan Family Super Fund Pty Ltd;

(c) the Performance Shares will be issued for no cash consideration;

(d) it is proposed that the Performance Shares will be allotted and issued within 3 months of the date of the meeting (subject to any extension of time granted by ASX) and allotment of the Performance Shares will occur on one date;

(e) the Performance Shares are to be issued on the terms set out in Schedule 1 to this Explanatory Statement;

(f) no funds will be raised from the issue of the Performance Shares as they will be issued as part consideration under the Share Purchase Agreement (as outlined above); and

(g) the issue of the Performance Shares may result in the issue of Shares upon the vestment of the Performance Shares. These Shares will be issued on the same terms and conditions as the Company's existing Shares.

Resolutions 2 and 3 are dependent on, and will not be given effect to unless, each of Resolutions 1, 4 to 6 and 12 are passed.

2.3 Resolution 4 – Approval of Share Placement

As announced to the market on 26 October 2012, the Company is undertaking the Share Placement. The Share Placement of 150,000,000 Shares was oversubscribed and as such, Triple is seeking approval to issue an additional 10,000,000 Shares (160,000,000 Shares in total) pursuant to Resolutions 4 and 12.

Resolution 4 seeks Shareholder approval for the allotment and issue of up to 153,500,000 Shares at an issue price of $0.015 per Share under the Share Placement to raise up to $2,302,500 (gross).

The Company intends to conduct the Share Placement with the approval of shareholders.

The funds raised from the Share Placement are intended to be used to pay for ongoing exploration, appraisal, well testing and general working capital. Details of the work programme towards which the funds raised from the Share Placement will be applied are set out in Section 1 of the Explanatory statement. The balance of the funds raised under the Share Placement based on cash as at 30 September 2012) will be applied to the costs of the Acquisition and the Share Placement. It is noted that the Company may use and expend its cash reserves more quickly than contemplated.

It is noted that programs and budgets set out in this Explanatory Statement are dependent on results. These programs can therefore change depending on the results of the work. The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. The Company will provide details of its actual expenditure in its periodic reports and as otherwise required by the ASX Listing Rules.

ASX Listing Rule 7.1 is summarised in Section 2.2 of this Explanatory Statement.

The effect of Resolution 4 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following in relation to the proposed issue pursuant to Resolution 4**:**

(a) the maximum number of Shares to be issued is 153,500,000 after allowing for a contingent over-subscription;

(b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the issue price will be not less than $0.015 per Share;

(d) the Shares will be issued to subscribers and clients of Forrest Capital Pty Ltd and none of the subscribers will be related parties of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Company intends to use the funds raised from the Share Placement as set out in Section 1.17 above.

As described in Section 1.6 of the Explanatory Statement, Mr Underwood has a vested interest in the outcome of this Resolution due to his holding of Class B Options, which vest upon the Company completing a capital raising of not less than $2,000,000.

Each of the Directors, other than Mr Underwood, who has a vested interest in the outcome of Resolution 4, intends to vote in favour of Resolution 4 and recommend that Shareholders vote in favour of Resolution 4.

Resolution 4 is dependent on, and will not be given effect to unless, each of Resolutions 1 to 3, 5, 6 and 12 are passed.

2.4 Resolution 5 – Issue of Advisor Options

Resolution 5 seeks Shareholder approval for the allotment and issue of 25,000,000 Advisor Options to parties nominated by Forrest Capital Pty Ltd in consideration for services provided to the Company by Forrest Capital Pty Ltd in relation to the Share Placement.

ASX Listing Rule 7.1 is outlined in Section 2.2above. The effect of Resolution 5 will be to allow the Directors to issue the Advisor Options during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following in relation to the proposed issue pursuant to Resolution 5:

(a) the maximum number of Advisor Options to be issued is 25,000,000;

(b) the Advisor Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Advisor Options will be issued for nil cash consideration in satisfaction of services provided by Forrest Capital Pty Ltd and its nominees;

(d) the Advisor Options will be issued on the terms and conditions set out Schedule 6;

(e) the Advisor Options will be issued to nominees of Forrest Capital Pty Ltd, none of whom are a related parties of the Company; and

(f) no funds will be raised from the issue as the Advisor Options are being issued in consideration for services provided by Forrest Capital Pty Ltd and its nominees in relation to the Share Placement.

Resolution 5 is dependent on, and will not be given effect to unless, each of Resolutions 1 to 4, 6 and 12 are passed.

2.5 Resolution 6 – Election of Mr Rod Bresnehan as an Executive Director

In accordance with the terms of the Share Purchase Agreement at Completion, the Vendors are entitled to nominate a director to the Triple Board. The Vendors have nominated Mr Rod Bresnehan to join the Triple Board. Subject to Completion of the Acquisition Mr Bresnehan will be appointed as an Executive Director. In accordance with that nomination, this Resolution 6 seeks shareholder approval for Mr Bresnehan to be elected as a Director of the Company. If approved, Mr Bresnehan's appointment will commence at Completion.

Mr Bresnehan is a citizen of Australia. He has over 36 years' experience in the oil and gas/CBM industry. For the past 12 years he has provided key technical, strategic analysis and management of CBM projects in Australia and Internationally. His recent focus has been on CBM projects in Indonesia and Indonesia. He is a member of AICD and holds directorships in Australia and Europe.

Each of the existing Directors intend to vote in favour of Resolution 6 and recommend that Shareholders vote in favour of Resolution 6.

Resolution 6 is dependent on, and will not be given effect to unless, each of Resolutions 1 to 5 and 12 are passed.

2.6 Resolution 7 – Adoption of Employee Share Plan

Background

As part of its review of appropriate remuneration for employees and consultants, the Board considers that it is appropriate to adopt the Triple Energy Limited Employee Share Plan ("**Plan**").

The objective of the Plan is to provide the Company with a remuneration mechanism, through Share ownership, to motivate and reward the performance of employees and executive Directors of the Company in achieving specified vesting conditions within a specified period. The Board will ensure that the vesting conditions attached to the Shares issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

A summary of the terms and conditions of the Plan is set out in Schedule 2.

Requirement for Shareholder Approval

ASX Listing Rule 7.1 is summarised in Section 2.2 above.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive scheme are exempt if within 3 years before the date of issue shareholders have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

As at the date of this Notice, no Shares have been issued under the Plan as this will be the first time the Plan will be approved by Shareholders.

Resolution 7 seeks Shareholder approval for the adoption of an employee incentive scheme, being the Plan, in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 7 is passed, the Company will be able to issue Shares under the Plan, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

2.7 Resolutions 8 to 10 - Issue of Director Options to Related Parties – Messrs Paul Underwood, Garry Ralston and Richard Hayward

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue 15,000,000 Director Options to Messrs Paul Underwood, Garry Ralston and Richard Hayward (or their respective nominees) on the terms and conditions set out below.

Resolutions 8 to 10 seek Shareholder approval for the grant of the Director Options to Messrs Paul Underwood, Garry Ralston and Richard Hayward (or their respective nominees).

Resolutions 8 to 10 are interdependent on each other and will not be given effect to unless each of Resolutions 8 to 10 is passed.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Options constitutes giving a financial benefit and Messrs Paul Underwood, Garry Ralston and Richard Hayward are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Director Options because the issue of the Director Options is considered reasonable remuneration in the circumstances, pursuant to section 211 of the Corporations Act.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Director Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 8 to 10:

(a) the Director Options will be granted to Messrs Paul Underwood, Garry Ralston and Richard Hayward (or their respective nominees);

(b) the number of Director Options to be issued is 15,000,000;

(c) the Director Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(d) the Director Options will be issued for nil cash consideration, accordingly no funds will be raised; and

(e) the terms and conditions of the Director Options are set out in Schedule 7.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Director Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Director Options to Messrs Paul Underwood, Garry Ralston and Richard Hayward (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2.8 Resolution 11 - Ratification of Prior Issue of Shares

General

On 14 August 2012, the Company announced that it had agreed to place 37,500,000 Shares at a price of $0.015 per Share to raise $562,500, before costs of the placement.

ASX Listing Rule 7.1 is summarised in Section 2.2 above.

Equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or with Shareholder approval do not reduce the number of Shares that may be issued by the Company under ASX Listing Rule 7.1. Shareholder approval can be obtained either before or after the equity securities are issued (provided, where approval is obtained retrospectively, the issue does not exceed the 15% limit).

ASX Listing Rule 7.4 states that an issue by a company of equity securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 when made and the company's members subsequently approve it. Under Resolution 11, the Company seeks approval from Shareholders for, and ratification of, the previous issue of equity securities.

Technical information required by ASX Listing Rule 7.4

ASX Listing Rule 7.5 requires the following information to be given to Shareholders:

(a) 37,500,000 Shares have been issued and allotted since the announcement on 14 August 2012 prior to the date of this Meeting. These Shares were issued at an issue price of 1.5 cents each to raise $562,500 (before associated costs);

(b) the Shares have been allotted and issued to professional and sophisticated investors clients of Forrest Capital Pty Ltd, including the principals of Hong Kong-based Mandalay Capital Group;

(c) the Shares issued were all ordinary fully paid shares in the capital of the Company and were issued on the terms and conditions of existing Shares; and

(d) the funds raised from the issue are being applied towards working capital and specifically to facilitate the investigation of potential new projects, including due diligence.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends that Shareholders vote in favour of Resolution 11 as it will allow the Company to retain the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval.

2.9 Resolution 12 - Issue of Shares to Related Party – Mr Garry Ralston

As noted above, the Company intends to undertake the Share Placement, subject to the approval of Resolutions 1 to 6.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue 6,500,000 Shares under the Share Placement to Mr Garry Ralston (or his nominee) on the terms and conditions set out below.

Resolution 12 seeks Shareholder approval for the allotment and issue of up to 6,500,000 Shares at an issue price of $0.015 per Share under the Share Placement to Mr Garry Ralston (or his nominee) to raise up to $97,500 (gross).

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarised in Section 2.7 of the Explanatory Statement above.

The grant of Shares constitutes giving a financial benefit and Mr Garry Ralston is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Shares because the issue of the Shares will be on arm's length terms, pursuant to section 210 of the Corporations Act.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 is summarised in Section 2.7 of the Explanatory Statement above.

As the grant of the Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 12:

(a) the Shares will be issued and allotted to Mr Garry Ralston (or his nominee);

(b) the number of Shares to be issued and allotted is 6,500,000;

(c) the Shares will be issued and allotted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(d) the issue price will be not less than $0.015 per Share;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Company intends to use the funds raised from the issue as set out in Section 1.17 above.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue and allotment of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue and allotment of Shares to Mr Garry Ralston (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 12 is dependent on, and will not be given effect to unless, each of Resolutions 1 to 6 is passed.

Section 3 Definitions

In this Explanatory Statement and the Notice of Meeting:

Acquisition means the acquisition by Triple of all of the issued capital in CFT which is the subject of Resolution 1.

Acquisition Shares means the 30,000,000 Shares and 350,000,000 Performance Shares in Triple to be issued to the CFT Lenders and Vendors respectively as the purchase consideration under the Acquisition as set out in Section 1.1 of this Explanatory Statement.

Advisor Options means the 25,000,000 Options to be issued to advisors to the Share Placement, pursuant to Resolution 5.

Aolong means Heilongjiang Aolong Energy Co. Ltd, a co-operative joint venture established under the laws of the People's Republic of China.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the Directors of the Triple as at the date of this Notice of Meeting.

Business Licence means the business licence to be granted by the SAIC to the Company.

CBM means coal bed methane.

Cooperation Areas means the Hegang mine area in the PRC and, subject to the commercial feasibility of the Hegang mine area, may also include the Jixi, Qitaihe and Shuangyashan mine areas in the PRC.

Coal Seam Gas means any gas consisting of methane stored in coal seams or adjacent strata (including in the overlying and underlying strata).

CFT means CFT Heilong (HK) Ltd, a 100% subsidiary of CFT Holdings.

CFT CBM Holdings means CFT CBM Holdings Pty Ltd.

CFT CBM Project means the gas project operated by Aolong in the PRC, pursuant to the CJV Contract.

CFT Holdings means CFT Holdings (HK) Ltd.

CFT Lenders means each of ECI International Pty Ltd (ACN 006 039 309), Ralcorp Pty Ltd (ACN 074 337 198) and Periwinkle Investments Pty Ltd (ACN 103 915 251).

CJV Contract means the Sino-Foreign Contractual Joint Ventures Contract, which is summarised in Section 1.13.

Completion means completion of the Share Purchase Agreement in accordance with its terms.

Constitution means the current constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company (and where applicable includes the proposed director, Mr Rod Bresnehan.

Director Options means the 15,000,000 Options to be issued to Messrs Underwood, Ralston and Hayward pursuant to Resolutions 8 to 10.

DST means drill stem test.

ECI means ECI International Pty Ltd.

Enlarged Entity means Triple assuming completion of the Acquisition whereby CFT will become a wholly owned subsidiary of Triple.

Explanatory Statement means the Explanatory Statement to the Notice of Meeting.

Facility Agreement means the agreement for the provision by Triple of a loan of $500,000 to CFT to fund the drilling of the first drill stem test, as summarised in Section 1.13.

General Meeting means the General Meeting of the Company the subject of the Notice of Meeting.

LongMay means Heilongjiang LongMay Coal Mining Group Joint-Stock Company Ltd.

MBA Petroleum Consultants means MBA Petroleum Consultants Pty Ltd (ACN 139 445 319).

Milestones means the milestones to the Performance Shares, set out in Section 1.4 of the Explanatory Statement.

Notice of Meeting means this notice of meeting.

Perth Time means the time in Perth, Western Australia.

Performance Share means the performance shares described in Section 1.4, with the terms and conditions set out in Schedule 1.

PRC means the People's Republic of China.

Proxy Form means the proxy form attached to the Notice of Meeting.

Resolution means a resolution contained in this Notice of Meeting.

SAIC means the State Administration for Industry and Commerce or its successor authority, including its provincial and local agencies in Heilongjiang province (as the case maybe) in the PRC.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Placement means the proposed issue of 160,000,000 Shares as per Resolutions 4 and 12.

Share Purchase Agreement means the agreement between the Company and CFT pursuant to which the Company proposes to acquire all of the issued capital of CFT and complete the Acquisition, as summarised in Section 1.3.

Triple or The Company means Triple Energy Ltd ACN 116 829 675.

Vendors means the Shareholders of CFT Holdings, who are the vendors of all of the issued share capital of CFT as described in Section 1.10 of the Explanatory Statement.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE SHARES

(a) (**Performance Shares**) Each Performance Share is a fully paid ordinary share in the capital of the Company.

(b) (**Notices**) The Performance Shares shall not confer on the holder the right to receive notices of general meetings or any other documents sent to the Company's shareholders.

(c) (**No Voting Rights**) The Performance Shares do not entitle the holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

(d) (**No Dividend Rights**) The Performance Shares do not entitle the holder to any dividends.

(e) (**Rights on Winding Up**) The Performance Shares participate in the surplus profits or assets of the Company upon winding up only to the extent of $0.000001 per Performance Share.

(f) (**Not Transferable**) The Performance Shares are not transferable.

(g) (**Reorganisation of Capital**) If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.

(h) (**Application to ASX**) The Performance Shares will not be quoted on the ASX. However, upon conversion of the Performance Shares into ordinary shares in accordance with the Milestones, the Company must, within seven (7) days after the conversion, apply for the official quotation of the shares arising from the conversion on the ASX.

(i) (**Participation in Entitlements and Bonus Issues**) Holders of Performance Shares will not be entitled to participate in new issues of capital offered to the Company's shareholders, such as bonus issues and entitlement issues.

(j) (**No Other Rights**) The Performance Shares give the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(k) (**Conversion on achievement of Milestones**) Each Performance Share will automatically convert into 1 share upon the relevant Milestone being satisfied.

(l) (**Failure to satisfy the Milestones**) If a Milestone is not satisfied by the date specified by the Company, then, the Performance Shares will automatically convert into ordinary shares on the basis of 1 share for every 10,000,000 Performance Shares, or part thereof (rounded to the nearest whole number, and in the case where the fraction is exactly half a share, the fraction will be rounded up to the nearest whole number).

(m) (**Conversion Procedure**) The Company will issue the holder with a holding statement for the shares as soon as practicable following the conversion of the Performance Shares into shares.

(n) (**Ranking of Shares**) The shares into which the Performance Shares will convert will rank pari passu in all respects with the Company's existing shares.

SCHEDULE 2 – TERMS AND CONDITIONS OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan are as follows:

(a) **Eligibility**: Participants in the Scheme may be Directors, full-time and part-time employees of the Company or any of its subsidiaries or any other person permitted to participate in the Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act (**Participants**).

(b) **Administration of Plan**: The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.

(c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer:

  (i) will invite application for the number of Shares specified in the offer;

  (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;

  (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;

  (iv) will specify any restriction conditions applying to the Shares;

  (v) will specify an acceptance period; and

  (vi) specify any other terms and conditions attaching to the Shares.

(d) **Issue price:** the issue price of each Share shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

(e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.

(f) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board:

  (i) where the Shares were issued for no cash consideration, subject to the Corporations Act and the ASX Listing Rules, buy back the relevant Shares within 12 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to $0.0001 per Share; or

  (ii) where the Shares were issued for cash consideration, subject to the Corporations Act and the ASX Listing Rules, use its best endeavours to buy back the relevant Shares within 12 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares.

(g) **Exceptions to Buy Back**: where

  (i) the Participant dies; or

  (ii) the Eligible Employee to whom the Offer was originally made ceases to be employed as a result of:

    (A) bona fide retirement from the workforce (unless the Retirement happens within six (6) months of the date of the issue of the Plan Shares);

(B) bona fide redundancy; or

(C) total and permanent disability,

the Board may elect to:

(iii) allow the Participant to retain the Plan Shares;

(iv) waive any of the Restriction Conditions; and/or

(v) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

(h) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

(i) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:

(i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to Eligible Employees); and

(ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

(j) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

(k) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.

(l) **Rights attaching to Shares**: Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 – TECHNICAL REPORTS

MBA Petroleum Consultants
ACN: 85 139 445 319
27 Douglas Street
PO Box 2098
MILTON QLD 4064
Australia
Tel: +61 7 3505 4500
Fax: +61 7 3505 4599

Gas in Place Estimate for Junde and Xiangan Mines, Heilongjiang Province, China

A report for

Triple Energy Ltd

Author: Scott Parkins

Date: November 2012

Document No.: R0102

petroleum consultants
an AWT Group Company

TABLE OF CONTENTS

FIGURES (At End of Report)

TABLES

APPENDICES

1.0 SUMMARY

In March 2010 CFT Holdings (HK) Ltd (CFT) engaged MBA Petroleum Consultants Pty Ltd (MBA), a wholly owned subsidiary of AWT International Pty Ltd, to conduct a Coal Seam Gas (CSG) resource evaluation for 5 mine areas (Junde, Xingan, Yixing, Xian Xian and Bird Mountain) in Heilongjiang Province, North-East China. These mines are currently operated by Longmay Coal Mining Group (Longmay). This report is an evaluation of the Junde and Xiangan Mine areas.

In October 2012 Triple Energy Ltd (Triple) engaged AWT International Pty Ltd (AWT) to re-release these reports. CFT has signed a Share Purchase Agreement with Triple, such that Triple will acquire all of the issued shares in CFT Heilongjiang (HK) Limited (CFT Heilongjiang). CFT Heilongjiang in turn has an 80% equity position in a Cooperative Joint Venture (CJV) with Longmay. CFT and Longmay have given permission to re-issue the report to Triple so that Triple can obtain approval for the above mentioned Share Purchase Agreement.

This study focuses on 8 main seams (11, 17, 18, 21, 22, 30, 33 and 35) for which seam data was available (except 35). For some seams the available data has been extrapolated across to the neighbouring mine. The Gas in Place (GIP) in billions of cubic feet (BCF) for each of the seams is shown in Table 1.

No account has been made for seams identified on coal mine maps for which no data has been received. These include seams 3, 9, 12, 23, 24, 25, 26, 27, 28, 29, 31 and 34. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.

Table 1: Junde and Xiangan Mine Resource Summary

Seam	GIP Area (km^2) - Junde	GIP (BCF) - Junde	GIP Area (km^2) - Xiangan	GIP (BCF) - Xiangan
11	-	-	10.96	20.86
17	11.01	34.45	11.74	31.24
18	-	-	12.28	23.10
21	12.38	14.06	12.60	16.62
22	12.57	13.63	12.60	13.66
30	15.46	18.49	15.14	21.40
33	16.65	45.98	16.43	43.46
35	17.57	23.24	17.29	27.44
Total		**149.85**		**197.78**

The gas calculations in this report are based on average net coals and average gas contents. Gas composition has been assumed as 100% methane. No account has been made for the possibility of encountering high Carbon dioxide and Nitrogen contents.

No analysis of gas saturation has been possible in the absence of isotherm data.

The coal data has been collected over many years and for coal mining purposes rather than CSG so there are uncertainties in the quality of net coal, gas content and gas composition data.

The following document briefly outlines the methodology and results of the GIP study undertaken, providing a breakdown of each step in the process.

2.0 DATA

To assist with this exercise, Longmay provided data from the wells drilled in Junde and Xiangan. This data included seam depth and thickness spreadsheets for seams 17 (17-1 + 17-2), 18, 21, 22, 30 and 33, coal mine maps and general gas blow out data.

MBA has been informed by CFT that the CJV is in the process of obtaining wireline log data for over 200 bore holes previously acquired by Longmay in the 5 mine areas. Analysis of this data will be completed by MBA once it is available. This data should add further understanding of the CSG project and be significant assistance in delineating coal parameters, particularly net coal.

3.0 METHODOLOGY

For the purposes of this report only seams 11, 17, 18, 21, 22, 30, 33 and 35 were evaluated, as no data was available for the other seams.

All geological interpretation, gridding and mapping were performed using the SMT Kingdom software package. Original gas in place was calculated according to the equation:

$$\mathbf{OGIP_{(methane)} = AREA \times NET\ COAL\ THICKNESS \times AVERAGE\ DENSITY \times RAW\ GAS\ CONTENT}$$

At this stage the GIP was calculated using an average net coal and average gas content. In the future with increased data, each variable of the GIP equation can be mapped as a permit wide grid. Multiplication of these grids can then be performed to produce a GIP grid. The volumetrics module of Petrosys can then be used to calculate the GIP for the mine area. The process used to determine each variable of the GIP equation is discussed in greater detail below.

3.1 Area

The mines are located in Heilongjiang Province of North-East China near the town of Hegang. Junde and Xiangan cover an area of approximately 19.5 km^2 and 20.78km^2 respectively. There is extensive well data across the area.

The mine maps show an area in Xiangan which has been mined. This area has been named Xiangan Area 2 (Constrained – Potentially Mined). The Junde map is less clear but it has been assumed that a similar situation has occurred. The area has been named Junde Area 2 (Constrained – Potentially Mined).

3.2 Depth and Structure Mapping

The subsea top and base of the main seams were loaded into Kingdom. Seam 17 is the only seam at this stage which has been extensively mapped across both mine areas (Figure 1). Each of the seams outcrop within the mine area, with the youngest seam (11) outcropping towards the centre of the mine area and then the older seams progressively to the west. The area used for the OGIP calculation for each of the seams has been defined as the zone where the seam occurs at depths greater than 100 metres. The area was defined using available seam depth data and seam outcrops shown on mine maps. Coals at a depth of less than 100 metres are assumed to have uneconomic levels of gas or high carbon dioxide levels.

The seams dip towards the east. No seam correlation has been completed at this stage. From the amount of non coal material noted in some of the bore holes, seam correlation may be difficult.

3.3 Net Coal Thickness

There is fairly good coverage of net coal values across the mines, except in the east. The original coal data was recorded as coal and non coal (Appendix A). The net coal was calculated by adding all the coal values. There was no explanation with this data in regards to the criteria used to determine what material is coal and non coal. In CSG, log derived net coals are calculated by using a density cut off of 1.75 g/cc. An average net coal was calculated for each of the seams in the relevant GIP area. Seam 17 is the only seam which has been extensively mapped across both mine areas (Figure 2). These net coal values were applied to the GIP calculation and are shown in Table 2.

Table 2: Average Net Coals

Seam	GIP Area (km^2) - Junde	Average Net Coal (m) - Junde	GIP Area (km^2) - Xiangan	Average Net Coal (m) - Xiangan
11	-	-	10.96	7
17	11.01	9.89	11.74	8.41
18	-	-	12.28	6.34
21	12.38	3.96	12.60	4.60
22	12.57	3.78 (Xiangan)	12.60	3.78
30	15.46	3.36	15.14	3.97
33	16.65	5.22	16.43	5.00
35	17.57	2.50 (estimated)	17.29	3.00 (estimated)

In some cases no coal data was available for a particular seam in one of the mine areas (e.g. Seam 22 – Junde). As seam 22 was shown outcropping on the Junde mine map it was assumed to be present and an average thickness from Xiangan was applied. There was no data available for seam 35 in the area. As it clearly outcrops consistently across both mines, an estimate was used. No net coal data was available for seams 11 and 17 in Junde and the seams are not shown outcropping on the mine map. Therefore those seams have not been included in the GIP calculation for the Junde Mine.

No account has been made for the coal seams identified on the coal mine maps for which no data has been received. These include seams 3, 9, 12, 23, 24, 25, 26, 27, 28, 29, 31 and 34. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.

3.4 Density

As no density data was available, a coal density of 1.4g/cc was assumed and applied to the GIP calculation.

3.5 Gas Content

No gas content data is currently available for coals in the Junde Mine (Appendix B). However some data for coals in the Xingan Mine was available (Appendix C). As the seams in both mines occur at similar depths and appear to correlate, this data has been used in the GIP calculation for both mines. The data consisted of 'gas most relative blow out volumes' and 'gas least relative blow out volumes' and is expressed in metres per tonne (m^3/t). This volume range may reflect the depth of the coals across the mine area. As the GIP area reflects coals 100 metres or deeper, a mid point in the range of gas volumes seems reasonable. When no data was available for a particular seam, the gas content was estimated from the available data and using a general assumption of gas content increases with depth. The gas contents used in the OGIP calculation are shown in Table 3.

Table 3: Average Gas Contents (Xingan Mine)

Seam	Average Gas Content (m^3/t)
11	5.5 (Estimated)
17	6.4
18	6.0 (Estimated)
21	5.8
22	5.8 (Estimated)
30	7.2
33-1	10.7
35	10.7 (Estimated)

There are a number of concerns in regards to this data. There was no explanation on how the data was collected and measured and at what depth samples were taken. It is also unclear whether the data is raw or dry ash free and whether the data represents total gas content.

3.6 Gas Composition

The GIP calculation has assumed 100% methane. However there is some data which suggests this might not be the case. Gas composition data from Bird Mountain shows a wide range of gas composition, with some high levels of carbon dioxide and nitrogen (Air contamination, Appendix D). There was no explanation provided on how the data was recorded. It may be that the samples were taken from mine shafts and have therefore been exposed to air contamination. This is evident in the high levels of nitrogen seen in the data. If the gas was sampled in the way we envisage then this would explain the high nitrogen, low methane levels seen in some of the samples. Gas composition data will be collected from CSG core wells in the upcoming drilling program and we can have high confidence in this type of data.

3.7 Gas Saturation

No isotherm data has been provided so the saturation level of the coals is unknown.

3.8 Ash and Moisture

No available data.

3.9 Permeability

No available data.

4.0 UNCERTAINTIES

- There is no way of verifying the seam data we have received.
- The coal data received is only for seams 11, 17, 18, 21, 22, 30, 33 and 35. There are a number of seams shown on the coal mine map for which we do not have data. These include seams 3, 9, 12, 23, 24, 25, 26, 27, 28, 29, 31 and 34. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.
- Net coal has been averaged across the mine. Future work will need to include the gridding and contouring of the net coal data.
- A mid range average gas content has been assumed from relative ‘gas blow out volumes’ from the Xingan mine and actual depths for this data are unknown.
- Faulting has not been considered at this stage.

- Lacking coal density data, a value of 1.4g/cc has been assumed.
- The GIP has assumed 100% methane. However the upcoming CSG wells will establish precise gas composition data for any future development decisions.
- No isotherm data has been provided so the saturation level of the coals is unknown.

5.0 LIMITATIONS

MBA has primarily relied on data supplied by Longmay. This information consisted of seam depth and thickness spreadsheets for seams 11, 17, 18, 21, 22, 30, 33 and 35, coal mine maps and gas blow out data.

This seam data has identified 8 relatively thick seams across the mine area. However at this stage important data such as gas content, coal density, gas composition, gas saturation, permeability, ash and moisture is lacking. Therefore the GIP estimate has assumed a number of these parameters.

There are a number of seams (3, 9, 12 and 23) which have been identified from the mine maps for which there is no data currently available. These seams represent a potential upside to the current GIP estimate.

The statements and conclusions in this report represent informed professional judgement. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data.

Mine	Coalseam Number	Gas Content	Bore Hole	Line Number	Bottom Depth	Thickness
Junde	17	0	77-2	12	-254.94	2.54
Junde	17	0	76-5	12	-419.19	4.90(0.18)6.64(0.18)2.80
Junde	17	0	79-6	12	-416.04	1.09
Junde	17	0	04-5	12	-475.92	7.7
Junde	17	0	66-24	13	132.16	3.53(0.32)1.13(0.95)0.41(0.32)1.97(0.77)1.88
Junde	17	0	78-5	13	-309.07	4.50(0.30)1.34(0.95)0.48(0.22)0.61(0.39)1.60(0.26)2.99(0.30)2.42
Junde	17	0	67-29	13	-389.28	5.35(0.67)2.86(0.27)2.45
Junde	17	0	78-11	13	-560.84	1.05(0.30)1.11(0.64)0.37(0.75)1.11(0.24)0.61(0.33)4.59
Junde	17	0	68-1	13’	176.36	5.40(0.18)0.45(2.54)5.94
Junde	17	0	72-3	13’	74.40	6.15(0.43)1.91
Junde	17	0	72-4	13’	52.97	5.97(0.41)1.00(0.31)0.48(0.38)1.84
Junde	17	0	97-4	13’	-541.83	2.29(0.61)2.04(0.43)1.73(0.46)0.48(0.32)0.33(0.35)0.56(0.43)0.68(0.29)1.00
Junde	17	0	74-4	14	106.24	0.34(0.09)1.70(0.13)2.45(0.21)1.99(0.21)1.87(0.09)0.93(0.25)1.06(0.11)1.19
Junde	17	0	59-118	14	-48.55	0.35(0.26)6.32
Junde	17	0	73-1	14	-69.24	8.94
Junde	17	0	74-2	14	-195.35	2.00(0.10)2.19(0.19)1.43(0.43)1.19(0.29)0.62(0.24)0.91(0.14)1.43
Junde	17	0	67-26	14	-337.16	1.96(0.66)2.15(0.51)1.69(0.52)0.48(0.69)0.28(0.38)2.35
Junde	17	0	87-4	14	-503.68	1.79(0.74)1.79(0.43)1.81(0.42)1.26(0.36)0.74(0.44)0.88(0.35)1.04
Junde	17	0	87-1	14’	-68.35	(0.41)5.16(0.41)2.06(0.34)2.79(0.39)0.79(0.39)2.56
Junde	17	0	87-5	14’	-232.50	3.84(0.46)1.52(0.35)0.38(0.29)0.35(0.42)2.12
Junde	17	0	88-5	14’	-337.19	1.80(0.60)1.80(0.39)1.43(0.37)1.13(0.39)0.52(0.48)1.97
Junde	17	0	97-3	14’	-449.17	0.52(0.32)1.17(0.75)1.93(0.39)1.30(0.46)1.02(0.29)0.33(0.39)1.19
Junde	17	0	58-23	15	58.23	1.17(0.41)0.76(0.50)0.58(0.72)4.27(0.50)3.82(1.00 1.93)0.94(0.72)2.02
Junde	17	0	65-9	15	-70.86	0.35(0.31)0.23(0.41)0.83(0.39 0.26)0.48(0.48)5.82
Junde	17	0	59-119	15	-164.14	0.35(0.17)4.63(0.17)3.98(1.00)1.05(0.13)0.13(0.13)2.20
Junde	17	0	66-10	15	-265.25	4.04(0.14)2.86(0.05)1.03(0.19)2.39
Junde	17	0	75-5	15	-453.95	5.75(0.09)1.24(0.18)0.74(0.14)2.03
Junde	17	0	04-1	15	-461.13	7.1
Junde	17	0	87-2	15	-574.16	0.89(0.26 0.81 0.87 0.78 0.41)3.58(0.32)1.13(0.23)0.65(0.19)0.47(0.34)1.56
Junde	17	0	86-4	15’	-248.62	(0.94 0.44 1.03 0.51)8.45(0.42)2.38
Junde	17	0	87-7	15’	-319.23	1.70(0.49)2.11
Junde	17	0	97-1	15’	-428.43	1.91(0.72)1.84(0.45)1.57(0.40)0.90(0.40)0.67(0.48)2.38
Junde	17	0	97-2	15’	-566.11	0.61(0.40 0.49 0.49 0.45 0.52)2.11(0.43)1.98(0.30)0.61(0.48)2.29
Junde	17	0	56-94	16	147.14	12.16(0.39)2.54
Junde	17	0	59-115	16	-67.72	0.83(0.79 0.26)0.31(0.26)0.22(0.13)7.22(0.53)0.70(0.18)2.63
Junde	17	0	66-32	16	-105.53	1.00(0.16)0.12(0.07)0.63(0.20)8.02(0.59)1.36(0.32)0.66(0.29)2.63
Junde	17	0	66-27	16	-315.49	0.71 5.59(0.46)1.13(0.30)0.56(0.41)2.30
Junde	17	0	74-41	16	-451.42	0.87(0.32)0.32(0.27)0.14(0.09)0.32(0.23)0.37(0.09)0.09(0.04)0.27(0.14)4.02(0.14)1.19(0.14)0.78(0.14)2.56
Junde	17	0	88-1	16	-533.11	(0.61 0.37 0.37)0.34(0.34 0.50 0.37)3.69(0.37)1.53(0.39)0.90(0.30)0.48(0.17)2.26
Junde	17	0	B-12	16’	153.03	10.69
Junde	17	0	87-3	16’		0.87(0.51)0.39(0.79)2.77(0.57)2.83(0.47)0.70
Junde	17	0	86-9	16’	-244.34	2.06(0.40)1.51(0.41)1.04
Junde	17	0	66-13	17	174.78	6.62(0.37)0.88(0.28)0.59(0.31)2.49
Junde	17	0	58-20	17	71.42	1.13(0.23)6.49(0.54)1.13
Junde	17	0	74-46	17	-74.88	0.37(0.50)0.27(0.18)0.23(0.09)2.07(0.18)0.41(0.09)0.28(0.46)1.33(0.37)1.20(0.18)1.29(0.22)0.37
Junde	17	0	66-14	17	-75.57	1.13(0.24)0.74(0.32)1.84
Junde	17	0	74-9	17	-217.45	0.79(0.23)0.91(0.17)2.57(0.16)1.12(0.12)1.45(0.21)1.08(0.25)1.37(0.22)0.79(0.25)1.08(0.12)1.04
Junde	17	0	86-3	17	-267.63	4.62(0.23)2.64
Junde	17	0	87-9	17	-429.19	0.95(1.06 0.46 0.61)4.76(0.45)1.78(0.40)3.05
Junde	17	0	04-4	17	-589.97	1.27(0.74)2.03(0.39)1.66(0.41)2.20(0.33)2.87
Junde	17	0	85-12	17’	166.32	(0.50 0.56)0.60(0.53 0.59 0.40 0.24 0.32)2.78(0.33)0.92(0.30)0.58(0.46)2.36

Gas blow out data from coal seam 17,21,30,33 of Junde Mine

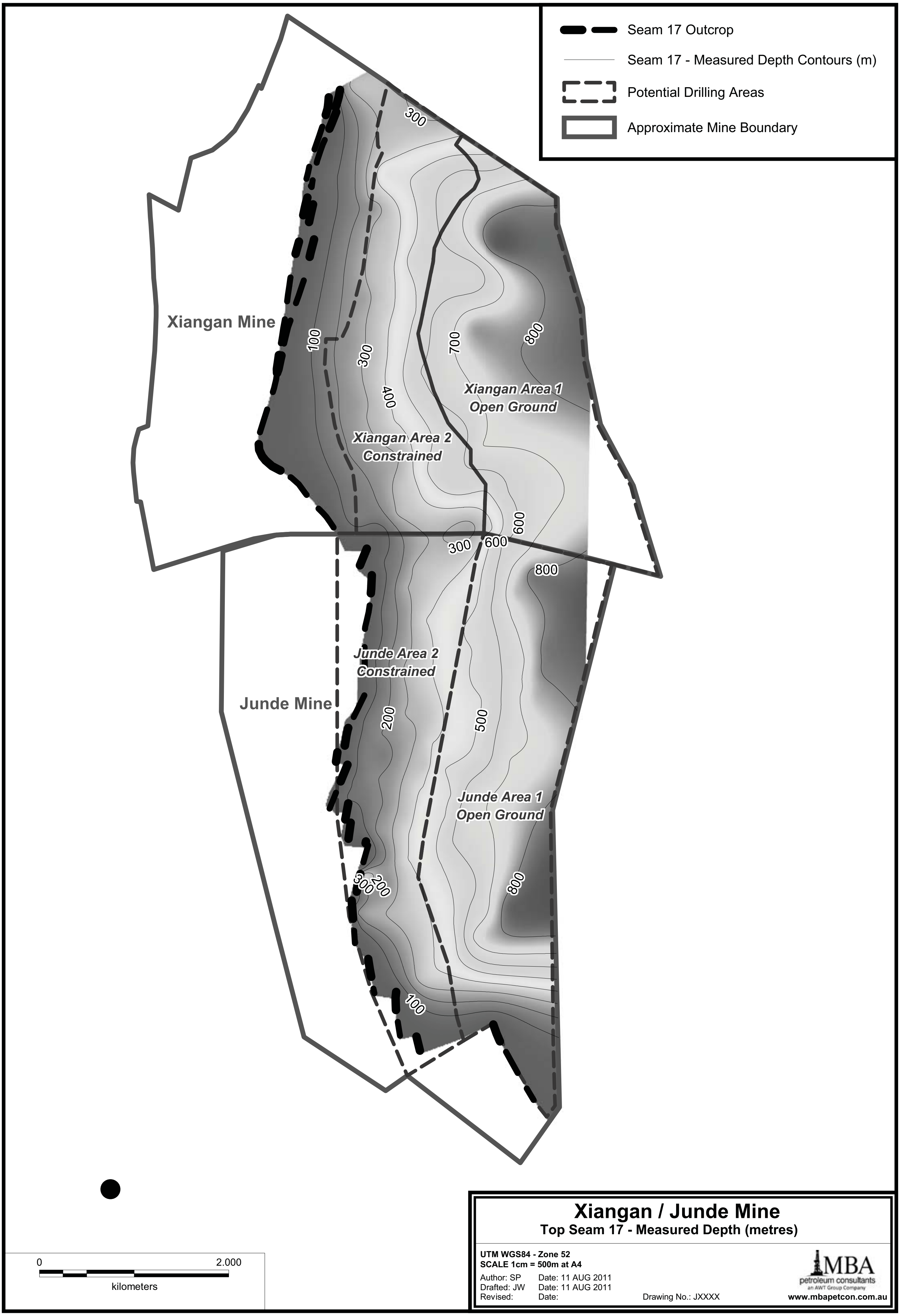
Number	Location	Wind volume m^3/min	CH4%	Drawing and collecting volume m^3/min	gas absolute blow out volume m^3/min	average production/day, t	gas relative blow out volume m^3/min
1	coal seam 17 of 3 section of 3and 4 area at northen of second level	210	0.5	0	1.05	1100	1.38
2	coal seam 17 of 1 area north at southen of second level	370	0.5	4.55	6.4	2000	4.6
3	coal seam 17 of 1 section of 4 area at southen of second level (most)	520	0.5	8.47	11.07	1500	10.6
	coal seam 17 of 1 section of 4 area at southen of second level	520	0.5	5.5	8.3	1500	7.97
4	coal seam 21 of 3 section of 3and 4 area at northen of second level	480	0.4	2.1	4.02	2500	2.32
5	coal seam 21 of 2 section at northen of second level	630	0.5	0	3.15	500	9.07
6	coal seam 30 of 2 section of 3and 4 area at northen of second level	1010	0.6	2.52	8.58	2200	6.18
7	coal seam 33 of 1 section of 3and 4 area at northen of second level	630	0.5	2.52	5.35	1000	7.7
	coal seam 33 of 2 section of 3and 4 area at northen of second level	1360	0.7	6.6	16.12	1600	14.5

Gas blow out data from several coal seams of Xingan Mine

Number	Coal seam	gas most absolute blow out volume m^3/min	gas most relative blow out volume m^3/t	gas least absolute blow out volume m^3/min	gas least relative blow out volume m^3/t
1	17	4.29	11.38	0.225	1.473
2	18	42.06	20.59	3.941	6.089
3	21	6.247	9.918	2.16	1.72
4	22	4.26	6.134	2.13	1.87
5	30	18.56	12.148	1.27	2.286
6	33	27.48	17.986	1.964	3.536

Coal seam natural gas components and gas content

Line Number	Bore hole	Coal S	Depth	Thickness	Elevation	Industry Analysis			Natural Gas Components				Gas Content(Ml/g)		
						Mad	Ad	Vdaf	CH_4	CO_2	N_2	$^{o}C_2$-$^{o}C_8$	CH_4	CO_2	$^{o}C_2$-$^{o}C_8$
27	86-56-9	8-2	994.65-995.65	1	-677.628	1.97	23.72	19.93	30.87	0.15	68.97	0.01	0.255	0.002	0.0003
27	86-56-9	18	1166.20-1166.70	0.5	-853.898	0.83	8.73	19.15	25.06	42.67	30.72	1.55	0.624	1.006	0.093
27	86-56-9	18	1168.20-1169.65	1.45	-853.898	1.12	30.93	20.15	10.51	1.84	87.58	0.07	0.94	0.025	0.001
23	89-88-9	11-2	707.30-708.25	0.95	-416.587	1.45	18.45	21.29	31.28	2.07	66.64		1.1	0.16	
23	87-32-3	15-2	1034.20-1034.70	0.5	-729.359	1.92	6.1	21.46	58.39	1.03	40.39	0.19	4.216	0.248	0.019
23	87-32-3	11-2	756.15-756.60	0.45	-463.469	1.4	13.51	26.98	28.47	2.88	68.46	0.19	0.431	0.054	0.0023
23	90-89-7		726.60-726.90	0.3		1.5	15.95	26.47	2.23	8.89	88.77		0.125	0.238	
23	89-88-9	18	1150.00-1152.30	2.3	-864.303	1.86	13.99	37.71	42.16	19.63	37.03	0.38	0.986	0.406	0.006
20	90-86-2	6	660.20-660.75	0.55	-347.702	1.58	14.86	26.6	14.02	0.43	85.49	0.06	0.45	0.06	0.001
20	90-86-2	15-1	953.70-960.40	6.7	-644.782	1.38	29.64	25.96	63.16	2.82	24.94	9.08	1.12	0.05	0.15
20	90-86-2	15-2	978.90-986.00	7.1	-674.442	1.83	39.78	23.26	66.95	0.14	32.9	0.01	1.643	0.029	
20	90-86-2	18	1014.95-1016.90	2.85	-703.582	1.61	13.54	21.14	29.81	11.59	58.6		1.91	0.68	
20	90-86-2	19	1021.95-1041.00	19.05	-727.462	1.68	11.51	20.69	13.15	0.99	85.86		0.07	0.76	
16	86-42-10	9-1			-595.372	1.43	14.24	6.42	55.66	1.87	42.47		1.365	0.071	
16	86-42-10	10	988.40-989.00	0.6	-673.662	0.49	19.95	25.62	54.39	3.7	41.91		0.975	0.061	
16	86-42-10	11-2	1007.60-1008.30	0.7	-697.212	1.36	26.71	25.02	93.87	0.82	5.31		1.628	0.058	
16	86-42-10	11-2	1008.30-1008.90	0.6	-697.212	1.41	18.05	25.69	93.3	0.51	5.79		1.628	0.058	
16	86-42-10	18	1128.80-1128.80	1	-817.602	1.77	5.86	24.24	88.19	3.99	7.23	0.59	3.587	0.17	0.085
15	90-84-4		806.05-806.15	0.1		1.67	37.82	19.43	41.05	0.96	57.99		0.771	0.96	
10	89-82-10	15-1	1030.70-1033.50	2.8	-756.395	0.64	4.98	20.85	15.24	1.68	81.63	1.46	0.61	0.09	0.08
10	89-82-10	18	1130.65-1130.80	0.15	-864.795	1.17	8.06	22.34	10.31	1.08	86.76	1.85	0.86	0.1	0.16
20	90-87-9		780.50-783.45	2.4		0.83	18.94	19.5	11.29	1.04	87.66		0.134	0.111	

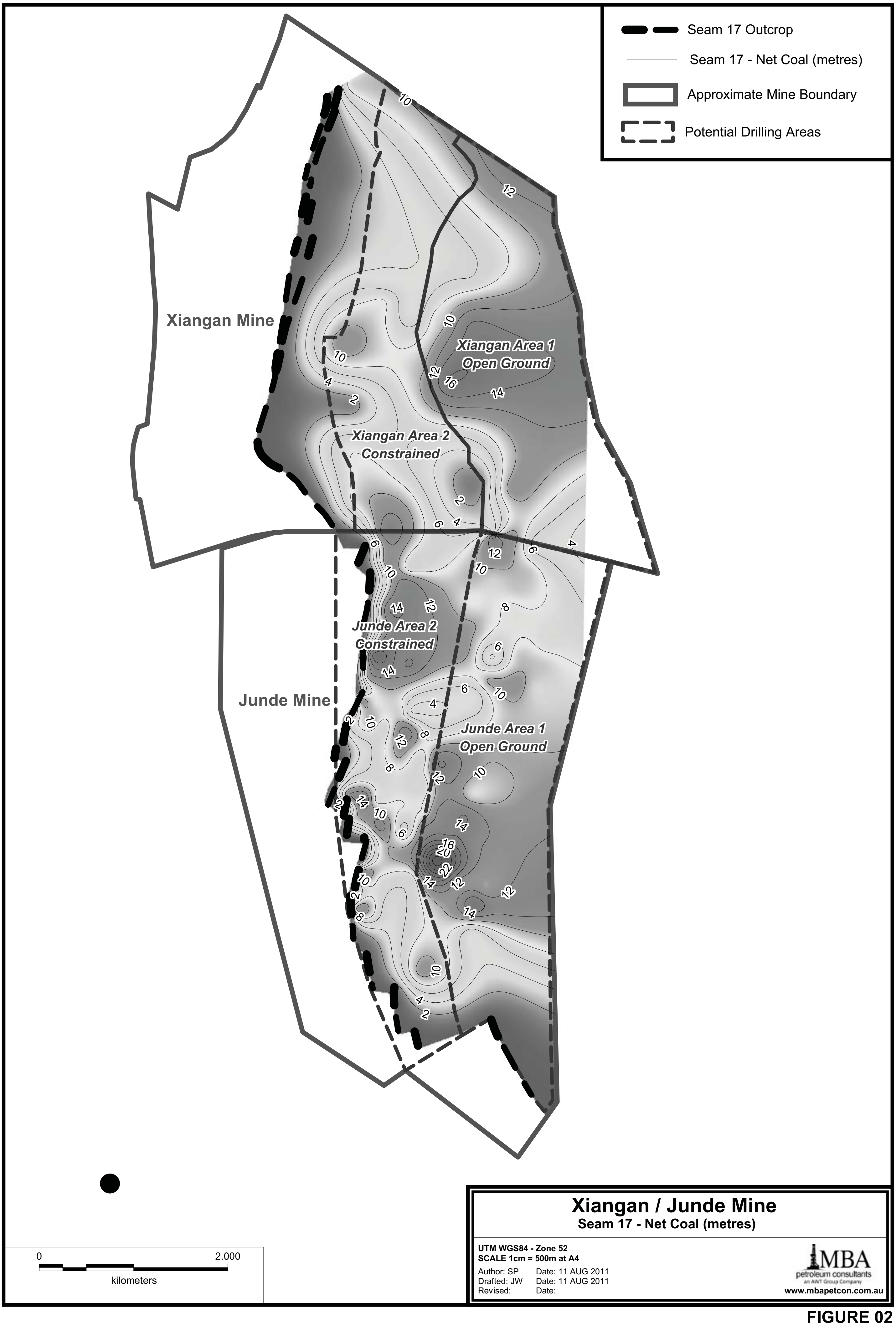


Xiangan / Junde Mine
Top Seam 17 - Measured Depth (metres)

UTM WGS84 - Zone 52
SCALE 1cm = 500m at A4
Author: SP Date: 11 AUG 2011
Drafted: JW Date: 11 AUG 2011
Revised: Date: Drawing No.: JXXXX

MBA petroleum consultants an AWT Group Company
www.mbapetcon.com.au

FIGURE 01



Xiangan / Junde Mine
Seam 17 - Net Coal (metres)

UTM WGS84 - Zone 52
SCALE 1cm = 500m at A4
Author: SP Date: 11 AUG 2011
Drafted: JW Date: 11 AUG 2011
Revised: Date:

MBA petroleum consultants
an AWT Group Company
www.mbapetcon.com.au

FIGURE 02

Disclaimer

MBA has solely relied on data supplied by Longmay through CFT. It is believed that the information received is reliable and there is no reason to believe that any material facts have been withheld. However, the level of review of the information provided to us does not amount to an audit, verification or due diligence, save to the extent necessary to satisfy ourselves that it is reasonable for us to rely on that information and no warranty can be given that this review has analysed all of the matters which a more extensive examination might reveal.

This report has been prepared based on information available up to and including November 2011**.**

The opinions and statements in this report are made in good faith and in the belief that such opinions and statements are not misleading.

Declaration

This report is our genuine opinion and the product of our professional judgment. MBA has not had and, at the date of this report, does not have any relationship with Longmay, CFT and Triple and its subsidiary companies that could be regarded as capable of affecting MBA's ability to provide an unbiased opinion in relation to this report. In particular, neither the author of this report, or any director or senior employee of MBA involved in preparing the report has a substantial interest in, or is a substantial creditor of, or has any material financial interest in Triple.

Consent for use

MBA has given its written consent to include the report as support for the Shareholders Meeting to be held by Triple.

Qualifications of the Authors

Doug Barrenger

Doug Barrenger received a BSc degree (geology) from the Australian National University and a Graduate Diploma in Computing Science from the Queensland University of Technology. He has more than 30 years of experience in the petroleum industry and has undertaken all facets of geological work, from well site and operations geology to prospect evaluation, risk analysis, reserve assessment, basin analysis, portfolio valuation and project management for both operated permits and new-venture roles and for development and exploration projects. He has worked on all Australian petroleum basins, including coal seam gas, and has overseas experience in SE Asia and Italy as an employee and as a consultant and has written numerous Independent Expert Reports and acreage Valuations. Doug is a founding partner of MBA Petroleum Consultants, a member of the Petroleum Exploration Society of Australia and a twenty-year, Active Member of the American Association of Petroleum Geologists (number 330431).

Scott Parkins (Geologist)

Scott Parkins is a Geologist with 6 years of experience and currently works on Coal Seam Gas projects across Queensland, NSW and Internationally. He received a Bachelor of Science Degree (Hons) in Applied Geology from Oxford Brookes University. Scott began his career as a contract geologist on CSG drilling rigs in the Surat and Clarence Moreton Basins. From there he joined Arrow Energy (Brisbane) in the role of operations geologist for the eastern Surat Basin development projects (Tipton West, Kogan and Daandine). He also supported Arrows exploration work across their acreage including Vietnam. Since 2009 he has been working with AWT International on a number of Coal Seam Gas Projects including tenement applications, acreage reviews, seam modelling and correlation, prospect and leads and gas in place estimates. He is a Geologist with strong communicative and organisational skills. Scott is a member of the Petroleum Exploration Society of Australia (PESA).

James Woodger (Chief Draftsman)

James Woodger has training in the areas of drafting, GIS database modelling and 3D visualization. Mr Woodger has over 15 years experience in Drafting/GIS databases in the Survey (Dept. of Lands & Survey, NZ), Utilities sector (Origin Energy) and Petroleum Exploration (Santos). He has been involved in large data capture/migration projects, for Sydney Electricity, Origin Energy and others. More recently working with Santos he was preparing drafting and presentation materials for farmouts, acreage applications and corporate requirements. Prior to joining MBA in late 2004 he was contracting in the electrical / engineering industry assisting with valve layouts and tendering for engineering projects. At MBA James has worked on a wide range of drafting and GIS projects both in Australia and overseas.

Doug Barrenger

Technical Director - Geology

D. Barrenger

MBA Petroleum Consultants
ACN: 85 139 445 319
27 Douglas Street
PO Box 2098
MILTON QLD 4064
Australia
Tel: +61 7 3505 4500
Fax: +61 7 3505 4599

Gas in Place Estimate for Xian Xian and Yixing Mines, Heilongjiang Province, China

A report for

Triple Energy Ltd

Author: Scott Parkins

Date: November 2012

Document No.: R0104

MBA petroleum consultants
an AWT Group Company

TABLE OF CONTENTS

FIGURES (At End of Report)

TABLES

APPENDICES

1.0 SUMMARY

In March 2010 CFT Holdings (HK) Ltd (CFT) engaged MBA Petroleum Consultants Pty Ltd (MBA), a wholly owned subsidiary of AWT International Pty Ltd, to conduct a Coal Seam Gas (CSG) resource evaluation for 5 mine areas (Junde, Xingan, Yixing, Xian Xian and Bird Mountain) in Heilongjiang Province, North-East China. These mines are currently operated by Longmay Coal Mining Group (Longmay). This report is an evaluation of the Xian Xian and Yixing Mine areas.

In October 2012 Triple Energy Ltd (Triple) engaged AWT International Pty Ltd (AWT) to re-release these reports. CFT has signed a Share Purchase Agreement with Triple, such that Triple will acquire all of the issued shares in CFT Heilongjiang (HK) Limited (CFT Heilongjiang). CFT Heilongjiang in turn has an 80% equity position in a Cooperative Joint Venture (CJV) with Longmay. CFT and Longmay have given permission to re-issue the report to Triple so that Triple can obtain approval for the above mentioned Share Purchase Agreement.

This study focuses on 4 main seams (15, 18, 22 and 30) for which seam data was available. The Gas in Place (GIP) in billions of cubic feet (BCF) for each of the seams is shown in Table 1.

No account has been made for the coal seams identified on the coal mine maps for which no data has been received. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.

Table 1: Xian Xian and Yixing Mine Resource Summary

Seam	GIP Area (km^2)	GIP (BCF)
15	13.4	34.9
18	14.31	39.48
22	15.24	15.95
30	16.41	31.84
Total		**122.17**

The gas calculations in this report are based on average net coals and average gas contents. Gas composition has been assumed as 100% methane. No account has been made for the possibility of encountering high Carbon dioxide and Nitrogen contents.

No analysis of gas saturation has been possible in the absence of isotherm data.

The coal data has been collected over many years and for coal mining purposes rather than CSG so there are uncertainties in the quality of net coal, gas content and gas composition data.

The following document briefly outlines the methodology and results of the GIP study undertaken, providing a breakdown of each step in the process.

2.0 DATA

No spreadsheets of seam data were supplied by Longmay for Xian Xian and Yixing Mines. Maps for seams 15, 18, 22 and 30 were available. These maps have seam depths, well bore columns of coal/ non coal thicknesses and elevations.

MBA has been informed by CFT that the CJV is in the process of obtaining wireline log data for over 200 bore holes previously acquired by Longmay in the 5 mine areas. Analysis of this data will be completed by MBA once it is available. This data should add further understanding of the CSG project and be significant assistance in delineating coal parameters, particularly net coal.

3.0 METHODOLOGY

For the purposes of this report, only seams 15, 18, 22 and 30 were evaluated.

All geological interpretation, gridding and mapping were performed using the SMT Kingdom software package. Original gas in place was calculated according to the equation:

$$\mathbf{OGIP_{(methane)} = AREA \times NET\ COAL\ THICKNESS \times AVERAGE\ DENSITY \times RAW\ GAS\ CONTENT}$$

At this stage the GIP was calculated using an average net coal and average gas content. In the future with increased data, each variable of the GIP equation can be mapped as a permit wide grid. Multiplication of these grids can then be performed to produce a GIP grid. The volumetrics module of Petrosys can then be used to calculate the GIP for the mine area. The process used to determine each variable of the OGIP equation is discussed in greater detail below.

3.1 Area

The mines are located in Heilongjiang Province of North-East China near the town of Hegang. Xian Xian and Yixing cover an area of approximately 18.1km^2. There is extensive well data across the area.

The mine maps show an extensive area in the east which has been mined.

3.2 Depth and Structure Mapping

No spreadsheets of seam depths were supplied by Longmay for this area. Seam floor depths were recorded from the seam maps. Seam roof depths were calculated using the seam thickness data. The subsea top and base of the main seams were loaded into Kingdom. Seam 15 is the only seam at this stage which has been extensively mapped across both mine areas (Figure 1). Each of the seams outcrop within the mine area, with the youngest seam (15) outcropping in the west of the mine area and then the older seams progressively further to the west. The area used for the OGIP calculation for each of the seams has been defined as the zone where the seam occurs at depths greater than 100 metres. The area was defined using available seam depth data and seam outcrops shown on the mine maps. Coals at a depth of less than 100 metres are assumed to have uneconomic levels of gas or high carbon dioxide levels.

The seams dip towards the east. No seam correlation has been completed at this stage. From the amount of non coal material noted in some of the bore holes, seam correlation may be difficult.

3.3 Net Coal Thickness

There is fairly good coverage of net coal values across the area. The coal data on the seam maps is shown as coal and non coal. The net coal was calculated by adding all the coal values. There was no explanation with this data in regards to the criteria used to determine what material is coal and non coal. In CSG, log derived net coals are calculated by using a density cut off of 1.75 g/cc. An average net coal was calculated for each of the seams in the relevant GIP area. Seam 15 is the only seam which has been extensively mapped across both mine areas (Figure 2). These net coal values were applied to the GIP calculation and are shown in Table 2.

Table 2: Average Net Coals

Seam	GIP Area (km^2)	Average Net Coal (m)
15	13.4	8.78
18	14.31	9.30
22	15.24	3.65
30	16.41	5.45

No account has been made for the coal seams identified on the coal mine maps for which no data has been received. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.

3.4 Density

As no density data was available, a coal density of 1.4g/cc was assumed and applied to the GIP calculation.

3.5 Gas Content

No gas content data is currently available for coals in the Xian Xian and Yixing Mines. However some data for coals in the Xingan Mine was available (Appendix A). The data consisted of 'gas most relative blow out volumes' and 'gas least relative blow out volumes' and is expressed in metres per tonne (m^3/t). This volume range may reflect the depth of the coals across Xiangan Mine. In the absence of gas content data in this area the data from Xiangan has been used. When no data was available for a particular seam, the gas content was estimated from the available data. The gas contents used in the GIP calculation are shown in Table 3.

Table 3: Average Gas Contents

Seam	Average Gas Content (m^3/t)
15	6.0 (Estimated)
18	6.0 (Estimated)
22	5.8 (Xiangan)
30	7.2 (Xiangan)

There are a number of concerns in regards to this data. There was no explanation on how the data was collected and measured and at what depth samples were taken. It is also unclear whether the data is raw or dry ash free and whether the data represents total gas content.

3.6 Gas Composition

The GIP calculation has assumed 100% methane. However there is some data which suggests this might not be the case. Gas composition data from Bird Mountain shows a wide range of gas composition, with some high levels of carbon dioxide and nitrogen (Air contamination, Appendix B). There was no explanation provided on how the data was recorded. It may be that the samples were taken from mine shafts and have therefore been exposed to air contamination. This is evident in the high levels of nitrogen seen in the data. If the gas was sampled in the way we envisage then this would explain the high nitrogen, low methane levels seen in some of the samples. Gas composition data will be collected from CSG core wells in the upcoming drilling program and we can have high confidence in this type of data.

3.7 Gas Saturation

No isotherm data has been provided so the saturation level of the coals is unknown.

3.8 Ash and Moisture

No available data.

3.9 Permeability

No available data.

4.0 UNCERTAINTIES

- The coal data received was only as maps for seams 15, 18, 22 and 30. There are a number of seams shown on the coal mine map for which we do not have data. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.
- A mid range average gas content has been assumed from relative 'gas blow out volumes' in the Xiangan Mine, actual depths for this data are unknown.
- Faulting has not been considered at this stage.
- Lacking coal density data, a value of 1.4g/cc has been assumed.
- The GIP has assumed 100% methane. However the upcoming CSG wells will establish precise gas composition data for any future development decisions.
- No isotherm data has been provided so the saturation level of the coals is unknown.

5.0 LIMITATIONS

MBA has primarily relied on data supplied by Longmay. This information consisted of maps for seams 15, 18, 22 and 30.

This seam data has identified 4 relatively thick seams across the mine area. However at this stage important data such as gas content, coal density, gas composition, gas saturation, permeability, ash and moisture is lacking. Therefore the GIP estimate has assumed a number of these parameters.

There are a number of seams (3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33) which have been identified from the mine maps for which there is no data currently available. These seams represent a potential upside to the current GIP estimate.

The statements and conclusions in this report represent informed professional judgement. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data.

Gas blow out data from several coal seams of Xingan Mine

Number	Coal seam	gas most absolute blow out volume m^3/min	gas most relative blow out volume m^3/t	gas least absolute blow out volume m^3/min	gas least relative blow out volume m^3/t
1	17	4.29	11.38	0.225	1.473
2	18	42.06	20.59	3.941	6.089
3	21	6.247	9.918	2.16	1.72
4	22	4.26	6.134	2.13	1.87
5	30	18.56	12.148	1.27	2.286
6	33	27.48	17.986	1.964	3.536

Coal seam natural gas components and gas content

Line Number	Bore hol€	Coal S	Depth	Thickness	Elevation	Industry Analysis			Natural Gas Components				Gas Content(Ml/g)		
						Mad	Ad	Vdaf	CH_4	CO_2	N_2	$^oC_2$-$^oC_8$	CH_4	CO_2	$^oC_2$-$^oC_8$
27	86-56-9	8-2	994.65-995.65	1	-677.628	1.97	23.72	19.93	30.87	0.15	68.97	0.01	0.255	0.002	0.0003
27	86-56-9	18	1166.20-1166.70	0.5	-853.898	0.83	8.73	19.15	25.06	42.67	30.72	1.55	0.624	1.006	0.093
27	86-56-9	18	1168.20-1169.65	1.45	-853.898	1.12	30.93	20.15	10.51	1.84	87.58	0.07	0.94	0.025	0.001
23	89-88-9	11-2	707.30-708.25	0.95	-416.587	1.45	18.45	21.29	31.28	2.07	66.64		1.1	0.16	
23	87-32-3	15-2	1034.20-1034.70	0.5	-729.359	1.92	6.1	21.46	58.39	1.03	40.39	0.19	4.216	0.248	0.019
23	87-32-3	11-2	756.15-756.60	0.45	-463.469	1.4	13.51	26.98	28.47	2.88	68.46	0.19	0.431	0.054	0.0023
23	90-89-7		726.60-726.90	0.3		1.5	15.95	26.47	2.23	8.89	88.77		0.125	0.238	
23	89-88-9	18	1150.00-1152.30	2.3	-864.303	1.86	13.99	37.71	42.16	19.63	37.03	0.38	0.986	0.406	0.006
20	90-86-2	6	660.20-660.75	0.55	-347.702	1.58	14.86	26.6	14.02	0.43	85.49	0.06	0.45	0.06	0.001
20	90-86-2	15-1	953.70-960.40	6.7	-644.782	1.38	29.64	25.96	63.16	2.82	24.94	9.08	1.12	0.05	0.15
20	90-86-2	15-2	978.90-986.00	7.1	-674.442	1.83	39.78	23.26	66.95	0.14	32.9	0.01	1.643	0.029	
20	90-86-2	18	1014.95-1016.90	2.85	-703.582	1.61	13.54	21.14	29.81	11.59	58.6		1.91	0.68	
20	90-86-2	19	1021.95-1041.00	19.05	-727.462	1.68	11.51	20.69	13.15	0.99	85.86		0.07	0.76	
16	86-42-10	9-1			-595.372	1.43	14.24	6.42	55.66	1.87	42.47		1.365	0.071	
16	86-42-10	10	988.40-989.00	0.6	-673.662	0.49	19.95	25.62	54.39	3.7	41.91		0.975	0.061	
16	86-42-10	11-2	1007.60-1008.30	0.7	-697.212	1.36	26.71	25.02	93.87	0.82	5.31		1.628	0.058	
16	86-42-10	11-2	1008.30-1008.90	0.6	-697.212	1.41	18.05	25.69	93.3	0.51	5.79		1.628	0.058	
16	86-42-10	18	1128.80-1128.80	1	-817.602	1.77	5.86	24.24	88.19	3.99	7.23	0.59	3.587	0.17	0.085
15	90-84-4		806.05-806.15	0.1		1.67	37.82	19.43	41.05	0.96	57.99		0.771	0.96	
10	89-82-10	15-1	1030.70-1033.50	2.8	-756.395	0.64	4.98	20.85	15.24	1.68	81.63	1.46	0.61	0.09	0.08
10	89-82-10	18	1130.65-1130.80	0.15	-864.795	1.17	8.06	22.34	10.31	1.08	86.76	1.85	0.86	0.1	0.16
20	90-87-9		780.50-783.45	2.4		0.83	18.94	19.5	11.29	1.04	87.66		0.134	0.111	

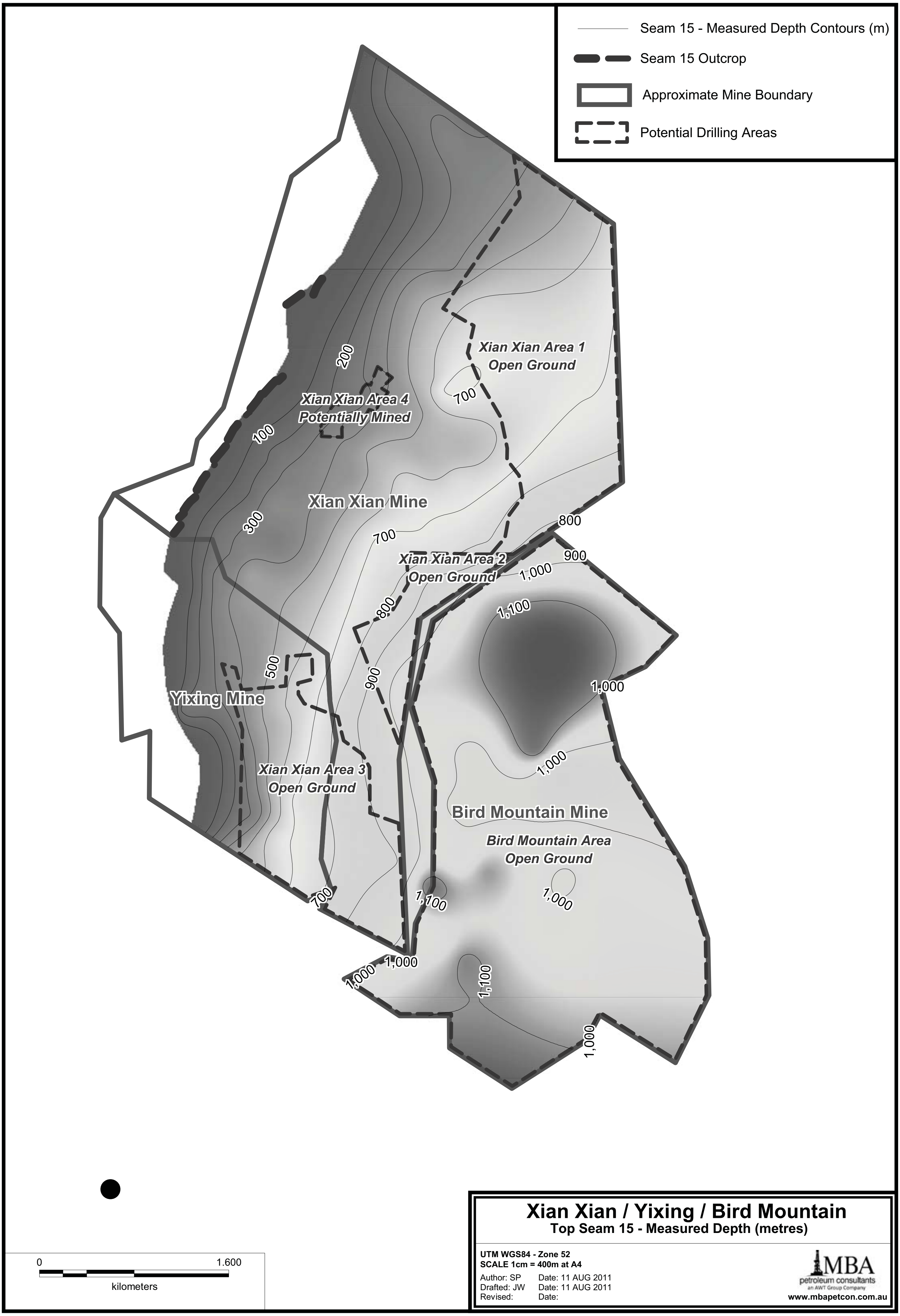

Seam 15 - Measured Depth Contours (m)
Seam 15 Outcrop
Approximate Mine Boundary
Potential Drilling Areas
Xian Xian Area 1
Open Ground
Xian Xian Area 4
Potentially Mined
Xian Xian Mine
Xian Xian Area 2
Open Ground
Yixing Mine
Xian Xian Area 3
Open Ground
Bird Mountain Mine
Bird Mountain Area
Open Ground
100
200
300
500
700
800
900
1,000
1,100
0
1.600
kilometers
Xian Xian / Yixing / Bird Mountain
Top Seam 15 - Measured Depth (metres)
UTM WGS84 - Zone 52
SCALE 1cm = 400m at A4
Author: SP Date: 11 AUG 2011
Drafted: JW Date: 11 AUG 2011
Revised: Date:
MBA
petroleum consultants
an AWT Group Company
www.mbapetcon.com.au

FIGURE 01

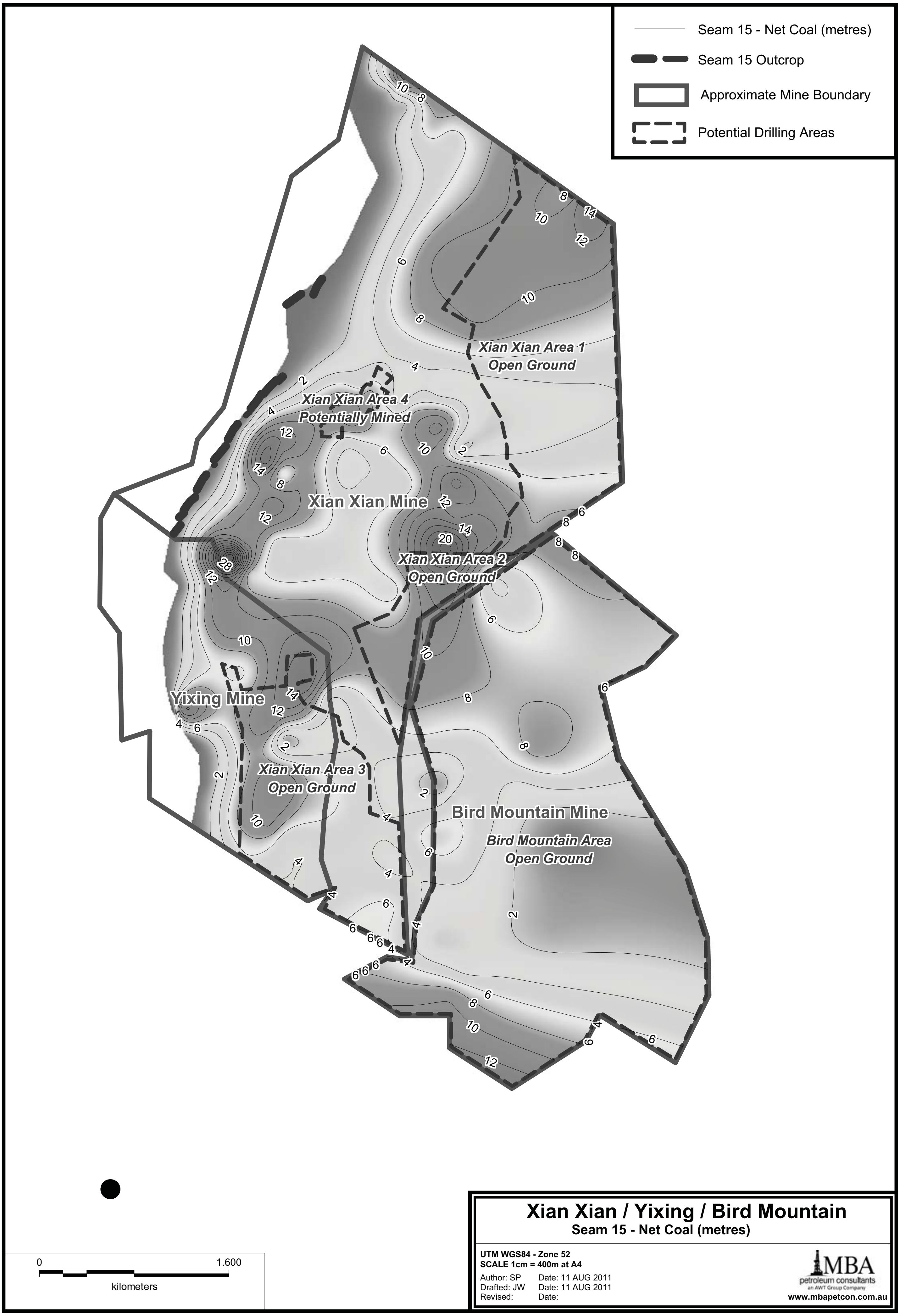

Seam 15 - Net Coal (metres)
Seam 15 Outcrop
Approximate Mine Boundary
Potential Drilling Areas
Xian Xian Area 1
Open Ground
Xian Xian Area 4
Potentially Mined
Xian Xian Mine
Xian Xian Area 2
Open Ground
Yixing Mine
Xian Xian Area 3
Open Ground
Bird Mountain Mine
Bird Mountain Area
Open Ground
0
1.600
kilometers
Xian Xian / Yixing / Bird Mountain
Seam 15 - Net Coal (metres)
UTM WGS84 - Zone 52
SCALE 1cm = 400m at A4
Author: SP
Date: 11 AUG 2011
Drafted: JW
Date: 11 AUG 2011
Revised:
Date:
MBA
petroleum consultants
an AWT Group Company
www.mbapetcon.com.au

FIGURE 02

Disclaimer

MBA has solely relied on data supplied by Longmay through CFT . It is believed that the information received is reliable and there is no reason to believe that any material facts have been withheld. However, the level of review of the information provided to us does not amount to an audit, verification or due diligence, save to the extent necessary to satisfy ourselves that it is reasonable for us to rely on that information and no warranty can be given that this review has analysed all of the matters which a more extensive examination might reveal.

This report has been prepared based on information available up to and including November 2011**.**

The opinions and statements in this report are made in good faith and in the belief that such opinions and statements are not misleading.

Declaration

This report is our genuine opinion and the product of our professional judgment. MBA has not had and, at the date of this report, does not have any relationship with CFT or its subsidiary companies that could be regarded as capable of affecting MBA's ability to provide an unbiased opinion in relation to this report. In particular, neither the author of this report, or any director or senior employee of MBA involved in preparing the report has a substantial interest in, or is a substantial creditor of, or has any material financial interest in CFT.

Consent for use

MBA has given its written consent to include the report as support for the Shareholders Meeting to be held by Triple.

Qualifications of the Authors

Doug Barrenger

Doug Barrenger received a BSc degree (geology) from the Australian National University and a Graduate Diploma in Computing Science from the Queensland University of Technology. He has more than 30 years of experience in the petroleum industry and has undertaken all facets of geological work, from wellsite and operations geology to prospect evaluation, risk analysis, reserve assessment, basin analysis, portfolio valuation and project management for both operated permits and new-venture roles and for development and exploration projects. He has worked on all Australian petroleum basins, including coal seam gas, and has overseas experience in SE Asia and Italy as an employee and as a consultant and has written numerous Independent Expert Reports and acreage Valuations. Doug is a founding partner of MBA Petroleum Consultants, a member of the Petroleum Exploration Society of Australia and a twenty-year, Active Member of the American Association of Petroleum Geologists (number 330431).

Scott Parkins (Geologist)

Scott Parkins is a Geologist with 6 years of experience and currently works on Coal Seam Gas projects across Queensland, NSW and Internationally. He received a Bachelor of Science Degree (Hons) in Applied Geology from Oxford Brookes University. Scott began his career as a contract geologist on CSG drilling rigs in the Surat and Clarence Moreton Basins. From there he joined Arrow Energy (Brisbane) in the role of operations geologist for the eastern Surat Basin development projects (Tipton West, Kogan and Daandine). He also supported Arrows exploration work across their acreage including Vietnam. Since 2009 he has been working with AWT International on a number of Coal Seam Gas Projects including tenement applications, acreage reviews, seam modelling and correlation, prospect and leads and gas in place estimates. He is a Geologist with strong communicative and organisational skills. Scott is a member of the Petroleum Exploration Society of Australia (PESA).

James Woodger (Chief Draftsman)

James Woodger has training in the areas of drafting, GIS database modelling and 3D visualization. Mr Woodger has over 15 years experience in Drafting/GIS databases in the Survey (Dept. of Lands & Survey, NZ), Utilities sector (Origin Energy) and Petroleum Exploration (Santos). He has been involved in large data capture/migration projects, for Sydney Electricity, Origin Energy and others. More recently working with Santos he was preparing drafting and presentation materials for farmouts, acreage applications and corporate requirements. Prior to joining MBA in late 2004 he was contracting in the electrical / engineering industry assisting with valve layouts and tendering for engineering projects. At MBA James has worked on a wide range of drafting and GIS projects both in Australia and overseas.

Doug Barrenger

Technical Director - Geology

D. Barrenger

MBA Petroleum Consultants
ACN: 85 139 445 319
27 Douglas Street
PO Box 2098
MILTON QLD 4064
Australia
Tel: +61 7 3505 4500
Fax: +61 7 3505 4599

Gas in Place Estimate for Bird Mountain, Heilongjiang Province, China

A report for

Triple Energy Ltd

Author: Scott Parkins

Date: November 2012

Document No.: R0106

TABLE OF CONTENTS

FIGURES (At End of Report)

TABLES

APPENDICES

1.0 SUMMARY

In March 2010 CFT Holdings (HK) Ltd (CFT) engaged MBA Petroleum Consultants Pty Ltd (MBA), a wholly owned subsidiary of AWT International Pty Ltd, to conduct a Coal Seam Gas (CSG) resource evaluation for 5 mine areas (Junde, Xingan, Yixing, Xian Xian and Bird Mountain) in Heilongjiang Province, North-East China. These mines are currently operated by Longmay Coal Mining Group (Longmay). This report is an evaluation of Bird Mountain.

In October 2012 Triple Energy Ltd (Triple) engaged AWT International Pty Ltd (AWT) to re-release these reports. CFT has signed a Share Purchase Agreement with Triple, such that Triple will acquire all of the issued shares in CFT Heilongjiang (HK) Limited (CFT Heilongjiang). CFT Heilongjiang in turn has an 80% equity position in a Cooperative Joint Venture (CJV) with Longmay. CFT and Longmay have given permission to re-issue the report to Triple so that Triple can obtain approval for the above mentioned Share Purchase Agreement.

This study focuses on 4 main seams (15, 18, 22 and 30) in the area. The Gas in Place (GIP) in billions of cubic feet (BCF) for each of the seams is shown in Table 1.

No account has been made for the coal seams identified on the coal mine maps for which no data has been received. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target.

Seam 15 occurs at a depth greater than 900 metres (measured depth) across Bird Mountain. Therefore, the majority of the seams in this area may be too deep to be a target.

Table 1: Bird Mountain Resource Summary

Seam	GIP Area (km^2)	GIP (BCF)
15	8.25	11.21
18	8.25	28.51
22	8.25	8.63
30	8.25	16.01
Total		**64.36**

The gas calculations in this report are based on average net coals and average gas contents. Gas composition has been assumed as 100% methane. No account has been made for the possibility of encountering high Carbon dioxide and Nitrogen contents.

No analysis of gas saturation has been possible in the absence of isotherm data.

The coal data has been collected over many years and for coal mining purposes rather than CSG so there are uncertainties in the quality of net coal, gas content and gas composition data.

The following document briefly outlines the methodology and results of the GIP study undertaken, providing a breakdown of each step in the process.

2.0 DATA

Longmay provided coal data for seams 15 and 18 which includes seam depths and net coal values and a table of gas composition / content data.

MBA has been informed by CFT that the CJV is in the process of obtaining wireline log data for over 200 bore holes previously acquired by Longmay in the 5 mine areas. Analysis of this data will be completed by MBA once it is available. This data should add further understanding of the CSG project and be significant assistance in delineating coal parameters, particularly net coal.

3.0 METHODOLOGY

For the purposes of this report, only seams 15, 18, 22 and 30 were evaluated.

All geological interpretation, gridding and mapping were performed using the SMT Kingdom software package. Original gas in place was calculated according to the equation:

$$\mathbf{OGIP_{(methane)} = AREA \times NET\ COAL\ THICKNESS \times AVERAGE\ DENSITY \times RAW\ GAS\ CONTENT}$$

At this stage the GIP was calculated using an average net coal and average gas content. In the future with increased data, each variable of the GIP equation can be mapped as a permit wide grid. Multiplication of these grids can then be performed to produce a GIP grid. The volumetrics module of Petrosys can then be used to calculate the GIP for the mine area. The process used to determine each variable of the GIP equation is discussed in greater detail below.

3.1 Area

The Xingan mine is located in Heilongjiang Province of North-East China near the town of Hegang. The mine covers an area of approximately 8.25km^2.

3.2 Depth and Structure Mapping

Longmay provided coal data for seams 15 and 18 which includes seam depths. The subsea top and base of the main seams were loaded into Kingdom. Seam 15 is the only seam at this stage which has been extensively mapped across the area (Figure 1). It occurs at depths greater than 900 metres (measured depth), therefore the deeper seams may be too deep to be a CSG target.

The seams dip towards the east. No seam correlation has been completed at this stage. From the amount of non coal material noted in some of the bore holes, seam correlation may be difficult.

As all the seams are at depths greater than 100 metres, the whole of the Bird Mountain area has been included in the GIP calculation.

3.3 Net Coal Thickness

Longmay provided coal data for seams 15 and 18 which includes net coal values (Appendix A). The spreadsheet for seam 15 appears to have only coal thicknesses whereas the spreadsheet for seam 18 has both coal and non coal (in brackets) thicknesses. The net coal was calculated by adding all the coal values. There was no explanation with this data in regards to the criteria used to determine what material is coal and non coal. In CSG, log derived net coals are calculated by using a density cut off of 1.75 g/cc. An average net coal was calculated for each of the seams in the area. Seam 15 is the only seam which has been extensively mapped across both mine areas (Figure 2). The data is sparse especially in the north and east.

No data was available for seams 22 and 30 in Bird Mountain. As those seams have been extensively drilled in Xian Xian and Yixing to the west, it has been assumed they occur in Bird Mountain. The average net coals in Xian Xian and Yixing have been used for those seams.

The net coal values applied to the GIP calculation are shown in Table 2.

Table 2: Average Net Coals

Seam	GIP Area (km^2)	Average Net Coal (m)
15	8.25	4.58
18	8.25	11.65
22	8.25	3.65 (Xian Xian + Yixing)
30	8.25	5.45 (Xian Xian + Yixing)

No account has been made for the coal seams identified on the coal mine maps for which no data has been received. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target. Seams numbered above 15 may also be too deep to be a target.

3.4 Density

As no density data was available, a coal density of 1.4g/cc was assumed and applied to the OGIP calculation.

3.5 Gas Content

No gas content data is currently available for coals in Bird Mountain. However some data for coals in the Xingan Mine was available (Appendix B). The data consisted of 'gas most relative blow out volumes' and 'gas least relative blow out volumes' and is expressed in metres per tonne (m^3/t). This volume range may reflect the depth of the coals across Xiangan Mine. In the absence of gas content data in this area the data from Xiangan has been used. As the coals in Bird Mountain occur at greater depths than the coals in Xiangan, these gas contents may under estimate the true gas content. The gas contents used in the GIP calculation are shown in Table 3.

Table 3: Average Gas Contents (Xingan Mine)

Seam	Average Gas Content (m^3/t)
15	6.0 (Estimated)
18	6.0 (Estimated)
22	5.8 (Estimated)
30	7.2 (Xiangan)

There are a number of concerns in regards to this data. There was no explanation on how the data was collected and measured and at what depth samples were taken. It is also unclear whether the data is raw or dry ash free and whether the data represents total gas content.

3.6 Gas Composition

The GIP calculation has assumed 100% methane. However there is some data which suggests this might not be the case. Gas composition data from Bird Mountain shows a wide range of gas composition, with some high levels of carbon dioxide and nitrogen (Air contamination, Appendix C). There was no explanation provided on how the data was recorded. It may be that the samples were taken from mine shafts and have therefore been exposed to air contamination. This is evident in the high levels of nitrogen seen in the data. If the gas was sampled in the way we envisage then this would explain the high nitrogen, low methane levels seen in some of the samples. Gas composition data will be collected from CSG core wells in the upcoming drilling program and we can have high confidence in this type of data.

3.7 Gas Saturation

No isotherm data has been provided so the saturation level of the coals is unknown.

3.8 Ash and Moisture

No available data.

3.9 Permeability

No available data.

4.0 UNCERTAINTIES

- There is no way of verifying the seam data we have received.
- The coal data received is only for seams 15 and 18. There are a number of seams shown on the coal mine map for which we do not have data. These include seams 3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33. Some of these seams appear not to be consistent across the whole mine area and may be too thin to be a target. Seams numbered above 15 may also be too deep to be a target.
- A mid range average gas content has been assumed from relative 'gas blow out volumes', actual depths for this data are unknown.
- Faulting has not been considered at this stage.
- Lacking coal density data, a value of 1.4g/cc has been assumed.
- The GIP has assumed 100% methane. However the upcoming CSG wells will establish precise gas composition data for any future development decisions.
- No isotherm data has been provided so the saturation level of the coals is unknown.

5.0 LIMITATIONS

MBA has primarily relied on data supplied by Longmay. This information consisted of seam depth and thickness spreadsheets for seams 15 and 18, coal mine maps and gas composition data.

The seam data suggest at least 2 relatively thick seams across the mine area, with a further 2 seams assumed to occur. At this stage important data such as gas content, coal density, gas composition, gas saturation, permeability, ash and moisture is lacking. Therefore the GIP estimate has assumed a number of these parameters.

There are a number of seams (3, 7, 8, 9, 10, 11, 12, 13, 16, 19, 21, 27, 28, 29 and 33) which have been identified from the mine maps for which there is no data currently available. These seams represent a potential upside to the current GIP estimate.

The statements and conclusions in this report represent informed professional judgement. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data.

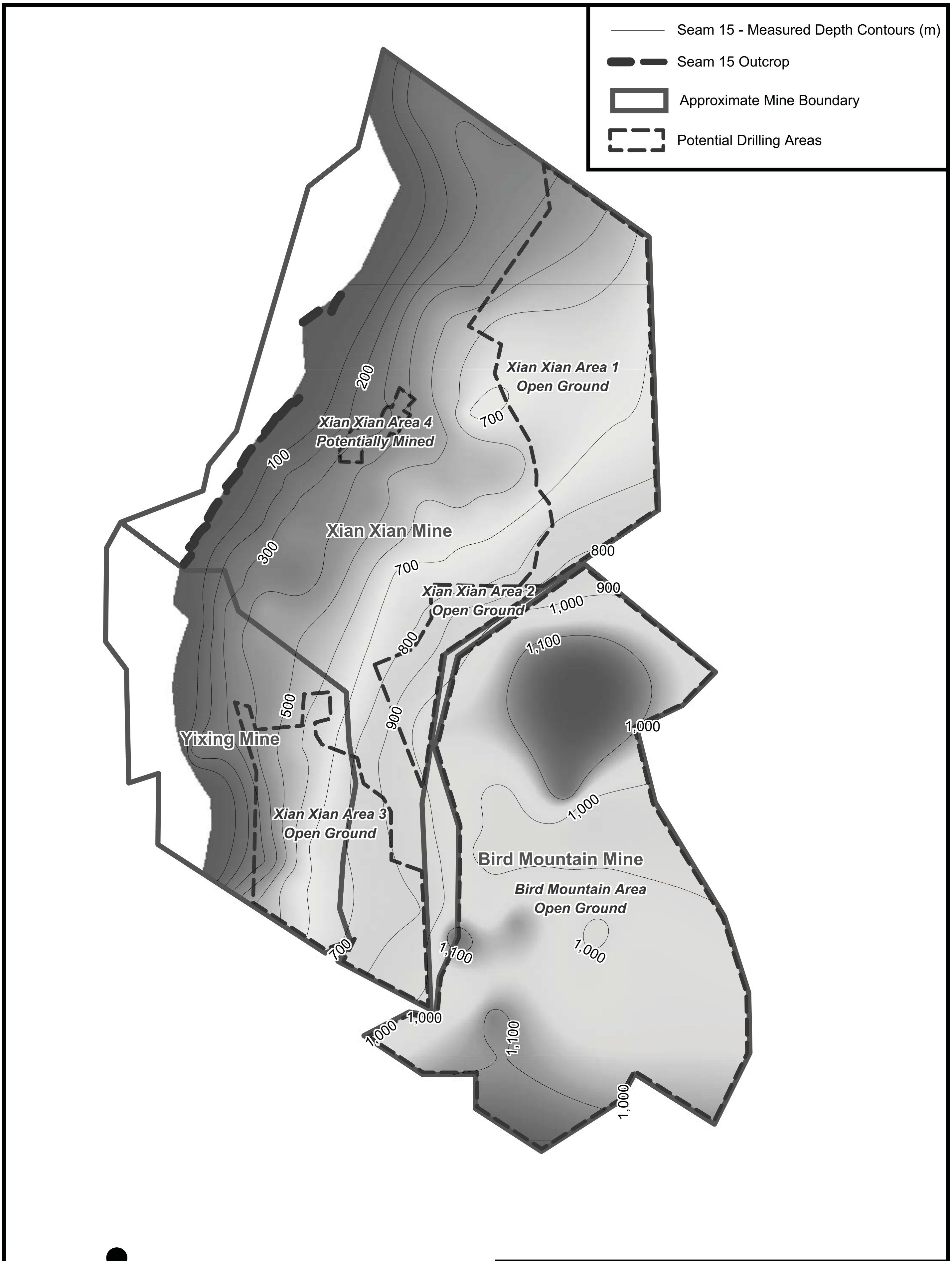
Coalseam Number	Gas Content	Bore Hole	Line Number	Bottom Depth	Thickness
15		86-56-9	27	-806.68	1.10,0.35,1.46
15		82-3-10	27	-729.07	0.36,0.39,2.10
15		88-58-2	25	-794.525	0.49,0.39,0.68,0.68,0.39,0.34,0.27,0.34,0.59,0.44,2.69
15		88-57-5	25	-815.873	0.93,0.42,1.39,0.38,2.91,0.73,1.01
15		81-11	25	-588.49	0.31,0.27,0.54,0.31,2.76,0.50,0.31
15		86-33-1	23	-714.74	0.21,0.04,1.08
15		87-23-3	23	-729.35	7.37
15		89-88-9	23	-798.688	0.81,3.02
15		89-31-2	23	-719.395	0.52,0.45,0.42,1.95,0.87,0.44,1.91,0.85,0.61,0.40,3.22
15		86-59-4	23	-725.275	0.78,0.20,2.05,1.27,1.66,0.39,1.03,0.98,1.47
15		85-35-7	20	-745.383	1.1
15		81-6-3	20	-680.56	0.92
15		90-86-2	20	-674.442	0.32,0.49,1.11,0.37,1.21,0.46,3.25
15		80-13	20	-706.58	1.31
15		87-39-5	18	-695.352	0.29
15		89-64-1	18	-654.26	1.62
15		86-38-3	18	-649.038	3.31
15		85-37-1	18	-676.12	0.31,0.40,0.47,0.33,0.29,2.61,0.91,0.18,3.08,0.27,0.63
15		86-36-5	18	-729.27	1.43,0.28,0.34,0.44,1.45,4.37,0.64,1.29
15		81-19	18	-754.434	1.0,0.14,1.77,0.18,6.71
15		89-51-5	16	-811.199	7.05,0.47,1.45
15		87-41-5	16	-657.645	1.38,1.83,1.45,0.43,2.88
15		88-67-6	15	-579.582	0.34,0.51,0.46,0.28,0.33,0.72,0.50
15		84-45-4	12	-906.45	0.71,0.07,0.64,0.07,1.13 4.21
15		88-48-7	12	-714.346	4.45
15		89-82-10	10	-788.105	3.12,0.61,0.95,0.35,3.20
15		87-75-8	16	-631.271	1.58,1.83,5.44
15		80-9	6	-656.77	3.87,0.35,2.23
15		84-7	6	-595.256	1.86,0.43,0.76,0.53,5.19
15		84-5	29	-586.66	4.55
15		85-54-4	29	-793.65	3.21,0.28,4.16,0.19,1.18,0.05,1.04
15		84-6	27	-643.929	6.21

Gas blow out data from several coal seams of Xingan Mine

Number	Coal seam	gas most absolute blow out volume m^3/min	gas most relative blow out volume m^3/t	gas least absolute blow out volume m^3/min	gas least relative blow out volume m^3/t
1	17	4.29	11.38	0.225	1.473
2	18	42.06	20.59	3.941	6.089
3	21	6.247	9.918	2.16	1.72
4	22	4.26	6.134	2.13	1.87
5	30	18.56	12.148	1.27	2.286
6	33	27.48	17.986	1.964	3.536

Coal seam natural gas components and gas content

Line Number	Bore hol€	Coal S	Depth	Thickness	Elevation	Industry Analysis			Natural Gas Components				Gas Content(Ml/g)		
						Mad	Ad	Vdaf	CH_4	CO_2	N_2	$^{o}C_2-^{o}C_8$	CH_4	CO_2	$^{o}C_2-^{o}C_8$
27	86-56-9	8-2	994.65-995.65	1	-677.628	1.97	23.72	19.93	30.87	0.15	68.97	0.01	0.255	0.002	0.0003
27	86-56-9	18	1166.20-1166.70	0.5	-853.898	0.83	8.73	19.15	25.06	42.67	30.72	1.55	0.624	1.006	0.093
27	86-56-9	18	1168.20-1169.65	1.45	-853.898	1.12	30.93	20.15	10.51	1.84	87.58	0.07	0.94	0.025	0.001
23	89-88-9	11-2	707.30-708.25	0.95	-416.587	1.45	18.45	21.29	31.28	2.07	66.64		1.1	0.16	
23	87-32-3	15-2	1034.20-1034.70	0.5	-729.359	1.92	6.1	21.46	58.39	1.03	40.39	0.19	4.216	0.248	0.019
23	87-32-3	11-2	756.15-756.60	0.45	-463.469	1.4	13.51	26.98	28.47	2.88	68.46	0.19	0.431	0.054	0.0023
23	90-89-7		726.60-726.90	0.3		1.5	15.95	26.47	2.23	8.89	88.77		0.125	0.238	
23	89-88-9	18	1150.00-1152.30	2.3	-864.303	1.86	13.99	37.71	42.16	19.63	37.03	0.38	0.986	0.406	0.006
20	90-86-2	6	660.20-660.75	0.55	-347.702	1.58	14.86	26.6	14.02	0.43	85.49	0.06	0.45	0.06	0.001
20	90-86-2	15-1	953.70-960.40	6.7	-644.782	1.38	29.64	25.96	63.16	2.82	24.94	9.08	1.12	0.05	0.15
20	90-86-2	15-2	978.90-986.00	7.1	-674.442	1.83	39.78	23.26	66.95	0.14	32.9	0.01	1.643	0.029	
20	90-86-2	18	1014.95-1016.90	2.85	-703.582	1.61	13.54	21.14	29.81	11.59	58.6		1.91	0.68	
20	90-86-2	19	1021.95-1041.00	19.05	-727.462	1.68	11.51	20.69	13.15	0.99	85.86		0.07	0.76	
16	86-42-10	9-1			-595.372	1.43	14.24	6.42	55.66	1.87	42.47		1.365	0.071	
16	86-42-10	10	988.40-989.00	0.6	-673.662	0.49	19.95	25.62	54.39	3.7	41.91		0.975	0.061	
16	86-42-10	11-2	1007.60-1008.30	0.7	-697.212	1.36	26.71	25.02	93.87	0.82	5.31		1.628	0.058	
16	86-42-10	11-2	1008.30-1008.90	0.6	-697.212	1.41	18.05	25.69	93.3	0.51	5.79		1.628	0.058	
16	86-42-10	18	1128.80-1128.80	1	-817.602	1.77	5.86	24.24	88.19	3.99	7.23	0.59	3.587	0.17	0.085
15	90-84-4		806.05-806.15	0.1		1.67	37.82	19.43	41.05	0.96	57.99		0.771	0.96	
10	89-82-10	15-1	1030.70-1033.50	2.8	-756.395	0.64	4.98	20.85	15.24	1.68	81.63	1.46	0.61	0.09	0.08
10	89-82-10	18	1130.65-1130.80	0.15	-864.795	1.17	8.06	22.34	10.31	1.08	86.76	1.85	0.86	0.1	0.16
20	90-87-9		780.50-783.45	2.4		0.83	18.94	19.5	11.29	1.04	87.66		0.134	0.111	

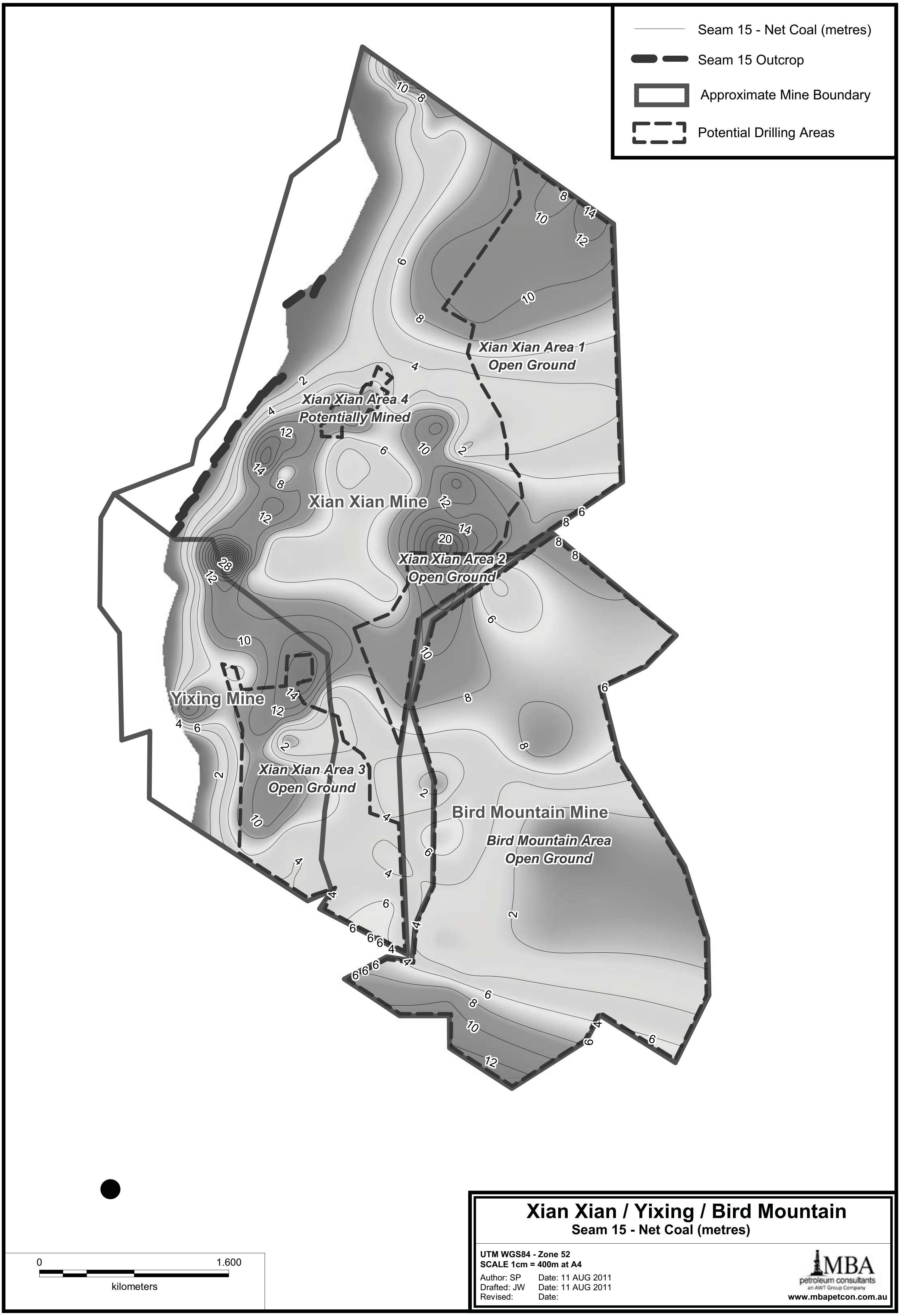


Xian Xian / Yixing / Bird Mountain
Top Seam 15 - Measured Depth (metres)

UTM WGS84 - Zone 52
SCALE 1cm = 400m at A4
Author: SP Date: 11 AUG 2011
Drafted: JW Date: 11 AUG 2011
Revised: Date:

MBA petroleum consultants an AWT Group Company
www.mbapetcon.com.au

FIGURE 01



Seam 15 - Net Coal (metres)
Seam 15 Outcrop
Approximate Mine Boundary
Potential Drilling Areas
Xian Xian Area 1
Open Ground
Xian Xian Area 4
Potentially Mined
Xian Xian Mine
Xian Xian Area 2
Open Ground
Yixing Mine
Xian Xian Area 3
Open Ground
Bird Mountain Mine
Bird Mountain Area
Open Ground
0
1.600
kilometers
Xian Xian / Yixing / Bird Mountain
Seam 15 - Net Coal (metres)
UTM WGS84 - Zone 52
SCALE 1cm = 400m at A4
Author: SP
Date: 11 AUG 2011
Drafted: JW
Date: 11 AUG 2011
Revised:
Date:
MBA
petroleum consultants
an AWT Group Company
www.mbapetcon.com.au

FIGURE 02

Disclaimer

MBA has solely relied on data supplied by Longmay through CFT . It is believed that the information received is reliable and there is no reason to believe that any material facts have been withheld. However, the level of review of the information provided to us does not amount to an audit, verification or due diligence, save to the extent necessary to satisfy ourselves that it is reasonable for us to rely on that information and no warranty can be given that this review has analysed all of the matters which a more extensive examination might reveal.

This report has been prepared based on information available up to and including November 2011**.**

The opinions and statements in this report are made in good faith and in the belief that such opinions and statements are not misleading.

Declaration

This report is our genuine opinion and the product of our professional judgment. MBA has not had and, at the date of this report, does not have any relationship with CFT or its subsidiary companies that could be regarded as capable of affecting MBA's ability to provide an unbiased opinion in relation to this report. In particular, neither the author of this report, or any director or senior employee of MBA involved in preparing the report has a substantial interest in, or is a substantial creditor of, or has any material financial interest in CFT.

Consent for use

MBA has given its written consent to include the report as support for the Shareholders Meeting to be held by Triple.

Qualifications of the Authors

Doug Barrenger

Doug Barrenger received a BSc degree (geology) from the Australian National University and a Graduate Diploma in Computing Science from the Queensland University of Technology. He has more than 30 years of experience in the petroleum industry and has undertaken all facets of geological work, from wellsite and operations geology to prospect evaluation, risk analysis, reserve assessment, basin analysis, portfolio valuation and project management for both operated permits and new-venture roles and for development and exploration projects. He has worked on all Australian petroleum basins, including coal seam gas, and has overseas experience in SE Asia and Italy as an employee and as a consultant and has written numerous Independent Expert Reports and acreage Valuations. Doug is a founding partner of MBA Petroleum Consultants, a member of the Petroleum Exploration Society of Australia and a twenty-year, Active Member of the American Association of Petroleum Geologists (number 330431).

Scott Parkins (Geologist)

Scott Parkins is a Geologist with 6 years of experience and currently works on Coal Seam Gas projects across Queensland, NSW and Internationally. He received a Bachelor of Science Degree (Hons) in Applied Geology from Oxford Brookes University. Scott began his career as a contract geologist on CSG drilling rigs in the Surat and Clarence Moreton Basins. From there he joined Arrow Energy (Brisbane) in the role of operations geologist for the eastern Surat Basin development projects (Tipton West, Kogan and Daandine). He also supported Arrows exploration work across their acreage including Vietnam. Since 2009 he has been working with AWT International on a number of Coal Seam Gas Projects including tenement applications, acreage reviews, seam modelling and correlation, prospect and leads and gas in place estimates. He is a Geologist with strong communicative and organisational skills. Scott is a member of the Petroleum Exploration Society of Australia (PESA).

James Woodger (Chief Draftsman)

James Woodger has training in the areas of drafting, GIS database modelling and 3D visualization. Mr Woodger has over 15 years experience in Drafting/GIS databases in the Survey (Dept. of Lands & Survey, NZ), Utilities sector (Origin Energy) and Petroleum Exploration (Santos). He has been involved in large data capture/migration projects, for Sydney Electricity, Origin Energy and others. More recently working with Santos he was preparing drafting and presentation materials for farmouts, acreage applications and corporate requirements. Prior to joining MBA in late 2004 he was contracting in the electrical / engineering industry assisting with valve layouts and tendering for engineering projects. At MBA James has worked on a wide range of drafting and GIS projects both in Australia and overseas.

Doug Barrenger

Technical Director - Geology

D. Barrenger

SCHEDULE 4 – INVESTIGATING ACCOUNTANT'S REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

15 November 2012

The Directors
Triple Energy Limited
88 Forrest Street
COTTESLOE WA 6011

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

Introduction

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a Notice of Meeting to be dated on or about 15 November 2012 ("Notice of Meeting") issued by Triple Energy Limited ("Triple Energy" or the "Company") in relation to the proposed acquisition of CFT Heilongjiang (HK) Ltd ("CFT") and related resolutions.

This Report has been included in the Notice of Meeting to assist potential investors and their financial advisers to make an assessment of the financial position and performance of Triple Energy Limited.

Structure of Report

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

1. Background Information

The Company is registered in Australia and is listed on the Australian Securities Exchange (ASX) (listing code "TNP"). The current directors of the Company are Mr Paul Underwood, Mr Garry Ralston, and Mr Richard Hayward. The current company secretary is Mr Alex Neuling.

Throughout the course of the past six months, the Company has continued with its evaluation of potential project opportunities with the objective of developing a portfolio of value adding projects in the oil, gas, and energy sector. Consistent with this strategy, the Company has entered into an exclusivity agreement with CFT Holdings (HK) Ltd in relation to that company's coal seam gas interests in Northern China. The Company has also executed a share purchase agreement to acquire 100% of the issued share capital of CFT held by CFT Holdings (HK) Ltd.

As at the date of this Report, the issued share capital of the Company is 287,500,000 ordinary fully paid shares.

2. *Scope of Report*

You have requested HLB Mann Judd ("HLB") to prepare this Report presenting the following information:

a) the historical financial information of the Company, comprising the historical Statement of Financial Position as at 30 September 2012 and the historical Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended 30 September 2012 as set out in Appendix 1 to this Report; and

b) the proforma consolidated financial information for the Company, comprising the proforma consolidated Statement of Financial Position as at 30 September 2012 and the proforma consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the half-year then ended.

The Directors have prepared and are responsible for the historical and proforma information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Notice of Meeting and the Interim financial report for the half year ended 30 September 2012 which was signed on 26 October 2012.

We performed a review of the historical financial information and the proforma consolidated financial information of the Company as at 30 September 2012 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements.

Our review of the historical financial information and the proforma consolidated information of the Company was carried out in accordance with Australian Auditing Standard ASRE 2410 "Review of an Interim Financial Report performed by the Independent Auditor of the Entity" and included such enquiries and procedures which we considered necessary for the purposes of this Report. The review procedures undertaken by HLB in our role as Investigating Accountants were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and the proforma information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical financial information and proforma information included in this Report or elsewhere in the Notice of Meeting.

In relation to the information presented in this Report:

a) support by another person, corporation or an unrelated entity has not been assumed;

b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and

c) the going concern basis of accounting has been adopted.

3. Financial Information

Set out in Appendix 1 (attached) are:

a) The Statement of Financial Position of the Company as at 30 September 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year then ended.

b) The proforma consolidated Statement of Financial Position of the Company as at 30 September 2012 and the proforma consolidated Statement of Comprehensive Income, proforma consolidated Statement of Changes in Equity and proforma consolidated Statement of Cash Flows for the half-year then ended as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 30 September 2012:

   i) the issue by the Company pursuant to the Notice of Meeting of 160,000,000 ordinary shares issued at a price of 1.5 cents each, raising $2,400,000;

   ii) the write off to the issued capital account of the estimated cash costs of the Offer being an estimated $294,000, as detailed below:

	$
Investigating accountant's report	7,500
Technical expert's report	17,500
Legal fees	100,000
Printing and postage	15,000
Brokers' fee	144,000
Other	10,000
	294,000

   iii) funds advanced as a loan of $500,000 to CFT Holdings (HK) Ltd and its lenders for the continued exploration and drilling of the drill stem test well;

iv) the issue of 25 million options to advisors at a deemed value of $102,500 (refer to Appendix 2);

v) the issue of 15 million options to directors at a deemed value of $61,500 (refer to Appendix 2); and

vi) the issue of 30,000,000 ordinary fully paid shares at an issue price of 1.5 cents each, payment of $150,000 and the issue of 350,000,000 performance shares issued to CFT Holdings (HK) Ltd for the acquisition of CFT.

c) Notes to the historical financial information and proforma information.

4. *Subsequent Events*

In our opinion, there have been no material items, transactions or events subsequent to 30 September 2012 not otherwise disclosed in the Notice of Meeting that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

5. *Statements*

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

a) the historical financial information of Triple Energy Limited as at 30 September 2012 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations and its cash flows for the period then ended; and

b) the proforma information of Triple Energy Limited as at 30 September 2012 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations and its cash flows for the period then ended, as if the transactions referred to in Section 3 (b) of this Report had occurred during that period.

6. *Declaration*

a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates.

b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.

c) Neither HLB, nor any of its employees or associated persons has any interest in Triple Energy Limited or the promotion of the Company. HLB has been appointed as the Company's auditor.

d) Unless specifically referred to in this Report, or elsewhere in the Notice of Meeting, HLB was not involved in the preparation of any other part of the Notice of Meeting and did not cause the issue of any other part of the Notice of Meeting. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Notice of Meeting.

e) HLB has consented to the inclusion of this Report in the Notice of Meeting in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

Yours faithfully
HLB MANN JUDD

N G NEILL
Partner

APPENDIX 1

TRIPLE ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2012

	Reviewed $	Proforma Consolidated $
Income from ordinary activities	-	-
Other Income	13,143	13,143
Administrative expenses	(124,487)	(124,487)
Directors' fees and options	(123,476)	(184,976)
Finance costs	(2,430)	(2,430)
New project evaluation	(114,473)	(114,473)
Exploration expenditure written off	(19,656)	(19,656)
Other expenses	(1,324)	(1,324)
Loss from ordinary activities	**(372,703)**	**(434,203)**
Income tax expense	-	-
Profit/(loss) from ordinary activities after taxation	**(372,703)**	**(434,203)**
Other comprehensive income		
Other comprehensive income	-	-
Income tax expense	-	-
Other comprehensive income, net of tax	**-**	**-**
Total comprehensive loss	**(372,703)**	**(434,203)**

This statement should be read in conjunction with the accompanying notes.

TRIPLE ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Notes	Reviewed $	Proforma Consolidated $
Current assets			
Cash and cash equivalents	2	1,030,960	2,486,960
Other current assets		19,796	19,796
Total current assets		**1,050,756**	**2,506,756**
Non-current assets			
Tangible fixed assets		3,238	3,238
Deferred exploration and evaluation expenditure	3	9,864	2,328,614
Total non-current assets		**13,102**	**2,331,852**
Total assets		**1,063,858**	**4,838,608**
Current liabilities			
Trade and other payables		176,079	176,079
Total current liabilities		**176,079**	**176,079**
Total liabilities		**176,079**	**176,079**
Net assets		**887,779**	**4,662,529**
Equity			
Issued capital	4	25,564,484	29,236,734
Reserves		(254,694)	(90,964)
Accumulated losses		(24,422,011)	(24,483,511)
Total equity		**887,779**	**4,662,529**

This statement should be read in conjunction with the accompanying notes.

TRIPLE ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2012

	Issued capital	Reserves	Accumulated losses	Total
	$	**$**	**$**	**$**
Balance at beginning of period	25,039,090	(254,694)	(24,049,308)	735,088
Total comprehensive loss	-	-	(372,703)	(372,703)
Shares issued during the period	562,500	-	-	562,500
Share issue expenses	(37,106)	-	-	(37,106)
As at 30 September 2012	**25,564,484**	**(254,694)**	**(24,422,011)**	**887,779**
Proforma adjustments				
Shares issued pursuant to Notice of Meeting	2,400,000	-	-	2,400,000
Shares issued to lenders pursuant to purchase of CFT Holdings Limited	450,000	-	-	450,000
Performance shares issued pursuant to purchase of CFT Holdings Limited	1,218,750	-	-	1,218,750
Options issued to directors	-	61,500	(61,500)	-
Options issued to advisors	(102,500)	102,500	-	-
Issue expenses	(294,000)	-	-	(294,000)
Proforma Consolidated total	**29,236,734**	**(90,694)**	**(24,483,511)**	**4,662,529**

This statement should be read in conjunction with the accompanying notes.

TRIPLE ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2012

	Reviewed $	Proforma Consolidated $
Cash flows from operating activities		
Interest received	13,147	13,147
Payments to customers and suppliers	(217,509)	(217,509)
Net cash used in operating activities	**(204,362)**	**(204,362)**
Cash flows from investing activities		
Deferred exploration and acquisition expenditure	(20,556)	(670,556)
Net cash used in investing activities	**(20,556)**	**(670,556)**
Cash flows from financing activities		
Proceeds on the issue of shares	562,500	2,962,500
Issue costs paid	(40,817)	(334,817)
Net cash provided by financing activities	**521,683**	**2,627,683**
Increase in cash held	**296,765**	**1,752,765**
Cash at the beginning of the financial period	734,195	734,195
Cash at the end of the financial period	**1,030,960**	**2,486,960**

This statement should be read in conjunction with the accompanying notes.

TRIPLE ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and proforma financial information reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

Compliance with IFRS

The financial information complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with measurement requirements but not all of the disclosure requirements of the International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Full details of the Company's accounting policies can be found in its Annual Financial Report.
In addition, as a result of the proposed acquisition of 100% of the issued share capital of CFT, CFT will become a wholly-owned subsidiary of the Company. The accounting policy in respect of the consolidated financial information will be:

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Triple Energy Limited ('company' or 'parent entity') as at balance date and the results of all subsidiaries for the period then ended. Triple Energy Limited and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(b) Proforma transactions

The proforma consolidated Statement of Financial Position, consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows have been derived from the historical financial information as at 30 September 2012 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 September 2012:

i) the issue by the Company pursuant to the Notice of Meeting of 160,000,000 ordinary shares issued at a price of 1.5 cents each, raising $2,400,000;

ii) the write off to the issued capital account of the estimated cash costs of the Offer being an estimated $294,000:

iii) funds advanced as a loan of $500,000 to CFT Holdings (HK) Ltd and its lenders for the continued exploration and drilling of the drill stem test well;

iv) the issue of 25 million options to advisors at a deemed value of $102,500 (refer to Appendix 2);

v) the issue of 15 million options to directors at a deemed value of $61,500 (refer to Appendix 2); and

vi) the issue of 30,000,000 ordinary fully paid shares at an issue price of 1.5 cents each, payment of $150,000 and the issue of 350,000,000 performance shares issued to CFT Holdings (HK) Ltd for the acquisition of CFT.

2. CASH AND CASH EQUIVALENTS

	Reviewed $	Proforma Consolidated $
Balance as at 30 September 2012	1,030,960	1,030,960
Share placement	-	2,400,000
Share issue costs	-	(294,000)
Funds advanced for drilling program	-	(500,000)
Acquisition costs	-	(150,000)
	1,030,960	**2,486,960**

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Balance as at 30 September 2012	9,864	9,864
Funds advanced for drilling program	-	500,000
Acquisition costs - cash	-	150,000
Acquisition costs - shares	-	1,668,750
	9,864	**2,328,614**

4. ISSUED CAPITAL

Balance as at 30 September 2012	25,564,484	25,564,484
Share placement	-	2,400,000
Ordinary shares issued to vendors as part consideration for the acquisition of CFT	-	450,000
Performance shares issued as part consideration for the acquisition of CFT (i)	-	1,218,750
Options issued to advisors		(102,500)
Share issue costs – cash	-	(294,000)
	25,564,484	**29,236,734**

(i) The performance shares are proposed to be issued in four tranches, each of which is dependent on the occurrence of certain events or milestones. These shares have been valued based on the value of a Company share (1.5 cents), with various probability factors applied to each tranche.

4. ISSUED CAPITAL (continued)

	Number
Ordinary shares	
Shares on issue as at 30 September 2012	287,500,000
Proforma adjustments:	
Share placement	160,000,000
Ordinary shares issued to vendors as part consideration for the acquisition of CFT	30,000,000
	477,500,000

	Number
Performance shares	
Shares on issue as at 30 September 2012	-
Proforma adjustments:	
Performance shares issued to vendors as part consideration for the acquisition of CFT	350,000,000
	350,000,000

5. OPTIONS

Option on issue as at 30 September 2012	60,000,000
Proforma adjustments:	
Options issued to advisors, exercisable at 4 cents on or before 30 June 2015	25,000,000
Options issued to directors, exercisable at 4 cents on or before 30 June 2015	15,000,000
	100,000,000

- APPENDIX 2 -

The indicative value for the options as outlined in Section 3 has been determined using the Black and Scholes Option Pricing Model. The model describes the value of an option as being a function of five variables:

(i) Value of the underlying share;
(ii) The risk free rate of return;
(iii) The variance (or volatility) of the share price;
(iv) The exercise price of the option; and
(v) The remaining time to maturity.

A) OPTIONS PROPOSED TO BE ISSUED

Set out below is our understanding of the options proposed to be issued. The options are not transferable and no application will be made to the ASX for quotation of the options.

Total Number of Options:	40,000,000 (25,000,000 Advisors, 15,000,000 Directors)
Exercise Price:	\$0.04
Expiry Date:	30 June 2015

B) VALUATION

The calculation of the value of each option has been performed based on the following assumptions:

(i) The underlying value of each share in the Company on the fair market value per share determined for this purpose to be the offer price - \$0.015;
(ii) Risk free rate of return – 5.65% (estimated, based on the 3 year bond indicator rate); and
(iii) A volatility of the share price of 80%.

C) THEORETICAL VALUATION

Based on the above factors, the Black and Scholes Option Pricing Model attributes a theoretical value to each option of 0.41 cents

The value of the options is determined to be:

Options to be issued (advisors) – 25,000,000 at 0.41 cents	\$102,500
Options to be issued (directors) – 15,000,000 at 0.41 cents	\$61,500

SCHEDULE 5 – KWM LEGAL OPINION

KING&WOOD MALLESONS
金杜律师事务所

北京市朝阳区东三环中路1号
环球金融中心办公楼东楼20层 邮编100020

20th Floor, East Tower, World Financial Centre
1 Dongsanhuan Zhonglu, Chaoyang District
Beijing 100020, China

T +86 10 5878 5588
F +86 10 5878 5577

www.kwm.com

1 November 2012

By email

Triple Energy Limited
8/88 Forrest Street, Cottesloe WA 6011, Australia

Our ref
Your ref

Private and confidential

PRC legal opinion - proposed acquisition of CFT Heilongjiang (HK) Ltd

We have acted as legal adviser to **Triple Energy Limited (ASX: TNP)** A.C.N. 116 829 675 ("**Company**") in the People's Republic of China ("**PRC**", which for the purpose of this opinion, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan) to issue this legal opinion.

This opinion relates only to the laws of the PRC and is given on the basis that it will be construed in accordance with the laws of such jurisdiction. Such laws may include laws, regulations, decrees, guidelines, measures, notices and judicial interpretations (and for the purpose of this opinion, other than such laws of the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan).

We express no opinion about the laws or factual matters of another jurisdiction.

1 Background

1.1 On 8 December 2010, CFT Heilongjiang (HK) Ltd ("**CFT Heilongjiang**") executed a Sino-foreign contractual joint venture contract ("**CJV Contract**") and an Articles of Association ("**AoA**") with Heilongjiang Longmay Mining Holding Group Co., Ltd. (黑龙江龙煤矿业集团股份有限公司, "**Longmay**"), a Chinese state-owned enterprise and one of China's largest coal miners, to establish Heilongjiang Aolong Energy Co., Ltd. (黑龙江澳龙能源有限公司, "**Aolong Energy**"), a cooperative joint venture ("**CJV**"), in Harbin, the PRC to carry out coalbed methane ("**CBM**") related business in relation to the coal mines owned by Longmay across locations in Hegang, Shuangyashan, Qitahe, and Jixi within the Heilongjiang Province of north-east China.

1.2 On 15 December 2011, Aolong Energy was formally registered as a Sino-foreign cooperative joint venture under the laws of the PRC.

1.3 The Company has proposed to acquire a 100% interest in CFT Heilongjiang ("**Proposed Acquisition**"). We understand that the Company intends to call a general meeting seeking shareholder approval of the Proposed Acquisition, and of a share placement to raise A$2.25 million before costs to fund the Proposed Acquisition and general working capital.

1.4 As part of the process, we are instructed by the Company to issue this opinion advising on specific legal aspects in connection with the establishment and business activities of Aolong Energy under the laws of the PRC ("**Opinion Purpose**").

2 Documents reviewed

2.1 For the purpose of rendering this opinion, we have reviewed the copies (including scanned copies) of the following documents (without independently verifying them against their originals):

(a) The CJV Contract;

(b) The AoA;

(c) The Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China, issued by the Harbin Municipal Government on 13 December 2011 in relation to the establishment of Aolong Energy; and

(d) The Business License of Legal Person Enterprise of Aolong Energy, issued by the Harbin Administration of Industry and Commerce on 15 December 2011 ("**Business License**").

(collectively referred to in this opinion as the "**Documents**".)

2.2 We were NOT instructed to make, and have NOT made, any public searches or investigations to independently verify either the authenticity of any of the Documents or for any other purposes.

3 Memorandum on the relevant PRC legal (practical) issues

A memorandum providing an overview of the legal environment for foreign direct investment and the evolution of the regulatory framework with respect to foreign investment in the CBM industry in the PRC is annexed to this opinion as **Annexure.**

4 Assumptions

For the purpose of rendering this opinion, we have assumed:

(a) the authenticity of all Documents;

(b) the authenticity of all signatures, seals (chops) and markings;

(c) the completeness, and conformity to originals, of all Documents;

(d) the translation accuracy between the English version and the Chinese version of all Documents (if applicable);

(e) the accuracy and completeness of all factual statements contained in the Documents (if applicable);

(f) that as of the date of this opinion, none of the Documents has been revoked, amended, varied or supplemented; and

(g) all the mining licenses held by Longmay relating to Aolong Energy are active and in good standing as of the date of this opinion.

We have not taken any steps to verify these assumptions.

5 Searches

We were NOT instructed to make, and have NOT made, any public searches or investigations to independently verify either the authenticity of any of the Documents or for any other purpose.

6 Opinion

On the foregoing basis and subject to the **qualifications** set out below, we are of the opinion that:

(a) Aolong Energy is legally incorporated and validly existing under the PRC laws;

(b) Aolong Energy has been approved to carry out the following business activities, as recorded on Aolong Energy's Business License:

"Comprehensive treatment and utilization of coal seam gas and related technical consultation and project management services (excluding activities prohibited by laws and administrative regulations; activities restricted by laws and administrative regulations shall be undertaken only upon obtaining the relevant permits)."

(c) The following objective of Aolong, as stated in the CJV Contract, is consistent with the Notice on the Relevant Matters Concerning Further Expansion of Foreign Co-operations on Coalbed Methane (《商务部、国家发展改革委员会、国土资源部关于进一步扩大煤层气对外合作有关事项的通知》，商资函【2007】第 94 号, "**Regulation No. 94**")[1]:

"The purpose of the Company is, subject to ensuring safety production at coal mines within the Cooperation Areas, to comprehensively treat, extract, produce and utilise Coal Seam Gas that may exist within the Cooperation Areas, with the aim to achieve a sustainable growth and maximum investment return for the Company's investors (*capitalised words have the meaning given to such terms in the CJV Contract*)."

7 Qualifications

For the sake of completeness, we also note that once established, Aolong Energy is only allowed to carry out those business activities which are specified in its approved business scope, and it will need to apply for various approvals, licences and permits in connection with the approved business scope according to the relevant laws of the PRC. What approvals, licences and permits would be required will depend upon the nature and phase of the business operations to be undertaken by Aolong Energy. As with any other businesses in China, the grant of those approvals, licences and permits is never guaranteed.

8 No Liability

We have taken reasonable care in checking the accuracy of the information and statements contained in this opinion.

Without limiting the statutory rights of any person to whom this opinion is provided, King & Wood Mallesons does not accept, and to the extent allowed under the applicable law expressly disclaim, any liability whatsoever arising in connection with any of the information, findings, views and opinions contained in, or any omission of the information, findings, views and opinions from, this opinion.

[1] Issued jointly by the Ministry of Commerce, the National Development and Reform Commission, and the Ministry of Land and Resources on 17 October 2007

Recipients of this opinion should seek their own legal, financial and other professional advice on the financial condition and affairs of, and their own appraisal of the creditworthiness of, the CFT Heilongjiang before committing any investment to them or to the projects invested by them.

9 Benefit

This opinion is given solely for the benefit of the Company for the Opinion Purpose. This opinion may not be relied upon by any other person or for any other purpose, nor may it be disclosed in whole or in part to any other person or otherwise quoted or referred to or relied upon for any other purpose without our express prior written consent.

This opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

This opinion is given in respect of, and confined to, the laws of the PRC which are in force, published and publicly available at 9.00am on the date of this letter.

Yours faithfully

King & Wood Mallesons

熊进

Jin Xiong
Partner
T 86 10 5878 5158
xiongjin@cn.kwm.com

ANNEXURE

KING&WOOD MALLESONS
金杜律师事务所

北京市朝阳区东三环中路1号
环球金融中心办公楼东楼20层 邮编100020

20th Floor, East Tower, World Financial Center
1 Dongsanhuan Zhonglu, Chaoyang District
Beijing 100020, P. R. China

T +86 10 5878 5588
F +86 10 5878 5577

www.kwm.com

Memorandum

Part I: Foreign Direct Investment ("FDI") in the People's Republic of China – the legal environment

1 Introduction

1.1 Executive summary

This section provides a high level overview of issues common to the FDI in the People's Republic of China ("**PRC**" or "**China**") by way of joint venturing.

In particular it outlines:

(a) the preliminary issues to be considered when investing in the PRC ("**Preliminary issues**");

(b) the comparison on different joint venture structures ("**Structures comparison**"); and

(c) the general establishment process associated with setting up joint ventures in the PRC ("**General establishment process**").

1.2 PRC regulators

We summarise below the acronyms for those key regulatory authorities which are generally involved in the joint venturing process in the PRC.

(a) **NDRC** - National Development and Reform Commission

Sitting directly under the State Council, which functions similarly as cabinet, the NDRC is responsible for the overall regulation of the national economy, studying and formulating policies for economic and social development and reform, maintaining the balance of economic aggregates and guiding the overall restructuring of the economic system. In particular, it has power to approve projects (investments) proposed by domestic and foreign investors.

(b) **MOFCOM** - Ministry of Commerce

MOFCOM, a ministry under the State Council, is responsible for formulating development strategies, guidelines and policies for domestic and foreign trade and international economic co-operation, and is the key regulator for FDI in the PRC. In particular, it is the approval authority for joint venture documents.

(c) **SAFE** - State Administration of Foreign Exchange

SAFE is a ministerial level bureau directly under the State Council with the primary responsibility to administer, monitor, manage the foreign exchange system of the PRC, maintain the balance of international payments and implement the system for compiling statistics and reports on international payments.

(d) **SAIC** - State Administration of Industry and Commerce

SAIC is also a ministerial level bureau directly under the State Council. It mainly administers the incorporation and business registration of various corporate and non-corporate entities, conduct investigations on unfair competition, and supervise market activities to ensure fair trading.

2 Preliminary issues

2.1 Introduction

Foreign investors contemplating direct investment in the PRC through joint ventures generally must consider the following threshold issues:

(a) industry entry (access);

(b) business scope; and

(c) choice of business vehicle.

2.2 Industry entry (access)

The Chinese government's industrial policy on FDI is primarily implemented through the categorisation of all industries into four types: **Encouraged**, **Permitted**, **Restricted** and **Prohibited**. The industries in each category other than the Permitted are listed in the "Foreign Investment Industrial Guidance Catalogue" ("**Catalogue**"), which is regularly reviewed and updated by the government[2]. Industries which are not listed in the Catalogue fall within the Permitted category.

This categorisation system is fundamental to the PRC regulatory regime on the FDI, as it has significant ramifications on issues such as industry entry, permitted business vehicles, policy incentives (concessions) and project (investment) approval levels.

An important policy shift, the so-called "Project Verification (Approval)" process, was introduced in 2004 on investment proposals which do not use any state funding.

Generally speaking, the approval level for a given foreign investment proposal depends upon the proposed total investment amount and its categorisation in the Catalogue:

(a) The NDRC approval is required if the total investment is more than US$300 million (inclusive) in the case of Encouraged or Permitted industry, or if the total investment is more than US$50 million (inclusive) in the case of Restricted industry.

(b) The provincial and local agency of the NDRC now have the authority to approve projects worth less than US$300 million (Encouraged and Permitted) and US$50 million (Restricted).

In practice, officials in different provinces or regions may take different views on the applicable law and the approval process, and similar projects may be therefore treated differently.

---

[2] The most recent version is the *Foreign Investment Industrial Guidance Catalogue* (revised in 2011) (《外商投资产业指导目录（2011 年修订）》).

2.3 Business scope

Unlike in many other free market jurisdictions, businesses in the PRC are established with specifically approved business scopes. Business scopes are recorded on the business licences issued by SAIC (or its provincial or local agencies, as the case may be) to those businesses, which are the equivalent of incorporation certificates as in other jurisdictions.

Business scopes must generally be limited to carefully defined activities within the same or related industrial sectors. In particular, business scope of a Sino-foreign joint venture is limited by the then applicable Catalogue. SAIC will not issue a business licence to a joint venture if the proposed business scope does not comply with the requirements set out in the applicable Catalogue.

If a business operates outside its approved business scope, SAIC (or its provincial or local agencies) may impose penalties through issuing warnings, imposing fines, confiscating illegal income or confiscating or revoking the business licence.

2.4 Choice of business vehicle

Chinese joint ventures are formed between at least one foreign investor and one Chinese party. The following two types of joint ventures are prescribed under Chinese law:

- Equity joint ventures ("**EJVs**"); and

- Co-operative (contractual) joint ventures ("**CJVs**")

The legal differences between the two joint venture structures have significant ramifications to a foreign investor's commercial objectives. We have set out below a high level comparison between the two joint venture structures.

3 Structures comparison

3.1 EJVs

EJVs have been the most popular form of investment which foreign investors used in China. The benefits and advantages perceived to be associated with an EJV structure include:

- comprehensive and established laws and practices for the structure, which give both investors and approving authorities better guidance and certainty;

- potential benefits that a good local partner may bring to the venture;

- corporate form with limited liability.

The concept of issued shares is not applicable to any joint venture structure. The capitalisation of EJVs is based on the concept of registered capital, which is the total amount of capital contributed by the parties and registered with the Chinese authorities when the joint venture is established. It represents the parties' equity in the joint venture.

The concept of "total investment" on the other hand includes both "registered capital" and allowable "external borrowing". Certain minimum registered capital requirements are imposed on joint ventures by SAIC through prescribed debt-equity ratios.

Once approved and registered, an EJV becomes a "company with limited liability", acquiring a "legal person" status under Chinese law. Being a legal person, the EJV can sue or be sued in its own name, and its investors' liability is limited to the amount of their paid or committed total equity contribution.

3.2 CJVs

The legal framework for CJVs is not as comprehensively developed as that which governs EJVs. Accordingly, in general, where the CJV does not cover a specific matter, the rules governing EJVs may be applied. By far CJVs are the most common form of joint venture used by foreign investors for their mining and resources projects in China.

Investors opting for an CJV structure can make a further choice between:

- an incorporated (legal person) CJV ("**ICJV**"); or
- an unincorporated CJV ("**UCJV**").

An ICJV structure largely resembles an EJV structure, with the benefits of additional flexibilities which otherwise are not available to an EJV structure (see the comparison on EJVs and CJVs below). An ICJV also takes the legal form of a limited liability company.

The participants to an UCJV own their respective contributions (or co-operative conditions) separately, which are managed centrally by the management committee of the UCJV. The assets accumulated during the UCJV's operation are jointly owned by the participants.

An UCJV is effectively treated as a partnership under Chinese law, which means that an UCJV does not have the benefit of limited liability offered by a corporate form. An UCJV and its participants are jointly and severally liable for the UCJV's debts and liabilities.

Depending on the double tax treaty between China and a foreign investor's country as well as the foreign investor's domestic tax regime, an UCJV structure may potentially offer significant tax advantages to the foreign investor which otherwise would not be available under an EJV structure or an ICJV structure. But the Chinese approval authorities are generally less comfortable with an UCJV structure due to lack of clear legal guidance.

3.3 Commonalities

EJVs and CJVs do share a number of legal attributes:

- Generally subject to the same approval regime;
- Common term of operation between 10-45 years;
- Legal person with limited liability (EJVs and ICJVs);
- Both are approved and established with a specific scope of business;
- Foreign interest generally should remain at least 25% so as to maintain the status of foreign invested enterprises.

3.4 Principal differences between EJVs and CJVs

For the EJVs:

- each party must make cash and in kind contributions in proportion to its percentage of total registered capital;
- each party's in kind contributions must be evaluated by an independent valuer and the evaluation is subject to strict scrutiny by the approving authority (This is particularly the case where state-owned assets are involved);

- profits must be distributed strictly in accordance with the parties' respective interest percentages in the registered capital of the EJV;

- the board of directors is required to obtain unanimous vote on certain decisions including amending the articles of association, increases or decrease of registered capital, divisions or mergers, and termination or dissolution of the joint venture;

- the EJV cannot reduce or withdraw their portions of registered capital during the life of the joint venture without the approval of the relevant authorities;

- its capital cannot be repatriated until the expiry of the term of the joint venture; and

- upon dissolution of the EJV at the expiry of its term, the EJV net assets are to be distributed in accordance with each party's share of the registered capital.

For the CJVs:

- a party may contribute non-cash intangibles, such as land use rights, physical plant and technology (patent and know-how);

- a party need not have its "investment conditions for co-operation" priced or evaluated if that is commercially desirable to do so, meaning that the joint venture parties may decide how the value of their contributions should be determined;

- profit sharing need not be made strictly pro-rata in accordance with a party's percentage share of registered capital, e.g. the foreign party may recover an amount equal to its capital investment on a priority basis until it has recovered its original contribution. Profits can be shared on a basis that varies from time to time;

- a CJV may be a legal person with limited liability or a non-legal person entity (rarely approved though);

- a CJV may be managed by a board of directors or alternatively by a management committee (UCJV), and it may also be managed by a third party under a management contract;

- earnings are not necessarily distributed in cash. The parties may share production and not necessarily in proportion to a party's investment; and

- upon dissolution of the CJV at the expiry of its term the CJV net assets may be transferred to the Chinese party without compensation where the foreign party has been able to recoup its original registered capital contribution funded from the excess cash flow generated from accelerated depreciation.

4 General establishment process

As discussed earlier, the "Project Verification (Approval)" process was introduced in 2004 with the aim to simplify the approval process for investments not funded by the state. This has changed the traditional joint venturing process in formality rather than in substance.

Once joint venture parties have agreed to co-operate on a project, they generally prefer to have a letter of intent ("**LOI**") or memorandum of understanding ('**MOU**") briefly summarising the parties' intentions to establish the joint venture and the key points of their proposed joint venture arrangements.

The Chinese partner will then submit a "project application report" to the local arm of the NDRC. Depending on the proposed investment size and industry, the report will be approved by the local or provincial arm or the NDRC (as the case may be).

On obtaining the project approval, the parties will immediately apply for an enterprise name registration with the provincial or local arms of SAIC so as to reserve and protect any proposed company (business) name.

The next step is the negotiation process and the documentation of the joint venture contract. This is the corner-stone document of the joint venture. It details the specific rights and obligations of each party. It will be accompanied by the articles of association dealing with the governance of the joint venture. Typically, other contracts may be entered into at the same time and attached to the joint venture contract, such as technology transfer or licence agreements, export agency contracts, leases, etc.

Once negotiated, the joint venture contract, together with the articles of association, opinion from the environment authority, business licence and most recent balance sheet and credit worthiness letter of each join venture party, LOI (if any) and preliminary opinion from land authority on proposed project site, will be submitted to MOFCOM for approval.

Legally speaking, MOFCOM must decide if it will approve the joint venture within 45 days from the filing date of an application to establish an CJV. Once approved, an approval certificate will be issued by MOFCOM. The approval from MOFCOM is the final approval for the joint venture, which is the base for a range of subsequent approvals and registrations, such as: business, foreign exchange, land use right, tenements, custom, taxation, quota, export licence, etc.

Prior to the issue of the approval certificate, the investors shall apply for the "code number for enterprises, organisations and institutions" from the local Bureau of Quality and Technology Supervision.

The investors must register the joint venture with SAIC (or its provincial or local agency) for a business licence within 30 days following the issue of the approval certificate by MOFCOM. The date when the joint venture is registered with the SAIC is the date when the joint venture is formally established.

Investors should be aware that the provincial or local governments may introduce variations to the general approval process. For instance, to streamline the establishment procedures, many local governments now allow a one stop procedure to examine and approve the project application report (with or without the feasibility study report), articles of association and joint venture contract. This is particularly the case where joint ventures are approved by an 'economy and technology development zone".

(End)

Part II: FDI in CBM industry – the evolution of regulatory environment

1 Introduction

This section explains the evolution of regulatory framework with respect to the foreign investment in the coalbed methane (or coal seam gas, "**CBM**") industry in the PRC.

2 Old regulatory framework

Prior to 2001, there was no clear legal guidance on how the foreign co-operation in the CBM industry should be regulated and several ministries were claiming control over its administration. A number of major state-owned enterprises and provincial enterprises conducted independent CBM programmes and signed preliminary contracts with foreign investors.

The regulatory framework of the PRC for foreign investment in the CBM industry was first formalised on 23 September 2001, when a legislative change was made to the *Regulations on Foreign Co-operation on the Development of Onshore Oil Resources of the PRC* (《中华人民共和国对外合作开采陆上石油资源条例》).

It was an unusual arrangement, as this national regulation, when first promulgated in 1993, was adopted to regulate activities between Chinese and foreign parties tied to the development of onshore oil resources within the territory of the PRC. Only one article[3] is relevant to the CBM, stating that "the foreign co-operation in the development of CBM resources is exclusively undertaken by the China United Coalbed Methane Co., Ltd. (中联煤层气有限责任公司) by reference to this regulation."

The China United Coalbed Methane Co., Ltd. ("**CUCBM**") was jointly established by PetroChina (中国石油天然气股份有限公司) and China National Coal Group Corp. (中国中煤能源集团公司) in March 1996. As empowered by the regulation, CUCBM had been exclusively dealing with foreign investors on the development of CBM resources in the PRC since its inception. This means foreign investors were not allowed to co-operate with any Chinese companies other than CUCBM when investing in CBM projects in the PRC.

The regulation prescribed for production sharing contracts (or **PSC**s) as the only legal structure for any proposed foreign co-operation on CBM projects.

Over time, the regulation was supplemented by a number of subsequent policies issued by different ministries. Those policies deal with different aspects of the CBM industry ranging from taxes, royalties, concessions, exploration and mining licences to pricing issues, most of which are still effective today. But the monopoly position of CUCBM *vis-à-vis* foreign investors was never changed until September 2007, when further legislative change was introduced.

3 New regulatory framework

3.1 Key legislative change

On 18 September 2007, Article 30 of the *Regulations on Foreign Co-operation on the Development of Onshore Oil Resources of the PRC* was amended, permitting a number of major state-owned enterprises to be selected by the State Council to undertake foreign co-operation on the development of CBM resources.

[3] Art.30, the *Regulations on Foreign Co-operation on the Development of Onshore Oil Resources of the PRC.*

On 17 October 2007, MOFCOM, the NDRC and the Ministry of Land and Resources ("**MOLAR**") jointly promulgated the *Notice on the Relevant Matters Concerning Further Expansion of Foreign Co-operation on Coalbed Methane Development* (《商务部、国家发展改革委员会、国土资源部关于进一步扩大煤层气对外合作有关事项的通知》，商资函【2007】第 94 号) ("**No.94 Notice**"). The regulation introduced two key changes to the existing regulatory framework.

3.2 Expanded exclusivity regime

No.94 Notice introduces a new exclusivity regime under which a handful of Chinese companies to be jointly selected by MOFCOM and the NDRC[4] will, alongside CUCBM, be allowed to undertake "pilot" CBM projects with "eligible" foreign investors to develop CBM project in blocks that have been pre-approved by the State Council. Major state-owned coal mine and oil enterprises are particularly encouraged to apply for a short listing for the (expanded) exclusivity right.

The notice stresses that production sharing contract is the legal structure permitted for foreign co-operation on (pilot) CBM projects, and the parties must follow the *Regulations on Foreign Co-operation on the Development of Onshore Oil Resources of the PRC* by reference to the rules set out in the regulation.

3.3 Special rule for coal mines

As an exception to the "exclusivity" regime, No.94 Notice[5] permits coal mine owners with coal mining licences to undertake "foreign co-operation" on CBM extraction (drainage) from surface ground and CBM recovery from underground coal wells, if such activities are undertaken as part of their coal mining process.

No.94 Notice[6] provides that such "foreign co-operation shall follow the existing laws and policies regulating foreign co-operation or foreign investments". It is unclear how this provision will be interpreted by different regulators in different parts of the PRC.

According to the *Foreign Investment Industrial Guidance Catalogue* (revised in 2011) (《外商投资产业指导目录（2011 修订）》) jointly promulgated by the NDRC and MOFCOM on 24 December 2011, the exploration and development of the CBM and utilisation of the coal mine methane is under the category of "Encouraged" industry, and foreign investments in this industry are limited to joint ventures and "co-operation". Whilst it is not entirely clear how "co-operation" should be interpreted in practice, it appears that this should generally encompass commercial arrangements in the form of EJV and CJV, services arrangements, and production sharing contracts. As production sharing contract is limited to CUCBM and those companies selected from the pilot scheme, it would appear that EJVs and CJVs are the only feasible structures for the cooperation between Chinese coal miners (that do not have the exclusivity right dealing with foreign investors) and foreign investors, where the foreign investors do not want to limit their role to service providers.

(End)

[4] On 30 November, 2010, three other companies have been approved to undertake the foreign CBM co-operation within approved areas. These three companies are China National Petroleum Corporation (中国石油天然气集团公司), China Petrochemical Corporation (中国石油化工集团公司) and Henan Coalbed Methane Development and Utilization Co., Ltd. (河南省煤层气开发利用有限公司).

[5] Art.8, the *Notice on the Relevant Matters Concerning Further Expansion of Foreign Co-operation on Coalbed Methane Development* (《关于进一步扩大煤层气开采对外合作有关事项的通知》).

[6] Ibid.

SCHEDULE 6 - TERMS AND CONDITIONS OF ADVISOR OPTIONS

(a) **Entitlement**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**: Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.04 (**Exercise Price**)

(c) **Expiry Date**: Each Option will expire at 5.00pm (WST) on 30 June 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**: The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exe**rcise: The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**: Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**: If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**: An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**: The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 7 TERMS AND CONDITIONS OF OPTIONS TO RELATED PARTIES

(a) **Entitlement**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**: Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.04 (**Exercise Price**)

(c) **Expiry Date**: Each Option will expire at 5.00pm (WST) on 30 June 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**: The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**: The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**: Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**: If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**: An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**: The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Triple Energy Limited
ACN 116 829 675

Proxy Form

The Company Secretary
Triple Energy Limited

By Delivery:	By Post:	By Email:
38 Station Street	PO Box 899	proxies@tripleenergy.net
Subiaco WA 6008	Cottesloe WA 6011	

I/We [1] ____

Of ____

a) being a Shareholder of the Company and entitled to vote at the General Meeting, hereby appoint [2] ______________________

or ☐ the Chair as my/our proxy

b) or failing such appointment, the chairman of the General Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 38 Station Street, Subiaco Western Australia at 2:00 pm (Perth Time) on 19 December 2012 and at any adjournment thereof in the manner indicated below or, in the absence of such directions, as he thinks fit. If no directions are given, the chairman will vote in favour of all of the resolutions.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

The proxy is to vote for or against the Resolutions referred to in the Notice of Meeting as follows:

		For	Against	Abstain
Resolution 1	Approval for Acquisition Under Listing Rule 11.1.2	☐	☐	☐
Resolution 2	Issue of Shares to the CFT Lenders	☐	☐	☐
Resolution 3	Issue of Performance Shares to the Vendors	☐	☐	☐
Resolution 4	Approval of Share Placement	☐	☐	☐
Resolution 5	Issue of Advisor Options	☐	☐	☐
Resolution 6	Election of Mr Rod Bresnehan as Executive Director	☐	☐	☐
Resolution 7	Adoption of Employee Share Plan	☐	☐	☐
Resolution 8	Issue of Director Options to Related Party – Mr Paul Underwood	☐	☐	☐
Resolution 9	Issue of Director Options to Related Party – Mr Garry Ralston	☐	☐	☐
Resolution 10	Issue of Director Options to Related Party – Mr Richard Hayward	☐	☐	☐
Resolution 11	Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 12	Issue of Shares to Related Party – Mr Garry Ralston	☐	☐	☐

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll

You must either mark the boxes directing your proxy how to vote or mark the box indicating that you do not wish to direct your proxy how to vote, otherwise this appointment of proxy form will be disregarded.

Important for Resolutions 7 to 10 and 12

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 7 to 10 and 12 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐ I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution Resolutions 7 to 10 and 12 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 7 to 10 and 12 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 7 to 10 and 12 and that votes cast by the Chair for Resolutions 7 to 10 and 12, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 7 to 10 and 12 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 7 to 10 and 12.

Authorised signature/s

This section ***must*** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

[1] Insert name and address of shareholder
[2] Insert name and address of proxy

Proxy Notes

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies (an additional Proxy Form will be supplied by the Company on request). Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the meeting must produce the appropriate Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be delivered by the hand, post or email to the addresses set out at the top of the Proxy Form.

THIS PAGE LEFT BLANK INTENTIONALLY