

2015

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# ANNUAL + REPORT



ABN 68 116 829 675

**CORPORATE INFORMATION**  
**ABN 68 116 829 675**

**Directors**

Mr Tommy Cheng (Chairman)  
Mr Paul Underwood (Managing Director and CEO)  
Mr Po Chan (Executive Director)  
Mr Garry Ralston (Non Executive Director)

**Company secretary**

Mr Alex Neuling

**Registered office and Principal place of business**

Unit 6, Level 1, 100 Railway Road  
SUBIACO WA 6008  
Telephone: (08) 9382 2322  
Facsimile: (08) 6314 1557

**Postal address:**

PO Box 899  
COTTESLOE WA 6011

**Share register**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Telephone: (08) 9315 2333

**Solicitors**

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
PERTH WA 6000

Bennett & Co.  
Ground Floor, BGC Centre  
28 The Esplanade  
PERTH WA 6000

**Bankers**

National Australia Bank  
Level 1, 1238 Hay Street  
WEST PERTH WA 6005

**Auditors**

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000

**Website** [www.tripleenergy.net](http://www.tripleenergy.net)



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## MANAGING DIRECTOR'S REVIEW

Whilst no further drilling occurred in 2014, Triple Energy Ltd (Triple) completed a major transaction with Blue Sky Power Holdings Ltd (**BSP**) whereby the funding of next two wells has been secured along with working capital. The dispute with CFT Holdings Ltd was settled.

The two well programme has just commenced with the spudding of the Niaoshan-1 well.

2014 commenced with Triple having discussions with numerous investors interested in progressing the Aolong Joint Venture project by way of an investment in Triple.

After lengthy negotiations, a non-binding Memorandum of Understanding was entered into with BSP of Hong Kong, in August 2014. This company is listed on the Hong Kong Stock Exchange (Code "6828") and under the Chairmanship of Mr Tommy Cheng has redeveloped its strategy to downstream gas sales and distribution in China. This downstream gas distribution of gas is complementary with Triple's upstream gas discovery and production strategy.

The non-binding MoU enabled BSP to complete its due diligence on Triple and the Aolong project. In December 2014 BSP executed a binding MoU whereby it took an initial placement of shares in Triple at a price of \$0.005 (giving it a 19.9% interest in the company) and further agreed to fund the drilling and testing of two coal seam gas wells in the Hegang area of Heilongjiang Province, China. Upon the completion of the drilling and testing programme, BSP will hold up to 63% of Triple and will have invested around A\$6 million. This transaction with BSP was overwhelmingly supported by shareholders in April 2015.

In March 2015, the Aolong Joint Venture and BSP entered into a drilling contract with Beijing Juizun Energy Technology Ltd (**Juizun**) whereby the two wells referred to above will be drilled and funded by BSP.

Although it has been a frustrating period with no further drilling, our efforts were in the end successful with the next two wells now fully funded. These two wells are designed to establish commercial viability of a potentially scalable development in the Hegang area. The first of the two wells was spudded on 29 June 2015. Other option areas in the Joint Venture Agreement with Longmay are under evaluation and in the success case, Triple has the potential to emerge as a substantial gas producer in the region.

The investment and corporate relationship with BSP under Mr Tommy Cheng has been very welcomed. Mr Po Chan was also appointed to the Board as an Executive Director in February 2015 by BSP and his contribution has been invaluable. The Aolong JV also appointed BSP's Technical Advisor in Beijing, Mr Billy Bian to the position of Chief Technical Officer and he is accordingly supervising the drilling programme in conjunction with Juizun.

I would like to thank the Triple Board (including our past Director, Mr. Greg Meldrum) for the support in the lead up to the BSP transaction and in particular welcome the new Chairman Mr Tommy Cheng and new Executive Director Mr Po Chan. I also extend thanks to the Company's staff in Perth and Beijing, our Joint Venture partners and liaison representatives for their contribution during the year as we all look forward to positive drilling results.

We look forward to positive drilling results and seeing shareholders at the Annual General Meeting.



Paul Underwood  
Managing Director

## DIRECTORS' REPORT



Your directors submit the annual financial report of the Company for the financial year ended 31 March 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report 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.

Mr Ming Kit (Tommy) Cheng	Chairman (appointed 9 December 2014)
Mr Paul Underwood	Managing Director and Chief Executive Officer
Mr Po Siu Chan	Executive Director (appointed 29 April 2015)
Mr Garry Ralston	Independent Non-Executive Director
Mr Greg Meldrum	Former Non-Executive and Technical Director (resigned 9 December 2014)

### Names, qualifications, experience and special responsibilities

#### Mr Tommy Cheng Chairman Qualifications: B.Comm

Mr Cheng is an executive director and chairman of Blue Sky Power Holdings Ltd (HKEx Stock Code 6828 "BSP"). He holds a Bachelor degree in Commerce from the University of Alberta, Canada. From 1995 to 2003, Mr Cheng held various positions which were responsible for corporate finance and property development activities in the PRC. From 2003 to 2008, Mr Cheng was involved in the investment and operations in the gold mining industry in the People's Republic of China ("PRC") and had held senior positions in a mining company listed on the Toronto Stock Exchange Venture Board with mining and exploration operations in the PRC. Mr Cheng is currently an executive director and chief executive officer of New Times Energy Corporation Limited (HKEx stock code: 0166) and was an executive director of Grand T G Gold Holdings Limited (HKEx stock code: 08299) from November 2008 to June 2009, which shares are listed on the Hong Kong Stock Exchange.

During the 3 years to balance date, Mr Cheng has served as a Director of New Times Energy Corporation Limited (2009-present) and Blue Sky Power holdings Ltd (2014-Present).

#### Mr Paul Underwood Managing Director and Chief Executive Officer Qualifications: Bachelor of Business, Grad Diploma in Applied Finance, Chartered Accountant

Mr Underwood has over 32 years experience in the upstream oil and gas sector and corporate advisory. He was the founding Managing Director and Chief Executive Officer of Tap Oil Limited (ASX: TAP), a position he held for 11 years. Mr Underwood presided over Tap Oil during its progression from an unlisted junior start-up company into a significant participant in the oil and gas sector with a market capitalisation of over three hundred million dollars.

Mr Underwood is also a Non-Executive Director of Western Power, a Western Australian state owned electricity utility, and President of Alliance Francaise de Perth.

During the three years to balance date Mr Underwood has not served as a director of any other listed company.

## DIRECTORS' REPORT (continued)

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**Mr Po Siu Chan**  
**Executive Director,**  
**Qualifications: FCA, MComm**

Mr Chan is a fellow of the Institute of Chartered Accountants in Australia and is a Director of Afanti Asset Management in Hong Kong. Mr Chan has experience in business consulting and investment banking in China and the Asia Pacific region. Mr Chan has held roles as a Director at PwC in the Advisory division and as a Senior Manager at ANZ in its Project Finance division and has significant experience in transactions in China and Asia Pacific. He holds a Masters Degree in Commerce (specialised in Banking and Finance) from the University of New South Wales in Sydney and a Bachelor Degree in Commerce from the University of Sydney in Sydney.

During the three years to balance date Mr Chan has not served as a director of any other listed company.

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**Mr Garry Ralston**  
**Independent Non-Executive Director, Chairman Audit & Risk, Nomination and Remuneration Committees**  
**Qualifications: Licensed Finance Broker (CFB)**

Mr Garry Ralston serves as a Non-Executive Director of the Company and is based in Perth, Western Australia. Mr Ralston has been directly involved in the banking and finance industry for over 44 years. Mr Ralston was a co-founder of Finance and Systems Technology (FAST) which is one of Australia's premier mortgage aggregators. Mr Ralston is also a director and co-founder of Select Mortgage Services.

During the three years to balance date Mr Ralston has not served as a director of any other listed company.

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**Mr Greg Meldrum**  
**Former Technical Non-Executive Director, resigned 9 December 2014**  
**Qualifications: Bachelor of Science**

Mr. Meldrum is a Petroleum Geologist with a Major in Geology from the University of Newcastle, NSW. He has over 40 years experience in Australian and international oil and gas exploration and development.

He has worked for major companies such as Esso, Burmah Oil Company, Marathon Petroleum, Apache Energy and Japan Australia LNG as well as in his own right as a consultant. He was also Technical Director and Board member for Petro Matad Ltd, a London Stock Exchange listed company.

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### **Company Secretary - Mr Alex Neuling**

Alex Neuling is a Chartered Accountant and Chartered Secretary with significant corporate and financial experience including as director, chief financial officer and / or company secretary of various ASX-listed companies in the Oil & Gas, mining, mineral exploration and other sectors.

Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in Chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting Pty Ltd which provides company secretarial and financial management consultancy services, to a variety of ASX-listed and other companies.

### **Interests in the shares and options of the Company**

The following relevant interests (including indirect interests) in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report or the date each Director ceased to be a Director, as applicable.

Directors	Fully paid ordinary shares	Options
Mr Tommy Cheng*	-	-
Mr Po Chan*	-	-
Mr Paul Underwood	28,160,000	55,000,000
Mr Garry Ralston	12,000,000	2,500,000
Mr Greg Meldrum	3,645,696**	-

\*Mr Cheng and Mr Chan are nominees of Blue Sky Power Holdings Ltd (BSP). The BSP Group is a substantial shareholder of the Company which currently holds 449,666,666 ordinary shares (39.7%).

\*\*As at the date of ceasing to be a Director.

No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option.

There are no unpaid amounts on the shares issued.

At the date of this report unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise price	Number of options
A	14 February 2016	\$0.03	15,000,000
B	14 February 2016	\$0.03	15,000,000
C*	14 February 2016	\$0.04	15,000,000
E	30 June 2015	\$0.04	40,000,000
F	25 October 2015	\$0.006	20,000,000
			<b>105,000,000</b>

\* Subject to Vesting Conditions

- Class C – 15,000,000 options exercisable at 4 cents vesting if TNP shares trade at a VWAP of 5 cents or above on the ASX for 10 consecutive trading days;

#### Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

#### Principal Activities

The principal activity of the Company during the year was the exploration for natural resources.

## DIRECTORS' REPORT (continued)

### Review of Operations

#### *Coal Mine Gas Project, Heilongjiang, China*

Since late 2012, the Company's principal focus has been its 80% profit interest in a coal seam gas project in Heilongjiang Province (**Aolong JV Project**). The Company's first well on the Aolong JV Project, Xian Xian 1 was drilled during 2013. The well was drilled to a total depth of 965m on 16 July 2013 with wireline logging completed on 18 July 2013. The well was suspended for future re-entry on 19 July 2013.

On 27 November 2014 the Company announced the execution of a binding Memorandum of Understanding ("MoU") with Blue Sky Power Holdings Limited (**BSP**), whereby BSP would introduce investment of around A\$6m into the TNP Group to fund a two well drilling program in China and working capital (**BSP Transaction**). This investment was arranged by way of placement of shares at A\$0.005 and A\$0.006, plus the funding of the drilling programme described below.

This transaction was approved by shareholders on 24 April 2015 with all resolutions being strongly supported. Also at this meeting, Mr Po Chan was appointed to the Board as BSP's second nominated director and the company is now in the process of implementing the 2015 drilling campaign of two tested wells.

The Board of TNP now comprises of Tommy Cheng as Chairman (also Chairman of BSP), Paul Underwood as Managing Director/CEO, Po Chan as Executive Director and Garry Ralston as Non Executive Director.

#### *Drilling Contractor Arrangements*

As announced in March 2015, the Aolong Joint Venture (80% profit interest to TNP), has entered into a drilling contract with CBM-specialist drilling company Beijing Jiuzun Energy Technology Co Ltd (**Jiuzun Energy**) for the drilling and technical services for the two wells in the Hegang area of Heilongjiang Province in China later this year.

Under the terms of the BSP Transaction, payment for the Jiuzun Energy drilling services is the responsibility of BSP, in consideration for which TNP has issued 595,264,168 performance shares at a price of \$A0.006 to BSP to the notional value of US\$2,750,000 (A\$3,571,585). These shares will convert to ordinary shares upon satisfactory completion of the drilling services.

The drilling contract is essentially a fixed amount as above to cover a pre-defined drilling and testing programme. It covers a programme comprising of drilling, coring, drill stem testing and fracturing operations for two wells in the Hegang mine areas. Once drilled, both wells are planned to be production tested for six months.

#### *Niaoshan-1 Well*

Jiuzun specialist staff have completed all preparatory activities including finalisation of site selection, site preparation, sourcing of long lead-time items, well design and the first well has now spudded.

Specifically, Jiuzun visited the Hegang area in early April and to familiarise themselves with the geology of the area and proposed well locations. They are working with Longmay to confirm that the identified well locations are optimal for commercialising the project as soon as possible.

As at the date of this report, operations had commenced at the first well site – Niaoshan-1 in the Bird Mountain area which has now been spudded and is expected to take around six weeks to complete. Upon satisfactory completion of the two well drilling program in accordance with the binding MoU, the BSP Group will be entitled to receive a further 595.2 million new fully paid ordinary shares, which is expected to increase the BSP Group's holding to approximately 63% based on the number of shares currently on issue.

#### *Operating Results for the Year*

The consolidated net loss after income tax attributable to members of the Company amounted to \$693,823 (2014: \$602,865).

#### *Review of Financial Conditions*

As at 31 March 2015 the Consolidated Entity held \$846,137 in cash, excluding funds of \$1.25 million held on trust at balance date by the Company's share registrar, pending shareholder approval of the Tranche 2 BSP placement. This placement was subsequently completed on 24 April 2015. Funds are now being applied towards project activities at the Company's Aolong project and general working capital.



## DIRECTORS' REPORT (continued)

### *Corporate Governance and Risk Management*

Details of the Company's Corporate Governance and Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report.

### **Significant Changes in the State of Affairs of the Consolidated Entity**

Other than the Board changes, capital-raising and performance share issues as noted elsewhere in this Report, there have been no significant changes in the state of affairs of the Consolidated Entity to the date of this Report.

### **Significant Events After Balance Date**

On 24 April 2015 Shareholders voted to approve the BSP funding transaction and following the meeting the Company issued 291.7 million new ordinary shares at an issue price of \$0.006 per share and 595.3 million drilling performance shares to BSP, raising A\$1.75 million in new funds (before costs). Of the 291.7 million shares issued, 83.33 million were used to settle in full the A\$0.5 million converting loan previously advanced. In addition, 20,000,000 options exercisable at \$0.06 per share on or before 26 October 2015 were issued to the broker to the investment.

Subsequently, on 5 May 2015, a further 47.3 million new ordinary shares were issued at an issue price of \$0.006 per share to existing shareholders (other than BSP) under the Company's 2015 Share Purchase Plan.

On 29 June 2015, the Company announced that the Niaoshan-1 well had spudded, the first of a two well programme in the Hegang area.

Except as disclosed, no matter or circumstance has arisen since 31 March 2015 that in the opinion of the Directors has significantly affect, or may significantly affect in future financial years:

- (i) the Group's operations;
- (ii) the results of those operations; or
- (iii) the Group's state of affairs.

### **Likely Developments and Expected Results**

The company continues to evaluate new projects complimentary with the business model of finding and producing gas in China and in particular the other option areas included in the Aolong JV, located in Heilongjiang Province.

Except as disclosed herein, disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

### **Environmental Legislation**

The Company is subject to the usual environmental and monitoring requirements in respect of its natural resources exploration activities in China.

The Directors are not aware of any significant breaches of these requirements during the period.

### **Indemnification and Insurance of Directors and Officers**

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## DIRECTORS' REPORT (continued)

### Remuneration Report

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel of Triple Energy (the "Company") for the financial year ended 31 March 2015. 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.

#### *Key Management Personnel*

##### **(i) Directors**

Mr Tommy Cheng (Chairman)  
Mr Paul Underwood (Managing Director and Chief Executive Officer)  
Mr Po Chan (Executive Director)  
Mr Garry Ralston (Independent Non-Executive Director)

##### **(ii) Executives**

Mr Alex Neuling (Company Secretary, appointed 21 August 2012)

##### **(iii) Former Directors**

Mr Greg Meldrum (Former Non-Executive Technical Director) (appointed 27 November 2013)  
Mr Richard Hayward (Former Non-Executive Director, appointed 30 June 2012, resigned 30 November 2013)  
Mr Rodney Bresnehan (Former Non-Executive Technical Director) (appointed 7 February 2013, resigned 12 November 2013)

#### *Remuneration philosophy*

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

#### *Remuneration Committee*

The Board, in its capacity as the Remuneration Committee of the Board of Directors of the Company; and in accordance with the Remuneration Committee Charter is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

#### *Remuneration structure*

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

#### *Non-executive director remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 31 August 2010 when shareholders approved an aggregate remuneration of up to \$250,000 per year.

## DIRECTORS' REPORT (continued)

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### Remuneration report (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director (other than an alternate director) receives a fee for being a director of the Company.

The remuneration of non-executive directors for the period ended 31 March 2015 is detailed in the Remuneration of directors and named executives in Table 1 of this report.

#### *Senior manager and executive director remuneration*

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and directors, the Company engages key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

#### *Fixed Remuneration*

Fixed remuneration is reviewed annually by the full Board (assuming the role of the Remuneration Committee and in accordance with the Remuneration Committee charter). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of key management personnel is detailed in Table 1.

#### *Variable Remuneration*

Executives (including executive Directors) are eligible to participate in the Company's Short Term Incentive (bonus) schemes, as well as Long Term Incentives arrangements in the form of the Company Employee Share Scheme ("ESS"). During the year, the Company's CEO Mr Paul Underwood was awarded 15,000,000 ESS shares at an issue price of 2 cents per share, funded by a limited-recourse loan from the Company and subject to project-specific vesting conditions as approved by Shareholders at the 2014 AGM. In addition, Mr Underwood is entitled to a cash bonus of \$96,000 for the year ended 31 March 2015, to be paid upon successful completion of the 2015 two well drilling program for which funding was secured during the year.

#### *Key Management Personnel Employment & Service Contracts*

##### *PW Underwood*

The Company has engaged Mr Paul Underwood effective as from 14 February 2012 as Executive Chairman and Chief Executive Officer. Effective 9 December 2014, Mr Tommy Cheng was appointed Non-Executive Chairman and Mr Underwood appointed Managing Director. With effect from 1 May 2015 Mr Underwood is paid annual remuneration of \$160,000 plus statutory superannuation. Mr Underwood is also reimbursed for reasonable expenses incurred in carrying out his duties. The Company is required to provide a notice period consistent with the position of 6 months prior to termination, or alternatively, payment in lieu of service and directors and to maintain officers indemnity insurance.

##### *AJ Neuling – Company Secretary*

The Company has engaged Erasmus Consulting Pty Ltd ("Erasmus") to provide consulting services including services provided by Mr Neuling (an employee and Director of Erasmus). The consulting contract between the Company and Erasmus incorporates a monthly minimum retainer of \$1,800 (excluding GST) and additional fees on an hourly rate for work performed by Erasmus personnel in excess of 10 director-level staff hours per month.

## DIRECTORS' REPORT

### Remuneration of directors and named executives

**Table 1: Directors' and named executives' remuneration for the year ended 31 March 2015**

	Short-term employee benefits			Post-employment benefits			Equity		Total	Performance Related	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	ESS					
Mr Tommy Cheng	-	-	-	-	-	-	-	-	-	-	-
Mr Po Chan	-	-	-	-	-	-	-	-	-	-	-
Mr Paul Underwood*	110,586	96,000	-	20,814	-	-	54,000	-	281,400	53%	
Mr Greg Meldrum**	19,069	-	-	1,812	-	-	-	-	20,881	-	
Mr Garry Ralston	30,000	-	-	-	-	-	-	-	30,000	-	
Mr Alex Neuling***	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>159,655</b>	<b>96,000</b>	<b>-</b>	<b>22,626</b>	<b>-</b>	<b>-</b>	<b>54,000</b>	<b>-</b>	<b>332,281</b>	<b>45%</b>	

\*\*In addition to the Directors' fees shown, Meldrum Pty Ltd at Meldrum Family Trust, an entity associated with Mr Meldrum, was paid a total of \$67,895 by group companies on normal commercial terms for technical consulting services provided.

\*\*\*Mr Neuling is not remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling received fees of \$92,228 during the year from the Company.

**Table 2: Directors' and named executives' remuneration for the year ended 31 March 2014**

	Short-term employee benefits			Post-employment benefits			Equity		Total	Performance Related	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options					
Mr Paul Underwood	120,000	-	-	11,100	-	-	-	-	131,100	-	
Mr Greg Meldrum*	9,458	-	-	847	-	-	-	-	10,305	-	
Mr Garry Ralston	30,000	-	-	-	-	-	-	-	30,000	-	
Mr Richard Hayward	20,000	-	-	-	-	-	-	-	20,000	-	
Mr Alex Neuling**	-	-	-	-	-	-	-	-	-	-	
Mr Rodney Bresnehan	25,500	-	-	2,314	-	-	-	-	27,814	-	
<b>Total</b>	<b>204,958</b>	<b>-</b>	<b>-</b>	<b>14,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,219</b>	<b>-</b>	

\*In addition to the Directors' fees shown, Meldrum Pty Ltd at Meldrum Family Trust, an entity associated with Mr Meldrum, was paid a total of \$57,538 by group companies on normal commercial terms for technical consulting services provided.

\*\*\*Mr Neuling is not remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling received fees of \$96,385 during the year from the Company.

## DIRECTORS' REPORT (continued)

### (c) Option holdings of Key Management Personnel

As at 31 March 2015

	Balance at beginning of period	Granted as remuneration	Options expired	Net change Other	Balance at end of period
Mr Paul Underwood	55,000,000	-	-	-	55,000,000
Mr Garry Ralston	2,500,000	-	-	-	2,500,000
Mr Tommy Cheng	-	-	-	-	-
Mr Greg Meldrum	-	-	-	-	-
Mr Alex Neuling	-	-	-	-	-
<b>Total</b>	<b>57,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,500,000</b>

\*As at date ceased to be a Director / member of Key Management Personnel

As at 31 March 2014

	Balance at beginning of period	Granted as remuneration	Options expired	Net change Other	Balance at end of period
Mr Paul Underwood	55,000,000	-	-	-	55,000,000
Mr Garry Ralston	2,500,000	-	-	-	2,500,000
Mr Alex Neuling	-	-	-	-	-
Mr Greg Meldrum	-	-	-	-	-
Mr Richard Hayward	2,500,000	-	-	-	2,500,000*
Mr Rodney Bresnehan	-	-	-	-	-*
<b>Total</b>	<b>60,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000,000</b>

\*As at date ceased to be a Director / member of Key Management Personnel

### (d) Shareholdings of Key Management Personnel

As at 31 March 2015

	Balance at beginning of period	Granted as remuneration	On Exercise of Options	Net change Other	Balance at end of period
	Ord	Ord	Ord	Ord	Ord
Mr Paul Underwood	10,660,000	15,000,000*	-	-	25,660,000
Mr Garry Ralston	9,500,000	-	-	-	9,500,000
Mr Tommy Cheng**	-	-	-	-	-
Mr Alex Neuling	7,900,000	-	-	-	7,900,000
Mr Greg Meldrum***	3,645,696	-	-	-	3,645,696
<b>Total</b>	<b>31,705,696</b>	<b>15,000,000</b>	<b>-</b>	<b>-</b>	<b>46,705,696</b>

\*Issued pursuant to shareholder approval under the Company's Employee Share Scheme, subject to restrictions on sale pending satisfaction of vesting conditions and repayment of a limited recourse loan.

\*\*Mr Cheng is a nominee of Blue Sky Power Holdings Ltd (BSP). The BSP Group is a substantial shareholder of the Company which holds 449,666,666 ordinary shares as at the date of this report (39.7%).

\*\*\*As at date ceased to be a Director.

## DIRECTORS' REPORT (continued)

As at 31 March 2014

	Balance at beginning of period	Granted as remuneration	On Exercise of Options	Net Change Other	Balance at end of period
	Ord	Ord	Ord	Ord	Ord
Mr Paul Underwood	10,660,000	-	-	-	10,660,000
Mr Alex Neuling	1,400,000	-	-	6,500,000	7,900,000
Mr Garry Ralston	9,500,000	-	-	-	9,500,000
Mr Greg Meldrum	3,645,696	-	-	-	3,645,696
Mr Richard Hayward	-	-	-	-	-*
Mr Rodney Bresnehan**	-	-	-	-	-*
	25,205,696	-	-	6,500,000	31,705,696

\*Balance when ceased to be a Director / Member of Key Management Personnel

\*\* Excludes Performance Shares. An entity controlled by Mr Bresnehan held 38,071,126 Performance Shares at the date of his resignation received during the prior year in consideration for shares held in CFT Heilongjiang (HK) Ltd, all of which have subsequently lapsed.

### Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

Director	Board Meetings	
	Attended	Eligible to Attend
Mr Tommy Cheng	-	-
Mr Paul Underwood	6	6
Mr Po Chan	-	-
Mr Garry Ralston	6	6
Mr Greg Meldrum	6	6

(Excludes matters determined by circulating resolution. Separate Remuneration, Nomination and Audit & Risk Committee's were not established until after year-end and accordingly did not meet during the year.)

### Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, 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 19 and forms part of this directors' report for the year ended 31 March 2015.

### Non-Audit Services

There were no non-audit services provided by the Company's auditors in the current financial year.

Signed in accordance with a resolution of the Directors.



Paul Underwood  
Managing Director

Dated this 30<sup>th</sup> day of June 2015

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Triple Energy Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council ('CGC') published guidelines as well as its corporate governance principles and recommendations.

Triple Energy Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1. Lay solid foundations for management and oversight**
- Principle 2. Structure the board to add value**
- Principle 3. Promote ethical and responsible decision making**
- Principle 4. Safeguard integrity in financial reporting**
- Principle 5. Make timely and balanced disclosure**
- Principle 6. Respect the rights of shareholders**
- Principle 7. Recognise and manage risk**
- Principle 8. Remunerate fairly and responsibly**

Triple Energy Limited's corporate governance practices were in place throughout the year ended 31 March 2014 except where noted.

### LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### *Role and Responsibilities of the Board*

The principal responsibilities or functions of the Board are as follows:

- appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting; and
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

Evaluation of the performance of senior executives is carried out by the Board or any sub-committee of the Board to whom this responsibility is designated from time to time.

A copy of the Company's Corporate Governance Plan including the Board Charter is available on the Company's website at [www.tripleenergy.net](http://www.tripleenergy.net).

### STRUCTURE THE BOARD TO ADD VALUE

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Triple Energy Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

## CORPORATE GOVERNANCE STATEMENT (continued)

In the context of director independence, 'materiality' is considered from an individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company's loyalty.

The directors that are considered independent are:

Mr Garry Ralston	Non-executive Director
------------------	------------------------

**Notification of Departure:** ASX Best Practice Recommendation 2.1 states that a majority of the Board should be independent directors, however only 1 of the 4 current directors of the Company are considered to be independent. The Managing Director, Mr Paul Underwood is not considered to be independent by virtue of his being an executive. Both Mr Cheng and Mr Chan are not considered to be independent as they are nominees of BSP and Mr Chan is an executive Director.

**Explanation for Departure:** The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of appointing additional independent directors. The board of the Company periodically reviews its composition to ensure it is appropriate for the size and stage of development of the Company's activities and it is currently intended that additional independent directors may be appointed in the future as the Company's activities develop and the associated expense is considered to be merited.

**Notification of Departure:** ASX Best Practice Recommendation 2.2 states that the Chairman should be independent, however the Chairman from 1 April 2014 until 9 December 2014, Mr Paul Underwood, is not considered independent by virtue of his being an executive and the current Chairman, Mr Tommy Cheng, is not considered independent by virtue of his being a nominee of BSP.

**Explanation for Departure:** The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of an independent Chairman. The Company's Chairman, Mr Tommy Cheng, is considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director. However the Board believes that the Chairman is able to and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman.

There are procedures in place, agreed by the Board, to enable directors in the furtherance of their duties to seek independent professional advice at the Company's expense and for the Company's lead independent director, Mr Garry Ralston to act as chairman in circumstances where potential for an actual or perceived conflict is identified.

**Notification of Departure:** ASX Best Practice Recommendation 2.3 states that the roles of Chairman and Chief Executive Officer should not be exercised by the same individual, however until the appointment of Mr Tommy Cheng, Mr Paul Underwood, was the Company's Executive Chairman.

**Explanation for Departure:** The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of an independent Chairman. Following the appointment of Mr Cheng as Chairman the roles of Chairman and Chief Executive Officer are no longer exercised by the same individual.

There are procedures in place, agreed by the Board, to enable directors in the furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

<u>Name</u>	<u>Term in Office</u>
Mr Tommy Cheng	4 months
Mr Paul Underwood	41 months
Mr Po Chan	2 months
Mr Garry Ralston	65 months



## CORPORATE GOVERNANCE STATEMENT (continued)

### Performance

The performance of the Board and key executives is reviewed regularly. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of Triple Energy Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

### Nomination Committee

*Notification of Departure:* The Board has not established a separate Nomination Committee as per ASX Best Practice Recommendation 2.4.

Explanation for Departure: The Board considers that the Company is not of a size nor are its affairs of such complexity to justify formation of a nomination committee. Given that the Board had only 3 members during the year, no significant efficiencies are expected to be realised through the establishment of a separate nomination committee. The role of the company's nomination committee has been assumed by the full Board in accordance with the Company's nomination committee charter when reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. The Board has since established a separate nomination committee during the 2015/6 year.

A copy of the Company's nomination committee charter is available on the Company's website.

## PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

### Code of Conduct

The Board has adopted a written Board Code of Conduct which applies to the Directors of the Company. The Board has also adopted a written Code of Conduct which applies to employees and key consultants of the Company and supplements the Board Code of Conduct.

The Company is dedicated to delivering outstanding performance for investors and employees. In achieving this objective, Directors, officers and employees are expected to act with honesty, integrity and responsibility and maintain a strong sense of corporate and social responsibility. In maintaining its corporate and social responsibility the Company will conduct its business ethically and according to its values, consider the environment and ensure a safe, non-discriminatory and supportive workplace.

### Diversity Policy

The Board has adopted a policy in relation to workplace diversity that recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board.

### Trading Policy

The Board has adopted a policy in relation to dealings in the securities of the Company which applies to all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities and Directors and employees are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. The Chairman, or in his absence, the Company Secretary, must be notified of any proposed transaction and must give clearance for the transaction to proceed.

The Company's Code of Conduct, Trading Policy and Diversity Policy are available on the Company's website.

*Notification of Departure:* The Board has not yet established and reported against measurable objectives for achieving gender diversity as per ASX Best Practice Recommendation 3.4.

Explanation for Departure: Rather than establishing measurable objectives with regard to diversity, the Company is committed to employment of the highest quality of staff regardless of gender, age, ethnicity or cultural background.

The Group currently employs 1.5 full time equivalent women, approximately 25% of total staff levels. There are currently no women occupying key management personnel or Board positions.

## CORPORATE GOVERNANCE STATEMENT (continued)

### SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

#### Audit Committee

*Notification of Departure:* During the year to 31 March 2015, the Board has not established a separate Audit Committee as per ASX Best Practice Recommendation 4.1.

Explanation for Departure: The Board has not established a separate Audit Committee. The responsibilities of the Audit Committee are assumed by the Board as a whole, in accordance with a charter approved by the Board. The Board meets in this capacity at least twice each year. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has assumed responsibility for establishing and maintaining a framework of internal control and ethical standards during the year. The Board has since established a separate audit committee for the 2015/16 year.

The primary purpose of the Board when considering Audit Committee business is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee (or the Board in the capacity of the Committee) is to perform such special reviews or investigations as the Board may consider necessary.

### MAKE TIMELY AND BALANCED DISCLOSURE

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Company has procedures in place to ensure that any price sensitive information is identified, reviewed by Directors and management and disclosed to ASX in a timely manner and that all information provided to ASX is immediately available to shareholders and the market on the Company's website.

### RESPECT THE RIGHTS OF SHAREHOLDERS

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. Information is communicated to shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to Australian Securities Exchange and to include half-year accounts and year-end financial report;
- the Board ensures the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments; and
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals.

## CORPORATE GOVERNANCE STATEMENT (continued)

### RECOGNISE AND MANAGE RISK

The identification, prioritization and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Company's approach to creating long-term shareholder value. Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Company has developed a series of operational risks which the Company believes to be reflective of the industry and geographical locations in which the Company operates. These risk areas are provided here to assist investors to have an understanding of risks faced by the Company and the industry in which we operate. The key risks are, and not limited to:

- fluctuations in commodity prices and exchange rates;
- success or otherwise of exploration activities;
- reliance on licenses, permits and approvals from governmental and land owners authorities;
- loss of key management;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

### Risk Management Roles and Responsibilities

The Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is mitigated to an acceptable level. The Board will review and discuss strategic risks and opportunities as they arise and arising from changes in the company's business environment regularly and on an as need basis. The board may delegate some of the abovementioned responsibility to management and committees of the board but maintain the overall responsibility for the process.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Board at least annually, or more frequently as required, on the Company's key risks and the extent to which it believes these risks are being managed.

In 2015 the Board reviewed the overall risk profile for the Company and received reports from management on the effectiveness of the Company's management of its material business risks.

### Integrity of Financial Reporting

The Board receives regular reports about the financial condition, operating results and budgets of the Company. The Executive Director provides a formal statement to the Board annually that in all material respects and to the best of his knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

### REMUNERATE FAIRLY AND RESPONSIBLY

*Notification of Departure:* During the year to 31 March 2015, the Board had not established a separate Remuneration Committee as per ASX Best Practice Recommendation 8.1.

*Explanation for Departure:* The Board has not established a Remuneration Committee. The full Board assumes the duties of the Remuneration Committee, in accordance with a charter approved by the Board. Given that the Board comprised only 3 members during the year, of whom only one was considered to be independent, no significant efficiencies are expected to be realised through establishment of a separate committee. No director participates in Board discussions relating to his own remuneration arrangements. Subsequent to year-end the Board has established a separate remuneration committee which will be operative during the 2015/16 year.

## CORPORATE GOVERNANCE STATEMENT (continued)

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in accordance with the Remuneration Committee charter reviews the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance, however no performance pay is provided. Key Executives may be issued with Company Options or other equity incentives.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- Company options allow executives to share the success of Triple Energy Limited.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation to directors.

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Triple Energy Limited for the year ended 31 March 2015, 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.

This declaration is in respect of Triple Energy Limited.

Perth, Western Australia  
30 June 2015



**D I Buckley**  
Partner

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 \$	2014 \$
<b>Continuing operations</b>			
Other income	2	5,330	17,155
Share based payments expense		(54,000)	-
Other expenses	2	(645,153)	(620,020)
<b>Loss before income tax expense</b>		(693,823)	(602,865)
Income tax expense	3	-	-
<b>Loss after tax expense</b>		(693,823)	(602,865)
<b>Net (loss) for the year</b>		(693,823)	(602,865)
<b>Other comprehensive income</b>		-	-
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		699,145	249,019
<b>Total comprehensive income/(loss) for the year</b>		5,322	(353,846)
<b>Loss attributable to:</b>			
Owners of the Parent		(693,823)	(602,865)
Non-controlling interests		-	-
<b>Loss for the year</b>		(693,823)	(602,865)
<b>Total Comprehensive income/(loss) attributable to</b>			
Owners of the Parent		(134,507)	(403,650)
Non-controlling interests		138,829	49,804
		5,322	(353,846)
Basic loss per share (cents per share)	4	(0.10)	(0.11)

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	Notes	2015 \$	2014 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	846,137	850,955
Other current assets	7	204,888	167,275
<b>Total Current Assets</b>		<b>1,051,025</b>	<b>1,018,230</b>
<b>Non-Current Assets</b>			
Property plant and equipment	8	215,806	211,210
Deferred exploration and evaluation expenditure	9	5,576,873	4,227,231
<b>Total Non-Current Assets</b>		<b>5,792,679</b>	<b>4,438,441</b>
<b>Total Assets</b>		<b>6,843,704</b>	<b>5,456,671</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	462,470	316,977
Borrowings	11	500,000	-
<b>Total Current Liabilities</b>		<b>962,470</b>	<b>316,977</b>
<b>Non-Current Liabilities</b>			
<b>Total Liabilities</b>		<b>962,470</b>	<b>316,977</b>
<b>Net Assets</b>		<b>5,881,234</b>	<b>5,139,694</b>
<b>Equity</b>			
Issued capital	12	30,585,161	29,602,943
Reserves	13	773,666	520,350
Accumulated losses	13	(26,313,042)	(25,619,219)
<b>Parent entity interest</b>		<b>5,045,785</b>	<b>4,504,074</b>
Non-controlling interests	13	835,449	635,620
<b>Total equity</b>		<b>5,881,234</b>	<b>5,139,694</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Issued Capital	Reserves	Accumulated Losses	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$
<b>As at 1 April 2013</b>	27,887,943	991,951	(25,016,354)	3,863,540	261,438	4,124,978
Loss for the period	-	-	(602,865)	(602,865)	-	(602,865)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	249,019	-	249,019	-	249,019
Total comprehensive loss for the year	-	249,019	(602,865)	(353,846)	-	(353,846)
Shares and options issued	1,765,000	(85,000)	-	1,680,000	-	1,680,000
Change in net assets attributable to non-contributing interests	-	(635,620)	-	(635,620)	374,182	(261,438)
Transaction costs on share issue	(50,000)	-	-	(50,000)	-	(50,000)
<b>As at 31 March 2014</b>	29,602,943	520,350	(25,619,219)	4,504,074	635,620	5,139,694
<b>As at 1 April 2014</b>	29,602,943	520,350	(25,619,219)	4,504,074	635,620	5,139,694
Loss for the period	-	-	(693,823)	(693,823)	-	(693,823)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	699,145	-	699,145	-	699,145
Total comprehensive income for the period	-	699,145	(693,823)	5,322	-	5,322
Shares and options issued	1,090,000	(246,000)	-	844,000	-	844,000
Change in net assets attributable to non-contributing interests	-	(199,829)	-	(199,829)	199,829	-
Transaction costs on share issue	(107,782)	-	-	(107,782)	-	(107,782)
<b>As at 31 March 2015</b>	30,585,161	773,666	(26,313,042)	5,045,785	835,449	5,881,234

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

Notes	2015 \$	2014 \$
	<u>Inflows/(Outflows)</u>	
<b>Cash flows from operating activities</b>		
Interest received	5,330	17,155
Payments to suppliers and employees	<u>(535,173)</u>	<u>(572,359)</u>
<b>Net cash flows (used in) operating activities</b>	<u>(529,843)</u>	<u>(555,204)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(657,193)	(2,193,756)
Payments for other fixed assets	-	(197,035)
<b>Net cash flows (used in) investing activities</b>	<u>(657,193)</u>	<u>(2,390,791)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	790,000	1,680,000
Proceeds of borrowings	500,000	-
Transaction costs on issue of shares	<u>(107,782)</u>	<u>(50,000)</u>
<b>Net cash flows from financing activities</b>	<u>1,182,218</u>	<u>1,630,000</u>
Net increase/(decrease) in cash and cash equivalents	(4,818)	(1,315,995)
Cash and cash equivalents at the beginning of the year	<u>850,955</u>	<u>2,166,950</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>846,137</u>	<u>850,955</u>

The accompanying notes form part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and its subsidiaries (the Group). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is a listed public company, domiciled in Australia and operating in Australia (with subsidiaries operating internationally). The principal activity of the Group is the exploration for natural resources.

#### (b) Adoption of new and revised standards

##### Changes in accounting policies on initial application of Accounting Standards

In the year ended 31 March 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 March 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

#### (c) Statement of compliance

The financial statements were authorised for issue on 30 June 2015.

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### (d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Triple Energy Ltd ('the Company') as at 31 March 2015 and the results of all subsidiaries for the year then ended. Triple Energy Ltd and its subsidiaries are referred to in this financial report as the group or the consolidated entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### (d) Basis of consolidation (continued)

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 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.

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 the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### (e) Critical accounting judgements and key sources of estimation uncertainty

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.

#### *Share-based payment transactions:*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 16.

#### *Accounting for disputed supplier claim*

As disclosed in Note 18, the Company's Chinese subsidiary is in negotiations with a supplier to settle a disputed claim related to drilling services in relation to the drilling of the Xian Xian well in 2013. An accrual has been recognised for what management considers to be the most likely settlement amount.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### (f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest income

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

### (g) Cash and cash equivalents

Cash comprises cash at bank and in 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.

### (h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 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. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

### (i) 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.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

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

Leasehold Improvements – lease term

Plant and equipment – over 5 to 15 years

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

#### (i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance 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 approximate fair value.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**(j) Property, plant and equipment (continued)**

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

*(iii) 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 loss 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.

**(j) Derecognition of financial assets and financial liabilities**

*(i) Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

*(ii) Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**(k) Foreign currency translation**

The functional and presentation currency of Triple Energy Limited 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 balance date.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### (I) Income tax

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 balance date.

Deferred income tax is provided on all temporary differences at the balance 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 balance 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 balance 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 balance 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### (m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST 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 statement of financial position.

Cash flows are included in the 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.

### (n) 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.

### (o) Trade and other payables

Trade payables and other payables are carried at amortised costs 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.

### (p) 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### (q) Provisions (continued)

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 assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

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 borrowing cost.

### (q) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Triple Energy Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

### (r) 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**(s) Earnings per share**

Basic earnings per share is calculated as net profit / loss 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 / loss 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.

**(t) 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.

**(u) 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 Triple Energy Limited.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**(v) Parent entity financial information**

The financial information for the parent entity, Triple Energy Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

*i. investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements.

*ii. Share-based payments*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received; measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertaking, with a corresponding credit to equity.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 2: REVENUES AND EXPENSES**

	<b>CONSOLIDATED</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Other income</b>		
Interest	5,330	17,155
	<u>5,330</u>	<u>17,155</u>
<b>(b) Expenses</b>		
Accounting and audit fees	63,495	31,929
Administrative expenses	191,800	175,443
Directors' fees & salaries*	328,164	219,219
Foreign exchange loss/(gain)	(86,237)	-
Insurance	19,193	40,217
Legal fees	77,463	81,386
New project evaluation costs not capitalised	-	-
Rent	45,470	46,894
Travel expenses	51,352	24,932
Other	8,453	-
	<u>699,153</u>	<u>620,020</u>

\*including non-cash share based payments expense of \$54,000 and a \$96,000 bonus accrual which will be paid upon completion of the 2015 drilling program for which funding was secured during 2014 and approved by Shareholders on 24 April 2015.

**NOTE 3: INCOME TAX**

<b>(a) Income tax benefit</b>	-	-
<b>(b) Numerical reconciliation between tax expense and pre-tax net loss</b>		
Loss before income tax benefit	(693,823)	(602,865)
Income tax using the Company's domestic tax rate of 30% (2013: 30%)	(208,147)	(180,860)
Non-deductible expenses/(deductible tax adjustments)	16,830	1,181
Other timing differences not recognised	-	-
Current year losses for which no deferred tax asset was recognised	191,317	179,679
Income tax benefit/(expense) attributable to entity	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTE 3: INCOME TAX (continued)

#### (c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

Prior period tax losses are deductible to the Company if the Company continues to pass the requirements of either the continuity of ownership test or the same business test. It is probable that the Company has failed the continuity of ownership test and same business test during a previous financial year. Specifically the Company's major shareholder disposed of its 56.67% interest in the Company on 25 September 2009 resulting in the probable breach of the continuity of ownership test. Further there was a change in the business of the Company as a result of the Company's move away from the medical technology business conducted by it prior to November 2009. As a result, as at 31 March 2014 it is assumed that the requirements of the continuity of ownership test have been satisfied from 25 September 2009 onwards and therefore tax losses incurred prior to 25 September 2009 are no longer tax deductible to the Company. As at 31 March 2015 the Company has estimated carry forward tax losses of \$1,557,322 (31 March 2014: \$919,599).

#### (d) Unrecognised temporary differences

Net deferred tax assets (calculated at 30% (2013:30%)) have not been recognised in respect of the following items:

Tax losses

#### CONSOLIDATED

2015	2014
\$	\$

191,317 179,679

Unrecognised deferred tax assets/(liabilities) relating to the above temporary differences

191,317 179,679

### NOTE 4: EARNINGS PER SHARE

#### (a) Earnings used in calculating earnings per share

For basic earnings per share:

Loss from Continuing Operations

#### CONSOLIDATED

2014	2014
\$	\$

(693,823) (602,865)

#### (b) Weighted average number of shares

Weighted average number of ordinary shares for basic earnings per share

677,683,392 533,687,861

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 5: OPERATING SEGMENTS**

**Identification of reportable segments**

Triple Energy Limited is focused on the oil and gas sector.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

**Location of interests and nature of projects**

Oil and gas exploration projects

The Group's current project is located in the People's Republic of China. The Company continues to review other potential opportunities within the oil and gas sector internationally.

**Accounting policies and inter-segment transactions**

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

	<b>CONSOLIDATED</b>		
	<b>Oil and Gas Projects</b>	<b>Unallocated Items</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Year ended 31 March 2015			
Total segment revenue	-	5,330	5,330
Segment net operating loss after tax	-	(693,823)	(693,823)
Interest revenue	-	5,330	5,330
Other non-cash expenses	-	54,000	54,000
Segment assets	6,281,691	562,013	6,843,704
Segment liabilities	278,375	684,095	962,470
Cash flow information			
Net cash flow from operating activities	-	(529,843)	(529,843)
Net cash flow from investing activities	(657,193)	-	(657,193)
Net cash flow from financing activities	-	1,182,218	1,182,218

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 5: OPERATING SEGMENTS (continued)**

	<b>CONSOLIDATED</b>		
	<b>Oil and Gas Projects \$</b>	<b>Unallocated Items \$</b>	<b>Total \$</b>
Year ended 31 March 2014			
Total segment revenue	-	17,155	17,155
Segment net operating loss after tax	-	(602,865)	(602,865)
Interest revenue	-	17,155	17,155
Other non-cash expenses	-	-	-
Segment assets	4,860,050	596,621	5,456,671
Segment liabilities	216,272	100,705	316,977
Cash flow information			
Net cash flow from operating activities	-	(555,204)	(555,204)
Net cash flow from investing activities	(2,390,791)	-	(2,390,791)
Net cash flow from financing activities	-	1,630,000	1,630,000

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>CONSOLIDATED</b>	
	<b>2015 \$</b>	<b>2014 \$</b>
Cash at bank and on hand	830,829	835,647
Bank guarantee	15,308	15,308
	846,137	850,955

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Group did not engage in any non-cash investing and financing activities for the year ended 31 March 2015 (2014: nil), however subsequent to balance date Shareholders approved the issue of performance shares as consideration for drilling services as part of the BSP Transaction.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 6: CASH AND CASH EQUIVALENTS (continued)**

	<b>CONSOLIDATED</b>	
	<b>2015</b>	<b>2014</b>
<b>Reconciliation of loss for the year to net cash flows from operating activities</b>	<b>\$</b>	<b>\$</b>
(Loss) for the year	(693,823)	(602,865)
Adjustments for:		
Share based payments expenditure	54,000	-
Depreciation	2,100	3,938
Change in net assets and liabilities:		
(Increase)/decrease in trade and other receivables	(37,613)	(43,326)
(Decrease)/increase in trade and other payables	145,493	87,049
Net cash used in operating activities	<u>(529,843)</u>	<u>(555,204)</u>

**NOTE 7: OTHER CURRENT ASSETS**

	<b>CONSOLIDATED</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
GST receivables	19,804	14,536
Prepayments	175,202	145,448
Other receivables	9,882	7,291
	<u>204,888</u>	<u>167,275</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	<b>CONSOLIDATED</b>		
	<b>Leasehold Improvements \$</b>	<b>Plant &amp; Equipment</b>	<b>Total \$</b>
<b>Cost</b>			
As at 1 April 2013	29,591	-	29,591
Other additions	2,389	194,647	197,036
<b>As at 31 March 2014</b>	<b>31,980</b>	<b>194,647</b>	<b>226,627</b>
As at 1 April 2014	31,980	194,647	226,627
Foreign Exchange	-	47,772	47,772
<b>As at 31 March 2015</b>	<b>31,980</b>	<b>242,419</b>	<b>274,399</b>
<b>Accumulated Depreciation</b>			
As at 1 April 2013	-	-	-
Charge for the year	3,939	11,478	15,417
<b>As at 31 March 2014</b>	<b>3,939</b>	<b>11,478</b>	<b>15,417</b>
As at 1 April 2014	3,939	11,478	15,417
Net charge for the year	10,664	32,512	43,176
<b>As at 31 March 2015</b>	<b>14,603</b>	<b>43,990</b>	<b>58,593</b>
<b>Carrying amounts</b>			
<b>At 31 March 2014</b>	<b>28,041</b>	<b>183,169</b>	<b>211,210</b>
<b>At 31 March 2015</b>	<b>17,377</b>	<b>198,429</b>	<b>215,806</b>

Note - depreciation of plant & equipment used in exploration activities is capitalised as deferred exploration and evaluation expenditure.

**NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	<b>CONSOLIDATED</b>	
	<b>2015 \$</b>	<b>2014 \$</b>
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of year	4,227,231	2,034,416
Foreign exchange movements	692,449	-
Exploration expenditure	657,193	2,192,815
<b>Total deferred exploration and evaluation expenditure</b>	<b>5,576,873</b>	<b>4,227,231</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or alternatively sale of the interest.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)**

<b>CONSOLIDATED</b>	
<b>2014</b>	<b>2014</b>
<b>\$</b>	<b>\$</b>
Trade Creditors*	271,351
Other Creditors and Accruals	45,626
<b>462,470</b>	<b>316,977</b>

\*Trade creditors are non interest-bearing and normally settled on 45 day terms.

**NOTE 11: BORROWINGS (CURRENT)**

<b>CONSOLIDATED</b>	
<b>2015</b>	<b>2014</b>
<b>\$</b>	<b>\$</b>
Borrowings	-
<b>500,000</b>	<b>-</b>

Borrowings as at 31 March 2015 comprised a limited-recourse, interest-free converting loan from BSP to CFT Heilongjiang (HK) Ltd. In accordance with the terms of the BSP Financing Transaction approved by Triple Shareholders on 24 April 2015, the loan was repaid in full through the issue of 83.33 million fully paid ordinary Shares in the Company on 28 April 2015.

**NOTE 12: ISSUED CAPITAL**

	<b>CONSOLIDATED</b>			
	<b>2015 No.</b>	<b>2014 No.</b>	<b>2014 \$</b>	<b>2014 \$</b>
<i>Ordinary shares (a)</i>				
Issued and fully paid	793,940,944	620,940,920	29,785,161	28,802,943
<i>Performance Shares (b)</i>	-	250,000,000	800,000	800,000
			<b>30,585,161</b>	<b>29,602,943</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTE 12: ISSUED CAPITAL (CONTINUED)

#### (a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll of every holder is entitled to one vote per share held.

Movements in ordinary shares on issue during the year are as follows:

	CONSOLIDATED			
	2015		2014	
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
At 1 April	620,940,920	28,802,943	468,850,000	27,087,943
Movements during the period:				
Issued for cash	158,000,000	790,000	149,090,910	1,680,000
Issued under Employee Share Scheme	15,000,000	300,000	3,000,000	85,000
Issued upon lapse of Performance Shares	24	-	10	-
Transaction costs		(107,782)		(50,000)
At 31 March	793,940,944	29,785,161	620,940,920	28,802,943

#### (b) Performance Shares

On 7 February 2013, pursuant to shareholder approval, the Company issued 350,000,000 Performance Shares in respect of the acquisition of CFT Heilongjiang (HK) Ltd. The Performance Shares were issued in 4 tranches, as follows:

Tranche 1 (lapsed during the year to 31 March 2014)	50,000,000
Tranche 2 (lapsed during the year to 31 March 2014)	50,000,000
Tranche 3 (lapsed during the year to 31 March 2015)	125,000,000
Tranche 4 (lapsed during the year to 31 March 2015)	125,000,000
<b>TOTAL</b>	<b>350,000,000</b>

Vesting milestones for each tranche of Performance Shares are detailed below:

##### *Tranche 1 Performance Shares*

Vesting upon successful data acquisition from the near term drill stem test well on the CFT CBM Project, such data establishing flow and pressure build-up information demonstrating reservoir permeabilities interpreted to provide commercial gas flow rate estimates and gas composition information to enable the experts report to be completed to confirm recoverable gas estimates. The Tranche 1 Performance Shares expired 9 months from the date of issue and were converted into ordinary shares on the basis of 1 share for every 10,000,000 Performance Shares.

##### *Tranche 2 Performance Shares*

Vesting upon the drilling and coring of two pressurised core wells on the CFT CBM Project testing for gas saturation and desorption isotherms and drill stem tests, which confirm sufficient long term gas flow rates to support a financial investment decision to commence a commercial development of a meaningful gas production operation (i.e. 20 well development with a forecast production rate of not less than 10MMscf/d), together with all regulatory approvals. The Tranche 2 Performance Shares expired 12 months from the date of issue.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 12: ISSUED CAPITAL (CONTINUED)**

*Tranche 3 Performance Shares*

Vesting upon the completion of 10 development wells having been drilled and completed on the CFT CBM Project or the completion of an alternative development well drill programme which the parties have agreed, which independent engineers prognose will deliver an equivalent or better economic development outcome at a similar cost as a 10 well programme producing not less than 5 mmscf/day. The Tranche 3 Performance expire 18 months from the date of issue.

*Tranche 4 Performance Shares*

Vesting upon the completion of 20 development wells having been drilled and completed on the CFT CBM Project or the completion of an alternative development well drill programme which the parties have agreed, which independent engineers prognose will deliver an equivalent or better economic development outcome at a similar cost as a 20 well programme producing not less than 10 mmscf/day. The Tranche 4 Performance Shares expire 24 months from the date of issue.

Movements in the number of Performance Shares on issue during the current and prior year are as follows:

	2015 No.	2014 No.
At 1 April	250,000,000	350,000,000
Issued as acquisition consideration	-	-
Converted into ordinary shares on the basis of 1:10,000,000 upon failure to meet milestone conditions by due date	(250,000,000)	(100,000,000)
	-	250,000,000

**(c) Options**

Company options carry no voting rights and no right to dividends.

	CONSOLIDATED	
	2015 No.	2014 No.
Options on issue	85,000,000	85,000,000
<i>Movements in share options</i>		
Outstanding at the beginning of the year	85,000,000	85,000,000
Outstanding at the end of the year	85,000,000	85,000,000

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 12: ISSUED CAPITAL (CONTINUED)**

Details of options on issue as at balance date are as follows:

<b>Class</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry date</b>	<b>Status</b>
<b>A</b>	15,000,000	\$0.03	14/2/2016	Vested and exercisable
<b>B</b>	15,000,000	\$0.03	14/2/2016	Vested and exercisable
<b>C</b>	15,000,000	\$0.04	14/2/2016	Vest if Triple Energy shares trade at a VWAP of 5 cents or more for 10 consecutive days.
<b>E (Director)</b>	15,000,000	\$0.04	30/6/2015	Vested and exercisable
<b>E (Advisor)</b>	25,000,000	\$0.04	30/6/2015	Vested and exercisable
	<b>85,000,000</b>			

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 13: RESERVES, ACCUMULATED LOSSES & NON-CONTROLLING INTERESTS**

	Issued Capital	Capital Reserves	Share based payment reserve	Accumulated losses	Foreign Currency Translation Reserve	Consolidation Reserve	Total	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>As at 1 April 2013</b>	27,887,943	-	991,951	(25,016,354)	-	-	3,863,540	261,438	4,124,978
Loss for the period	-	-	-	(602,865)	-	-	(602,865)	-	(602,865)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	-	-	-	249,019	-	249,019	-	249,019
Total comprehensive income/(loss) for the period	-	-	-	(602,865)	249,019	-	(353,846)	-	(353,846)
Ordinary Shares issued	1,765,000	-	(85,000)	-	-	-	1,680,000	-	1,680,000
Transaction costs on share issue	(50,000)	-	-	-	-	-	(50,000)	-	(50,000)
Changes attributable to non-contributing interests	-	-	-	-	-	(635,620)	(635,620)	374,182	(261,438)
<b>As at 31 March 2014</b>	29,602,943	-	906,951	(25,619,219)	249,019	(635,620)	4,504,074	635,620	5,139,694
<b>As at 1 April 2014</b>	29,602,943	-	906,951	(25,619,219)	249,019	(635,620)	4,504,074	635,620	5,139,694
Loss for the period	-	-	-	(693,823)	-	-	(693,823)	-	(693,823)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	-	-	-	699,145	-	699,145	-	699,145
Total comprehensive income/(loss) for the period	-	-	-	(693,823)	699,145	-	5,322	-	5,322
Ordinary Shares issued	1,090,000	-	(246,000)	-	-	-	844,000	-	844,000
Transaction costs on share issue	(107,782)	-	-	-	-	-	(107,782)	-	(107,782)
Changes attributable to non-contributing interests	-	-	-	-	-	(199,829)	(199,829)	199,829	-
<b>As at 31 March 2015</b>	30,585,161	-	660,951	(26,313,042)	948,164	(835,449)	5,045,785	835,449	5,881,234

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTE 13: RESERVES (continued)

#### Share based payment reserve

For ESS transactions, the share based payment reserve is used to record the difference between the issue price of ESS shares and the fair value of consideration received by the Company where a limited-recourse loan from the Company is used to fund the purchase. Also, where equity instruments have been issued as consideration for the acquisition of assets or services and are required to be separately valued, any difference between fair value of the instrument granted and the actual book value of the assets received.

#### Foreign Currency Translation Reserve

This reserve is used to record exchange differences arising on translation of the group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

#### Consolidation Reserve

This reserve recognises adjustments upon consolidation to record the difference between the non-controlling interest's share of the net assets and the equity committed by the non-controlling interest.

### NOTE 14: SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31 March 2015	31 March 2014
Tango Energy, Inc	Holds interests in Oil and Gas exploration	USA	100%	100%
CFT Heilongjiang (HK) Ltd	Oil and Gas investment	Hong Kong	100%	100%
Heilongjiang Aolong Energy Co. Ltd	Coal mine gas exploration	China	80%	80%

### NOTE 15: FINANCIAL INSTRUMENTS

#### CONSOLIDATED

	2014 \$	2014 \$
<b>Financial assets</b>		
Cash and cash equivalents	846,137	850,955
<b>Financial liabilities</b>		
Trade and other payables	462,470	316,977
Borrowings	500,000	-
	<u>962,470</u>	<u>316,977</u>

The fair value of financial assets and liabilities approximates their carrying value at balance date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 15: FINANCIAL INSTRUMENTS (continued)**

The following table details the expected maturity/s for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
<b>2015</b>						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	2.0%	846,137	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		846,137	-	-	-	-
<b>2014</b>						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	2.95%	850,955	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		850,955	-	-	-	-

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
<b>2015</b>						
Non-interest bearing	-	-	866,470	96,000	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		-	866,470	96,000	-	-
<b>2014</b>						
Non-interest bearing	-	-	316,977	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		-	316,977	-	-	-

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTE 16: SHARE BASED PAYMENTS

At 31 March 2015, the Group has the following share-based payment arrangements affecting remuneration in the current or prior year.

#### Triple Energy Ltd Employee Share Plan

The Triple Energy Ltd Employee Share Plan was approved by shareholders at the General Meeting of 19 December 2012. Participation of the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. During the year 15,000,000 shares were issued to a group employee as an incentive (2014: 3,000,000) and remain subject to project-related vesting conditions, as approved by Shareholders at the 2014 AGM. The ESS shares issued are funded by an interest-free limited recourse loan to the recipient with a 5 year term. An amount of \$54,000 has been recognised as an expense during the year to 31 March 2015 in relation to the issue (2014: \$nil)

The inherent option value of the ESS arrangement for accounting purposes has been recorded as a share-based-payment expense. The valuation was performed by management using the Black Scholes methodology, incorporating the following inputs:

Share Price: \$0.006  
Expected Volatility: 100%  
Option life: 5 years  
Expected Dividends: Nil  
Risk-free interest rates: 2.5%

No expense was recognised in respect of the ESS shares awarded during 2014 as vesting conditions were not considered likely to be met as at balance date.

### NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk
- Market risk

This note presents the information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year ended 31 March 2014, it has been the Group's policy not to trade in financial instruments.

#### (a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built 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 reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at balance date.

**(c) Interest rate risk management**

The Company is exposed to interest rate risk as the Company deposits the bulk of the Company's cash reserves in Term Deposits with the NAB. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term Deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**(d) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit, and foreign currency movements on the trade receivables. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

**NOTE 18: COMMITMENTS AND CONTINGENCIES**

**Guarantees**

Triple Energy Limited had in place a bank guarantee in respect of its leased offices at 100 Railway Road Subiaco for an amount of \$15,308 (2014: \$15,308)

**Operating lease commitments – Group as lessee**

The Group has entered into a commercial lease in respect of its office premises. The lease has a minimum duration of less than one year from year-end.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	<b>CONSOLIDATED</b>	
	2015	2014
	\$	\$
Within one year	20,000	13,950
After one year but not more than five years	-	-
More than five years	-	-
	<u>20,000</u>	<u>13,950</u>

**Capital expenditure commitments**

As at balance date, the Group had no outstanding future commitments under equipment purchase contracts not otherwise accounted for as liabilities (2014: Nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**NOTE 18: COMMITMENTS AND CONTINGENCIES (continued)**

**Contingent Liabilities**

The Company's subsidiary, Heilongjiang Aolong Energy, is negotiating with a drilling contractor in relation to disputed claims for services in relation to the drilling of the Xian Xian well in 2013. The total amount being claimed by the supplier is approximately RMB 2.5m. The Company has recognised an accrual at balance date for what it considers to be the most likely settlement amount.

**NOTE 19: DIVIDENDS**

The directors of the Company have not declared any dividend for the year ended 31 March 2015 (2014: nil).

**NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE**

On 24 April 2015 Shareholders voted to approve the BSP funding transaction and following the meeting the Company issued 291.7 million new ordinary shares at an issue price of \$0.006 per share and 595.3 million drilling performance shares to BSP, raising A\$1.75 million in new funds (before costs). Of the 291.7 million shares issued, 83.33 million were used to settle in full the A\$0.5 million converting loan previously advanced. In addition, 20,000,000 options exercisable at \$0.06 per share on or before 26 October 2015 were issued to the broker to the investment.

Subsequently, on 5 May 2015, a further 47.3 million new ordinary shares were issued to existing shareholders (other than BSP) under the Company's 2015 Share Purchase Plan.

Except as disclosed, no matter or circumstance has arisen since 31 March 2015 that in the opinion of the Directors has significantly affect, or may significantly affect in future financial years:

- the Group's operations;
- the results of those operations; or
- the Group's state of affairs.

**NOTE 21: AUDITOR'S REMUNERATION**

The auditor of Triple Energy Limited is HLB Mann Judd.

*Amounts received or due and receivable by HLB Mann Judd for:  
Audit or review of financial reports*

	2015 \$	2014 \$
	33,920	36,715
	33,920	36,715

**NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES**

**Key Management Personnel Compensation**

Short-term benefits  
Post-employment benefits  
Share based payments

	2015 \$	2014 \$
	255,655	204,958
	22,626	14,261
	54,000	-
	332,281	219,219

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

Further details on Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

**NOTE 23: OTHER RELATED PARTY DISCLOSURES**

In addition to salaries and directors fees, Meldrum Pty Ltd atf Meldrum Family Trust, an entity associated with Mr Meldrum, was paid a total of \$67,895 (2014: \$57,358) by group companies on normal commercial terms for technical consulting services provided. Erasmus Consulting Pty Ltd, an entity controlled by the Company Secretary received fees of \$92,228 during the year from the Company (2014: \$86,385).

**NOTE 24: PARENT ENTITY DISCLOSURES**

**Financial position**

	31 March 2015	31 March 2014
	\$	\$
<b>Assets</b>		
Current assets	560,859	593,367
Non-current assets	5,056,306	4,398,013
<b>Total assets</b>	<b>5,617,165</b>	<b>4,991,380</b>
<b>Liabilities</b>		
Current liabilities	684,095	100,705
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>684,095</b>	<b>100,705</b>
<b>Equity</b>		
Issued capital	30,585,161	29,602,943
Share based payment reserve	660,951	906,951
Accumulated losses	(26,313,042)	(25,619,219)
	<b>4,933,070</b>	<b>4,890,675</b>

**Financial performance**

	Year ended 31 March 2015	Year ended 31 March 2014
	\$	\$
Loss for the year	(693,823)	(602,865)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(693,823)</b>	<b>(602,865)</b>

## DIRECTORS' DECLARATION

In the opinion of the directors of Triple Energy Limited ('the Company'):

1. The financial statements and notes thereto, as set out on pages 20 to 49, are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the year then ended;
  - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. 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 31 March 2015.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



**Paul Underwood**  
**Managing Director**

**Dated this 30<sup>th</sup> day of June 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the members of Triple Energy Limited

### Report on the Financial Report

We have audited the accompanying financial report of Triple Energy Limited ("the company"), which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility 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 is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.  
Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au). Website: <http://www.hlb.com.au>  
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a worldwide organisation of accounting firms and business advisers.

# HLB Mann Judd

Accountants | Business and Financial Advisers

## Auditor's opinion

In our opinion:

- (a) the financial report of Triple Energy Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

## Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2015. 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.

## Auditor's opinion

In our opinion the remuneration report of Triple Energy Limited for the year ended 31 March 2015 complies with section 300A of the *Corporations Act 2001*.



HLB Mann Judd  
Chartered Accountants



D I Buckley  
Partner

Perth, Western Australia  
30 June 2015

## ADDITIONAL SHAREHOLDER INFORMATION

### A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

### B. SHAREHOLDING INFORMATION (as at 22 June 2015)

#### 1. Substantial Shareholders

As at report date the following shareholders hold a relevant interest in excess of 5% of the voting rights in the Company as disclosed in substantial holding notices given to the Company:

Name of Shareholder	Date of Notice	Shares	%
Blue Sky Power Group	12/5/15	449,666,666	39.7
Hazardous Investments Pty Ltd	21/1/14	67,591,704	10.9

#### 2. Number of holders in each class of equity securities and the voting rights attached

##### Ordinary Shares

There are 889 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

##### Options

There are 5 holders of options. There are no voting rights attached to options.

##### Performance Shares

There is 1 holder of performance shares being Waypost Ltd (part of the BSP Group) which holds 595,264,168. There are no voting rights attached to performance shares.

#### 3. Distribution schedule of the number of holders in each class of equity security

##### a) Fully Paid Ordinary Shares

Spread of holdings	Holders	Securities	% of Issued Capital
1 - 1,000	42	12,653	0.00%
1,001 - 5,000	65	231,709	0.02%
5,001 - 10,000	109	992,667	0.09%
10,001 - 100,000	265	12,910,297	1.14%
100,001 -	408	1,118,793,615	98.75%
Total on register	889	1,132,940,941	100.0%

**ADDITIONAL SHAREHOLDER INFORMATION (continued)**
**b) Options**

Spread of holdings	Holders	Securities	% of Issued
100,001 -	5	105,000,000	100%
<b>Total on register</b>	<b>5</b>	<b>105,000,000</b>	<b>100.0%</b>

Details of holdings of unquoted options in excess of 20% are as follows:

Holder	Options
Paul Underwood	55,000,000
Canaccord Genuity	20,000,000

**c) Performance Shares**

There is only one holder of Performance Shares, being Waypost Ltd (part of the BSP Group) which holds 595,264,168.

**4. Marketable Parcel**

There are 414 shareholders with less than a marketable parcel of \$500 based on a share price of \$0.007.

**5. Twenty largest holders of each class of quoted equity security**

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 24 June 2014) is as follows:

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## ADDITIONAL SHAREHOLDER INFORMATION (continued)

### Ordinary Shares Top 20 holders and percentage held

Pos	Holder name	Designation	Securities	% of issued
1	WAYPOST LTD		449,666,666	39.69%
2	HAZARDOUS INV PL		67,591,704	5.97%
3	LAMBERT NIGEL JOHN + L M	LAMBERT FAM NO2 A/	19,740,848	1.74%
4	MANDALAY CAP GRP LTD		19,075,750	1.68%
5	UNDERWOOD PAUL		15,000,000	1.32%
6	WEBINVEST PL	OLSB UNIT A/C	14,010,694	1.24%
7	WESTON BEN		13,700,000	1.21%
8	HACKSHAW GREGORY ROBERT		11,000,000	0.97%
9	ROHDE STEPHEN C + C D	LINDREW A/C	10,075,000	0.89%
10	ECI INTNL PL		10,000,008	0.88%
11	RALCORP PL		10,000,007	0.88%
12	WESWOOD PL	PAUL UNDERWOOD S/F	10,000,000	0.88%
13	RACT SUPER PL	RAND S/F A/C	10,000,000	0.88%
14	SML CONTRACTING PL		9,800,000	0.87%
15	CASH SAMUEL G E + M C	SGEC S/F A/C	9,500,000	0.84%
16	GILLESPIE ANDREW MARK		9,107,767	0.80%
17	RALSTON GARRY BENJAMIN		8,500,000	0.75%
18	WAKEFORD HLDGS PL		8,000,000	0.71%
19	ERASMUS CONS PL		7,900,000	0.70%
		TOP 20 TOTAL	265,431,990	63.55%
		OTHER	412,937,285	36.45%

## ADDITIONAL SHAREHOLDER INFORMATION (continued)

### C. OTHER INFORMATION

#### 1. Company Secretary

The Company Secretary is Mr Alex Neuling.

#### 2. Address and telephone details of the Company's registered administrative office and principle place of business:

Unit 6, 100 Railway Road  
Subiaco WA 6008  
Telephone: (08) 9381 3322  
Fax: (08) 6314 1557  
admin@tripleenergy.net

#### 3. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Ph:+61 8 9315 2333

#### 4. Securities exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange.

#### 5. Review of Operations

A review of operations is contained in the Directors' Report.

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Triple Energy Limited

**A** Unit 15, Level 1, 100 Railway Road Subiaco WA 6008 + **P** (08) 9381 3322 + **F** (08) 6314 1557

