

Quarterly Activities Report & Appendix 5B

For the 3 months ended 31 December 2011



COMPANY OVERVIEW

ASX Code:	TEG
Share price*	\$0.03
Shares on issue	1.424b
Unlisted rights	49.25m
Market capitalisation	\$40m
Average stock turnover** (shares/month)	11.5m

* At 31 Dec 2011 ** Past 6 months

DIRECTORS

John Towner	Executive Chairman
Robert Lemmey	Non-Executive Director
Steve Hamer	Non-Executive Director
Lewis Johnson	Non-Executive Director
Alastair Morrison	Non-Executive Director

Highlights

PSC revenue for the quarter was US\$2.789M from gas production of 233 mmcf. The 2012 work program and budget was presented to and approved by BPMIGAS during the quarter incorporating drilling and seismic activities for 2012. Capital raising was undertaken with the release of an updated corporate presentation, a corporate presentation roadshow, a placement of \$2M and the investment of \$3.5M by Standard Chartered Private Equity as Tranche 1 of a two tranche convertible note subscription agreement for a total of \$10M, representing an interest of 18% based on the Company's current issued capital.

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Pase production

Production during the December quarter was from three wells, A-1, A-5 and A-6. Total production was as follows:

Month	MMcf
October	77.39
November	76.99
December	84.01
Total	233.39

Pase development activities

The Company's 2011 work-over program continued during the December quarter.

A1: Reperforation of the upper reservoir zone has been completed and the well returned to production. Several attempts have been made to surge the well to clean up the new perforations and establish communication into the fracture system without any apparent success. In consideration of there being no improvement in the

production from conventional perforating of the reservoir the option to reperforate using conventional perforating with propellant stimulation technology is being considered.

A2: The upper DST reservoir zone has been reperforated, unfortunately it was not possible to reperforate the lower DST reservoir zone due to debris in the well. An organic acid wash over the original perforations was also carried out and limited gas influx into the well has been established at rates insufficient to sustain natural flow and well below the rates achieved in the original DST on the well. In consideration of the apparent failure to establish effective communication into the reservoir fracture system from conventional perforating the option to reperforate using conventional perforating with propellant stimulation technology is being planned.

Pase operational activities

Significant effort during the quarter was on the 2012 work program and budget (WP&B) which was presented to BPMIGAS, the Indonesian upstream oil & gas regulator during November. Triangle Energy's 2012 WP&B was approved in full incorporating additional investment in the PSC through new seismic acquisition and drilling activities planned for late 2012.

At the 2011 BPMIGAS Drilling and work-over summit in December 2011, Triangle Energy received accolades for achieving its work program in full in a year when most Indonesian PSC achieved no more than 30% of their annual work programs.

Exploration activities

During the quarter the Company's technical team continued its evaluation of all Pase wells for missed pay and

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remaining gas potential using PLT, borehole and fracture study data to understand the distribution of water and gas in the wells and development of potential exploitation programs. The team also continued its re-processing of seismic data for infill and near field well locations and has now awarded a contract to PT. Kreasindo Eratek Dinamika to re-process approximately 400 km of 2D seismic over the Pase field and generate PSDM lines and a velocity model that ties in with existing well data. Work has commenced to prepare drilling equipment and services tenders and preparations are underway to carry out prequalification of drilling rigs.

Health, safety & environment

Triangle Energy maintained its excellent operating record during the quarter with zero Lost Time Incidents, zero environment incidents and zero recordable motor incidents.

This is an excellent achievement particularly as

2011 man hours increased 30% over 2010 and kilometres driven increased 80% from 2010.

Corporate Social Responsibility

Corporate social responsibility activities during the quarter included continuing investment in education via assistance with grading of land for a proposed high school and investigations regarding the potential application of solar water pumps for remote areas such as Pase.

PSC renewal

Triangle Energy continued its efforts to renew the Pase PSC for 20 years ahead of its expiry on 23 February 2012. BPMIGAS reaffirmed its support for Triangle and Pertamina has confirmed that it is not interested in acquiring the PSC. Positive meetings have been held with the Ministry of Energy. Migas is proceeding under protocol to process the application having received recommendation to renew the PSC from BPMIGAS in July 2010.

Corporate activities

During the quarter the Company presented an updated Corporate Presentation to brokers. \$2M was raised via a private placement in November.

A convertible note subscription agreement was signed with Standard Chartered Private Equity in December under which \$3.5M was invested as Tranche 1 of a two tranche, \$10M investment which once redeemed will convert to shares representing 18% of the Company's current issued capital.

During the quarter the Company carried out due diligence in regards to ExxonMobil's Aceh assets including Block B PSC and North Sumatra Offshore PSC.

Financial summary

Gross PSC revenue for the quarter was US\$2.7M. Cash at bank at the end of the quarter was \$7.5M and market capitalisation was \$40 million at 31 December.

About Triangle Energy

Triangle Energy is a gas production and exploration company based in Perth with a wholly owned subsidiary, Triangle Pase Inc. (TPI) based in Jakarta which is the 100% holder and operator of the Pase PSC which covers 922km² in Aceh Province, North Sumatra Indonesia.

Most of Triangle Energy's gas is sold at premium LNG prices. The Pase PSC has considerable exploration and development opportunities which Triangle Energy will pursue following renewal of its PSC. Triangle Energy is continuing to review further acquisition opportunities in the area.

Triangle Energy regularly updates its website at www.triangleenergy.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

TRIANGLE ENERGY (GLOBAL) LIMITED

ABN

52 110 411 428

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	2,491	4,809
1.2 Payments for (a) exploration & evaluation	(106)	(243)
(b) development	(2,527)	(6,846)
(c) production	(1,146)	(2,701)
(d) administration	(1,036)	(1,874)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other -FX adjustments for the period	58	(268)
Net Operating Cash Flows	(2,254)	(7,105)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
- Cash acquired on acquisition of Triangle Energy Limited	-	-
- Cash advanced to Triangle energy Limited prior to acquisition	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(2,254)	(7,105)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,254)	(7,105)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,000	2,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	3,409	3,409
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	(4)	(56)
1.19	Other (provide details if material) - Convertible note fees	(68)	(68)
	Net financing cash flows	5,337	5,285
	Net increase (decrease) in cash held	3,083	(1,820)
1.20	Cash at beginning of quarter/year to date	4,774	8,968
1.21	Exchange rate adjustments to item 1.20	(165)	544
1.22	Cash at end of quarter	7,692	7,692

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(315)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included at 1.23 are:

- Directors fees of \$23k
- Payments made for professional services pursuant to consultancy agreements totalling \$227k
- Expense reimbursements of \$64k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(201)
4.2 Development	(3,454)
4.3 Production	(1,005)
4.4 Administration	(923)
Total	(5,583)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,593	4,671
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other - Deposit as security for SBLC provided to Exxon Mobil Oil Indonesia	99	103
Total: cash at end of quarter (item 1.22)	7,692	4,774

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

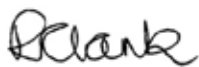
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	N/A	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3 +Ordinary securities	1,424,475,458	1,424,475,458	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	66,666,667	66,666,667	\$0.03	N/A
7.5 +Convertible debt securities <i>(description)</i>	3,500,000	-	\$1.00	\$1.00
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	3,500,000	-	\$1.00	\$1.00
7.7 Options <i>(description and conversion factor)</i>	49,250,000	-	<i>Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria</i>	Nil
7.8 Issued during quarter	15,000,000	-	<i>Unlisted Share Rights under TEG Employee Rights Plan with Performance Vesting Criteria</i>	Nil
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.


 Sign here: Date: 30 January 2012
 (Company secretary)

Print name: Rae Clark

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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