

Completion of Mount Horner Farmout Agreement

Triangle Energy (Global) Limited (**Triangle/ the Company**) (ASX: **TEG**) is pleased to advise that the final condition precedent under the Farmout Agreement (**Agreement**), executed on 31 October 2018 with Key Petroleum (Australia) Pty Ltd (**Key**) with respect to Production Licence L7 (R1) (**L7**), has now been satisfied, with the receipt of landowner consent.

As foreshadowed in Triangle's announcement of 20 September 2019, landholder consent was the final Completion condition under the Agreement and Triangle and Key expect Completion to be effective from 7 October 2019.

The transfer to Triangle, of a 50% equity holding in L7 has already been approved by the Department of Mines, Industry Regulation and Safety (**DMIRS**).

As previously announced, a wholly owned subsidiary of Triangle will hold the relevant interest to be earned under the Agreement and Triangle has provided a guarantee of that subsidiary's obligations under the Agreement.

Summary of the key terms of the Farmout Agreement

- i. Triangle must within 45 days of the date of Completion submit a work programme that must include a 3D seismic survey of at least 50 km² and a drilling programme of at least two new wells (**Farmin Programme**). Triangle shall have 24 months to complete the Farmin Programme
- ii. Triangle shall be responsible for 100% of the cost of the Farmin Programme up to a limit of US\$3million (**Farmin Amount**). Costs of completing the Farmin Programme in excess of US\$3million will be shared in accordance with the participating interests of Key and the Company (with each currently holding 50% each).
- iii. Triangle will earn a 50% equity interest in L7 by completing the Farmin Programme.
- iv. Key may elect for its participating interest share of ongoing joint venture costs to be paid for by Triangle (**Carried Amount**).
- v. Triangle will recover the Farmin Amount and the Carried Amount through the entitlement of 87.5% (based on Triangle holding a 50% participating interest) of production from L7, after completion of well drilling under the Farmin Programme, for the first two years of commercial production. Triangle shall be entitled to 75% (based on Triangle holding a 50% participating interest) of production in L7 thereafter until the Farmin Amount and the Carried Amount has been recovered.
- vi. Triangle retains the option of assuming Operatorship of L7 upon completion of the Farmin Programme(ie after it has earned its 50% participating interest).
- vii. Key is solely responsible for all activities and costs associated with the decommissioning of the existing Mt Horner wells including removal of the surface facilities and rehabilitation of the

facility site and access roads. Triangle and Key will share any decommissioning costs which would arise from new wells and any infrastructure to be added to the L7 permit.

ENDS

General enquiries:

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About Triangle Energy (Global) Ltd

Triangle Energy (Global) Ltd is an ASX listed (ASX:TEG) oil producer and explorer based in Perth, Western Australia. The Company has a 78.75% interest in, and is Operator of, the producing Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant. Triangle also has a 50% share of the Mt Horner L7 production licence¹ and a 45% equity interest in the Xanadu-1 Joint Venture, both located in the Perth Basin. Triangle also has a substantial equity interest in State Gas Ltd (ASX:GAS), which has an 80% operating interest in the Reids Dome production licence (PL 231) in Queensland. The Company continues to assess acquisition prospects to expand its portfolio of assets.

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