

ASX: TEG

www.triangleenergy.com.au

52 Wk Share Price Range

\$0.05 – \$0.23

Market Capitalisation (at \$0.105)

\$24.00M

Issued Capital

218.1M Outstanding Shares

6.0M Unlisted Options @ \$0.06

11.1M Unlisted Options @ \$0.15

0.4M Unlisted Performance Shares

Cash (as at 30 June 2018)

\$2.825M

Debt (as at 30 June 2018)

USD 1.26M Loan (Tamarind Energy)

AUD 0.63M TEO Related Party Loan

Top 20 Shareholders (30 June 2018)

63.57%

Directors/Management

Ted Farrell

Non-Executive Chairman

Rob Towner

Managing Director/CEO

Darren Bromley

Executive Director/CFO/COO

Jason Peacock

Non-Executive Director

Wai-Lid Wong

Non-Executive Director

Tim Monckton

Non-Executive Director

Lucy Rowe

Company Secretary

HIGHLIGHTS

Cliff Head Oil Field (Cliff Head) Production

- o Production: 67,954 bbls (747 bopd)
- o Cliff Head Joint Venture (CHJV) crude sales revenue: \$6.22 million (Dec quarter \$6.41 million)
- o Lifting costs: USD 31.71/bbl (previous quarter USD 27.84/bbl)
- o Operating margin: USD 37.58/bbl
- o Margins continue to improve in the current oil price environment

Cliff Head Life Extension Program

- o Static Modelling progressed to identify potential additional resources in near field targets as well as already discovered reservoirs

Corporate

- o Cash: \$2.825 million (31 Dec: \$1.87 million)

Loan Agreement

- o Partial Repayment of USD 1.0 million out of operational cash flow
- o Amendment Deed extends loan repayment date to 30 June 2019

MANAGING DIRECTOR COMMENTS - Mr Rob Towner

Triangle progressed its static remodelling of the Cliff Head Oil Field during the June Quarter and subsequent to Quarter's end, on 2nd and 10th July, announced additional potential resources and potential oil initially in place for both its already discovered reservoirs and near-field targets respectively.

This is very exciting for the Company as we now have Dynamic Modelling underway to confirm these potential additional resources and we can then plan a development program to extract the additional oil, potentially extending the life of field out to 2030 and beyond.

During the Quarter, Triangle partially repaid USD 1.0 million of its loan with Tamarind out of operational cash flow. The balance outstanding is USD 1.25 million. The Amendment Deed extends the term by another year to 30 June 2019 with the USD 1.0 million repaid recently available to be redrawn.

This shows Tamarind's ongoing support of Triangle and our strategy to increase position within the Perth Basin, increase reserves and increase shareholder wealth.

In parallel, with the global oil price increase, we are seeing the significant benefit in all aspects of the Triangle business restructuring programs over the past two years.

It is with pleasure we appointed two new Board members during the Quarter: Mr Jason Peacock and Mr Wai-Lid Wong as Non-Executive Directors. In addition, Mr Tim Monckton was appointed to the Board in July as a Non-Executive Director. These non-executive appointments complement the existing Board for the next period of asset growth and development.

Triangle Energy (Global) Ltd

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COMPANY UPDATE

Cliff Head Oil Field (78.75%)

Production and Revenue

- CHJV production 3 months to 30 June 2018: **67,953 bbls**
- CHJV oil sales revenue June quarter: **AUD 6.220 million**
- CHJV June quarter production rate **747 bopd**

June 2018 Quarter	CHJV Total (100%) AUD '000	CHJV Total (100%) USD* '000	Per barrel USD*
Sales	6.221	4,708	\$69.29/bbl
Lifting costs	(2.847)	(2.154)	(\$31.71)/bbl
Operating margin	3.374	2.554	\$37.58/bbl
Trucking	(0.321)	(0.243)	(\$3.58)/bbl
Routine profit	3.052	2.310	\$34.00/bbl
Non-routine costs	(1.311)	(0.992)	(\$14.61)/bbl
Gross profit before tax	1.741	1.318	\$19.39/bbl

* USD/AUD conversion rate of 0.7569

Note: Triangle's financial reporting for the CHJV is 57.5% of the project as it currently controls two of the three joint venture participants in the CHJV. The remaining 42.5% is controlled 50/50 by Triangle and Royal Energy Pty Ltd (21.25% each) and is not consolidated into the Triangle Group of Companies.

Asset Life Extension and Field Redevelopment Programs

Triangle's Asset Life Extension Program focuses on reservoir remodelling, investment in infrastructure and additional development opportunities.

During the Quarter the Company continued its process of static modelling over its subsurface Cliff Head reservoir to identify previously undrained sections of the field. The modelling has also covered near-field targets with both potentially increasing the field life by many years.

Triangle has invested significant time and resources to undertake the integrated program of full field remodelling and subsurface re-interpretation and is confident of positive outcomes.

Subsequent to the Quarter's end, on 2 July 2018, Triangle announced that static modelling had been completed and results indicate there is potential to recover further resources and reserves from the Company's discovered, already producing reservoirs (Main Horst, West, South and South East Fault Blocks).

The static modelling work included, among other analyses:

- reinterpretation of the seismic static model, which has refined Triangle's understanding of the size and shape of the reservoirs; and
- petrophysical reinterpretation, which updates and revises water saturation, reservoir rock quality and other parameters across the reservoir.

A total of 15.8 million barrels of oil has already been produced from the Cliff Head reservoirs equating to a current oil recovery of 28%, and Static modelling indicates this could potentially be increased to a recovery factor of 35% to 40%.

Dynamic modelling is underway to confirm and quantify any additional contingent resource and reserve volumes. The dynamic modelling will then feed into a more holistic development study which will aim to select the best development concept to extract maximum reserves. The dynamic model is expected to be completed around August 2018.

In addition to the potential in the already producing reservoirs mentioned above, the static modelling also indicated potential in near field targets (see announcement 10 July 2018). The Static Modelling revealed up to 29 million barrels (unrisked, best estimate, evaluation date 2 July 2018) of prospective oil initially-in-place (OIIP), representing 10.2 million barrels of prospective resource in near field exploration targets within the Cliff Head Oil Field (Cliff Head) licence area.

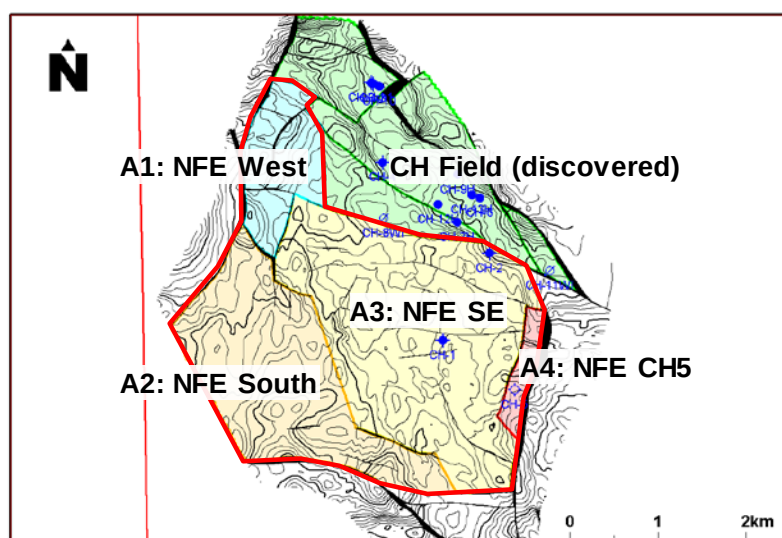
Cautionary statement

The disclosure of prospective oil initially-in-place in this announcement is solely based on the Company's prospective resource estimate detailed below. It is not based on any estimate of petroleum reserves or contingent resources. The prospective resources have not been adjusted for risk.

Reservoir	Area	Low Estimate	Best Estimate	High Estimate
Dongara Sandstone	A1: NFE Weste	0.5	0.6	0.7
Irwin River Coal Measures	A1: NFE West	1.1	1.6	2.2
	A2: NFE South	1.6	2.2	2.9
	A3: NFE South East	3.2	4.2	5.8
	A4: NFE CH5	1.2	1.6	1.9
	TOTAL	7.6	10.2	13.5

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

These near field prospects are located in close proximity to Cliff Head's discovered, producing reservoirs. The development of these volumes would therefore likely take advantage of existing pipelines and infrastructure with specific 'tie in pipelines being the main development commitment. Prospective OIIP volumes are in addition to OIIP in the discovered, already producing Cliff Head reservoirs. It is intended that OIIP in these discovered reservoirs, along with associated reserve and contingent resource values, will be reported once dynamic modelling is complete later in Q3 2018.



Triangle's full field re-modelling and subsurface re-interpretation included remapping and geological modelling extended to cover four recognised near field exploration areas: the NFE West (A1), South (A2), South East (A3) and CH5 (A4) areas (see Figure 1).

The static model shows that, in addition to OIIP volumes and potential to recover further resources and reserves from already discovered and producing reservoirs there is prospective OIIP of up to 29 million barrels in seven targets across the four near field exploration areas.

Figure 1: Field block outline, red out line highlighting Near Field Exploration areas. Field contains already discovered (producing) reservoirs

In addition to the immediate production enhancement opportunities and a potential development project in the Main Cliff Head discovered field, as outlined in an announcement released on 2nd July 2018, the static model defines a near field exploration potential that could lead to a multi-phased field development program. For an assumed recovery factor up to 35%, this could result in a (unrisked) recoverable volume of a further 10.2 million barrels (unrisked, best estimate) extending field life into the 2030's and beyond.

Where previous static models were incrementally updated as drilling and workover programs progressed, Triangle's current model takes a holistic approach with a completely refreshed petrophysical evaluation.

This method resulted in a consistent set of geological characteristics, including a single fault model, for the producing field and near field exploration targets. Triangle can now interpret the seven prospects directly alongside oil in the discovered, currently producing, Cliff Head areas (Figure 2).

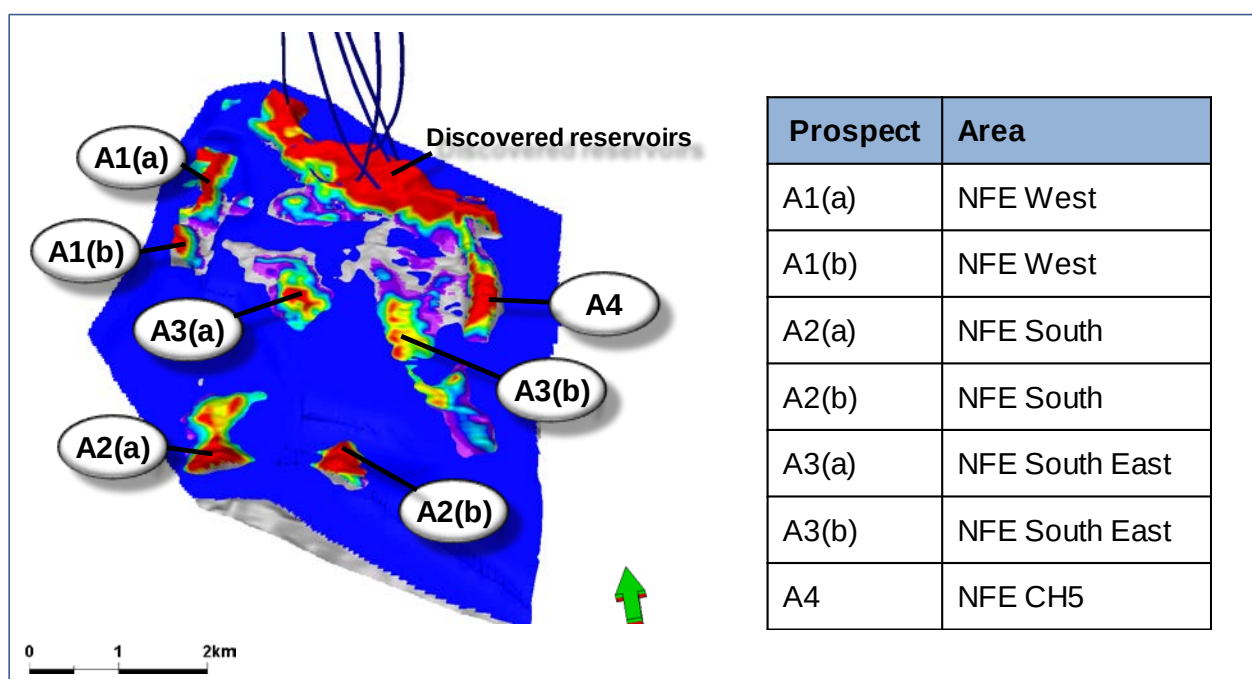


Figure 2: Perspective view of Cliff Head area showing discovered reservoirs and near field exploration prospects - red areas highlight high concentration of oil

Triangle's approach gives a high degree of confidence in the prospect evaluation. Triangle can now see a prospective volume of 29 million barrels against a previous estimate of 15.8 million barrels which is over an 80% increase.

The results from the static model completes the picture on what the future of Cliff Head could look like. With this result, the Triangle team will now generate a full near field exploration program to test and confirm the volumes.

The near field exploration program will be executed in conjunction with Cliff Head development activity, where an integrated Cliff Head development-exploration offshore program is expected to be put in place for 2019.

Cliff Head Well Intervention

On 30 May 2018 a technical issue occurred during steady state production operations which caused well CH12 to stop producing. Following diagnostic tests, it was confirmed the issue was associated with production well CH12's downhole electric submersible pump (ESP).

CH12 has remained offline and the Joint Venture partners have approved the workover program to replace the CH12 ESP.

Planning and preparations have been undertaken to workover wells CH12 and CH07 and production is expected to resume from these wells toward the end of Q3.

Registered Operator of Cliff Head

Subsequent to the end of quarter, on 17 July 2018, Triangle announced that the Company's operating affiliate Triangle Energy (Operations) Pty Ltd (**TEO**) became the Registered Operator of the CHJV onshore and offshore facilities.

When Triangle became the majority (78.75%) owner and operator of Cliff Head in May 2017, a third-party contractor was the Registered Operator of the facilities on behalf of the Joint Venture.

To become the Registered Operator, TEO successfully developed two Safety Cases for the Cliff Head facilities which were accepted and approved by the relevant Regulatory Authorities: The Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) for the onshore Arrowsmith Stabilisation Plant (ASP), and the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) for the offshore Cliff Head Alpha Platform.

Approval of the Safety Cases demonstrated that TEO, as the new Operator of Cliff Head, had properly identified hazards and risks, can describe how the risks are controlled, and defined the safety management system in place to ensure these controls are effectively and consistently applied.

To strengthen the Company's accountability as the Registered Operator, Triangle commissioned a full and independent Operational Readiness Review. This successful review ensures that TEO has the capabilities to not only comply with the approved Safety Cases but also has the full suite of processes, systems and competent people to seamlessly and safely execute production operations upon operatorship handover.

Production Interruption

Subsequent to the end of quarter, on 25 July 2018, Triangle confirmed that an interruption to production occurred on Tuesday 24 July 2018 at the Cliff Head Alpha Offshore Platform located approximately 14 kilometres offshore in the Perth Basin.

Severe weather and sea conditions caused a small crack in the flow meter (Coriolis) on the CH6 Well resulting in a loss of produced fluid (a mix of water and oil) and an interruption to production.

Triangle responded immediately in accordance with the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) accepted Oil Pollution Emergency Plan (**OPEP**). Under the National Plan for Maritime Environmental Emergencies, the incident is classified as a Level 1 (low level) oil spill, which is in the range of zero to 10,000 litres. Current estimates reflect the lower end of this range.

Triangle personnel observed a loss of produced fluid during an inspection on the platform at 0720 hours and immediately shut down the affected Well. Production from additional Wells was shut down shortly afterwards whilst an engineering investigation commenced. Triangle confirmed there was no risk to staff safety.

The Company notified all Regulatory Authorities including NOPSEMA, the Department of Transport (**DOT**), DMIRS, and the Australian Maritime Safety Authority and continues to liaise directly with them.

Triangle implemented oil pollution mitigation measures and strategies which reduce potential environmental impacts of the spill. The Company activated its contracts with The Australian Marine Oil Spill Centre (**AMOSC**) in support of ongoing management of the incident.

Environmental impact has been negligible due to containment on the platform itself and the extreme sea conditions which naturally disperses this type of fluid.

Following aerial and shoreline surveillance, Triangle reported that as of 1500 hours on Thursday 26 July 2018, no observations of hydrocarbons had been sighted in the marine environment or on the shoreline since the initial incident.

After extensive monitoring, late on Friday 27 July 2018, Triangle stood down its Incident Management Team as no further hydrocarbons had been sighted in the marine environment.

Triangle continues to liaise with Regulatory Authorities and monitor and assess the situation as it focuses on operational tasks in order to bring the incident to a satisfactory conclusion.

TP/15 Joint Venture (JV) Xanadu-1 (30%)

Progress continues at the new oil discovery at Xanadu-1 within TP/15 JV. On 23 February 2018, the JV Operator, Norwest Energy NL announced a contract for the acquisition of a 40-square-kilometre seismic survey had been awarded to Synterra Technologies Pty Ltd, a leading global provider of geophysical and technical services.

As Operator, Norwest completed an extensive volume of due diligence work in planning and preparing for this 3D seismic survey. Testing of the acquisition equipment was completed within the TP/15 permit acquisition area to fine-tune and confirm the survey design, and a rigorous technical review has been carried out to ensure the highest quality data is acquired.

Following the award of the acquisition contract, the seismic program is subject only to final regulatory approvals. These regulatory approvals are well advanced. At this time, it has been identified that additional consultation is still required before the Environmental Plan can be considered for approval by the Regulator. Consequently, the timing for the 3D seismic survey has been delayed. The Company will keep the market informed as this process is progressed.



Drilling at Xanadu-1

Currently the TP/15 permit has limited 2D seismic coverage and the Xanadu 3D seismic survey has been designed to test the extent of the Xanadu 1 Discovery and map the Xanadu structure in greater detail. The 3D seismic survey will form the basis for future well locations, expected commercial production rates, a conceptual development plan, oil-in-place analysis, and recoverable volume calculations.

The extensive 40 km² area is designed to fully map the northern up-dip region, and the southern down-dip region extending out to the western flank of the Xanadu structure.

Once the survey data has been processed, interpreted and integrated with Norwest's existing dataset, the TP/15 JV will consider an appraisal well on the Xanadu structure. The seismic data will enable the well surface location and trajectory to be optimally designed to provide the best chance for a significant commercial appraisal.

The TP/15 JV remains fully committed to the development of the Xanadu Discovery. A five-year permit renewal application has now been submitted to the DMIRS with the Xanadu 3D seismic survey fulfilling the Year One commitment of the five-year work program. The work program is currently being prepared aimed at being a high impact, low cost schedule of activities. A substantial component is dedicated towards oil appraisal and exploration given the high economic value of oil production and the high value-add of identifying further reserves. The proposed program will be subject to approval by the TP/15 JV partners and regulatory authorities and includes:

- Petrophysics, geomechanics and reservoir engineering studies;
- Synterra Technologies has been engaged to acquire 42km² of seismic over Xanadu.
- Acoustic modelling has been completed and incorporated into regulatory documentation including the Environmental Plan;
- An extensive consultation process is continuing with related parties;
- Acquisition of seismic now planned later in 2018, avoiding whale migration, tourism and commercial cray fishing season;
- Planning for a proposed side-track well from the Xanadu-1 location; and
- Ongoing studies over the Xanadu structure and other TP/15 prospects.

INVESTMENTS

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Ltd (**State Gas**) with an interest of 35.47% and at the date of this report. The investment is equivalent to \$9.32 million in value at a \$0.195 price per State Gas share.

Triangle's Managing Director, Mr Rob Towner, represents Triangle's interests on the board of State Gas as a non-executive Director.

On 12 June 2018, State Gas provided an operational update on its PL 231 Reid's Dome - Cattle Creek conventional gas project located South West of Rolleston in the Bowen Basin in Central Queensland.

As previously announced, the Phase 1 (Northern Area) seismic reprocessing undertaken by State Gas identified a new potential gas pool located in the north-west of PL 231 (North-West Gas Prospect). The North-West Gas Prospect appears to be hosted within the Cattle Creek Gas Sands and appears to consist of multiple zones to a depth of approximately 500 metres.

State Gas is currently preparing to undertake drilling to test the North-West Gas Prospect. Reid's Dome North-West-1 will be drilled into the target zones. If gas is detected, the well will be logged and tested to provide information on the flow and permeability characteristics of the formation.

The drilling of this well will complete State Gas's sole funding obligations under the Joint Operating Agreement for PL 231. Drilling is expected to be undertaken during the 4th Quarter of 2018. The Phase 2 (Southern Area) reprocessing of historic seismic in the Southern Area of the permit is also expected to be completed in the 3rd Quarter of 2018. Seismic data in the Southern Area is more limited than that available for the Northern Area.

In addition, State Gas is continuing its investigation of options to monetise the gas identified in the Cattle Creek Formation in the Central North gas pool centred around Primero-1, as well as any new gas located in the North-West Prospect.

CORPORATE

Capital and Management Expenditure

As at 30 June 2018, Triangle had a cash balance of \$2.825 million of which \$1.242 million is held in escrow.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd and the CHJV which had \$123k in cash attributed to Triangle at 30 June 2018. This investment is equity accounted for in the Company's financial statements.

Partial Repayment and Extension of Tamarind Loan Agreement

On 28 June 2018, Triangle repaid USD 1.0 million from operational cash flow to Tamarind Resources Pte Ltd (Tamarind) and entered into an Amendment Deed to extend the funding arrangement through to 30 June 2019.

The balance of the outstanding loan has reduced to USD 1.26 million.

The Deed provides for a Loan of up to USD 2.26 million (announced 24 January 2018) and can be repaid in instalments or in full at any time during the 12-month period.

Key terms of the Loan are as follows:

Lender	Tamarind Resources Pte Ltd
Advance Loan Outstanding	USD 1,259,071.29
Advance Loan Term	Expiry 30 June 2019
Interest	10% per annum payable quarterly in advance
Security	The Facility is secured by a charge over all assets of the Borrower

Pase PSC – PT Enso Asia

The Company is owed USD 1.02 million, held in escrow, in relation to the Sale and Purchase Agreement of the Pase Production Sharing Contract (PSC) to PT Enso Asia which completed in February 2016.

The USD1.02 million held under contract, is to be released to Triangle after the Indonesian Ministry of Energy and Resources (ESDM) or Special Unit for Upstream Oil and Gas Operations (SKKMIGAS) provides written approval of the Change of Control of the Pase PSC.

The Company will provide further updates as and when they are available.

Shareholder Analysis

As at 30 June 2018 the Company had 797 shareholders and 218,115,544 ordinary fully paid shares on issue with the top 20 shareholders holding 63.57% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 30 June 2018, the Company held:

- 78.75% interest in WA-31-L in the Perth Basin, Western Australia;

The Group has not acquired or disposed of any other tenements during the quarter.

Marketing and Investor Relations

During the Quarter, Triangle's Managing Director, Rob Towner and Director / Chief Financial and Operating Officer, Darren Bromley presented to brokers, analysts and sophisticated and retail investors around Australia.

On 18 - 20 July 2018, Rob Towner and Darren Bromley attended the Noosa Mining and Exploration Investor Conference. Triangle had an exhibition booth and Rob Towner presented an update on the Company.

BACKGROUND TO OPERATIONS

WESTERN AUSTRALIA

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

The Cliff Head Oil Field is located 10 kilometres off the coast of Western Australia at a water depth of 15-20 metres. The Production Licence WA-31-L covers 72km² and the oil field covers 6km². It was the first commercial oil discovery developed in the offshore Perth Basin. The development cost of the field was AUD 327 million with first oil production commencing in May 2006.

Production is from five ESP production wells and produced water is reinjected into three injection wells. Produced Crude oil is trucked to the BP refinery in Kwinana, 42kms south of Perth.

To date the Cliff Head Oil field has produced 15.771 mmbbls

Facilities and Infrastructure

The Cliff Head facilities are the only offshore infrastructure in the Perth Basin and are therefore important for any development in the surrounding area. An unmanned platform with a 14km pipeline carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith with a production capacity of 15,000 bopd.

Exploration Upside

The Perth Basin has over 60 wells drilled offshore (approximately 47 wildcat wells) and 320 wells drilled onshore. The Northern Perth Basin has 20 commercial oil and gas fields and numerous additional significant discoveries of varying sizes. The Northern Perth Basin has proven production with 10 producing fields and with Cliff Head being the only offshore producing field.

The Cliff Head Joint Venture (JV) has identified near term upside opportunities in the licence. The static model shows that, in addition to OIIP volumes and potential to recover further resources and reserves from already discovered and producing reservoirs there is prospective OIIP of up to 29 million barrels in seven targets across the four near field exploration areas.

The static model completed in July 2018 defines near field exploration potential that could lead to a multi-phased field development program for an assumed recovery factor up to 35%. This could result in a (unrisked) recoverable volume of a further 10.2 million barrels (unrisked, best estimate).

The CHJV continues to assess other potential development and well optimisation opportunities.



Arrowsmith Stabilisation Plant

Any new producing wells within the vicinity can be tied into the existing production platform.

The CHJV has developed a set of near field opportunities within the WA-31-L permit area. The Cliff Head Oil Field and associated prospects comprise fault and dip-closed structures, targeting oil in the stacked sands of the early Permian Irwin River Coal Measures (IRCM) and the underlying High Cliff Sandstone and the late Permian Dongara Sandstone.

Hydrocarbon source is from the early Triassic Kockatea Shale and the early Permian IRCM. The main sealing unit is the regional Kockatea Shale.

Mapping of the Cliff Head Oil Field is based primarily on the 32km² Cliff Head 3D Seismic Survey acquired in October 2003. The CHJV also has 2D seismic surveys over the full permit area.

Since December 2001, the CHJV has drilled 1 exploration well, 4 appraisal and 8 development wells on the Cliff Head Oil Field. Unexploited resource opportunities have been identified in the area of the production license outside of the area currently accessed by the Cliff Head producing wells. If successful, these opportunities could be rapidly tied in to existing facilities and accelerate the production potential. One well has been drilled on the Mentelle structure.

AWE Limited's (**AWE**) appraisal of the Senecio field (tight sands of the Dongara/Wagina Fm) led to discovery of the deeper Waitsia gas field (conventional sands of the Kingia / High Cliff), a new play in the Perth Basin. Waitsia is the largest discovery in the basin since Dongara in the 1960s. Recent exploration offshore includes Murphy's exploration program to the west of Cliff Head (now Pilot Energy Ltd's led JV) and AWE's new block to the northwest of Cliff Head (in the Houtman-Abrolhos sub basin).

There are unexploited resource opportunities identified within and surrounding the Cliff Head production licence. Successful opportunities would leverage current infrastructure leading to rapid tie-in.

Health, Safety and Environment

The CHJV is dedicated to HSE and Asset Integrity Management.

The facility at Cliff Head has been producing oil since May 2006 and the operation has been without significant safety or operation incident since start-up. Offshore Australian projects are subject to the OPGGSA safety case regime and all requirements are implemented at the offshore and onshore facilities.

All environmental requirements (EIAs, EMPs, Oil Pollution Emergency Plans, carbon emissions reporting) are being met.

Through its existing Cliff Head Oil Field production operations, the CHJV has established good relations with the regulators, fishing community, landholding sectors, tourism stakeholders and other operators in the area.

Xanadu - TP/15 Offshore Perth Basin (30%)

TP/15 is located in the offshore northern Perth Basin approximately 280km north of Perth. The permit occupies the 3 nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covering an area of 645km².

Both Cliff Head and Xanadu lie on Beagle Ridge, east of the major Geraldton fault. The oil generation kitchen filling the Cliff Head Oil Field is viewed as the same source kitchen for the Xanadu structure. Cliff Head and Xanadu also share the same sand packages and target reservoirs. The technical understanding of the Xanadu structure including reservoir seal and trap dynamics, is greatly enhanced by the analogous Cliff Head Oil Field.

The Xanadu-1 well was spudded on 4 September 2017 and reached a total depth of 2035 MDRT on 17 September 2017. It was confirmed that the Xanadu-1 well had intersected hydrocarbon bearing intervals as demonstrated by elevated gas readings, oil shows, fluorescence and cut-fluorescence while drilling (see ASX announcement dated 18 September 2017). These drilling results provided sufficient encouragement for the TP/15 JV to commit to running a wireline logging suite that included pressure testing and fluid sampling.

On 25 September 2017, Triangle announced that an oil discovery at Xanadu-1 was confirmed. This was an outstanding achievement and the first oil discovery in the offshore Perth Basin since Cliff Head over 15 years ago.

The wireline logs over a 330m section confirmed reservoir quality sand intervals throughout the Irwin River Coal Measures (IRCM) with porosities ranging from 15-16%. Three discrete sand intervals (A, B, C) at the top of the IRCM had log-derived hydrocarbon saturations between 41-66% with 4.6m of net pay in sand "A".

Fluorescence in rock cuttings were observed while drilling and log-derived hydrocarbon saturations persist for 120m in sands below these upper zones.

Norwest as Operator, and on behalf of the JV, has lodged a Discovery Notice with the Minister for Mines, Industry, Regulation and Safety. This is a requirement under the Guidelines to Petroleum and Geothermal Energy Resources and Petroleum (Submerged Lands) Regulations 2015.

The first phase analysis of the oil recovered from Xanadu-1 samples has now been completed with the initial analyses showing a yield of 34.7o API crude oil with no H₂S and extremely low levels of CO₂ (0.02%). The Xanadu crude is similar to that produced at Cliff Head Oil Field and, upon development, is expected to receive similar pricing in the market. The minimal levels of CO₂ and no H₂S characteristics of the crude oil enable the use of lower-cost, schedule efficient development options.

The Triangle directors believe that there is significant potential at Xanadu. Once the first phase of analysis and review is complete, and all results have been merged into one comprehensive dataset, the J V will be well placed to decide upon the best way forward in the development of the Xanadu Discovery.

During the December quarter, Triangle provided a Discovery Update in relation to the Xanadu project with oil analysis confirming similarity with the oil produced at Triangle's own Cliff Head Oil Field, which is located approximately 14km to the north-west of Xanadu, which means the oil could be processed seamlessly at the Company's onshore Arrowsmith stabilisation plant, expediting any production to market.

The similarities between the Xanadu and Cliff Head crude analysis also suggest that the oil in both fields has probably migrated from the same source. If proved correct, this increases the likelihood that other structures within the area of Cliff Head and Xanadu may also be trapped with oil and the approved 3D seismic acquisition over the Xanadu structure will help analyse and identify additional potential targets. The Company believes that the Cliff Head data can also be used as an analogue in developing future exploration, appraisal, production and development scenarios.



TriangleEnergy

TP/15 Joint Venture

JV Participant	ASX Code	Percentage Interest
Norwest (via subsidiary) (Operator)	ASX:NWE	25%
Triangle (Global) Energy Ltd (via subsidiary)	ASX:TEG	30%
Whitebark Energy Ltd (via subsidiary)	ASX:WBE	15%
3C Group IC Limited (via subsidiaries)		30%

ENDS

For further information:

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Darren Bromley Executive Director / CFO & COO +61 419 940 587
admin@triangleenergy.com.au | www.triangleenergy.com.au

PLEASE NOTE: As at 31 July 2018, the Company's fax number will no longer be operational.

Media enquiries:

Margie Livingston Ignite Communications, +61 438 661 131

Qualified Petroleum Reserves and Resources Evaluator Statement

In accordance with ASX Listing Rules, information in this report that relates to prospective resources has been reviewed and signed off by Mr James Tarlton (Tamarind Management Sdn. Bhd. Director). Information that relates to the prospective resources is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Mr Tarlton. He has provided his written consent to the form and context in which the information that relates to the reserves presented. Mr Tarlton's qualifications include: Bachelor of Applied Science (Honours) from Queen's University at Kingston Ontario Canada. He has 34 years of operating company experience developed through drilling, production and reservoir engineering before transitioning to asset management in Canada, the North Sea and South East Asia. He is a member of the Society of Petroleum Engineers in Malaysia and he is also a registered professional engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA). He consents to that information in the form and context in which it appears

About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX: TEG) oil and gas producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant, and a 30% share of the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a 35.47% interest in State Gas Limited, a company with 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Triangle Energy (Global) Limited

ABN

52 110 411 428

Quarter ended ("current quarter")

30 June 2018

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,980	14,588
1.2 Payments for		
(a) exploration & evaluation	283	(2,671)
(b) development	-	-
(c) production	(1,960)	(10,711)
(d) staff costs	(221)	(1,115)
(e) administration and corporate costs	(166)	(2,239)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(160)
1.6 Income taxes / PRRT paid	-	(456)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,916	(2,763)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(224)	(224)
(b) tenements (see item 10)	-	-
(c) investments	(110)	(110)
(d) other non-current assets	-	-
• reduction in restricted cash	-	-
• Payment to acquire associate	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(334)	(334)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1475
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(32)
3.5	Proceeds from borrowings	634	3,549
3.6	Repayment of borrowings	(1,334)	(1,334)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(700)	3,658

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,866	2,180
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,916	(2,763)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(334)	(334)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(700)	3,658
4.5	Effect of movement in exchange rates on cash held	77	84
4.6	Cash and cash equivalents at end of period	2,825	2,825

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,350	236
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other:		
	- Funds held in escrow	1,242	1,197
	- Cliff Head JV cash at bank	233	433
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,825	1,866

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

(146)

-

Included at 6.1 are:

- Directors fees of \$18k
- Payments made for professional services pursuant to consultancy agreements totalling \$128k

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,915	1,686
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(50)
9.2 Development	-
9.3 Production	(3,490)
9.4 Staff costs	(240)
9.5 Administration and corporate costs	(167)
9.6 Other	-
9.7 Total estimated cash outflows	(3,947)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *(Signed electronically without signature)* Date: 31 July 2018

Print name: Darren Bromley (Director)

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.