

TRIANGLE SIGNS FARMOUT AT MT HORNER

The Board of Triangle Energy (Global) Limited (ASX: **TEG**) (**Triangle, the Company**) is pleased to announce that it has entered into a Farmout Agreement with Key Petroleum Limited (ASX:**KEY**) to acquire a 50% participating interest in Production Licence L7(R1) (**Acquisition**). A wholly owned subsidiary of Triangle will hold the relevant interest earned under the Farmout Agreement and Triangle is providing a guarantee of that subsidiary's obligations under the Farmout Agreement.

Triangle's Managing Director Mr Rob Towner said the farmout to the Mt Horner L7 Production Licence (**L7**) further demonstrates the Company's strategy of growth in the Perth Basin.

"Working with our technical advisers, Tamarind Resources Pte Ltd, Triangle has been able to identify the potential for additional reserves at Mt Horner.

"The exploration and redevelopment potential of L7 fits perfectly with Triangle's strategy of exploration for additional reserves within already proven oil fields, like our current strategy at the Cliff Head Oil Field.

"Triangle considers there is potential for significant contingent and prospective resources on the L7 permit and we look forward to working with Key to advance the L7 Mount Horner development and ultimately provide benefits to our shareholders.

"In addition, any extracted oil could potentially be processed at Triangle's onshore Arrowsmith Processing Plant which could add to the economic viability of the L7 development," Mr Towner said.

Summary of the key terms of the Farmout Agreement

The Farmout Agreement is conditional on usual regulatory approvals and the consent of a landholder under an existing compensation agreement. Under the terms of the Farmout Agreement:

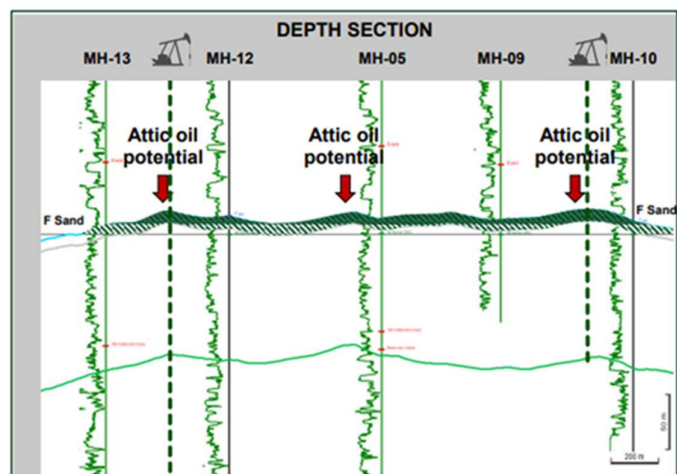
- i. The Joint Venture will commence an Early Work Programme which will include the workover of two of the existing wells at the Mount Horner Oil Field, whereby Triangle and Key are each to contribute 50% of all associated costs
- ii. In parallel with the Early Works Programme, Triangle will develop a work programme that will include a 3D seismic survey of at least 50 km² and a drilling programme of at least two new wells (**Farmin Programme**)
- iii. Triangle shall be responsible for 100% of the cost of the Farmin Programme up to a limit of US\$3 million. Costs of developing and completing the Farmin Programme in excess of US\$3million will be shared in accordance with the participating interests of Key and the Company (with each currently holding 50% each)
- iv. Triangle will earn a 50% equity interest in L7 by completing the Farmin Programme and by carrying Key's proportional costs associated with the development and execution of the Farmin Programme (**Payback Amount**)
- v. Triangle will recover the Payback Amount through the entitlement of 87.5% (based on Triangle holding a 50% participating interest) of production from L7, after completion of

well drilling under the Farmin Programme, for the first two years of commercial production. Triangle shall be entitled to 75% (based on Triangle holding a 50% participating interest) of production in L7 thereafter until the Payback Amount has been recovered

- vi. Triangle retains the option of assuming Operatorship of L7 upon completion of the Early Work Programme and Farmin Programme
- vii. Key is solely responsible for all activities and costs associated with the decommissioning of the existing Mt Horner wells including removal of the surface facilities and rehabilitation of the facility site and access roads. Triangle and Key will share any decommissioning costs which would arise from new wells and any infrastructure to be added to the L7 permit
- viii. Following the completion of the Farmin Programme, Key may elect for its participating interest share of ongoing joint venture costs to be paid for by Triangle. If such an election is made after Triangle has received the Payback Amount, Triangle will be entitled to the receipts of 100% of the production from L7 until the amount that Triangle has paid for on behalf of Key has been recovered by Triangle.

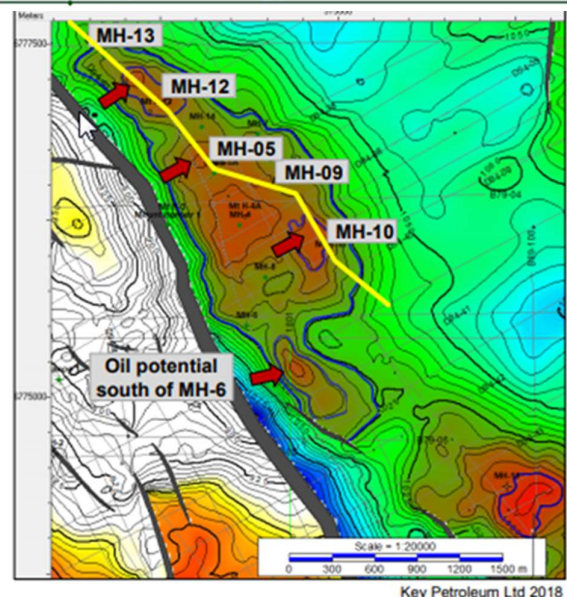
About Mt Horner Production Licence L7

- Excellent infill/step wells can be drilled by optimising the mapping of the best sand distribution from the existing wells and targeting the highest structural location using existing seismic or shooting a new 3D seismic survey over the field
- 2 infill/step out well locations can be selected that optimise sand quality and structure, and are at least 400m from existing producers
- both “attic oil” and residual oil would be accessed for these locations



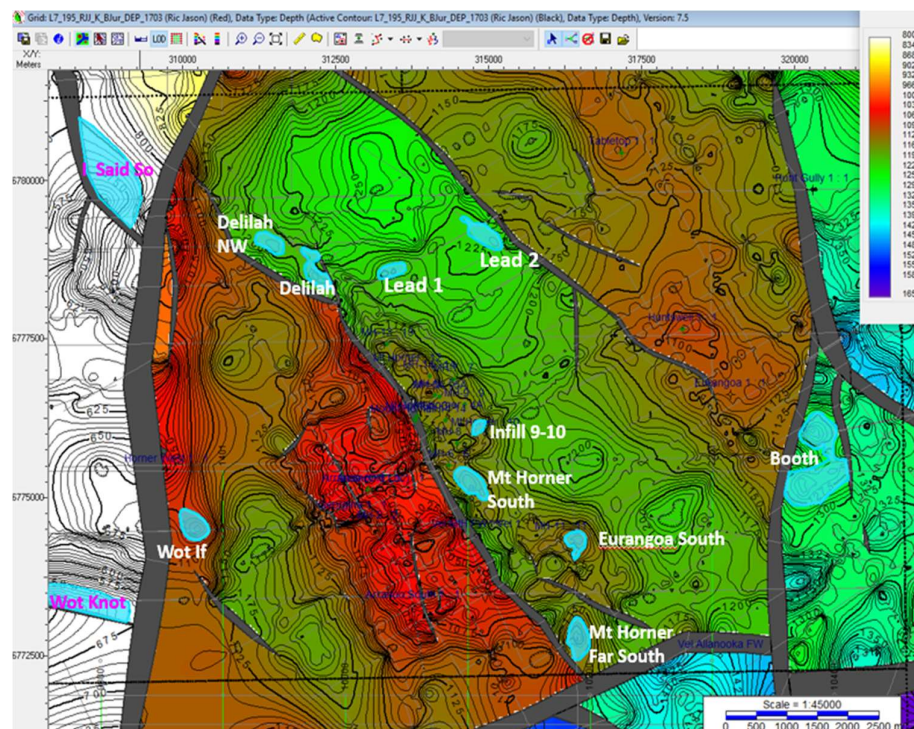
About Mt Horner Production Licence L7 exploration upside

- The Mt Horner licence overlies the Allanooka Terrace in the North Perth Basin and is adjacent to the prolific Dandaragan Trough, and south of Geraldton, located about five hours drive north of Perth
- The Mt Horner Field, which was shut-in during 2011 due to high water cut and aged infrastructure, had produced approximately 1.7 mmbbls of oil, outperforming initial volumetric estimates when the field was first discovered and developed
- Preliminary mapping has identified a Mt Horner lookalike prospect called Delilah, which is on



trend and north of the existing Mt Horner Field with prospectivity at both the Jurassic and Permo-Triassic levels

- The Becos structure/lead in EP437 down dip of the Wye-gas discovery, a similar downthrown fault play as identified in areas in L7, is now mapped to be much larger and spills into L7 based on current 2D seismic
- Much of the Mt Horner oil was produced from the Jurassic level and importantly the Permian and Triassic prospectivity in the norther part of the basin appears to have been overlooked
- Permian and Triassic level oil prospectivity represents an underexplored oil play in the northern margin of the Perth Basin
- Oil was recovered at Mt Horner-3 and 5A on the downthrown side of the Mt Horner Fault from Permian objectives
- The Permian prospectivity has been the focus of gas exploration south at the Dongara and Waitsia Fields by AWE but neglected for oil exploration onshore in the Perth Basin
- Importantly the Dongara and Hovea Fields are interpreted to be dual charge systems where the majority of initially charged oil has been expelled into structures in the northern part of the basin on trend from the Dandaragan Trough which encompasses Key's EP437 and L7 interests.



ENDS

For further information:

Rob Towner Managing Director +61 414 594 868
Darren Bromley Executive Director / CFO / COO +61 419 940 587
admin@triangleenergy.com.au | www.triangleenergy.com.au

Media enquiries:**Margie Livingston, Ignite Communications +61 438 661 131****About Triangle Energy (Global) Ltd**

Triangle Energy (Global) Ltd is an ASX listed (ASX:TEG) oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant, and a 45%¹ share of the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has a 60% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

¹ Subject to the completion of a Sale and Purchase Agreement with Whitebark Energy Limited. See ASX announcement dated 25 October 2018