



ASX ANNOUNCEMENT

12 October 2015
by e-lodgement

Triple signs Letter of Intent (“LoI”) to Acquire interests in 4 x CBM blocks in Shaanxi Province, China;

- **One block with 7 x wells already on test production**
- **One block with 2 x wells on test production with near-term full field development plan underway**
- **A first right of refusal over two undeveloped blocks**

The Directors of Triple Energy Limited (ASX: TNP, **Triple** or **Company**) are pleased to announce that the Company has entered into a non-binding Letter of Intent (**LoI**) with Xian Moke Industrial Co. Ltd (**Moke**) to acquire 100% ownership of Moke and consequently an operating interest in up to four coal bed methane blocks (“CBM”) located in the Ordos basin of Shaanxi Province in the Peoples Republic of China (**PRC**).

SUMMARY

The LoI includes total of 4 x blocks covering around 378 km² in the Ordos Basin of Shaanxi Province in PRC. The Tongchuan Block already has eight CBM wells drilled with seven currently on test production.

The WangFeng Block has four wells drilled to date with two on test production and a full field development plan is underway.

This potential acquisition represents a continuation of the Company’s strategy, and adds significant near-term growth opportunities.

1) Wang Feng CBM Block – Shaanxi Province (75% interest - Operator)

This block is 50 kilometres from Wang Feng Hancheng City in Northeast Shaanxi Province. The underpinning coal mining lease area covers an area of 95 km². It is located nearby to transportation infrastructure including rail and roads.

The coal seams are well understood having been mapped by an extensive borehole grid of 93 coal borehole wells and seismic. The coal seams targeted are interpreted at depths of between approximately 450 and 1,000 meters in a simple relatively unfaulted structure.

The coal seams are interpreted to be stacked in two main levels, which are mapped as ranging between 2 and 6.5 meters thick with a gas content of between 10 and 15 cubic meters per tonne.

4 x wells have already been drilled in this block with 2 x understood to be on test production.

Moke has advised that a development preliminary concept/plan has already been prepared wherein around 45 x directional (fracted) wells will be drilled from 15 x vertical well surface locations.

2) Tongchuan CBM Block – Shaanxi Province (75% Interest – Operator)

The Tongchuan Coal Mine area is located in Tongchuan City town Qu Yao, also in the Ordos Basin of the Shaanxi Province in PRC. It is 47km from Tongchuan City and covers an area of about 103km² over four coal mines.

The coal seams are well understood having been mapped by 36 coal borehole wells and seismic data. Moke advises that this block already has 8 x wells drilled of which 7 x are currently on test production (at constrained pump rates awaiting off-take - see photo below)

There are two main coal seams in the developed area are interpreted to occur at depths of between 460 and 1,000 meters. The Chenjiashan seams are understood to have a thicknesses ranging between 3 and 12.0 meters, averaging of 7.0 meters. The Xiashijie seams range between 10.00 to 12.5 meters thick, averaging 11.0 meters.



Map showing location of Triple's existing project in Daqing Basin and the new projects in Ordos Basin

A full field development concept is understood to have been prepared which we believe comprises of another 6 horizontal wells to be drilled (for a total of 13-14 producing wells). The field is understood to produce over a 10 year period. The gas will be used as feedstock for a mini-power-generation station, which will be constructed nearby with the electricity being sold into the electrical grid, located just a few hundred meters away.



COMMENT

The above two CBM blocks held by Moke are well suited to the growth plans and overall strategy of Triple Energy. Specifically, they have the potential to generate near term production and a reserves report will be commissioned in the near future prior to completion of any transaction. This could in turn prepare the Company for a possible dual-listing on the Hong Kong Stock Exchange, subject to all of the listing requirements being satisfied in due course. The other two blocks over which the Lol provides a first right of refusal will be assessed in more detail in due course.

The parties are currently negotiating the final adjusted purchase price, which is intended to be paid by the issue of shares in Triple, subject to the finalisation of due diligence, reserves report and any necessary regulatory approvals etc.

Providing this potential acquisition is advanced to an execution stage after due diligence and agreement on the consideration, a full slide presentation will be made available for investors.

CONTACT DETAILS FOR FURTHER INFORMATION;

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

About Triple Energy and its Existing CBM Activities in China

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

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

The equity in the CJV with Longmay is as follows;

Triple Energy Ltd* - 80% (Operator)

LongMay Coal Mining Company – 20%

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

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

The CJV was formed such that the coals identified for future underground mining by Longmay can be de-gassed and hence facilitate safer mining operations in the future. The coals in the respective lease areas have a history of underground explosions and fires whilst mining and core drilling, due to high gas content.