



TRIANGLE ENERGY (GLOBAL) LIMITED

ABN 52 110 411 428

ANNUAL REPORT 2019

For the year ended 30 June 2019

CORPORATE DIRECTORY

DIRECTORS

Timothy Monckton (Non-Executive Chairman)
Robert Towner (Executive Director)
Darren Bromley (Executive Director)
Edward (Ted) Farrell (Non-Executive Director)
Jason Peacock (Non-Executive Director)
Wai-lid Wong (Non-Executive Director)

COMPANY SECRETARY

Lucy Rowe

REGISTERED OFFICE

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Tel: +61 (0)8 9219 7111
Email: admin@triangleenergy.com.au
Web: www.triangleenergy.com.au

PRINCIPAL PLACE OF BUSINESS

Australia (Head Office):

Suite 2, Ground Floor, 100 Havelock Street, WEST PERTH, WA 6005, Australia

BANKERS

Westpac Banking Corporation
275 Kent Street Sydney NSW 2000, Australia

SECURITIES EXCHANGE LISTING

ASX Limited
20 Bridge Street Sydney NSW 2000, Australia
ASX Code: TEG

SHARE REGISTRY

Automic
Level 2, 267 St Georges Terrace, Perth WA 6000, Australia
Tel: 1300 288 664 (within Australia)
Tel: +61 (8) 9324 2099 (outside Australia)
Email: hello@automic.com.au
Web: www.automic.com.au

AUDITORS

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street, PERTH WA 6000, Australia

SOLICITORS

Bellanhouse Corporate Law Firm
Level 19, Alluvion, 58 Mounts Bay Rd, Perth WA 6000, Australia



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CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Triangle Energy (Global) Limited (**Triangle, the Company, Consolidated Entity or the Group**) it is my pleasure to present the 2019 Annual Report.

On 21 March 2019, I was pleased to be appointed to this position and I would like to note that for part of the successful year that the Company has experienced, Mr Edward "Ted" Farrell was Non – Executive Chairman, a position he had held for 5 years. I would like to acknowledge Ted for his years of sound guidance and direction as the Company has established and grown our position in the Perth Basin.

Over the last twelve months your Company has strengthened its position in the Perth Basin even further entering strategic transactions and operating initiatives. On 17 July 2018 Triangle's operating affiliate Triangle Energy (Operations) Pty Ltd (**TEO**) became the Registered Operator of the Cliff Head Joint Venture (**Cliff Head**) onshore and offshore facilities.

On 25 October 2018, the Company was pleased to announce it had entered into a Sale and Purchase agreement to acquire an additional 15% participating interest in Exploration Permit TP/15 (**TP/15**) which includes the Xanadu – 1 oil discovery increasing the Company's participating interest in TP/15 to 45%. Triangle believes this transaction is a continuation of the Company's strategy to secure a premier position in the Perth Basin, focused on conventional oil recovery. A 3D seismic programme on TP/15 commenced on 31 May 2019 with the full scope of works completed on 11 July 2019 subsequent to the year end. The 3D seismic data is being processed, interpreted and integrated and when completed the TP/15 Joint Venture Partners will consider an appraisal well on the Xanadu - 1 oil discovery.

Further on 31 October 2018, the Company announced that it had entered a Farmout Agreement with a subsidiary of Key Petroleum Limited (ASX:**KEY**) to earn a 50% participating interest in Production Licence L7(R1) (**L7**). The exploration and redevelopment potential of L7 fits with Triangle's strategy of exploration and development of additional recoverable reserves within Perth Basin identified oil fields, such as the Company's strategy at the Cliff Head Oil Field. Triangle is committed to investment in the L7 permit and we look forward to working with Key Petroleum Limited to advance the L7 Mount Horner development and ultimately delivering benefit to our shareholders.

The Company has enjoyed stable production from the Cliff Head Oil Field at 690 BOPD from 4 producing wells with a facility uptime in excess of 98%. The fields fifth production well, CH13, will be producing in November 2019 with the completion of a workover and replacement Electronic Submersible Pump installation returning production to approximately 1,000 BOPD. The Company has been developing known near field prospects and leads within the Cliff Head Oil Field to enhance production, thereby extending the economic life of the offshore Cliff Head Alpha platform, and onshore Arrowsmith Stabilisation Plant.

Several drilling and workover opportunities in the Cliff Head area have matured to Contingent Resources. Final Investment Decisions (**FID**) for these opportunities is planned for December 2019. Subject to FID and development drilling success, these opportunities will provide new production streams and represents a step change to oil production rates at Cliff Head.

Triangle has a 33.4% equity interest in State Gas Limited (**State Gas**) (ASX:GAS). State Gas owns an 80% interest in PL – 231 which is developing the The Reids Dome Gas Project in the South West Bowen basin. The Company considers its equity interest in State Gas the best ownership structure to assure the project is developed. State gas has an independent Board and management structure based in Brisbane. Our managing Director represents our interest on the State Gas board.

At the end of 2018, Triangle undertook both a Private Placement raising \$1.25 million and an Entitlement Issue raising \$3.78 million and subsequent to the end of the financial year on 11 September 2019 the Company raised a further \$3.6 million with keen support from existing and new shareholders so I welcome you all and look forward to sharing another successful year of milestones with you.

As we continue this new chapter of growth for the Company, I would like to take the opportunity to thank all our employees, contractors, suppliers and partners for their professionalism and hard work throughout 2019. I'd also like to thank my fellow Board members for their advice, direction and support.

Further, I would like to acknowledge the Managing Director, Rob Towner and Darren Bromley, Chief Financial & Operating Officer and his team for working tirelessly again throughout the year in positioning the Company for further growth, development and expansion in the Perth Basin.

Finally, and as always I'd like to thank the Company's shareholders for their support and the Board looks forward to updating you on the Company's future development plans as it continues to take advantage of the many opportunities available in the highly prospective and underexplored Perth Basin region, as we continue to build upon this year's success.

Timothy Monckton
Non-Executive Chairman



DIRECTORS' REPORT

Your directors submit the annual report of the consolidated entity consisting of Triangle Energy (Global) Limited (the **Company, Group, Consolidated entity or TEG**) and the entities it controlled during the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

The Honourable Timothy Monckton

Non - Executive Director appointed 17 July 2018 and appointed Non – Executive Chairman 21 March 2019

Length of Service: 1 year and 2 months

Tim has been in the Stockbroking Industry for over 25 years starting his career as an analyst before moving into sales. Tim is currently an Equity Partner with EL&C Bailieu.

Tim spent eleven years with ABN AMRO/ Royal Bank of Scotland where he was Head of Domestic Sales for six years before being promoted to Managing Director Corporate Broking.

Prior to moving his family to Australia Tim worked for the Albert Abela Corporation. He was employed as Head of Local Human Resources and sat as Chairman of the Albert Abela Group UK.

Mr Monckton does not currently, nor has he held, in the 3 last years, any other listed company directorships.

Mr Monckton was Chair of the Remuneration and Nomination Committee from December 2018 until his appointment as Non – Executive Chair of the Company and remains a member of the Remuneration and Nomination Committee.

Robert Towner

Executive Director - Appointed 9 July 2014

Length of Service: 5 years and 2 months

Rob has over 20 years' experience in the corporate advisory and finance sectors. He was appointed Managing Director & CEO of Triangle Energy (Global) Limited in July 2014 and managed the Company's transition from operating Indonesian based assets to establishing a portfolio of Australian oil and gas projects, including the producing Cliff Head Oil Field and associated infrastructure in the Perth Basin, Western Australia.

Rob has extensive experience in the oil and gas sector and has been involved in a number of capital raisings for projects throughout Australia, Canada, Asia and the USA since the early 1990's.

Rob represents Triangle's 33.34% interest on the board of State Gas Limited as a non-executive Director and is also currently a non-executive director of Botanix Pharmaceuticals Limited and a non-executive director of the unlisted Telethon Type 1 Diabetes Family Centre.

Darren Bromley

Executive Director - Appointed 9 July 2014

Chief Financial Officer - Appointed 12 April 2010, Chief Operating Officer - Appointed 18 December 2017, Company Secretary - 29 June 2012 - 20 November 2017

Length of Service: 5 years and 2 months (9 years and 5 months as CFO)

Mr Bromley has over 27 years' experience in business management and the corporate sector. He was appointed Executive Director of Triangle Energy (Global) Limited in July 2014, and also holds the positions of Chief Financial Officer (April 2010) and Chief Operations Officer (January 2018). He was Company Secretary from June 2012 to November 2017.

Mr His executive capacity at Triangle includes strategy, financial management, operational management and corporate governance functions

His experience includes corporate transactions, mergers and acquisitions, business start-ups capital raisings, financial modelling, business development, operational management and company administration.



DIRECTORS' REPORT (continued)

Darren Bromley(continued)

Darren previously held CFO positions at ASX listed entities Prairie Downs Metals Limited and QRSciences Holdings Limited as well as numerous company directorships and secretary positions. He is currently a non-executive director at Appwell Pty Ltd (Open Negotiation), a technology start-up company.

He holds a Bachelor of Business Degree in Finance, a Master of e-Business and has a great depth of business management and financial experience.

Mr Bromley does not currently, nor has he held, in the last 3 years any other listed company directorships.

Mr Bromley is a member of the Audit Committee.

Edward ('Ted') Farrell

Non-executive Director - Appointed Non – Executive Chairman 26 May 2014, resigned as Non – Executive Chairman 21 March 2019

Length of Service: 5 years and 4 months

Mr Farrell's career includes over 26 years' experience owning and managing a private client share broking and financial advisory practise. He currently provides corporate consultancy services and international consultancy services with relation to Financial Services Industry and Trade, and Economic development projects, between Asia and Australia.

He has been substantially involved with capital raisings, initial public offerings, and company reconstructions over the past 26 years. Mr Farrell brings to the Company extensive experience from the financial services, corporate financing and capital management sectors.

Mr Farrell has held various directorships with private and public companies. He is a Fellow of the National Institute of Accountants, a member of the Australian Institute of Management and a Justice of the Peace.

Mr Farrell currently or in the last 3 years does not have any listed company directorships.

Mr Farrell is a member of the Audit Committee.

Jason Peacock

Non - Executive Director appointed 11 April 2018

Length of Service: 1 year and 5 months

Jason has 18 years of oil and gas experience across production operations, reservoir engineering and petroleum development, and was appointed a Non-Executive Director of Triangle Energy (Global) Limited in April 2018.

Jason has extensive leadership and management experience with both onshore and offshore exploration and development projects with Chevron in the North Sea, Shell in Asia and more recently with AWE in NZ, where he provided technical support and assurance across many of AWE's assets, including Cliff Head.

Jason assumed the role of Asset Manager for the Tui Field in 2009, was promoted to the role of General Manager NZ for AWE in 2015 and in early 2017 commenced the role as NZ Country Manager for Tamarind Resources Pte Ltd (**Tamarind**).

He holds a Bachelor of Science in Geology from the University of Canterbury, NZ and a Master of Science (Honours) in Petroleum Engineering from Heriot-Watt University, Scotland.

Mr Peacock does not currently, nor has he held, in the last 3 years, any other listed company directorships.

Mr Peacock has been the Chair of the Remuneration and Nomination Committee since April 2019.

Wai-Lid Wong

Non-Executive Director appointed 11 April 2018

Length of Service: 1 year and 5 months

Wai-Lid has over 17 years' oil and gas experience in process engineering, operations and asset management roles. He was appointed a Non-Executive Director of Triangle Energy (Global) Limited in April 2018.

Currently, Wai-Lid holds the position of Chief Operating Officer for Tamarind. In this role, he is responsible for the delivery of all aspects of Tamarind's operated business, working closely with Tamarind's Regional leadership.



DIRECTORS' REPORT (continued)

Wai-Lid Wong (continued)

Prior to this, Wai-Lid held Asset Management roles for two Malaysian PSCs and headed all Asset Development and CAPEX Project activity for Talisman / Repsol in Malaysia. Wai-Lid has also spent a period of time within Schlumberger's strategic advisory arm (Asia and Australia) where he assisted a number of Regional E&P Players drive major strategic transformation and performance improvement programs.

Wai-Lid has a PhD and Masters of Engineering (M.Eng.) in chemical engineering from Imperial College, London. Mr Wong does not currently, nor has he held, in the last 3 years, any other listed company directorships. Mr Wong is the Chair of the Audit Committee and is a member of the Remuneration and Nomination Committee.

Company Secretary

Lucy Rowe – Appointed 20 November 2017

Length of Service: 1 year and 10 months

Lucy was appointed Company Secretary of Triangle Energy (Global) Limited in November 2017.

Lucy is an experienced compliance professional, with 19 years' experience in the financial services, oil and gas, and IT industries. Lucy has held the position of Company Secretary of a number of listed and unlisted public companies over the last 10 years. Lucy gained her PS 146 securities adviser accreditation in 2002 and holds a Graduate Diploma in Legal Studies majoring in financial services law.

Interests in the shares and options of the company and related bodies corporate

The following relevant interests in shares and rights of the Company or a related body corporate held as at the date of this report.

Directors	Number of performance rights	Number of fully paid ordinary shares
Timothy Monckton	-	-
Robert Towner	-	13,214,458
Darren Bromley	-	12,284,734
Edward Farrell	400,000	3,234,415
Jason Peacock	-	913,794
Wai-Lid Wong	-	-

REVIEW OF OPERATIONS

Company Overview

Triangle is an experienced and successful oil production and exploration company based in Perth, Western Australia. The Company currently has a 78.75% interest in, and is Registered Operator of, the producing Cliff Head Oil Field, which includes the onshore Arrowsmith Stabilisation Plant and offshore Alpha Platform, located in the Perth Basin. Triangle has a 45% joint venture interest in the Xanadu-1 Joint Venture oil discovery (TP/15), and a 50% interest in the Mt Horner Production Licence (L7(R1)¹) also in the Perth Basin. The Company holds a substantial 33.34% equity interest in State Gas Limited which has an operating interest in the Reids Dome production licence (PL231) in Queensland. The Company continues to assess acquisition and joint venture prospects to expand its portfolio of assets.

Triangle has ten years of operational experience in the oil and gas sector in Australia and Indonesia. The Company has a track record of performing ahead of industry averages in safety performance and will continue to pursue the highest standards in HSE.

Cliff Head, Perth Basin, Western Australia

The Cliff Head Oil Field (**Cliff Head**) is located approximately 270 kilometres north of Perth and 12 kilometres off the coastal town of Dongara in 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 and the development cost of the field was A\$327m with first oil production commencing in May 2006.

¹ ¹ Subject to Completion of the Farmout Agreement with Key Petroleum Limited. See ASX Announcement dated 31 October 2018.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)

Cliff Head, Perth Basin, Western Australia (cont'd)

On 17 July 2018, Triangle announced that its operating associate Triangle Energy (Operations) Pty Ltd (**TEO**) became the Registered Operator of the Cliff Head Joint Venture (**CHJV**) after it 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 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, has properly identified hazards and risks, can describe how the risks are controlled, and has 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. Approval of the two Safety Cases by the Regulators was a major milestone and becoming the Registered Operator of Cliff Head provides Triangle with more control to manage infrastructure in a manner consistent with the Company's operational philosophy.

Cliff Head Renewal Project

Throughout 2019, work has been progressing to identify opportunities to transform production rates and economic life at Cliff Head (**Cliff Head Renewal Project**).

The Company has enjoyed stable production from the Cliff Head field for several months at around 800 BOPD from 4 producing wells with a facility uptime in excess of 98%. The fifth producing well, CH13, is awaiting a replacement of the electronic submersible pump and expected to be brought back online in November returning production to approximately 1,000 BOPD.

The Company has been progressing several opportunities within and near the Cliff Head field to enhance production, thereby extending the economic life of the Cliff Head oil field, and the onshore Arrowsmith Stabilisation Plant (**Arrowsmith; ASP**).

Several drilling and workover opportunities in the Cliff Head area have matured to Contingent Resources. As announced subsequent to the end of the Financial Year 2019², Final Investment Decisions (**FID**) for these opportunities is planned for December 2019. Subject to FID and development drilling success, these opportunities will provide new production streams and represents a step change to oil production rates at Cliff Head. Upon FID, it is intended that the contingent resource will be classed as reserves for the Cliff Head field.

Contingent and Prospective Resources are tabulated below.

Cliff Head							
Gross Contingent Resources				Net TEG 78.75% Contingent Resources			
(MMstb Oil)	1C	2C	3C	(MMstb Oil)	1C	2C	3C
CH11 Recompletion	0.13	0.28	0.85	CH11 Recompletion	0.10	0.22	0.67
SE Nose	0.86	1.43	2.4	SE Nose	0.68	1.13	1.89
West High	0	1.42	1.95	West High	0.00	1.12	1.54
West Flank	0	0.79	1.14	West Flank	0.00	0.62	0.90
CH13 Attic		0.51		CH13 Attic		0.40	
East Horst K Sand		0.36		East Horst K Sand		0.28	
				Total TEG Share		3.77	
Gross Prospective Resources**				Net TEG 78.75% Prospective Resources**			
(MMstb Oil)	Low	Best	High	(MMstb Oil)	Low	Best	High
Cliff Head				Cliff Head (78.75% TEG share)			
Mentelle Updip	0.3	3.3	10	Mentelle Updip	0.24	2.60	7.88
South Cliff Head		3		South Cliff Head		2.36	
				Total TEG Share		4.96	

Table 1 Contingent and Prospective Resources

² See ASX Announcement dated 29 August 2019

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)

Cliff Head, Perth Basin, Western Australia (cont'd)

***The estimated quantities of petroleum that may potentially be recovered by the application of future development projects 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.*

West High and South East Nose to progress to FID

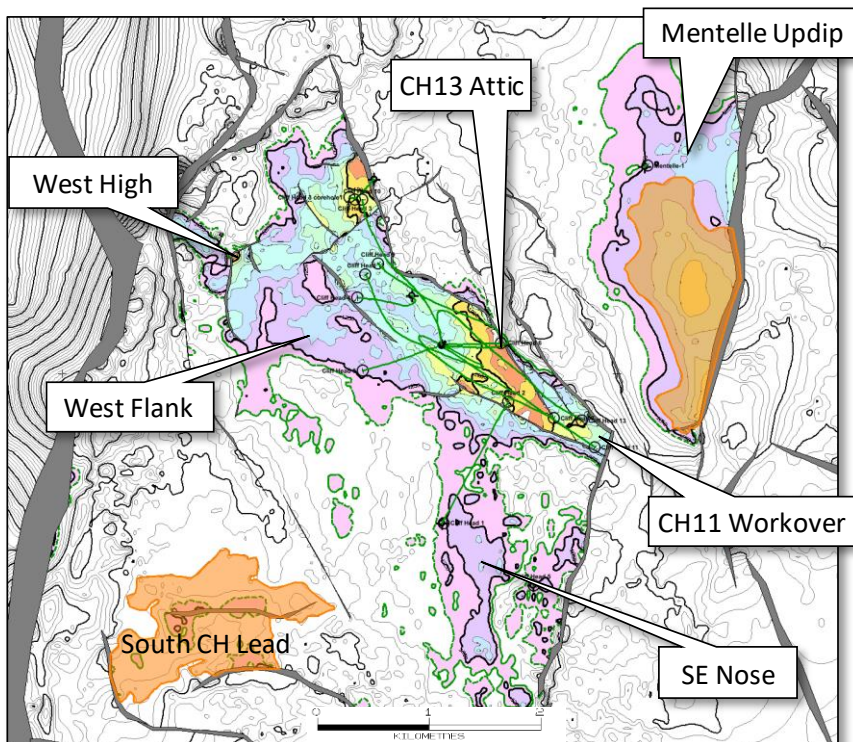
The Company previously announced initial results from static modelling and geological interpretation of Cliff Head field that identified several opportunities (ASX announcement 2 July 2018) and Prospective Resources for several near field features in July 2018 (ASX announcement 10 July 2018).

Over 2019, these opportunities have been further refined. An update of the geological model for the field in advance of the final dynamic modelling is now complete and a dynamic model update is about to commence.

From the geomodel update, previously identified Prospective Resources warrant progression to Contingent Resources at SE Nose (previously referred to as Area A3: NFE South East – ASX announcement 10 July 2018) and West High (previously referred to as Area A1: NFE West – see ASX announcement 10 July 2018). Both opportunities are attractive targets for new wells and will be thoroughly assessed with the dynamic model and evaluated for drilling. Final investment decisions are expected to be made in December 2019. Drilling will follow on quarter 4 2020/Quarter 1 2021 allowing for planning and approval lead times.

West High is an undrilled culmination of the Cliff Head structure that appears to extend the field. A development well for West High can be drilled from the Cliff Head platform. This opportunity is assessed to have 2C Contingent Resources of 1.42 MMstb (gross). Potential production profiles and final resources will be evaluated with the dynamic model. Early assessment of the drilling strategy and expenditure has provided confidence of the robust economic associated with West High. This work will be refined further leading to an investment decision in December 2019.

SE Nose is a broad, low relief culmination immediately updip of the Cliff Head-1 discovery well. This opportunity can also be developed by a single horizontal well from Cliff Head platform. Potential production profiles and final resources will be evaluated with the dynamic model and a drilling strategy and capital expenditure defined during second half of 2019 also leading to an investment decision in December. Early assessment of the drilling strategy and expenditure has provided confidence of the robust economic associated with SE Nose.



Cliff Head area structure map

DIRECTORS' REPORT (continued)**REVIEW OF OPERATIONS (cont'd)****Cliff Head, Perth Basin, Western Australia (cont'd)****Multiple bypassed oil and infill opportunities identified**

Several bypassed and infill oil opportunities have been identified within Cliff Head field and also are being matured for development. These include the shut-in of water injection at Cliff Head 11 followed by the upward recompletion of this well as an oil producer from an upper oil zone, potential attic /bypassed oil at the eastern extent of the field up dip of Cliff Head 13. Infill opportunities at the deeper IRCM K previously reported in July 2018 continue to be assessed.

The conversion of the Cliff Head 11 well to an oil producer is the most mature and highest priority of the infill opportunities under review. It potentially provides an additional production stream at relatively low cost. An investment decision for the workover is planned for November 2019, allowing for planning and procurement lead times, execution of the workover is expected in Q4 2020.

Mentelle near field prospect prioritised for drilling

The near field exploration prospects at Mentelle has been prioritised because it can be developed from Cliff Head platform and has material Prospective Resource. Additional seismic acquisition to develop the prospect for drilling is planned in 2020.

Multiple development drilling programme is planned to commence late Q42020 (subject to FID)

Three opportunities that will deliver material new production streams are being progressed to development decisions this year:

- a workover to convert Cliff Head 11 to an oil producer;
- a development well on SE Nose; and
- an appraisal/development well on West High.

Success with these opportunities will result in a step change in production from Cliff Head and substantially extend the life of the asset.

The investment in infrastructure supports future expected increases in field production and enables the handling of regional oil through the Arrowsmith Stabilisation Plant.

Production

Production during the year is partially from five electric submersible pump 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 30 June 2019, the field has produced 16.078 mmbbls and continues to produce at above originally forecast rates.

Cliff Head Joint Venture (**CHJV**) production 12 months to 30 June 2019: 248,891bbls.

CHJV oil sales revenue 1 July 2018 - 30 June 2019 was \$22.91 million at an annual production rate 690bopd.

Facilities and Infrastructure

The Cliff Head facilities are the only offshore and operational onshore infrastructure in the highly prospective and under-explored Perth Basin, and are therefore important for any exploration success or development in the surrounding area. An unmanned platform in 15m to 20m of water with a 14km pipeline, carries the crude oil to a dedicated stabilisation processing plant at Arrowsmith with a production capacity of 15,000bopd. The crude oil is trucked 350km to the BP refinery in Kwinana. The Arrowsmith stabilisation processing plant has the capacity to process third party crude.

The remotely operated unmanned offshore platform has 5 production wells (CH13 is expected to commence production in November 2019) and 3 water injection wells. The two 14km, 250mm diameter pipelines connect the offshore platform to the onshore crude stabilisation plant. The facility operates on a closed loop water re-injection system.

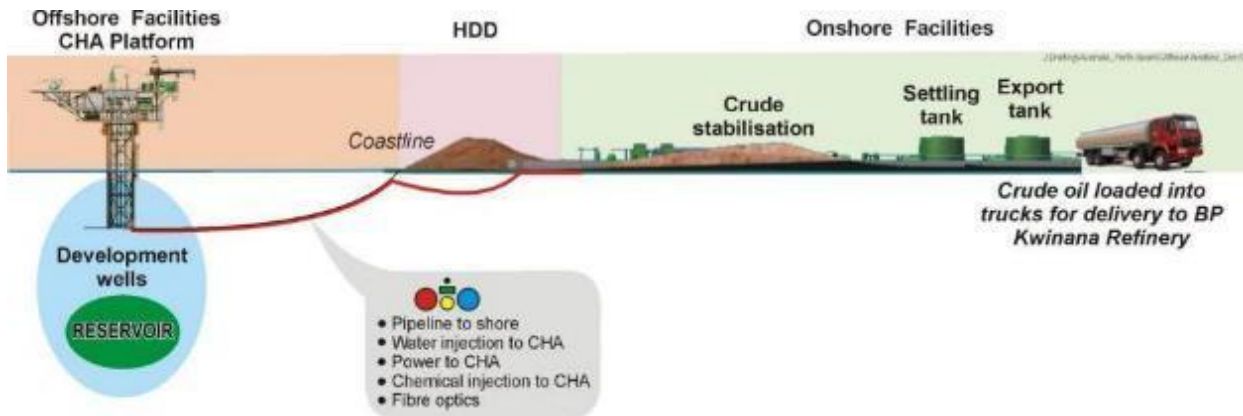
The Asset Life Extension Program announced on 6 March 2018 provides investment into the ongoing upgrade of the onshore and offshore infrastructure to support future expected increases in oil production.

Triangle continues to work with stakeholders to deliver further operational efficiencies in the facility.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)

Cliff Head, Perth Basin, Western Australia (cont'd)



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 being 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.

Notes Regarding Contingent and Prospective Resources

The Contingent Resources for the Cliff Head asset are held under the Production Licence WA-31-L in which Triangle holds a net participating interest of 78.75%. Some of these Contingent Resources were previously reported as Prospective Resources (Triangle Energy ASX announcement of 18 July 2018). West High was previously reported as A1(a):NFE West and SE Nose as A3(b): NFE South East. West High and West Flank are interpreted to be a western extension of the main Cliff Head field and nearby the Cliff Head 8 oil column. SE Nose is updip of the Cliff Head-1 oil recovery. The Contingent Resources are based on detailed interpretation of the Cliff Head 3D seismic survey and geological interpretation based on the Cliff Head exploration, appraisal and development wells that were undertaken as part of the 2019 geological modelling update. The CH11, West High, West Flank and SE Nose Contingent Resources were prepared using the probabilistic method and those for CH13 attic and East Horst K sand were prepared using the deterministic method. These Contingent Resources are contingent on further field development studies and economic evaluation.

The Prospective Resources are also held under the Production Licence WA-31-L in which Triangle holds a net participating interest of 78.75%. The Mentelle and Cliff Head South Prospects are based on the interpretation of 2D seismic data and Cliff Head area wells. The Mentelle Prospective Resources were prepared using the probabilistic method and the South Cliff Head Prospective Resources using the deterministic method. The South Cliff Head prospect was previously referred to as A2(a) NFE South. The acquisition of additional seismic data is planned for 2020 and exploration drilling in 2021. They are considered to have a moderate chance of discovery and a high chance of development if exploration drilling is successful development and can be developed through the Cliff Head infra-structure.

Summations of resources, where present, are arithmetic.

The evaluation date for the Contingent Resources and Prospective Resources reported here is 23 August 2019. The Petroleum Resources were prepared in accordance with the SPE-PRMS (2018).

TP/15 Xanadu Joint Venture

Triangle has a 45% interest in the TP/15 Xanadu Joint Venture which is located in the Perth Basin about 300 kms north of Perth. The permit occupies the three nautical mile wide state territorial waters of Western Australia, adjacent to Port Denison, and covering an area of 645km². Norwest Energy NL (**Norwest**; ASX:NWE) is the Operator of the Joint Venture.

Xanadu-1 was spudded on 4 September 2017, and the well reached a total depth of 2035 MDRT, when it was confirmed that the Xanadu-1 well intersected hydrocarbon bearing reservoirs demonstrated by elevated gas readings, oil shows, fluorescence and cut-fluorescence whilst drilling.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)

TP/15 Xanadu Joint Venture (cont'd)

A suite of wireline logs over a 330m section of the well was run by service provider Schlumberger due to the highly encouraging results encountered while drilling.

On 25 September 2017 Triangle announced confirmation of an oil discovery at Xanadu-1. The wireline logs 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 reported log-derived hydrocarbon saturations of between 41-66% with 4.6m of net pay in sand "A". Fluorescence in rock cuttings observed while drilling and log-derived hydrocarbon saturations persist for 12m in sands below these upper zones but the lower intervals are water-bearing. MDT pressure sampling established a high confidence water gradient and water was flowed and sampled via a wireline tool from the "B" sand despite the high oil saturation.

Results at Xanadu-1 indicate that the assumption of the producing Cliff Head Oil Field being the primary analogue are correct. Analysis of the oil samples obtained from Xanadu-1 are expected to substantiate this. The top section down to 971mMDRT has been cased and cemented in place (approximately 250m vertically above the zone of interest).

On 23 February 2018, Norwest, as the Operator, announced a contract for the acquisition of a 40-square-kilometre seismic survey had been awarded.

The 40km² 3D seismic program has been designed to fully delineate the Xanadu oil discovery, focusing on the northern region, and the southern down-dip region extending out to the western flank of the structure. The seismic programme commenced on 31 May 2019 with the full scope of works completed on 11 July 2019.

Early processed data shows encouraging results and there is confidence that good data quality will be achieved to allow the Joint Venture to define the Xanadu structure and plan the Xanadu-2 follow-up well. The joint venture expects the final PreSTM volume by end September 2019.

Once the survey data has been processed, interpreted and integrated with Norwest's existing dataset, the TP/15 Joint Venture will consider an appraisal well on the Xanadu structure. The seismic data will enable the well location and trajectory to be optimally designed to provide the best chance for a significant commercial appraisal. Subject to Joint Venture approval, the Xanadu-2 appraisal well could be drilled mid-2020.

During the year the Company continued its detailed review of the forward work plan at the Xanadu discovery which includes other potential activity in Exploration Permit TP/15. The Company is encouraged by the additional prospectivity in the permit and is working with our joint venture partners to agree a budget and programme of work to further define this additional prospectivity.

The approval for a side-track well at Xanadu-1 location is already in place and the joint venture continues to monitor rig availability in the Perth Basin.

Final Joint Venture interests

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

Farmout Agreement with Key Petroleum Limited for Production Licence L7(R1)

On 31 October 2018, Triangle announced that it entered into a Farmout Agreement with Key Petroleum Limited (**Key**) (**ASX:KEY**) to acquire a 50% participating interest in Production Licence L7(R1). Key is the operator of the joint venture. A wholly owned subsidiary of Triangle holds the relevant interest earned under the Farmout Agreement,

The Farmout is approved by the West Australian Department of Mines, Industry Regulation and Safety (DMIRS). Finalisation of the landowner consent is ongoing.

The Company has identified multiple "attic" locations for infill development wells and, subject to the completion of the Farmout Agreement, anticipates undertaking 3D seismic as soon as possible and the drilling of at least two in-fill development wells thereafter, subject to normal regulatory and joint venture approvals.

Assessment indicates that L7(R1) captures the bulk of the underexplored Bookara Shelf oil fairway.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd) Investments

State Gas Limited (ASX: GAS)

Triangle is the major shareholder of State Gas Limited (**State Gas**) (**ASX:GAS**) with an interest of 33.34%.

In September 2017, State Gas lodged a Prospectus inviting investors to subscribe for 26,250,000 Shares at \$0.20 to raise \$5.25 million and seek admission to the official list of the Australian Stock Exchange (ASX).

On 10 October 2017, State Gas commenced trading on the ASX following a successful and substantially oversubscribed IPO, raising \$5.25 million. Triangle's managing director Mr Rob Towner represents Triangle's interests on the board of State Gas as a non-executive director.

State Gas holds an 80% majority interest in, and is operator of, the Reids Dome Gas Project (PL 231) in central eastern Queensland, approximately 545 km northwest of Brisbane and 50 km southwest of Rolleston, in the Bowen Basin Central Queensland. The permit hosts both conventional and unconventional gas and is less than 50 km from the high pressure gas pipeline network in Queensland.

In November-December 2018 State Gas, as operator of the Reids Dome Joint Venture, drilled the Primero West-1 and Nyanda-4 wells. The Primero West-1 appraisal well confirmed expectations, encountering the "Primero" gas sand in the Cattle Creek Formation at 131.5m depth, and identifying a net gas bearing zone of up to 12.5m. Gas flowed at a maximum rate of .436 mmscf/d through a 48/64" choke, and laboratory analysis of the composition confirmed it to be 96.7% methane (pipeline quality), a result similar to offset well data.

The Nyanda-4 corehole was the first dedicated coal seam gas well at Reid's Dome. Earlier drilling undertaken in close proximity to the Nyanda-4 site encountered gas shows in association with coal seams. However, that drilling was prior to the establishment of the east coast gas market and related pipeline infrastructure and the coals were not evaluated. Logging and testing activities at Nyanda-4 confirmed a material gas content in the coals and established the potential for a significant coal seam gas project in PL 231.

The final results of Nyanda-4 confirmed the presence of more than 40 metres of net coal from approximately 394 metres depth to its total depth of 1,200 metres, and a further 25m of carbonaceous shales and thinner coal seams (i.e. <0.3m), indicating 65m of coals and carbonaceous shales (excluding conventional sandstones).

The average gas content from cored samples was 14.6 m³/t. Gas content for the thickest seams was ~16.9 m³/t.

In August 2018 Pipeline Survey Licence 2028 was issued to State Gas, enabling investigations to commence for a pipeline route to market.

Gas market forecasting by independent parties has indicated a further tightening of gas available in the east coast domestic market from 2021. Conscious of these forecasts, State Gas is progressing a targeted strategy to bring gas to market from PL 231 at lowest cost, as soon as possible, to meet these shortfalls. State Gas has developed a program targeting first gas in 2021.

State Gas is currently planning a program to appraise the potential of the Reids Dome coals and sands across PL 231, expected to commence in Q3 2019. The Nyanda-4 corehole (drilled in November 2018) provided a data suite on the coals in the southern area of the permit. State Gas will now drill in the north and central areas of the permit to extend its knowledge across the Petroleum Lease. Following drilling and subject to results, State Gas plans to undertake at least two short term production tests to obtain gas production metrics for PL 231. The wells will be selected for production testing based on the initial results of the new wells and the recent results of the existing Nyanda-4 well.

Corporate

Annual General Meeting

Triangle held its Annual General Meeting of shareholders on 26 November 2018, and all resolutions were passed unanimously.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)Capital Raising

Placement and Pro - Rata Non - Renounceable Entitlement Offer

On 13 November 2018, the Company announced it had received irrevocable commitments to raise AU\$1.25 million (before costs) from both Professional and Sophisticated investors who subscribed for 19,282,629 million new ordinary shares at AU\$0.065 per New Share (Placement).

The Placement was completed utilising the Company's existing placement capacity, at that date, under ASX Listing Rule 7.1A.

In addition, Triangle announced an underwritten pro-rata non-renounceable entitlement offer (**Entitlement Offer**) for approximately 58.16 million new shares on the basis of 4 shares for every 15 shares on issue to raise approximately AU\$3.78 million (before costs).

The issue to shareholders was offered on the same terms as the Placement shares. The issue price of AU\$0.065 per share representing an 18.8% discount to Triangle's last closing price of AU\$0.080 on 7 November 2018.

On 30 November 2018, the Company advised that it had issued a replacement prospectus (**Replacement Prospectus**) to reflect changes made to the underwriting of the Entitlement Offer, which moved from being fully underwritten (\$3.78 million) to partially underwritten up to \$2.78 million. The changes to the underwriting of the Entitlement Offer were necessary following the termination of the original underwriting agreement due to the Brent Crude price falling below US\$65 per barrel (ASX: BRENT.IF) and remaining at that level for at least 3 consecutive business days.

The Replacement Prospectus included (among other things) a summary of the terms of the new underwriting agreement inserted a new shortfall offer open to the general public for any shortfall which could have been placed by the Company up to three months after close of the Entitlement Offer, extended the closing date of the Entitlement Offer from 6 December 2018 to 13 December 2018 and included a revised use of funds and pro-forma balance sheet based on the partially underwritten amount.

Following the issue of the Replacement prospectus and the Closing Date of the Entitlement Offer, on 18 December 2018, the Company advised that it had received valid applications under its Entitlement Offer under the Replacement Prospectus dated 30 November 2018, for 25,946,490 New Shares pursuant to eligible shareholders' entitlements and applications for 9,191,043 additional New Shares.

As 26,975,910 New Shares were to be issued to the Underwriter and priority Sub Underwriters, the Company scaled back applications for additional New Shares to a total of 5,242,054 New Shares.

New Shares, the subject of the Entitlement Offer, were issued on 24 December 2018.

Argonaut acted as Underwriter for the partially underwritten Entitlement Offer and Triangle's long-term shareholder Tamarind Resources Pte Ltd, subscribed for its 14.28% pro-rata entitlement and acted as priority sub-underwriter to the Entitlement Offer such that as at the date of this issue of shares, Tamarind and its associates hold a 19.9% relevant interest in Triangle upon the issue of the New Shares.

Placement of Shares to Sophisticated and Professional Investors (Subsequent to balance sheet date)

On 3 September 2019, subsequent to the end of the reporting period, the Company announced it had received irrevocable commitments to raise approximately AU\$3.6 million (before costs) from both professional and sophisticated investors who subscribed for 48,000,000 new ordinary shares at AU\$0.075 per new share (**Placement**).

10,064,476 of the Placement shares was issued on 11 September 2019 under the Company's placement capacity under ASX Listing Rule 7.1A, and the remaining 37,935,524 Placement shares was issued under the Company's placement capacity under ASX Listing Rule 7.1.

Upon completion of the Placement, the 48,000,000 new shares represented approximately 13.3% of the share capital of the Company, which as at the date of this report has 360,753,682 ordinary shares on issue.

The funds raised are being used to replenish funds following the acquisition of long lead items to return CH-13 to production and provide working capital to allow the Company to progress the Cliff Head Renewal Project to FID.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (cont'd)

Pase PSC

Enso Asia Inc.

Triangle is owed US\$1.02 million, held in escrow, in relation to the Sale and Purchase Agreement of the Pase Production Sharing Contract (PSC) by Enso Asia Inc. which completed in February 2016. The US\$1.02 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.

Request for Arbitration from Perusahaan Daerah Pembangunan Aceh

On 6 March 2019, the Company advised shareholders that it had received a request for arbitration from former joint venture partner Perusahaan Daerah Pembangunan Aceh (PDPA), an Acehnese government - owned company, with PDPA filing an application for arbitration with the BANI Arbitration Centre located in Jakarta.

The claim relates to the Production Share Contract for the Pase Concession (in which the Company sold its interest in February 2016, as stated above), with PDPA alleging the Company did not comply with various obligations to make its corporate social responsibility contributions to a community development fund (as to approximately \$1.1M) and to build a road (with PDPA claiming, on the basis of a quote, approximately \$4.8M).

The Company intends to defend the claim and has engaged Indonesian legal counsel to assess the merits of the claim.

Loan Agreement

In March 2017, Triangle entered into a Convertible Loan Agreement (**Convertible Loan**) with Tamarind for US\$1,215,000 for a period of 12 months to 31 March 2018 at an interest rate of 10%. Under the terms of the Agreement, the price for conversion was A\$0.04 per share.

As a Loan Facility Fee, Triangle paid Tamarind US\$120,000 and issued them 6,000,000 options to subscribe for shares in the Company at an exercise price of A\$0.06 per share expiring on 29 March 2019.

On 28 July 2017, Malaysian Securities Exchange listed T7 Global Berhad Company (**T7**) purchased 16.476 million shares from Tamarind for consideration of US\$500,000. Tamarind converted US\$439k of the Convertible Loan at A\$0.04 to facilitate the purchase by T7.

On 5 February 2018, Tamarind converted the US\$785,762 balance of the outstanding Convertible Loan at A\$0.04 per share increasing its equity stake in the Company to 25,289,259 ordinary shares.

No further Convertible Loan was outstanding as at that date.

In the December 2017 Quarter, the Company extended its financing arrangements with Tamarind and on 24 January 2018 executed a Deed of Amendment (**Deed**) to the Convertible Loan. The Deed provided additional terms to the original Convertible Loan and provided the Company with access to a further Advance Loan of US\$259,071.29 to be repaid in full by 30 June 2018.

There were no conversion rights attached to the Advance Loan.

On 28 June 2018, Triangle repaid US\$1.0 million of the Advance Loan from operational cash flow and entered into an Amendment Deed to extend the funding arrangement through to 30 June 2019. The Deed provided for a Loan of up to US\$2.25 million and could be repaid in instalments or in full at any time during the 12-month period.

On 28 June 2019 Triangle advised shareholders that it had repaid the amount outstanding under the Loan of US\$1,383,253.65 to Tamarind, prior to the expiry of the extended Loan Term of 30 June 2019 and thus fulfilling all its obligations under the Loan.

The repayment was made using a mix of cashflow and intercompany loan funding.

DIRECTORS' REPORT (continued)

Capital and Management Expenditure

As at 30 June 2019, Triangle had a cash balance of \$2.490 million of which \$1.452 million is held in escrow.

The Company also holds a 50% equity interest in Triangle Energy (Operations) Pty Ltd and the CHJV which had \$0.12 million in cash attributed to Triangle at 30 June 2019. This investment is equity accounted for in the Company's financial statements.

The Company continues to implement initiatives to reduce operating expenditure and has achieved significant cost reductions across all aspects of the Cliff Head joint venture.

Changes in Capital

Shares

- On 20 November 2018 the Company issued 19,282,629 at an issue price of \$0.065 per share to sophisticated investors.
- On 24 December 2018 the Company issued 58,164,457 at an issue price of \$0.065 per share to existing shareholders under a rights issue.
- On 24 December 2018 the Company issued the consideration share of 11,191,052 for the purchase of 15% of exploration licence TP/15. The fair value of the shares at the date of issue was \$0.072 per share.
- On 1 April 2019 the Company issued 6,00,000 fully paid ordinary shares following the exercise of options at \$0.06.

Loan and borrowings

The Company considers loans to be part of its capital management. Details of which can be found above.

Shareholder Analysis

As at 30 June 2019 the Company had 906 shareholders and 312,753,682 ordinary fully paid shares on issue with the top 20 shareholders holding 59.49% of the total issued capital.

Information in relation to ASX Listing Rule 5.4.3

At 30 June 2019, the Company held:

Licence	Percentage Interest
WA-31-L	78.75%
TP15	45%
L7(R1)	50% ³

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

Principal Activities

During the year, the principal continuing activities of the Group was the sale of oil from its 78.75% share of the Cliff Head producing oil field.

Operating results

The net loss of the Consolidated Entity after income tax for the year was \$1.764M (2018 net loss: \$5.933M) which mostly consists of non-cash expenditure. The key reasons for the result for the year ended 30 June 2018 are set out below:

- The Company experienced significant one-off costs within its cost of sales of \$0.760 million in relation to an incident on the platform with its CH6 pump;
- The Company wrote-off part of its deferred tax asset relating to the PRRT credits after a revision downward to the carrying value of the provision for rehabilitation. The total write-off was \$0.659million;
- The Company had \$0.949 million of non-cash amortisation and interest (relating to the unwind of the discount factor on the rehabilitation provision); and
- The Company incurred a loss from associates of \$0.407 million for the full year (2018: loss of \$1.209).

³ Subject to Completion of the Farmout Agreement with Key Petroleum Limited. See ASX Announcement dated 31 October 2018.



DIRECTORS' REPORT (continued)

Financial position

The Company acquired 50% of Cliff Head's operating company, ROC Oil (WA) Pty Ltd, on 22 May 2017 and changed its name to Triangle Energy (Operations) Pty Ltd. The Company currently accounts for this investment as an associate on the basis that it is jointly controlled by both shareholders.

The Company holds an investment in State Gas Limited of 33.34% after this company listed on the ASX in October 2017. The investment is considered to be an associate given the Company's significant shareholding and one director on the board.

The Company financial statements show the following key movements in the Group's assets and liabilities over the two periods:

- Decrease in cash assets by \$0.469M to \$2.49M (2018: \$2.959M);
- Increase in trade receivables by \$0.311M to \$1.136M (2018: \$0.825M);
- Decrease in trade and other payables by \$0.099M to \$3.813M (2018: \$3.91M);
- Decrease in other receivables by \$1.281M to \$0.470M (2018: \$1.752M);
- Non-current assets increased to \$24.23M (2018: \$25.461M); and
- Non-current liabilities increased to \$21.1M (2018: \$20.822M).

At 30 June 2019 the Consolidated entity had a working capital deficiency of \$0.586M (2018: deficiency of \$0.695M).

Dividends

During the financial year the Company did not pay a dividend (2018: nil).

Treasury Policy

The Board is responsible for the treasury function and managing the Group's finance facilities.

Risk Management

The Board takes a pro-active approach to risk management. The board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the board.

Occupational Health and Safety

The Consolidated Entity has an excellent safety record and focuses on safety awareness and safe work processes especially in the field. Occupational health and safety performance is continually monitored. Triangle Energy (Operations) Pty is the operator of the Cliff Head asset and works closely with the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) guidelines to monitor and approve safety practices.



DIRECTORS' REPORT (continued)

Environmental Regulations

The Consolidated Entity's operations are subject to environmental and other regulations. The Consolidated Entity has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. The Company monitors compliance with relevant legislation on a continuous basis and maintained its excellent operating record during the year of zero environment incidents.

Greenhouse gas and energy data reporting requirements

The National Greenhouse and Energy Reporting Act 2007 requires the group to report its annual greenhouse gas emissions use. The group has implemented systems and processes for the collection and calculation of the data required and will be submitting its 2018/2019 report to the Greenhouse and Energy Data Officer on 31 October 2019.

State of Affairs

During the year, the Consolidated Entity continued to participate in the Cliff Head oil production asset in Western Australia through its 78.75% interest. The Company also participated in the acquisition of a 3D seismic program with the TP/15 Xanadu Joint Venture.

Triangle continued to hold an investment in State Gas Limited which operates the Reids Dome exploration asset in Queensland and holds an 80% interest. Dome Petroleum PLC hold the remaining 20% interest.

Qualified Petroleum Reserves and Resources Evaluator Statement

Information in this report that relates to prospective resources has been reviewed and signed off by Mr Matt Fittall, the Company's Subsurface Manager. 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 Fittall. He has provided his written consent to the form and context in which the information that relates to the reserves presented. Matt Fittall is a geologist and senior industry executive of over 30 years standing. He has a foundation of 25 years' experience in a range of technical, operational and management roles with major Operators, primarily BHP Billiton, and also Delhi Petroleum (now a subsidiary of Beach Energy). Mr Fittall is a Geologist BSc(hons)Geology with more than 30 years' experience, practising in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australia (PESA). He consents to that information in the form and context in which it appears.

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of **Triangle Energy (Global) Limited (Triangle, The Company, Consolidated Entity or The Group)** for the financial year ended 30 June 2019. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

In January 2019, the Board engaged Godfrey Remuneration Group Pty Ltd (GRG) to review its existing remuneration policies and to provide recommendations on executive short-term and long-term incentive plan design and non – executive director remuneration. GRG was paid \$27,500 as at 30 June 2019 to perform these services.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- GRG was engaged by, and reported to, the Chair of the Remuneration Committee. The agreement for the provision of the remuneration consulting services was executed by the Chair of the Remuneration Committee under delegated authority on behalf of the Board;
- The report containing the remuneration recommendations was provided by GRG directly to the Chair of the Remuneration Committee; and
- GRG were permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives, if so required. However, GRG was not permitted to provide any member of management with a copy of their draft or final report that contained remuneration recommendations.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

DIRECTORS' REPORT (continued)
REMUNERATION REPORT (Audited)

The following table shows the gross revenue, profits/losses and share price of the Consolidated Entity at the end of the respective financial years.

	30 June 2019	30 June 2018
Revenue from continuing operations	\$13.2M	\$13.6M
Net loss	(\$1.764M)	(\$5.933M)
Share price	\$0.076	\$0.10

Key Management Personnel
(i) Directors

Timothy Monckton	Non-Executive Chairman	(appointed Non – Executive Director 17 July 2018, appointed Non – Executive Chairman 21 March 2019)
Robert Towner	Managing Director	(appointed 9 July 2014)
Darren Bromley	Executive Director	(appointed 9 July 2014)
Edward Farrell	Non-Executive Director	(appointed 26 May 2014)
Jason Peacock	Non-Executive Director	(appointed 11 April 2018)
Wai-lid Wong	Non-Executive Director	(appointed 11 April 2018)

(ii) Executives

Robert Towner	Corporate and Strategy Managing Director	(appointed 1 January 2013) (appointed 9 July 2014)
Darren Bromley	Chief Financial Officer Chief Operating Officer Company Secretary	(appointed 12 April 2010) (appointed 18 December 2017) and (appointed 29 June 2012, resigned 20 November 2017)

Remuneration Philosophy

The Consolidated Entity's policy for determining the nature and amount of remuneration of board members and senior executives is as follows:

(i) Non-Executive Directors

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to its non-executive directors and reviews their remuneration annually.

The maximum aggregate annual remuneration of non-executive directors is subject to approval by the shareholders in general meeting. The shareholders have approved the maximum aggregate remuneration amount to be \$500,000 per year. The directors have resolved that fees payable to the non-executive chairman is \$72,000 per year and current non-executive directors for all board activities are \$36,000 per year with new non-executive directors to receive \$49,000 per year.

(ii) Key management personnel

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) Competitiveness and reasonableness;
- (ii) Acceptability to shareholders;
- (iii) Performance linkage / alignment of executive compensation to key strategic goals on a case by case basis;
- (iv) Transparency; and
- (v) Capital management.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

- (i) Focuses on sustained growth in shareholder wealth;
- (ii) Attracts and retains high calibre executives;
- (iii) Alignment to program participants' interests;
- (iv) Rewards capability and experience;
- (v) Provides a clear structure for earning rewards; and
- (vi) KPIs are not used to determine remuneration.

Base pay and benefits

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the board's discretion. Base pay is reviewed annually to ensure the executives' pay is competitive with the market. There are no guaranteed base pay increases included in any executives' contracts.

Incentive compensation

Incentive compensation can be provided using a combination of the Triangle Energy Employee Rights Plan and short term cash payments.

The TEG Employee Share Option Plan and the TEG Employee Rights Plan (**the Plans**) are designed to provide incentives for executives to deliver shareholder returns. Under the plans, participants are granted Performance Shares, Options or Rights which vest if certain performance targets are met and the employees are still employed by the group at the end of the vesting period unless the board determines otherwise. Participation is at the board's discretion and no individual has a contractual right to receive any guaranteed benefits.

Where rights have been issued under the Plans, the board may vest some or all of the Rights of a participant even if a performance condition or other vesting condition has not been satisfied. There are no other Long-Term incentives.

The relative proportions of executive remuneration that are linked to performance is nil. The amount of fixed and at risk remuneration is set out below:

	Fixed Remuneration		At risk - STI	
	2019	2018	2019	2018
<i>Directors of Triangle Energy (Global) Limited</i>				
Edward Farrell	92%	80%	8%	20%
Robert Towner	89%	100%	11%	-
Darren Bromley	89%	100%	11%	-

Service agreements

There are no retirement allowances or other benefits paid to non-executive directors.

Remuneration and terms of employment for other key management personnel are formalised in consultancy and employment agreements. The major provisions relating to remuneration to existing directors are set out below.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Darren Bromley, Executive Director / Chief Financial Officer and Chief Operating Officer

- Term of agreement – indefinite;
- Base fee of \$350,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Robert Towner, Executive Director

- Term of agreement – indefinite;
- Base fee of \$350,000;
- Superannuation of 9.5% is payable under the agreement;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only; and
- Contract may be terminated early by the Company with six months' notice, or by the executive with two months' notice.

Termination benefits

Post-employment benefits include accrued long service leave to Mr Bromley and Mr Towner, which is due and payable after three consecutive years of service. No other termination benefits are payable.

Employee Incentive Plan

The Company has the TEG Employee Share Option Plan and the TEG Employee Rights Plan approved by shareholders in November 2016 under which the directors are able to offer rights in respect of ordinary shares in the Company to eligible persons.

Details of remuneration

Details of the remuneration of the key management personnel of the Consolidated Entity are set out in the following tables.

	Cash Salary & fees	Cash benefits ⁵	Super- annuation	Long Service Leave ³	Security- based payments ⁴	Total	% of Remunera- tion linked to performance
	\$	\$	\$	\$	\$	\$	
2018/19							
Directors							
E Farrell	¹ 63,000	-	-	-	² 5,283	68,283	-
R Towner	¹ 350,000	52,500	38,237	25,653	-	466,390	-
D Bromley	¹ 350,000	52,500	38,237	12,827	-	453,564	-
W Wong	¹ 36,000	-	-	-	-	36,000	-
J Peacock	¹ 36,000	-	-	-	-	36,000	-
T Monckton	¹ 45,000	-	-	-	-	45,000	-
	880,000	105,000	76,474	38,480	⁴ 5,283	1,105,237	-

¹ Amounts paid and payable;

² Performance rights issued on 30 November, refer to the share tables on the next page;

³ Long service leave amounts calculated in accordance with AASB 119 with reference to the contracts;

⁴ The annual value of performance rights in accordance with AASB 2 Share-based Payment;

⁵ The executive directors have been provided with a short-term cash incentive bonus paid as a result of the review by an external remuneration consultant;

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Details of remuneration (cont'd)

	Cash Salary & fees	Cash benefits	Super-annuation	Long service leave	Security-based payments	Total	% of Remuneration linked to performance
	\$	\$	\$	\$	\$	\$	
2017/18							
Directors							
E Farrell	¹ 72,000	-	-	-	² 88,667	160,667	-
R Towner	¹ 350,000	-	33,250	-	² 700,000	1,083,250	-
D Bromley	¹ 350,000	-	33,250	-	² 700,000	1,083,250	-
W Wong	¹ 8,000	-	-	-	-	8,000	-
J Peacock	¹ 8,000	-	-	-	-	8,000	-
T Monckton	³ -	-	-	-	-	-	-
	788,000	-	66,500	-	⁴ 1,488,667	2,343,167	-

¹ Amounts paid and payable;

² Performance rights issued on 30 November, refer to the share tables below. Total vested rights value \$56,000, recognised cost of unvested rights \$32,667;

³ Appointed after year end;

⁴ The value at date of grant calculated in accordance with AASB 2 Share-based Payment vested during the year as part of remuneration;

Share-based compensation

No rights have been issued in the current year.

Details of rights in relation to ordinary shares in the Company provided as settlement or salary and directors fees payable relating to the period ended 30 June 2018 to each director of Triangle and each of the key management personnel of the parent entity and the group are set out below. When the performance rights vest each right convert into one ordinary share of Triangle Energy (Global) Limited. Further information on the rights is set out in note 3.2 to the annual financial report.

	Number of rights granted during the year	Value of rights at grant date*	Number of rights vested during the year	Value of rights at vesting date*	Number of rights lapsed during the year	Value at lapse date
		\$		\$		\$
2018						
Directors of Triangle Energy (Global) Limited						
Edward Farrell	800,000	112,000	400,000	56,000	-	-
Robert Towner	4,000,000	700,000	4,000,000	700,000	-	-
Darren Bromley	4,000,000	700,000	4,000,000	700,000	-	-
	8,800,000	1,512,000	8,400,000	1,456,000	-	-

* The value at grant date calculated in accordance with AASB2 Share-based payment of rights granted during the year as part of remuneration. These have been valued at the share price on the grant date of the performance rights.

The assessed fair value at grant date of rights granted to the individual is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Fair values of Rights vesting immediately are valued at the closing price on the day the Rights are granted. For the Rights above this was the 23 October 2017 and 30 November 2017 closing price being \$0.175 and \$0.14.

Fair values of Rights with performance criteria are determined at grant date that takes into account the vesting conditions, the term of the right and the share price at grant date.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Details of remuneration: Share based compensation benefits

The table below shows the vesting period of the Rights.

Share-based compensation benefits (rights)

	Year granted	Vested %	Forfeited %	Financial years in which rights vest	Maximum total value of grant yet to vest \$
Edward Farrell	2017/2018	50%	-	2019	56,000
Robert Towner	2017/2018	100%	-	2018	-
Darren Bromley	2017/2018	100%	-	2018	-

Additional disclosures relating to key management personnel

Related party transactions

There have been no other transactions or loans with key management personnel during the reporting period.

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity including their personally related parties, is set out below:

Ordinary Shares	Balance at beginning of year or appointment date	Rights vested to shares	Issued on exercise of options	Purchased or acquired	Other changes	Balance at end of year or date of resignation
2019						
Directors						
E Farrell	2,700,000	-	-	624,411	-	3,324,411
R Towner	12,172,686	-	-	1,041,772	-	13,214,458
D Bromley	10,786,273	-	-	1,498,461	-	12,284,734
W Wong	-	-	-	-	-	-
J Peacock	913,794	-	-	-	-	913,794
T Monckton	-	-	-	-	-	-
Total	26,572,753	-	-	3,164,644	-	29,737,397

Option holding

There are no options over shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity.

Share rights

The number of rights over shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity including their personally related parties, is set out below:

Share rights	Balance at beginning of year or appointment date	Granted as compensation	Rights vested to shares	Net change	Other	Balance at end of year or date of resignation
2019						
Directors						
E Farrell	400,000	-	-	-	-	400,000
R Towner	-	-	-	-	-	-
D Bromley	-	-	-	-	-	-
Total	400,000	-	-	-	-	400,000

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Voting of shareholders at last year's annual general meeting

The Company received more than 98.23% of 'yes' votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings*		Remuneration and Nomination Committee		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
E Farrell	9	8	-	-	2	1
R Towner	9	9	-	-	-	-
D Bromley	9	9	-	-	2	2
W Wong	9	9	2	2	2	2
J Peacock	9	8	2	2	-	-
T Monckton ¹	8	8	2	2	-	-

*Board business during the year has also been affected by execution of circulated resolutions by directors.

¹Appointed 17 July 2018.

Indemnification and insurance of Directors and Officers

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against a liability incurred by such directors and officers to the extent permitted by the Corporations Act 2001. The nature of the liability and the amount of the premium has not been disclosed due to confidentiality of the insurance contracts. The Company has not otherwise during or since the end of the year, indemnified, or agreed to indemnify an officer or an auditor of the Company, or of any related body corporate, against a liability incurred by such an officer or auditor.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of the proceedings.

The Company was not a party to any such proceedings in the year.

Events subsequent to the end of the financial year

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years, other than the following:

- On 3 September 2019, subsequent to the end of the reporting period, the Company announced it had received irrevocable commitments to raise approximately AU\$3.6 million (before costs) from both professional and sophisticated investors who subscribed for 48,000,000 new ordinary shares at AU\$0.075 per new share (Placement). These shares were issued to shareholders on 11 September 2019.

DIRECTORS' REPORT (continued)

Likely Developments

The Company's focus for the next year will include:

- (a) the continued operation of the Cliff Head oil field;
- (b) commencing exploration activity within the Cliff Head production licence;
- (c) working with its joint venture partners to progress the Xanadu discovery; and
- (d) progress the Mt Horner joint venture farmout activities.

The Company may also look for additional opportunities within the oil and gas sector.

Corporate Governance

The Company's corporate governance statement can be found on the Company's website, in a section titled 'Corporate Governance':
<http://triangleenergy.com.au/about/corporate-governance/>

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd (WA) Partnership to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 25 and forms part of this directors' report for the year ended 30 June 2019.

HLB Mann Judd (WA) Partnership and their related entities received or are due to receive the following amounts for the provision of non-audit services:

	2019	2018
	\$	\$
HLB Mann Judd associated entities:		
Tax Compliance and advice	-	-
	-	-

Signed in accordance with a resolution of the directors.



Timothy Monckton

Chairman

Date: 24th September 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Triangle Energy (Global) Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
24 September 2019



B G McVeigh
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(INCOME STATEMENT)
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	1.1	13,174,305	13,600,032
Cost of sales		(9,750,172)	(10,420,902)
Gross profit		3,424,133	3,179,130
Other income	1.1	161,513	162,242
Employment expenses	1.2	(1,683,120)	(2,813,071)
General and administration expenses	1.2	(1,200,000)	(1,376,943)
Occupancy costs		(5,995)	(32,599)
Interest cost		(444,680)	(731,129)
Amortisation and depreciation	2.1	(644,701)	(922,581)
Fair value financial instrument through profit or loss	3.3	-	19,333
Share of associate's loss	2.3	(407,968)	(1,209,202)
Interest – unwind of discounts for provision for restoration	4.6	(304,711)	(336,750)
(Loss) / Profit before income tax expense		(1,105,529)	(4,061,570)
Income tax (expense) / benefit	1.3	(659,041)	(1,871,599)
(Loss) / Profit after tax from continuing operations		(1,764,570)	(5,933,169)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax			
Owners of Triangle Energy (Global) Limited		(1,764,570)	(5,933,169)
Continuing operations (cents)	1.4		
Basic earnings per share		\$(0.007)	\$(0.030)
Diluted earnings per share		\$(0.007)	\$(0.030)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)
AS AT 30 JUNE 2019

	Notes	30 JUNE 2019 \$	30 JUNE 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3.1	2,490,036	2,959,183
Trade receivables	4.1	1,136,967	825,319
Other receivables and assets	4.2	470,443	1,752,123
Total current assets		4,097,446	5,536,625
NON-CURRENT ASSETS			
Plant and equipment	4.4	76,347	4,929
Exploration and evaluation expenditure	2.2	10,784,264	6,749,266
Fair value through other comprehensive income	4.3	110,000	110,000
Investment in associates	2.3	493,026	885,995
Oil and gas properties	2.1	4,950,760	3,697,689
Deferred tax assets	1.3	7,817,951	8,476,992
Total non-current assets		24,232,348	19,924,871
TOTAL ASSETS		28,329,794	25,461,496
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4.5	3,813,010	3,912,817
Derivative financial instrument	3.3	-	-
Borrowings	3.5	870,967	2,319,510
Provisions	4.6	-	-
Total current liabilities		4,683,977	6,232,327
NON-CURRENT LIABILITIES			
Provisions	4.6	21,126,599	20,821,888
Deferred tax liabilities	1.3	-	-
Total non-current liabilities		21,126,599	20,821,888
TOTAL LIABILITIES		25,810,576	27,054,215
NET ASSETS / (LIABILITY)		2,519,218	(1,592,719)
EQUITY			
Issued capital	3.2	33,357,938	27,486,714
Reserves	3.8	577,290	572,007
Retained earnings / (Accumulated losses)	3.9	(31,416,010)	(29,651,440)
TOTAL EQUITY / (DEFICIENCY)		2,519,218	(1,592,719)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		13,805,045	15,952,653
Payments to suppliers and employees		(13,172,586)	(15,421,450)
Interest paid		(313,513)	(162,024)
Income tax (paid)/received and PRRT paid		1,027,871	(455,637)
interest received		7,403	675
Net cash (outflows) from operating activities	3.1	<u>1,354,220</u>	<u>(85,783)</u>
Cash flows from investing activities			
Payments to acquire associates		(15,000)	-
Payments for investments		-	(110,000)
Payments for exploration expenditure		(3,229,242)	(2,671,052)
Amount transferred (payment) from escrow account – PT Enso Asia		-	134,935
Payments for development expenditure		(2,157,754)	(224,316)
Net cash (outflows) / inflows from investing activities		<u>(5,401,996)</u>	<u>(2,870,433)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		5,065,468	1,443,472
Proceeds from borrowings		500,000	3,548,700
Repayment of borrowings		(2,103,933)	(1,333,840)
Net cash inflows / (outflows) from financing activities		<u>3,461,535</u>	<u>3,658,322</u>
Cash and cash equivalents at the beginning of the year		2,959,183	2,179,569
Net increase/(decrease) in cash and cash equivalents		(586,241)	702,116
Effect of exchange rate fluctuations on cash held		117,094	77,498
Cash and cash equivalents at end of year	3.1	<u>2,490,036</u>	<u>2,959,183</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital	Accumulated losses	Share based payment reserve	Convertible note reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2018	27,486,714	(29,651,440)	565,004	7,003	(1,592,719)
<i>Transactions with shareholders in their capacity as shareholders</i>					
Issue of shares (cash) (net of costs)	4,705,468	-	-	-	4,705,468
Issue of shares – conversion of options	360,000	-	-	-	360,000
Issue of shares – acquisition of tenements	805,756	-	-	-	805,756
Cost of Performance Rights	-	-	5,283	-	5,283
<i>Comprehensive Income</i>					
Loss for the year	-	(1,764,570)	-	-	(1,764,570)
<i>Total comprehensive income/(loss) for the year</i>		(1,764,570)			(1,764,570)
Balance at 30 June 2019	33,357,938	(31,416,010)	570,287	7,003	2,519,218

	Issued capital	Accumulated losses	Share based payment reserve	Convertible note reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2017	22,634,679	(23,718,271)	276,907	-	(806,685)
<i>Transaction with shareholders in their capacity as shareholders</i>					
Issue of shares (cash)	1,475,500	-	-	-	1,475,500
Cost of share issue	(88,530)	-	-	-	(88,530)
Issue of shares (directors)	1,456,000	-	-	-	1,456,000
Issue of shares (consultants)	90,500	-	-	-	90,500
Issue of shares – convertible note	1,918,565	-	-	-	1,918,565
Convertible Note – equity portion	-	-	-	7,003	7,003
Issue of Performance Rights	-	-	32,667	-	32,667
Issue of options – convertible note	-	-	255,430	-	255,430
<i>Comprehensive Income</i>					
Loss for the year	-	(5,933,169)	-	-	(5,933,169)
<i>Total comprehensive income/(loss) for the year</i>	-	(5,933,169)	-	-	(5,933,169)
Balance at 30 June 2018	27,486,714	(29,651,440)	565,004	7,003	(1,592,719)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

NOTE A: BASIS OF PREPARATION AND COMPLIANCE STATEMENT

The annual report of Triangle Energy (Global) Limited (the **Company, Group or Triangle Energy**) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of directors on 24 September 2019.

The Company is a public company limited by shares incorporated and domiciled in Australia whose securities are traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the director's report above.

(a) Basis of Preparation

The annual report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The annual report has also been prepared on a historical cost basis except for assessing the fair value of the Groups financial assets.

As at 30 June 2019, the Company has the following interests:

- (a) Oil production and exploration through the Company's 78.75% interest in the Cliff's Head asset in WA;
- (b) An interest in the Reid's Dome tenement (PL 231) in the Bowen Basin in Queensland through its equity investment in State Gas Limited;
- (c) A 45% interest in TP/15 Xanadu Joint Venture.; and
- (d) A 50% interest in the L7(R1) Joint Venture with Key Petroleum Limited;

Basis of measurement and reporting convention

This annual report has been prepared on an accruals basis and is based on historical cost except for assessing the fair value of the Group's derivative financial instruments, compound financial instruments, borrowings and share based payments. The annual report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) as adopted by the AASB.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
1.1 Revenue		
Sales of oil	13,174,305	13,600,032
	<u>13,174,305</u>	<u>13,600,032</u>
Total number of barrels produced and sold by the Company was 144,829 (57.5%) at an average sales price of A\$90.96.		
Other income		
Interest income	11,032	675
Other income	150,481	161,567
	<u>161,513</u>	<u>162,242</u>

Revenue from contracts with Customers

The Group derives revenue from the transfer of hydrocarbons at a point in time. The Group operates in one geographical location being Western Australia. The total revenue for the year from this contract is \$13,174,305.

Revenue is derived from a single customer. The revenue is recognised on delivery of the hydrocarbons to the customers location. There are no judgements related to the first time adoption of this standard and there has been no material change to the balances with the adoption of this standard

Assets recognised in relation to contracts with customers can be found in note 4.1 below.

The Group does not have any expected credit losses in relation to its customer as historically the Group receives all of its cash within 30 days of month end. There is no history of default with the Groups customer.

TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
1.2 Expenses		
(a) Employment expenses		
Salaries and wages	1,389,894	1,096,912
Other personnel costs	91,831	123,230
Superannuation	155,945	91,133
Increase/(decrease) in leave liabilities	40,167	39,115
	<u>1,677,837</u>	<u>1,324,404</u>
Share based payment expenses / (reversal)	5,283	1,488,667
Total	<u>1,683,120</u>	<u>2,813,071</u>
(b) General and administration costs		
Accounting expenses	69,544	76,617
Audit fees	56,245	53,992
Consulting expenses	299,229	325,895
Legal expenses	124,526	69,599
Insurance expenses	-	-
Arbitration expenses	172,528	40,245
Foreign exchange (gains) losses	(45,400)	144,862
Other administration expenses	523,328	665,733
	<u>1,200,000</u>	<u>1,376,943</u>
(c) Cost of sales		
Significant one off costs		
Repairs and maintenance	760,597	867,122
Operating and restructure costs	-	-
	<u>760,597</u>	<u>867,122</u>



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
1.3 Taxation		
Income tax recognised in profit or loss		
The components of tax expense comprise:		
Statement of profit or loss and comprehensive income		
<i>Current income</i>		
Current income tax	-	-
Adjustments in respect of previous current income tax	-	-
Receipt of Research and development tax incentive	-	(1,027,871)
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax assets	1,358,850	736,184
(Decrease) / increase in deferred tax liabilities	-	-
Income tax expense (benefit) reported in statement of comprehensive income	<u>1,358,850</u>	<u>(291,687)</u>
Petroleum resource rent tax		
<i>Current income</i>		
Current income tax		-
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax assets	(699,809)	2,163,286
(Decrease) / increase in deferred tax liabilities	-	-
PRRT Income tax expense (benefit) reported in statement of profit or loss	<u>(699,809)</u>	<u>2,163,286</u>
Total Income tax expense for the year	<u>659,041</u>	<u>1,871,599</u>
Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax expense	<u>(1,105,528)</u>	<u>(4,061,569)</u>
Income tax (benefit) calculated at 27.5%. (2018: 27.5%)	(304,020)	(1,116,932)
Effect of non-deductible item		
Total non-deductible items	142,787	866,814
Movements in unrecognised temporary differences	161,233	250,118
Research and development tax incentive	-	(1,027,871)
Non-assessable income	-	-
Movement in deferred income tax	1,358,850	736,184
Movement in deferred PRRT tax	(699,809)	2,163,286
Income tax expense reported in profit or loss and other comprehensive income	<u>659,041</u>	<u>1,871,599</u>
At effective income tax rate	59.61%	46.08%



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
--	-------------------------------------	-------------------------------------

1.3 Taxation (continued)

Deferred tax assets DTA/(DTL) have not been recognised in respect of the following items:

Trade and other payables	192,300	353,521
Capital losses	1,947,452	1,947,452
Tax Losses	5,877,261	5,693,122
Provisions – Joint Venture	-	-
Provision for restoration	5,809,815	5,726,019
Joint Venture losses	-	413,023
Project pools	9,688,953	7,947,726
Derivative financial instrument	-	-
Net deferred tax not recognised	<u>23,515,781</u>	<u>22,080,883</u>

The balance comprises temporary difference attributable to:

PRRT (net credit on decommissioning) (DTA)	6,470,335	5,770,526
Project Pool costs (DTA) (a)	4,251,343	5,417,745
Assessable receipts PRRT (DTL) (a)	(1,779,342)	(1,586,895)
Tax losses (DTA) (a)	1,061,891	731,663
Exploration assets (DTL) (a)	(2,186,276)	(1,856,048)
Total deferred taxes	<u>7,817,951</u>	<u>8,476,992</u>

(a) Part of the Project Pool DTA has been off-set against the Exploration asset DTL.

Set-off deferred tax liabilities pursuant to off-set provisions

Deferred tax asset on project pool costs (oil and gas properties)	2,903,727	2,711,280
Assessable receipts PRRT	(1,779,342)	(1,586,895)
Deferred tax asset on carry forward tax losses	1,061,891	731,663
Deferred tax liability on exploration asset	<u>(2,186,276)</u>	<u>(1,856,048)</u>
	-	-

(b) The Company has incurred additional costs in exploring the Xanadu prospect which has resulted in an increase in the deferred tax liability. A corresponding increase in recognised tax losses was been recorded to off-set this increase in the deferred tax liability.

TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

1.3 Taxation (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$
<i>CONSOLIDATED</i>						
Project Pool Costs	6,470,335	5,417,746	-	-	6,470,335	5,417,746
PRRT	4,251,343	5,770,526	-	-	4,251,343	5,770,526
Assessable receipts PRRT	-	-	(2,186,276)	(1,586,895)	(2,186,276)	(1,586,895)
Tax losses	1,061,891	731,663	-	-	1,061,891	731,663
Exploration Expenditure	-	-	(1,779,342)	(1,856,048)	(1,779,342)	(1,856,048)
<i>Tax (assets) liabilities</i>	11,783,599	11,919,935	(3,965,619)	(3,442,943)	7,817,951	8,476,992
Set off of tax			3,965,619	3,442,943		-
<i>Net tax assets (liabilities)</i>	11,783,599	11,919,935	-	-	7,817,951	8,476,992

Movement in temporary differences during the year

	Balance 1 July 2018	Recognised in Income	Recognised on Acquisitions	Balance 30 June 2019
	\$	\$	\$	\$
Project Pool Costs	5,417,746	(1,166,403)	-	4,251,343
PRRT	5,770,526	699,809	-	6,470,335
Assessable receipts PRRT	(1,586,895)	(192,447)	-	(1,779,342)
Tax losses	731,663	330,228	-	1,061,891
Exploration Expenditure	(1,856,048)	(330,228)	-	(2,186,276)
	8,476,992	(659,041)	-	7,817,951

The potential deferred tax asset has not been brought to account at 30 June 2019 as the directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

- The Company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses to be realised;
- The Company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect the Company and its controlled entity in realising the benefit from the deductions for the tax losses.

Estimates and judgements

Assumptions used to carry forward deferred taxes

Deferred tax assets are recognised for deductible temporary differences, taxation losses and PRRT decommissioning credits when the directors consider that it is probable that sufficient future tax profits or costs will be available to utilise those temporary differences, losses and credits. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next few years together with future tax planning strategies. There are significant variables relating to generating taxable profits in the future and while the directors take care in assessing the current available information, by its nature any forecast may be materially different to the final actual outcome.



TRIANGLE ENERGY (GLOBAL) LIMITED
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FOR THE YEAR ENDED 30 JUNE 2019

1 Profit and loss items

1.4 Earnings per share

	2019 (\$) / Cents	2018 (\$) / Cents
Continued Operations		
(a) Basic Earnings Per Share		
Profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company	(1,764,570)	(5,933,170)
Cents per share	(\$0.007)	(\$0.030)
(b) Diluted Earnings Per Share		
Cents per share	(\$0.007)	(\$0.030)
(c) Weighted Average Number of Shares Used as the Denominator	2019 Number	2018 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	267,045,898	195,057,505
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	267,045,898	195,057,505
Calculation of weighted average number of shares		
Number of shares at the beginning of the period	218,115,544	152,823,915
Shares issued but adjusted (pro-rata) for the period of issue	48,930,354	42,233,590
Number of shares used to calculate the loss / profit per shares for the year	267,045,898	195,057,505
Add		
Dilutive instruments issued (options / rights) and adjusted for the period on issue	-	-
Number of instruments used to calculate the dilutive profit per share for the year	267,045,898	195,057,505

(d) Information Concerning the Classification of Securities

Options

On 5 February 2018, the Company issued 11,155,908 options at an exercise price of \$0.15 per option which are still outstanding.

Rights

Unvested rights are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The unvested rights have not been included in the determination of basic earnings per share.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2 Significant assets

	30 June 2019 \$	30 June 2018 \$
2.1 Oil and gas properties		
Oil and gas properties carried forward – Cliff Head	4,950,760	3,697,689
Reconciliation – Cliff Head		
Carrying amount at the beginning of the year	3,697,689	9,315,795
Additions to the oil and gas properties	1,890,442	412,882
Less: Amortisation	(637,371)	(920,983)
Less: Abandonment adjustment (refer to Note 4.6)	-	(5,110,005)
Carrying amount at end of the year	4,950,760	3,697,689

The original Oil & Gas properties were acquired on 30 June 2016 as part of the purchase of the Cliff's Head production licence. Additional capital expenditure has been added over the last 2 years as the Group reinvests in more plant and equipment.

Estimates and judgements

Assumptions used to carry forward the oil and gas properties

The write-off or impairment of oil and gas properties is based on a periodic assessment of pre-determined impairment indicators relevant to the operating asset and with the information available at the time of preparing this report. The directors assess whether there are any clear indicators of impairment and if they exist a value in use calculation is prepared to assess the carrying value of the operating assets. The assessment of impairment indicators requires the directors to make judgements in relation to internal and external factors that impact the assets, however, information may come to light in subsequent periods which the directors were unable to predict at the time of making the assessment of indicators. The recoupment of costs carried forward in respect of each area of interest is dependent on the successful development and/or commercial exploitation or sale of the respective areas of interest.

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, share, depth and quality of reservoirs and their anticipated recoveries. Estimates have been used to determine the fair value of the oil and gas properties for the purpose of the business combination and the assessment of depletion and amortisation charges.

2.2 Exploration and evaluation assets

	30 June 2019 \$	30 June 2018 \$
Exploration, evaluation and development costs carried	10,784,264	6,749,266
Reconciliation – Mentelle & West High prospects (i)		
Carrying amount at the beginning of the year	3,747,951	3,747,951
Additions to the exploration and evaluation asset	28,413	-
Less: Exploration impairment	-	-
Carrying amount at end of the year	3,776,364	3,747,951
Reconciliation – TP/15 Xanadu Joint Venture (ii)		
Carrying amount at the beginning of the year	3,001,315	330,264
Additions to the exploration and evaluation asset	1,200,830	2,671,051
Acquisition of 15% interest	2,805,755	-
Less: Exploration impairment	-	-
Carrying amount at end of the year	7,007,900	3,001,315



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
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2 Significant assets

2.2 Exploration and evaluation assets (continued)

(i) Cliff Head

The Company completed the Cliff's Head acquisition of its 57.5% interest in the production licence in WA on 30 June 2016. Part of the acquisition has resulted in the recognition of the Exploration assets within the Mentelle and West High prospects.

(ii) TP/15 Xanadu Joint Venture

During the period the Joint Venture acquired an additional 15% interest in the Xanadu prospect from Whitebark Energy Limited in consideration for cash and shares with final regulatory approvals completed in this period.

Estimates and judgements

Assumptions used to carry forward the exploration assets

The write-off, impairment or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors were unable to predict the outcome.

2.3 Investment in Associates and Joint Arrangement

	30 June 2019 \$	30 June 2018 \$
Triangle Energy (Operations) Pty Ltd (i)	493,026	300,373
State Gas Ltd (ii)	-	585,622
	<u>493,026</u>	<u>885,995</u>

(i) Triangle Energy (Operations) Pty Ltd

The entity name is Triangle Energy (Operations) Pty Ltd which the Company has a 50% shareholding as at 30 June 2019 and one of two directors. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method. The carrying value is listed above.

(ii) State Gas Ltd

The Company holds an interest of 33.34% as at 30 June 2019. The place of incorporation is Australia, the investment is an associate which the Company measures using the equity method as a consequence of its holding and one common director. The carrying value is listed above.

(iii) Reconciliation of movements of the investments in associates

Reconciliation - Triangle Energy (Operations) Pty Ltd (i)

Carrying amount at beginning of the year	300,373	1,260,565
Profit / (Loss) for the year	192,653	(960,192)
Carrying amount at end of the year	<u>493,026</u>	<u>300,373</u>

Reconciliation - State Gas Ltd (ii)

Carrying amount at beginning of the year	585,622	834,632
Loss for the year	(600,622)	(249,010)
Investment in associate	15,000	-
Carrying amount at end of the year	<u>-</u>	<u>585,622</u>



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

(iv) Summarised financial information

The tables below show the summarised financial information for the associates that are material to the group. The information disclosed is the total value of the relevant associate adjusted by the Company to reflect the equity method including fair values and modifications for differences in accounting policies.

	30 June 2019 \$	30 June 2018 \$
Triangle Energy (Operations) Pty Ltd		
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	501,523	420,913
Other receivables	3,947,777	3,380,125
Inventory	208,973	248,258
TOTAL CURRENT ASSETS	<u>4,685,273</u>	<u>4,049,296</u>
NON CURRENT ASSETS		
Oil and gas properties	4,852,701	4,021,338
Deferred tax assets	6,025,874	6,715,881
TOTAL NON CURRENT ASSETS	<u>10,878,575</u>	<u>10,737,219</u>
CURRENT LIABILITIES		
Trade and other payables	2,751,036	2,616,842
Provisions	-	-
TOTAL CURRENT LIABILITIES	<u>2,751,036</u>	<u>2,616,842</u>
NON-CURRENT LIABILITIES		
Provisions	15,615,313	15,390,092
TOTAL NON-CURRENT LIABILITIES	<u>15,615,313</u>	<u>15,390,092</u>
NET ASSET DEFICIENCY	<u>(2,829,501)</u>	<u>(3,220,419)</u>

(v) Commitment and contingencies

As the operator of the Cliff head joint venture the company has the following operating leases and rentals as at 30 June 2019:

- (a) a lease for the office premises in West Perth;
- (b) a rent for heavy lifting equipment on site;
- (c) a rental for warehousing on site;
- (d) a rental of operating equipment on site;
- (e) a rental of office equipment.

The commitments for these lease and rental items are as follows:

Within one year	223,272	283,668
After one year but not more than five years	742,990	1,062,382
More than five years	-	-
	<u>966,262</u>	<u>1,346,050</u>



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

(vi) Summarised financial information

The tables below show the summarised financial information for the associates that are material to the group. The information disclosed is the total value of the relevant associate adjusted by the Company to reflect the equity method including fair values and modifications for differences in accounting policies.

	30 June 2019 \$	30 June 2018 \$
STATE GAS LTD – Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	6,344,568	4,439,113
Trade and other receivables	49,407	282,313
TOTAL CURRENT ASSETS	<u>6,393,975</u>	<u>4,721,426</u>
CURRENT ASSETS		
Exploration and evaluation assets	5,985,990	2,486,319
Other assets	35,000	35,000
Plant and equipment	1,844	-
TOTAL CURRENT ASSETS	<u>6,022,834</u>	<u>2,521,319</u>
CURRENT LIABILITIES		
Trade and other payables	577,220	412,813
TOTAL CURRENT LIABILITIES	<u>577,220</u>	<u>412,813</u>
NON-CURRENT LIABILITIES		
Provisions	505,467	443,082
TOTAL NON-CURRENT LIABILITIES	<u>505,467</u>	<u>443,082</u>
NET ASSETS	<u>11,334,122</u>	<u>6,386,850</u>

(vii) Commitment and contingencies

The Associate has notice of the existence of a potential royalty payable in respect of petroleum produced from PL 231, being an overriding royalty interest in seven percent (7%) of the gross production of oil, gas and associated hydrocarbons produced and saved pursuant to the terms of the authority to prospectus (ATP 333-P, as it was at the time), calculated on the arm's length sale price of petroleum less: (i) all costs and expenses incurred in or attributable to the treating, processing dehydrating, compressing and transporting such petroleum; (ii) levies and other taxes on production; and (iii) all fuel oil and gas used in conducting exploration, drilling, completion, equipping, producing, and other operations pursuant to the authority (Override). The royalty interest appears to have been established as part of a transfer of ATP 333-P in 1983. It requires each subsequent assignor of the authority to make the conveyance subject to the assignee covenanting to pay the Override and the assignor remains obliged to pay the Override until such agreement has been consented to by the Override holder. Given the time that has passed since the Override was created, and the fact that State Gas Limited does not have records evidencing each transfer of the authority, State Gas Limited is unable to determine if the Override remains on-foot.

The Associate has disclosed calculated work commitments of \$20,800,000 on the assumption that the current LDP will continue until its expiry in 2020 and that the Company will fund its share of commitments, being equal to its 80% working interest in PL231 or \$26,000,000 for 100% working interest in PL231.

As at balance date, the Company held 47,812,500 fully ordinary shares representing 33.34% of the issued capital of State Gas Limited (ASX:GAS). The fair value of the Company's holding as at 30 June 2019 was \$31,078,125 (at \$0.65 per share). A majority of the Company's holding are subject to an escrow agreement until 9 October 2019.



Triangle Energy

TRIANGLE ENERGY (GLOBAL) LIMITED NOTES TO THE CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

2 Significant assets

2.3 Investment in Associates and Joint Arrangement (continued)

General information

The Group has a 57.5% interest which it accounts for as a joint operation is an unincorporated joint venture at Cliff Head in Western Australia to produce oil and sell to a local refinery. The Group accounts for its interest in the joint arrangement as a joint operation and records its share of the assets, liabilities, revenue and expenses.

Commitments and contingencies

There are no capital commitments or contingencies as at 30 June 2019.

(i) Summarised financial information

The tables below show the summarised financial information for the joint arrangement that is material to the group. The information disclosed is the total value of the relevant joint arrangement.

	30 June 2019 \$	30 June 2018 \$
Cliff Head Joint Venture		
Profit or loss statement		
Interest income	-	-
Operating expenses	(15,626,662)	(16,616,597)
Repairs and maintenance	(1,322,778)	(1,508,039)
Capital expenditure	(2,784,520)	-
Operating restructure costs	-	-
Result from the Joint Venture	(19,733,960)	(18,124,636)
	30 June 2019 \$	30 June 2018 \$
Balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	206,992	405,255
Other receivables	345,001	326,437
TOTAL CURRENT ASSETS	551,993	731,692
CURRENT LIABILITIES		
Trade and other payables	3,697,958	3,096,262
Provisions	-	-
TOTAL CURRENT LIABILITIES	3,697,958	3,096,262
 (ii) Total share of loss for the year		
Loss from joint operation	(9,745,773)	(10,421,665)

Estimates and judgements

Assumptions used to assess the recognition of associates and joint arrangements

The assessment to classify an investment as an associate or the assessment of a joint venture as a joint operation requires a review of the facts and circumstances surrounding the agreements that governs the arrangements and the structure of the investment vehicle. The Company has assessed the arrangements and has determined that it has joint control of the operating company and has direct rights to the assets and liabilities (due to the nature of the joint venture) for the unincorporated joint venture.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3 Financing – Capital, debt and risk management

	30 June 2019 \$	30 June 2018 \$
3.1 Cash		
(a) Reconciliation to cash at the end of the year		
Cash at bank and in hand	918,958	1,349,007
Joint Venture cash	119,020	233,020
Restricted cash (i)	1,452,058	1,377,156
Balances per statement of cash flows	<u>2,490,036</u>	<u>2,959,183</u>
 (i) As part of the disposal of the Pase PSC assets the Company agreed to place in an escrow (trust) account an amount of US\$1.02 million which will be released after the governmental administration processes. As at reporting date, the funds remain in the escrow account.		
	30 June 2019	30 June 2018
(b) Reconciliation of profit/(loss) after income tax to net cash flows provided by operating activities		
(Loss) / Profit for the year	(1,764,570)	(5,933,169)
Non-cash flows in operating loss:		
Depreciation and loss on sale	7,330	1,599
Amortisation	637,371	920,983
Unwind of discount	304,711	336,750
Borrowing costs	-	-
Fair value derivative	-	(19,333)
Gain on loss of control	-	-
Share based payments expense	5,283	1,762,597
Gain on sale of available for sale investments	-	-
Loss from associate	407,968	1,209,202
Foreign currency	(117,094)	(77,498)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors	(311,648)	545,466
(Increase)/decrease in other receivables	1,478,391	(1,171,104)
Increase/(decrease) in trade and other payables	47,437	(273,245)
Increase/(decrease) in tax balances	659,041	2,899,470
Increase/(decrease) in provisions	-	(287,501)
Net cash outflows from operating activities	<u>1,354,220</u>	<u>(85,783)</u>
	30 June 2019 \$	30 June 2018 \$
(c) Credit risk		
A-1+ 1	1,037,978	1,582,027
B 1	<u>1,452,058</u>	<u>1,377,156</u>

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3 Financing – Capital, debt and risk management

3.1 Cash (continued)

(d) Non-cash items

During the period the Company entered into one non-cash transactions which were:

On 24 December 2018 the Company issued the final Whitebark Energy Limited consideration shares for the purchase of the 15% of exploration licence TP/15.

Prior period non-cash transactions

On 27 July the Company issued 14,307,925 fully paid ordinary shares in satisfaction of the conversion of notes by Tamarind Resources Limited.

On 23 October (after receiving approval from shareholders at a general meeting) the Company issued 8,000,000 performance rights which immediately vested into shares as the milestones had been satisfied.

On 23 October 2017 the Company issued 900,000 shares to its broker and a previous consultant for services rendered.

On 11 December (after receiving approval from shareholders at the Company's AGM) the Company issued 400,000 performance rights which immediately vested into shares as the milestones had been satisfied. In addition, the Company issued 400,000 performance rights which have yet to vest.

On 5 February 2018 the Company issued 25,289,259 shares on conversion of the final balance of the convertible notes held by Tamarind Resources Limited.

On 5 February 2018 the Company issued 11,155,908 options as a facility fee to extend the borrowing repayment date to 30 June 2018.

(e) Reconciliation of financing activities

	Balance 1 July 2018	Cash	Non-Cash	Balance 30 June 2019
Borrowings (iii)	2,319,510	-	-	-
- Amount borrowed	-	500,000	-	-
- Amount repaid	-	(2,103,933)	-	-
- Foreign currency movements	-	-	155,390	-
	2,319,510	(1,603,933)	155,390	870,967

(i) Refer note 3.5.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3 Financing – Capital, debt and risk management

3.2 Equity

(a) Number of shares on issue and the amount paid (or value attributed) for the shares

312,753,682 fully paid ordinary shares (30 June 2018: 218,115,544)

The following changes to the shares on issue and the attributed value during the year:

	30 June 2019 Number	30 June 2018 Number	30 June 2019 \$	30 June 2018 \$
Balance at the beginning of the year	218,115,544	152,823,915	27,486,714	22,634,679
Conversion of convertible notes (July)	-	14,307,925	-	872,783
Issue of shares – placement	-	16,394,445	-	1,475,000
Issue of shares to directors and consultants (October)	-	8,900,000	-	1,490,500
Issue of shares to director (November)	-	400,000	-	56,000
Conversion of convertible notes (February)	-	25,289,259	-	1,045,782
Issue of shares (placement) ¹	19,282,629	-	1,253,371	-
Issue of Share Rights Issue ²	58,164,457	-	3,780,690	-
Issue of Share Whitebark Energy ³	11,191,052	-	805,756	-
Issue of share on conversion of options ⁴	6,000,000	-	360,000	-
Share issue costs ⁵	-	-	(328,593)	(88,530)
Balance as at 30 June	312,753,682	218,115,544	33,357,938	27,486,714

1. On 20 November 2018 the Company issued 19,282,629 at an issue price of \$0.065 per share to sophisticated investors.

2. On 24 December 2018 the Company issued 58,164,457 at an issue price of \$0.065 per share to existing shareholders under a rights issue.

3. On 24 December 2018 the Company issued the consideration share of 11,191,052 for the purchase of 15% of exploration licence TP/15. The fair value of the shares at the date of issue was \$0.072 per share.

4. On 1 April 2019 the Company issued 6,000,000 fully paid ordinary shares following the exercise of options at \$0.06.

5. The Company incurred costs in issuing the shares on 20 November and 24 December 2018.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3 Financing – Capital, debt and risk management

3.2 Equity (continued)

(b) Options

	30 June 2019 Number	30 June 2018 Number	30 June 2019 \$	30 June 2018 \$
Balance at the beginning of the year	17,155,908	6,000,000	532,337	276,907
Issue of options – convertible note	-	11,155,908	-	255,430
Conversion of options to shares ¹	(6,000,000)	-	-	-
Balance as at 30 June	<u>11,155,908</u>	<u>17,155,908</u>	<u>532,337</u>	<u>532,337</u>

1. On 1 April 2019 the Company issued 6,000,000 fully paid ordinary shares following the exercise of options at \$0.06.

(c) Performance Rights

	30 June 2019 Number	30 June 2018 Number	30 June 2019 \$	30 June 2018 \$
Balance at the beginning of the year	400,000	-	32,667	-
Rights granted during the year ¹	-	8,000,000	-	1,400,000
Rights vested to shares	-	(8,000,000)	-	(1,400,000)
Rights granted during the year ²	-	400,000	-	56,000
Rights vested to shares	-	(400,000)	-	(56,000)
Rights granted during the year ^{2 3}	-	400,000	5,283	32,667
Balance as at 30 June	<u>400,000</u>	<u>400,000</u>	<u>37,950</u>	<u>32,667</u>

1. Rights issued (after obtaining shareholder approval) based on the performance hurdle of a share price greater than \$0.15 for an average of 30 days.

2. Rights issued (after obtaining shareholder approval) based on the performance hurdle of a share price greater than \$0.15 for an average of 30 days. 50% of the rights have yet to vest.

3. The annual cost of amortising the fair value of the vesting period.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
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3 Financing – Capital, debt and risk management

3.3 Derivative financial instrument through profit or loss

	30 June 2019 \$	30 June 2018 \$
Derivative financial instruments through profit or loss	-	-
<i>Reconciliation of movements in the balance</i>		
Opening balance	-	1,666,940
Amounts borrowed (i)	-	-
Fair value of instrument (ii)	-	(19,333)
Conversion of liability to equity	-	(872,783)
Less: Borrowings costs	-	-
Less: amortisation of costs	-	164,444
Transfer of borrowing costs to convertible note	-	82,223
Transfer of derivative to compound financial instrument	-	(1,014,488)
Transfer of derivative to reserves	-	(7,003)
Closing balance at end of year	-	-

(i) Terms of the borrowings

Facility face value	US\$1,215,000
Interest rate	10% (simple interest)
Expiry date	31 March 2018
Conversion feature	Lower of \$0.04 & 30 days VWAP
Foreign currency repayment rate	AU\$1:US\$0.75
Security	Charge over all assets
Borrowing costs	\$160,000 & 6,000,000 options

(ii) Fair value of the instrument

The Company has assessed the fair value of the derivative using level 3 inputs and the following calculation method:

The Company has used a simple Monte Carlo simulation based on a starting price of \$0.056 and an annual volatility of 91.54%. These inputs were used to calculate a monthly trading cycle to estimate the closing share price on each trading day for 1 month. This trading cycle was simulated 10,000 times to create a median and standard deviation share price from 10,000 iterations. The final estimated share price from the calculation was input into a valuation resulting in the following:

Estimate share price from the simulation \$0.069, foreign currency conversion rate was 1.3333 and the final fair value of the derivative was \$2.7 million.

This valuation has used level 3 inputs as the instrument is unique to the Company and its environment and has no observable market data.

During the period the Company renegotiated the terms of the convertible note to fix the issue price and the foreign currency conversion value at \$0.04 (conversion price) and 0.7671 USD/AUD respectively. The Company assessed the changes and determined that this was a significant change in the terms which has removed the derivative elements of the note and therefore the Company derecognised the derivative financial instrument to the profit and loss.

The Company fair valued the derivative financial instrument using the market value of the shares at the date of conversion and at the date of extinguishment. The share price on those dates was \$0.061 & \$0.135.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

3 Financing – Capital, debt and risk management

3.3 Derivative financial instruments through profit and loss (continued)

Estimates and judgements

Assumptions used to assess the fair value of the derivative

The Company has undertaken a calculation to take account of the facts and circumstances that existed at the time of the valuation. These facts and circumstances may result in the derivative being materially different if the lender wishes to exercise the option to convert the remaining notes as the share price may be substantially different to the value calculated above.

3.4 Compound financial instrument

	30 June 2019 \$	30 June 2018 \$
Convertible note	-	-
	-	-
<u>Reconciliation of movements in the balance</u>		
Opening balance	-	-
Amount transferred from derivative financial instrument	-	1,014,488
Less: Borrowings costs transferred from derivative financial instrument	-	(82,223)
Amortisation of borrowing costs	-	82,223
Amortisation of effective interest	-	31,294
Conversion of notes to shares	-	(1,045,782)
Closing balance at end of year	-	-

(i) Fair value of convertible note

On 14 September 2017 the Company renegotiated the convertible note terms to fix the conversion price of the shares at USD 0.7671 and \$0.04 per share. The variation to the loan is considered a material change to the instrument resulting in the de-recognition of the derivative financial instrument and the recognition of a compound financial instrument (convertible note). The key inputs to the analysis are as follows:

The key inputs to the analysis are as follows:

Face value of the notes	US\$785,762
Interest rate	10% (simple interest)
Expiry date	31 March 2018
Conversion feature	\$0.04 per shares
Foreign currency	A\$: 1 US\$ 0.7671
Discount rate	11.42%
Borrowing costs	Nil

(ii) Terms of convertible note

Face value of the notes	US\$785,762
Interest rate	10% (simple interest)
Expiry date	30 June 2018
Conversion feature	\$0.04 per shares
Foreign currency	A\$: 1 US\$ 0.7671
Security	Charge over all assets
Borrowing costs	Nil



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3 Financing – Capital, debt and risk management

3.5 Borrowings

	30 June 2019 \$	30 June 2018 \$
Borrowings	<u>870,967</u>	<u>2,319,510</u>
<i><u>Reconciliation of movements in the balance</u></i>		
Opening balance	2,319,510	-
Amounts borrowed	500,000	3,548,700
Amount repaid	(2,103,933)	(1,333,840)
Movement in Foreign currency	<u>155,390</u>	<u>104,650</u>
Closing balance at end of year	<u>870,967</u>	<u>2,319,510</u>

(i) Terms of the Tamarind borrowings

The Company repaid the entire loan to Tamarind Resources Limited during the period.

(ii) Related party loan

In addition to the loan above, the Company also received a loan from its Joint Venture, Triangle Energy (Global) Limited of \$500,000 which is interest free, unsecured and repayable on demand. In addition, The Company repaid an amount of \$300,000 of loans during the period.

3.6 Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the directors sign the annual report without the need to raise money from issuing shares or obtaining additional borrowing facilities.

The directors have prepared an estimated cash flow forecast for the period to September 2020 to determine if the Company may require additional funding during the period. Where this cash flow forecast includes the likelihood that additional amounts will be required, and these funds have not yet been secured, it creates uncertainty as to whether the Company will continue to operate in the manner it has planned over the next 12 months.

Where the cash flow forecast includes these uncertainties, the directors will make an assessment of whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The Company has access to the use of cash reserves of \$1,307,978 as at 30 June 2019 (30 June 2018: \$1,349,007).
- The Company has the ability to adjust its non-routine expenditure subject to operating activities and regulatory requirements.
- The Company has successfully obtained additional sources of funding through debt and equity over the last twelve months and subsequent to 30 June the Company issued 48,000,000 shares at \$0.075 per share to raise \$3.6million (before costs)
- The Group's oil production is anticipated to generate positive operating cash flows to fund business activities.
- The Company is able to sell its Sate Gas shares after 9 October 2019.

The directors also anticipate the support of its major shareholders and lenders and are confident in the Company's ability to raise an appropriate level of funding to execute its plans and continue its activities.



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3 Financing – Capital, debt and risk management

Going concern – current assessment

The cash flow forecast includes a number of assumptions regarding settlement of its obligations, continued profitability from its operating assets and obtaining additional funding. As the Company has not yet confirmed a number of its assumptions or secured its additional funding, this results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. The Company may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the annual report.

The annual report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's annual report.

3.7 Risk management

General

Triangle's risk management assessment is conducted by the Board and management and together they are responsible for approving and reviewing the Company's risk management strategy and policy. The Board and management are responsible for monitoring appropriate processes and implementing controls to ensure an effective and efficient risk management structure is in place. The Board is responsible for identifying, monitoring and managing significant business risks faced by the Company and considering the effectiveness of its internal control system.

	30 June 2019 \$	30 June 2018 \$
Categories of financial instruments		
Financial assets		
Cash and cash equivalents	2,490,036	2,959,183
Trade and other receivables	1,259,084	943,194
Investments	110,000	110,000
	<u>3,859,120</u>	<u>4,012,377</u>
Financial liabilities		
Trade and other payables	2,041,901	1,648,993
Derivative financial instrument through profit or loss	870,967	2,319,510
	<u>2,912,868</u>	<u>3,968,503</u>

Capital – (company's ability to raise equity (issue shares) or obtain loans (borrowings) as and when needed)

The capital of the Company consists of issued capital (shares) and borrowings. The directors aim to maintain a capital structure that ensures the lowest cost of capital available to the entity at the time when funds are obtained. The directors will assess the options available to the company to issue more shares while taking into account the effect on current shareholder ownership percentages (dilution) or alternatively assess the ability of the company to access debt (borrowings) where the cost associated of borrowing these funds (interest) is not considered excessive.

Liquidity – (the ability of the company to pay its liabilities as and when the fall due)

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.



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3 Financing – Capital, debt and risk management

3.7 Risk management (continued)

Contractual maturities of financial liabilities

	Less than 1 year \$	6 – 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Total contractual cash flows \$	Carrying Amount (assets)/ liabilities \$
At 30 June 2019						
Trade payables	2,041,901	-	-	-	2,041,901	2,041,901
Borrowings ¹	870,967	-	-	-	870,967	870,967
Total	2,912,868	-	-	-	2,912,868	2,912,868
At 30 June 2018						
Trade payables	1,648,993	-	-	-	1,648,993	1,648,993
Derivative ²	-	2,319,510	-	-	2,372,988	2,319,510
Total	1,648,993	2,319,510	-	-	4,021,981	3,968,503

1. This loan is interest free, unsecured and payable on demand.

2. The borrowings attracts interest at a rate of 10% per annum. The contractual cash flow includes the interest expense for the borrowings for the period.

Credit – (the ability of the company to manage the risk that third parties which hold assets on behalf of the company will not return them at the value recorded in the financial statements)

The two major current assets of the company is its cash at bank and debtors. The assessment of the credit risk based on a rating agencies review of the financial institution has been included in note 3.1 above.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. To date, exchange rate exposures are not managed by utilising forward foreign exchange contracts. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date explained in Australian dollars are as follows:

Table A

	Liabilities		Assets	
	2019 \$	2018 \$	2019 \$	2018 \$
US dollars				
Cash at bank	-	-	1,483,462	2,146,745
Other receivables	-	-	-	-
Trade receivables	-	-	1,136,967	825,319
Other payables	294,159	218,013	-	-
	294,159	218,013	2,620,429	2,972,064

The derivative financial instrument, compound financial instruments and borrowings are not subject to variable foreign currency movements.



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3 Financing – Capital, debt and risk management

3.7 Risk management (continued)

Foreign currency sensitivity analysis

As at 30 June the Group's exposure to foreign currency relates to USD in a number of asset and liability categories.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar weakens against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

Table B

	Impact Profit Consolidated		Impact Equity Consolidated	
	2019 \$	2018 \$	2019 \$	2018 \$
Profit or loss				
US dollar assets and liabilities (net) increase 10% ¹	232,627	275,405	232,627	275,405
US dollar assets and liabilities (net) decrease 10% ¹	(232,627)	(275,405)	(232,627)	(275,405)

¹ This is attributable to the exposure in USD on key assets and liabilities within the Group at year end.

Interest rate risk sensitivity analysis

Weighted average interest rate exposure for 2019 is 0.0% (2018: 0.0%). The sensitivity analysis is not material due to the low returns currently available in the market.

Commodity and foreign currency price risk

During the current financial year, the Group was exposed to significant commodity and foreign currency price risk within the sale of oil. The movement in oil price over the 12 months was 38.59% (high to low) and the movement in the average exchange rates for the same period was 6.61%. The impact of a 38.59% movement on the monthly average USD oil price from the actual USD oil price received would have resulted in the commodity price risk values below. The impact of a 6.61% foreign currency movement from the actual sales recorded would have resulted in a currency risk value below:

Table C

	Commodity price risk US\$ movement		Foreign currency risk A\$ movement	
	38.59% increase	38.59% decrease	6.61% increase	6.61% decrease
Sales of oil	5,024,482	(5,024,482)	860,600	(860,600)
	5,024,482	(5,024,482)	860,600	(860,600)



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3 Financing – Capital, debt and risk management

3.7 Risk management (continued)

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The Company also has exposure to price risk relating to available for sale investments. These are investments in other oil and gas companies listed on the Australian Stock Exchange within the same sector as The Company and are subject to movements in equity prices in the normal course of business.

Financial Instruments Measured at Fair Value

To provide an indication of the reliability of inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group has two financial instruments carried at fair value, derivative financial instruments through profit and loss and the initial recognition of the compound financial instrument and it has consequently used level 3 inputs for these financial instruments, unobservable market data, see notes 3.3 and 3.4 for further information.

During the year, the Company held financial instruments carried at fair value in the form of investments. These assets were measured using level 2, observable prices at an arm's length price.



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3 Financing – Capital, debt and risk management

3.8 Reserves

	30 June 2019 \$	30 June 2018 \$
Convertible Note reserve	7,003	7,003
Share based payments reserves	570,287	565,004
	<u>577,290</u>	<u>572,007</u>
Convertible Note reserve		
<u>Reconciliation of movements in the balance</u>		
Opening balance		-
Convertible note equity portion (i)	7,003	7,003
Closing balance at end of year	<u>7,003</u>	<u>7,003</u>
<u>Reconciliation of movements in the balance</u>		
Opening balance	565,004	276,907
Prior period rights	5,283	-
Additional options (ii)	-	255,430
Additional rights (iii)	-	32,667
Less: Reversal of cancelled options	-	-
Closing balance at end of year	<u>570,287</u>	<u>565,004</u>

The summary of the Company's share based payment transactions during the last year is as follows:

Type of instrument	Number	Issue date	Value at Grant Date	Expense recorded
Performance rights	400,000	11/12/17	\$0.14	5,283
Facility options	11,155,908	5/2/18	\$0.0229	255,430

(i) The Company calculated the fair value of the convertible note as \$1,014,488 with the residual value being \$7,003. The input used can be found at note 3.4.

(ii) Issue of 11,155,908 options were issued to consultants with a fair value of \$0.0229. The input using the Black Scholes Pricing Model were:

- (a) Grant Date – 5 February 2018
- (b) Exercise date – 19 January 2020
- (c) Market price of securities - \$0.10
- (d) Exercise price of securities - \$0.15
- (e) Risk free rate – 1.96%
- (f) Volatility – 63.38%

(iii) During the period the Company issues performance rights to its Chairman, Mr E Farrell. The rights were issued after the Company received approval at its Annual General Meeting of shareholders on 29 November 2017. The share price at the grant date was \$0.14 per share valuing the rights at \$56,000. The rights are subject to a hurdle being the share price must be above a VWAP of \$0.15 for 30 consecutive days. The Company has assessed the period of achieving this hurdle is 12 months. The fair value of the rights have been amortised over this period.

Nature and purpose of reserves

The share based payment reserve is used to record the value of share based payments provided to employees, including key management Personnel, as part of their remuneration and securities (other than shares) issued to consultants. The convertible note reserve recorded the fair value of the equity portion of the compound financial instrument on recognition.



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3 Financing – Capital, debt and risk management

	30 June 2019 \$	30 June 2018 \$
3.9 Accumulated losses		
Accumulated losses at the beginning of the year	29,651,440	23,718,271
Loss for the year	<u>1,764,570</u>	<u>5,933,169</u>
Accumulated losses at the end of the year	<u>31,416,010</u>	<u>29,651,440</u>

3.10 Commitments

The Company did not have any office lease during the period. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are as follows:

	30 June 2019 \$	30 June 2018 \$
Within one year	-	1,671
After one year but not more than five years	-	-
More than five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,671</u>



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4 Other assets and liabilities

	30 June 2019 \$	30 June 2018 \$
4.1 Trade and other receivables		
Trade receivables	1,136,967	825,319
	<u>1,136,967</u>	<u>825,319</u>

Credit risk

A- (i)	1,136,967	825,319
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(i) The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

(ii) The From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For current trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

No impairment loss was recognised by the Group for the financial year (2018: \$nil).

There has been no material change after the adoption of AASB 9 financial instruments.

Estimates and judgement

Recoverability of the assets

The accrued revenue has been received in cash post year end. Due to the short term nature of the current receivables, their carrying amounts approximate their fair value.

Refer to Note 3.7 for more information on the risk management policy of the group and the credit quality of the group's trade receivables

	30 June 2019 \$	30 June 2018 \$
4.2 Other receivable and assets		
GST receivable	19,369	11,223
Prepayments	-	281,252
JV GST receivable	76,260	69,826
JV other receivables	122,117	117,875
Income tax incentive receivable	-	1,027,870
Deposits and guarantees	206,562	193,262
Other assets	46,135	50,815
	<u>470,443</u>	<u>1,752,123</u>

Due to the short term nature of the receivables, their carrying amounts approximate their fair value.



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4 Other assets and liabilities

	30 June 2019 \$	30 June 2018 \$
4.3 Fair Value through Other Comprehensive income		
Non-current assets		
Equity Securities		
Investments	110,000	110,000
	<u>110,000</u>	<u>110,000</u>
Investments		
<i>Reconciliation of movements in the balance</i>		
Opening balance	110,000	-
Additional purchases	-	110,000
Disposals	-	-
Closing balance at end of year	<u>110,000</u>	<u>110,000</u>

The profit on sale of investment can be found in the statement of profit or loss for the prior year.

Information relating to the fair value methodology and the risk exposure can be found in note 3.7 above.

	30 June 2019 \$	30 June 2018 \$
4.4 Plant and equipment		
Administration office – Plant and Equipment		
Office equipment	7,625	7,625
Accumulated depreciation	(4,135)	(2,974)
	<u>3,490</u>	<u>4,651</u>
Furniture and fittings	78,747	914
Accumulated depreciation	(5,890)	(636)
	<u>72,857</u>	<u>278</u>
Total administration assets	<u>76,347</u>	<u>4,929</u>

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and at the end of the current period.



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4 Other assets and liabilities

4.4 Plant and equipment (continued)

	Furniture & Fittings \$	Office Equipment \$	Total \$
Opening net book value at 1 July 2018	278	4,652	4,930
Additions during the year	78,747	-	78,747
Disposals during the year	(264)	-	(264)
Depreciation expenses	(5,904)	(1,162)	(7,066)
Closing net book value at 30 June 2019	72,857	3,490	76,347

4.5 Trade and other payables (debts)

	30 June 2019 \$	30 June 2018 \$
<i><u>Current liabilities (debts payable within 12 months)</u></i>		
Trade payables	448,443	678,681
JV trade payables	1,593,458	970,312
Accrued expenses	654,323	1,210,678
JV accruals	532,866	669,901
Payroll liabilities	135,346	58,671
Dividend payable in trust	7,044	7,044
Share buy-back funds in trust	6,796	6,796
GST liabilities	155,408	150,704
Employee entitlements	200,197	160,030
Customer payable	79,129	-
	3,813,010	3,912,817

Due to the short term nature of current payables, the carrying amount of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.



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4 Other assets and liabilities

	30 June 2019 \$	30 June 2018 \$
4.6 Provisions		
JV Provisions	-	-
<i><u>JV provisions – current (due for payment within 12 months)</u></i>		
Reconciliation		
Balance brought forward	-	287,501
Movement during the year	-	(287,501)
Balance carried forward	-	-
 Restoration provision (Cliff Head) – non-current	 21,126,599	 20,821,888
	<u>21,126,599</u>	<u>20,821,888</u>
<i><u>Restoration provisions – non-current liabilities (debts payable after 12 months)</u></i>		
Reconciliation		
Balance brought forward	20,821,888	25,595,143
Additions for the year		
Unwind of discount (Cliff Head)	304,711	336,750
Adjustment to the restoration provision (i)	-	(5,110,005)
Balance carried forward	<u>21,126,599</u>	<u>20,821,888</u>

The non-current provision relates to the Cliff Head production licence WA-31-L (located in the Perth Basin, WA).

Under the terms within the Joint Venture agreement relating to WA-31-L, Triangle is liable to pay rehabilitation cost of 57.5% relating to the licence.

(i) During the prior period the Joint Venture Parties commissioned an independent study to review the previous rehabilitation estimate prepared in 2015. The review highlighted a number of steps that could be taken to reduce the cost of the rehabilitation for the site. The Company has re-adjusted the provision in line with the new study which has resulted in a reduction to the liability of \$5.1 million (57.5% share) for the year ended 30 June 2018.

Estimates and judgement

Assumptions used to assess the rehabilitation provision

The updated study has a substantial number of assumptions embedded in the cost estimate all of which could change and result in the actual amount paid to restore the site being materially different to the carrying value of the liability.

The provision for future restoration costs is the best estimate of the present value (including an appropriate discount rate relevant to the time value of money plus any risk premium associated with the liability) of the expenditure required to settle the restoration obligation at the balance date.



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5 Additional disclosures

5.1 Subsequent events

In the opinion of the directors, no items, transactions or events of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report which have been significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in subsequent financial years, other than the following:

- On 3 September 2019, subsequent to the end of the reporting period, the Company announced it had received irrevocable commitments to raise approximately AU\$3.6 million (before costs) from both professional and sophisticated investors who subscribed for 48,000,000 new ordinary shares at AU\$0.075 per new share (Placement).

5.2 Contingent liabilities

Royalty

As part of the acquisition of the Cliff's Head production licence the Company agreed to pay a royalty of US\$5 per barrel to the seller of the asset when the oil price reaches US\$70 per barrel. At the date of the acquisition, the short to medium term forecast oil price has not reach US\$70/bbl and the Company has not recognised a potential liability for this contingency.

Contingent payable

During the period the Group completed the acquisition of a 15% interest in TP/15 from Whitebark Energy Limited (subject to regulatory procedural approvals). The sale and purchase agreement include clauses for the payment of two amounts which are contingent on the milestones below:

- \$1 million payable on a successful appraisal outcome which is to be settled either 100% in cash or 50% in cash and shares in the Company (at the election of the seller); and
- \$1 million on the delivery of first oil from the prospect.

Indonesian arbitration

The Company received notification from a former overseas joint venture partner alleging that the Company had failed to comply with certain obligations related to corporate social responsibility contributions and an infrastructure requirement. The former joint venture partner is claiming approximately \$5.9 million in relation to this matter. The Company intends to vigorously defend the claim.



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5 Additional disclosures

5.3 Segment reporting

Description of segments

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions. Reportable segments have been identified as follows:

- WA Oil Production
- Australian corporate

The board monitors performance of each segment.

Segment information

The following table present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2019 and 30 June 2018.

	WA Oil Production \$	Australian Corporate \$	Consolidated \$
Year ended 30 June 2019			
Segment Revenue	13,174,305	-	13,174,305
Expenses			
Significant income and expenses			
Interest income	7,403	-	7,403
Interest expenses	-	(444,680)	(444,680)
Depreciation and amortisation	(637,371)	(7,330)	(644,701)
Share of associates Profit / (loss)	192,653	(600,620)	(407,967)
Income tax, deferred taxes and PRRT	(659,041)	-	(659,041)
Segment net operating profit/(loss) after tax	<u>1,343,754</u>	<u>(3,108,324)</u>	<u>(1,764,570)</u>
Year ended 30 June 2018			
Segment Revenue	13,600,032	-	13,600,032
Expenses			
Significant income and expenses			
Interest income	-	675	675
Interest expenses	(977)	(730,152)	(731,129)
Depreciation and amortisation	(920,983)	(1,598)	(922,581)
Share of associates loss	(960,192)	(249,010)	(1,209,202)
Income tax, deferred taxes and PRRT	(1,871,599)	-	(1,871,599)
Segment net operating profit/(loss) after tax	<u>(1,808,945)</u>	<u>(4,124,224)</u>	<u>(5,933,169)</u>
Segment assets			
At 30 June 2019	22,433,836	5,895,958	28,329,794
At 30 June 2018	22,857,376	2,604,120	25,461,496
Segment liabilities			
At 30 June 2019	(24,966,625)	(843,951)	(25,810,576)
At 30 June 2018	(24,465,755)	(2,588,460)	(27,054,215)



TRIANGLE ENERGY (GLOBAL) LIMITED
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5 Additional disclosures

5.4 Related party transactions

The consolidated financial statements include the financial statements of Triangle Energy (Global) Limited and the subsidiaries listed in the following table. The interest in these subsidiaries and associates is ordinary shares.

Name	Country of Incorporation	% Equity Interest		\$ Investment	
		2019	2018	2019	2018
Triangle Energy (QLD) Pty Ltd	Australia	100	100	2	2
Triangle (Perth Basin) Pty Ltd	Australia	100	100	100	100
A.C.N. 008 988 930 Pty Ltd	Australia	100	100	1,136,624	1,136,624
A.C.N. 008 939 080 Pty Ltd	Australia	100	100	1,136,624	1,136,624
Associates					
Triangle Energy (Operations) Pty Ltd	Australia	50	50	493,026	300,373
State Gas Pty Ltd	Australia	33.34	35.47	-	585,622

Triangle Energy (Global) Limited is the ultimate Australian Parent Entity and ultimate Parent of the Group.

Total amount of transactions that were entered into with related parties for the relevant financial year.

	Income from Related Parties \$	Expenditure Related Parties \$	Amounts Owed by Related parties \$	Amounts Owed to Related parties \$
Related party				
Consolidated				

No related party transactions

Investment in associate

In June 2019, the parent entity paid \$15,000 to increase its holding in State Gas Pty Ltd as part of a capital raising by that entity.

Additional transactions with related parties of the Group

There were no additional transactions outside the Consolidated Entity during the year not already disclosed above.



TRIANGLE ENERGY (GLOBAL) LIMITED
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5 Additional disclosures

5.4 Related party transactions (continued)

Key management personnel compensation

	30 June 2019 \$	30 June 2018 \$
Short-term employee benefits	985,000	788,000
Post-employment benefits	76,474	66,500
Long-term benefits	38,480	-
Termination benefits	-	-
Share-based payments	5,283	1,488,667
	<u>1,105,237</u>	<u>2,343,167</u>

Details of the remuneration amounts can be found in the remuneration report within the directors' report.

Transactions with related parties

There are no additional related party transactions during the year.

5.5 Dividends

No dividend has been paid by the Group in respect of the year ended 30 June 2019. (2018: Nil)

5.6 Parent Entity Disclosure

	30 June 2019 \$	30 June 2018 \$
Financial position		
Assets		
Current assets	678,580	2,042,290
Non-current assets	2,465,079	2,094,671
Total assets	<u>3,143,659</u>	<u>4,136,961</u>
Liabilities		
Current liabilities	995,551	5,729,680
Non-current liabilities	-	-
Total liabilities	<u>995,551</u>	<u>5,729,680</u>
Equity		
Issued capital	33,357,938	27,486,714
Accumulated losses	(31,787,120)	(29,651,440)
Reserves	577,290	572,007
Total equity	<u>2,805,756</u>	<u>(1,592,719)</u>



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5 Additional disclosures

5.6 Parent Entity Disclosure (continued)

Financial performance	Year ended 30 June 2019	Year ended 30 June 2018
Profit (Loss) for the year	(3,112,896)	(7,643,568)
Other comprehensive income	-	-
Total comprehensive loss	<u>(3,112,896)</u>	<u>(7,643,568)</u>

5.7 Auditor's Remuneration

	30 June 2019 \$	30 June 2018 \$
Assurance Services		
<i>Amounts received or due and receivable by HLB Mann Judd (WA) Partnership for:</i>		
An audit or review of the financial report of the entity and any other entity in the Group	56,245	53,992
Non- Assurance Services		
<i>Amounts received or due and receivable by HLB Mann Judd (WA) tax:</i>		
Australian Tax Compliance	-	-
Corporate advice	-	-
	<u>56,245</u>	<u>53,992</u>



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies

(a) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the fair value of assets transferred, liabilities incurred to the former owner, equity interests issued and the fair value of any contingent consideration.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as an intangible asset. Dependent on the type of asset or entity acquired, this will either be oil and gas properties, exploration and evaluation expenditure or goodwill. If those amounts are less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the profit and loss as a bargain purchase.

(b) Principles of Consolidation

Consolidation process for the year ended 30 June 2019

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2018 and the results of all of the Parent's subsidiaries for the year then ended. The Parent and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

The Parent entity is identified when the consolidation process occurs and is considered to be a presentation of the Parent and its subsidiaries at that point in time. As at the reporting date (30 June 2016) the Group has a new Parent entity (**New Parent**) for the purpose of accounting, being TEG, as the legal Group had disposed of the Old Parent during the period. A consolidation requires the Parent entity to identify the subsidiaries over which the Consolidated Entity has control throughout the period. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. These subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity and are de-consolidated from the date that control ceases.

Under the reverse acquisition accounting, the Old Parent was deemed to control the entire group including the legal parent and its subsidiaries. However, as a consequence of the disposal of the Pase Group, the Consolidated Entity has a New Parent which, for accounting purposes, is not deemed to control the Pase Group during the periods presented. The result is that the Consolidated Entity presents its consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity on a restated basis as if the previous Pase Group's financial information did not exist, (consistent with the reverse acquisition accounting principle at the commencement of the acquisition).

General consolidation principles

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Triangle Energy (Global) Limited. When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Critical accounting judgements and key sources of estimation uncertainty (not disclosed in notes 1.1 to 5.7)

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contingent consideration

The Company sold its interest in the Indonesian Pase PSC assets during the period. As part of the sale process the Company obtained the right to receive a production royalty from the purchaser of the asset of 5% of its net profit share (excluding cost recoveries) up to a cap of US\$2 million per annum and in aggregate to US\$25 million. The ability of the Company to obtain any element of the royalty is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.

The Company has also obtained the right to receive a cost recovery split for previously incurred exploration and development costs from the purchaser up to a value of US\$7 million. The ability of the Company to obtain any cost recovery split is subject to a number of events and circumstances that are outside the control of the Company and at this time the directors believe these events are unlikely to occur in the short term. However, facts and circumstances may change in the future and could result in a material benefit being received by the Company.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of Triangle Energy (Global) Limited.

(e) Foreign Currency Translation

Both the functional and presentation currency of Triangle Energy (Global) Limited and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

At the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of Triangle Energy (Global) Limited at the exchange rate on that date. The Group's profit or loss is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component and recognised in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(f) Revenue recognition (AASB 15)

The Company currently has one contract for the delivery of hydrocarbons to a local refinery. The Company has assessed the performance obligations under the contract and these relates specifically to the delivery of all product produced by the Cliff Head joint venture to this refinery. The customer takes delivery of this product at the refinery gate and at this point the Company's obligations end.

(i) Sale of oil

Revenue is recognised when the Company completes its obligations to deliver its hydrocarbons which has been produced to its customer at a local refinery.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

(f) Revenue Recognition (AASB 15)

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

(h) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The Company also recognises the Petroleum Resources Rent Tax (PRRT) paid and payable within tax expense.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Derivative financial instruments through profit or loss and hedging

The Group has not used derivative financial instruments such as forward currency or commodity contracts and interest rate swaps to hedge its risks associated with foreign currency, commodity or interest rate fluctuations.

Where a derivative has been identified, it is initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The fair value movement in subsequent periods is recognised in the profit or loss.



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6.1 Accounting Policies (continued)

(k) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Oil and gas production activities

Cost is allocated on a production basis and includes direct material, labour, related transportation costs to the point of sale and other fixed and variable overhead costs directly related to oil and gas production activities.



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6.1 Accounting Policies (continued)

(o) Financial assets

Financial assets in the scope of AASB 9 *Financial Instruments* are classified as either financial assets measured at fair value through either profit and loss or other comprehensive income or measured at amortised cost. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets

There are 3 measurement categories for financial assets, these are:

- (a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments for principal and interest, are measured at amortised cost. Interest income from those financial assets is included in the finance income using the effective interest rate method. Any gains or losses arising on derecognition is recognised directly in the profit and loss.
- (b) Fair value through other comprehensive income: assets that are held for collection of contractual cash flows and for selling the financial asset, where the assets cash flows represent solely payments for principal and interest are measured at Fair value through other comprehensive income. Movements in the carrying value are taken through other comprehensive income, other than impairment gains and losses, interest income and foreign exchange which are recognised in the profit and loss. When the financial asset is derecognised, the cumulative gains or losses recognised in other comprehensive income are reclassified from equity to profit and loss and recognised on a gain or loss on sale.
- (c) Fair value through profit and loss: assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit and loss. All movements are recognised in the profit and loss.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

From 1 July 2018 the Group assesses on a forward looking basis the expected credit losses associated with its financial assets that are not carried at fair value through profit and loss. The impairment methodology will depend on the financial asset. For trade and other receivables, the group will use an expected lifetime losses model upon initial recognition. However, for a specific class of asset the Company may use the general approach (stage 1) to assess the expected credit losses for this receivable. Where there is evidence that a credit worthiness of the counterparty has deteriorated the Group will move to stage 2 and stage 3 assessments.



TriangleEnergy

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6.1 Accounting Policies (continued)

(p) Interest in a joint arrangement

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangements. In a joint operation, the Group recognises its direct right to the assets, liabilities, revenues and expenses, these have been included in their separate classification categories in the statement of financial position as at 30 June. Interests in a joint venture are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(q) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 2 - 15 years depending upon the nature of the asset;

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.



TRIANGLE ENERGY (GLOBAL) LIMITED
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6.1 Accounting Policies (continued)

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.



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6.1 Accounting Policies (continued)

Restoration of exploration and operating locations

Provision is made for the obligation to restore exploration and operating locations. The provision is first recognised in the period in which the obligations arises. The nature of the restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated periodically, with a corresponding movement recognised against the related exploration and evaluation asset or oil and gas properties.

Over time, the liability is increased for a change in the present value based on a pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the asset (based on the production profile).

(t) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits however due to the infancy of the Group, no long service leave has been accrued.

(u) Share-based payment transactions

Share-based compensation benefits are provided to employees via the TEG Employee Rights Plan. Information relating to these schemes is set out in Note 3.6.

The fair value of options granted under the TEG Employee Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

6.1 Accounting Policies (continued)

(w) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development

(y) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

6.1 Accounting Policies (continued)

(z) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB reference	Nature of Change	Impact on Initial Application
AASB 16 (issued February 2016) Applicable date – Annual reporting periods beginning on or after 1 January 2019.	Leases AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	The Group through its 50% controlled Joint Operations has reviewed all of its operating leases including site contracts and has determined the impact to be as follows: Total expected lease liability to be included in its 50% controlled joint operations is \$855,429.
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle Amendments - Disclosure Initiative: Amendments to AASB 112 and 123	This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and an entity will be required to clarify income tax consequences of payments on financial instruments classified as equity and that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings..	The entity does not recognise all of its deferred taxes on borrowings and does not expect this amendment to have a material impact on the tax balance.

TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

6.1 Accounting Policies (continued)

New standards and interpretations not yet adopted (continued)

AASB reference	Nature of Change	Impact on Initial Application
This standard and the amendments are applicable to annual reporting periods beginning on or after 1 January 2019 and the Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments.	The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances.	The Consolidated Entity is yet to fully assess the impact of this interpretation.



TRIANGLE ENERGY (GLOBAL) LIMITED
NOTES TO THE CONSOLIDATED ANNUAL REPORT
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6.1 Accounting Policies (continued)

(aa) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recoverable principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of the disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

(bb) Oil & Gas properties

Oil & Gas properties are stated as cost less accumulated depreciation and impairment charge (unless they have been acquired as part of a business combination). Oil & Gas properties include initial cost to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, transfers from exploration and evaluation assets, development of wells and estimates of costs for dismantling and restoring sites.

Subsequent capital costs, including major maintenance, are included in the assets carrying value only when it's probable that future economic benefits associated with the item will flow to the Group and the costs can be reliably measured.

Oil & gas properties (including all categories within the classification) are depreciated to their estimated residual value at a rate based on their expected useful lives with reference to the unit of production basis over proven reserves or proven plus probable.

(cc) Investments in associates

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the impairment policy above.

(dd) The adoption of AASB 15 and AASB 9 have been covered in notes 1.2 and 4.1 above.

DIRECTORS' DECLARATION

In the opinion of the directors of Triangle Energy (Global) Limited:

- (a) the financial statements and notes set out on pages 26 to 79 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and other mandatory professional reporting requirements;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
- (d) this declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

This declaration is signed in accordance with a resolution of the board of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.



Tim Monckton

Chairman

Dated at Perth, Western Australia this 24th day of September 2019.

INDEPENDENT AUDITOR'S REPORT

To the members of Triangle Energy (Global) Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Triangle Energy (Global) Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3.6 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report:

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Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 2.2 of the financial report	
The Group has capitalised exploration and evaluation expenditure of \$10,784,264. In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises acquisition costs and then expenses further exploration and evaluation expenditure as incurred. The cost model is applied after recognition. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset. We considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. We considered this to be a key audit matter due to its size and importance to the users' understanding of the financial statements.	Our audit procedures included but were not limited to: • Obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • Substantiated a sample of exploration and evaluation expenditure; • Obtained evidence that the Group has current rights to tenure of its areas of interest; • Considered the Directors' assessment of potential indicators of impairment under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>; • Examined the exploration budget for the year ending 30 June 2020 and discussed with management the nature of planned ongoing activities; and • Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.
Oil and gas properties Note 2.1 of financial report	
The carrying value of the oil and gas development asset is \$4,950,760 We considered this to be a key audit matter due to its size and importance to the users' understanding of the financial statements and the degree of audit effort directed towards this area.	Our audit procedures included but were not limited to: • Substantiated a sample of oil and gas development expenditure capitalised; • Obtained evidence that the Group has current rights to tenure of its development area; • Validated the amortisation rate applied is relative to production; • Critically evaluated management's assessment of indicators of impairment under AASB 136 <i>Impairment of Assets</i>; and • Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Triangle Energy (Global) Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 September 2019



B G McVeigh
Partner

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION IN ACCORDANCE WITH LISTING RULES OF THE ASX LIMITED.

Substantial Shareholder Information as at 13 September 2019

Shareholder Name	Securities	%
Michael Norman Arnett	60,478,841	16.80%
Robert Ian Angell	50,195,579	13.90%
Tamarind Resource Pte Ltd	50,195,579	13.90%
	60,478,841	16.80%

Holder of 20% or more Options expiry 19 January 2020. As at 13 September 2019

Options Holder Name	Securities	%
Tamarind Resource Pte Ltd	11,155,908	100.00

Distribution of Shareholders as at 13 September 2019

Spread of Holdings	Holders	Securities	%
NIL holding	-	-	
1 - 1,000	56	5,248	0.00%
1,001 - 5,000	52	170,933	0.05%
5,001 - 10,000	85	681,942	0.19%
10,001 - 100,000	454	18,966,584	5.26%
100,001 - 9,999,999	362	340,928,975	94.50%
	1,009	360,753,682	100.00%

Distribution of Options holders as at 13 September 2019

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 - 9,999,999	1	11,155,908
	1	11,155,908

Top Twenty Shareholders as at 13 September 2019

Rank	Holder Name	Securities	%
1	Tamarind Resources Pte Ltd	50,195,579	13.91%
2	BNP Paribas Nom Pty Ltd <UOB Kay Hian Priv Ltd DRP>	13,878,074	3.85%
3	BNP Paribas Nom Pty Ltd <DRP>	12,600,000	3.49%
4	Mr Darren Michael Bromley	12,034,234	3.34%
5	Cowen Investments Pty Ltd	11,185,234	3.10%
6	Sochrastem SAS	11,076,924	3.07%
7	Whitebark Energy Limited	10,846,988	3.01%
8	Jarrad Street Corporate Pty Ltd	8,800,000	2.44%
9	Mr Michael Arnett	7,600,000	2.11%
10	Citicorp Nominees Pty Limited	6,365,405	1.76%
11	J P Morgan Nominees Aus Ltd	6,009,842	1.67%
12	Mr Darren John Hall	5,456,752	1.51%
13	Austin 4 Pty Ltd	4,183,591	1.16%
14	Mr Robert Towner	4,066,451	1.13%
15	Mr Kenneth Joseph Hall <Hall Park a/c>	4,000,000	1.11%
16	Mr Robert ET Towner	3,800,000	1.05%
17	Mr Barry Dawe	3,794,537	1.05%
18	Double Eagle Pty Ltd	3,705,696	1.03%
19	Merrill Lynch (Australia) Nominees Pty Ltd	3,419,790	0.95%
20	Anisimoff Super Fund Pty Ltd	3,410,917	0.95%
	Twenty Largest Shareholders	186,430,179	51.68%
	Others	174,323,503	48.32%
	Total	360,753,682	100.00%

Top Twenty Rights Holders as at 13 September 2019

Rank	Holder Name	Securities	%
1	Edward Farrell	400,000	100.00
			100.00

Distribution of rights holders as at 13 September 2019

Spread of Holdings	Holders	Securities
NIL holding	-	-
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 - 9,999,999	1	400,000
	1	400,000

The shares carry the right to one vote for each ordinary share held.

On 13 September 2019, 141 holders held less than a marketable parcel of \$500 worth of shares in the Company