

ASX Announcement

28 March 2025
ASX:TEG



Triangle agrees revised timing and terms for sale of Cliff Head onshore assets

- Triangle agrees to September 2026 for Pilot to complete the purchase.
- Sale price remains ~A\$5.6m plus interest (~\$6.4m).
- Pilot to fund all Cliff Head operating costs until completion.

Triangle Energy (ASX:TEG) advises that it has entered into a binding term sheet with Pilot Energy (ASX:PGY) for revised terms of the sale of Triangle's interests in the Cliff Head Joint Venture (CHJV) project assets located onshore WA.

Under the revised terms of sale, Triangle has agreed to defer receipt of cash payment for the assets to 30 September 2026, to give Pilot sufficient time to secure the funds required to complete the purchase.

The sale price remains ~A\$5.6 million plus interest (~\$6.6 million).

Under the revised terms of sale, Pilot will purchase the onshore WA Cliff Head assets (being the Arrowsmith freehold land and facilities and infrastructure licences) through the issue of a secured promissory note to Triangle in the amount of \$5,563,000. The note will have a maturity date of 30 September 2026 (or earlier in the event of a sale of a material interest in the CHJV by Pilot to a third party). The note will accrue interest from 30 June 2025 at 10% which will be capitalised to maturity. Pilot will make a one-off cash payment to Triangle of \$167,000 on 31 August 2025 in recognition of the deferred interest accrual under the note.

Importantly under the revised sale terms, Pilot will continue paying all of the Cliff Head operating costs under the CHJV until it completes the purchase of Triangle's interest in the CHJV.

Effectively, under the revised terms of sale, Triangle will convert the debt currently owed by Pilot to Triangle to a secured facility of \$5,563,000 plus interest, resulting in total anticipated payments to Triangle of approximately \$6.6 million.

The sale of Triangle's interests in the onshore Cliff Head assets to Pilot is subject to formal agreement between the parties and the satisfaction of several conditions precedent which are outlined in Appendix 1.

Triangle Managing Director Conrad Todd, said: *"The revised timetable is in the best interests of both companies. It provides Pilot sufficient time to secure the funds needed to complete the transactions while ensuring that Triangle ultimately receives the same price plus interest and incurs no operating costs in respect to Cliff Head."*

This means Triangle will still achieve its key objectives, including enabling it to focus solely on its growing conventional oil and gas exploration and development interests".

The key details of the term sheet are outlined in Appendix 1.

Authorised for Release by: The Board of Directors

ENDS

For more information

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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 the Cliff Head Oil Field, which includes the Arrowsmith Stabilisation Plant.

Triangle also has a 50% share of the L7 production licence and the adjacent EP 437 exploration licence, both located in the Perth Basin.

In the UK Triangle has a 50% interest in the P2628 licence comprising four blocks containing the Cragganmore gas field and a 50% interest in licence P2650 comprising 9 blocks in the Outer Moray Firth.

The Company continues to assess acquisition prospects to expand its portfolio of assets.

Appendix 1:

Triangle will sell its interests in the onshore Cliff Head assets (the **Arrowsmith Assets**) to Pilot subject to satisfaction of the following conditions:

- Triangle and Pilot entering into formal agreement for the revised terms of sale under agreed variations to the Sale and Purchase Deed previously agreed.
- Pilot raising a minimum of \$5 million (net of costs) under its previously announced recapitalisation plan.
- Reinstatement of Pilot's shares to ASX quotation.
- Issue by Pilot to Triangle of a secured promissory note in the amount of \$5,563,000 (**Secured Note**).
- Grant of securities in agreed form by Pilot and its subsidiary Royal Energy to Triangle to secure payment of the Secured Note.

The sale of the Arrowsmith Assets and the Secured Note are to be on terms whereby:

- The Secured Note is to be issued to Triangle on completion of the sale of Triangle's interests in the Arrowsmith Assets to Pilot's subsidiary Royal Energy.
- Maturity date for the Secured Note is 30 September 2026, or the sale or disposal of a material interest (over 25%) of Pilot's interest in the Cliff Head CCS project to a third party, whichever occurs first.
- All amounts owing under the Secured Note and for the sale of sale of Triangle's interests in the Arrowsmith Assets are to be paid on maturity of the Secured Note.
- The Secured Note is interest bearing at 10% per annum accruing quarterly from 30 June 2025, with interest capitalised until maturity.
- Security to be provided to Triangle by way of a general securities over the assets of Pilot and Royal Energy, and specific securities over Pilot's shares in Royal Energy, Royal Energy's shares in Triangle Energy Operations Pty Ltd (through which Pilot holds its 21.25% interest in the CHJV). The general securities will remain in effect for 12 months from completion of the sale, after which Triangle will retain the specific securities until the Secured Note is paid in full.
- Pilot will make a payment of \$167,000 on 30 August 2025 representing interest up to 30 June 2025, after which the interest will be capitalised.
- Repayment in full on event of default, which includes non-payment by Pilot of Cliff Head operating costs, a Pilot insolvency event or non-payment of the interest.
- In event of a sale of Pilot's Three Springs Solar Farm, 30% of the sale price will be paid to Triangle as a repayment of the outstanding balance of the Secured Note.