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Triple Energy Limited

ABN 68 116 829 675

**Annual Financial Report
31 March 2017**

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DIRECTORS' REPORT

CORPORATE INFORMATION

ABN 68 116 829 675

Directors

Mr Tommy Cheng (Non-Executive Chairman)
Mr Man Kin (Raymond) Tam (Alternate Director for Mr Tommy Cheng)
Mr Paul Underwood (Non Executive Director)
Mr Garry Ralston (Non Executive Director)

Company secretary

Mr Alex Neuling

Registered office and Principal place of business

Unit 24, 589 Stirling Highway, Cottesloe WA 6011
PO Box 889, Cottesloe WA 6011
Telephone: (08) 6153 1861
Facsimile: (08) 6314 1557

Postal address:

PO Box 899
COTTESLOE WA 6911

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

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DIRECTORS' REPORT

Your directors submit their annual financial report of the Group consisting of Triple Energy Limited ('Triple') and its controlled subsidiaries for the financial year ended 31 March 2017. 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	Non Executive Chairman
Mr Man Kin (Raymond) Tam	Alternate Director for Mr Tommy Cheng (appointed 4 April 2017)
Mr Paul Underwood	Managing Director and Chief Executive Officer ¹ (Non-Executive Director)
Mr Po Siu Chan	Executive Director (appointed 29 April 2015, resigned 20 February 2017)
Mr Garry Ralston	Independent Non-Executive Director

1. Mr Paul Underwood resigned as Managing Director and Chief Executive Officer on 14 December 2016. He remains on the board as a Non-Executive Director.

Names, qualifications, experience and special responsibilities

Mr Tommy Cheng **Non-Executive Chairman** **Qualifications: B.Comm**

Mr Cheng is an executive director and chairman of Beijing Gas Blue Sky Holdings Limited (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 People's Republic of China (PRC). From 2003 to 2008, Mr Cheng was involved in the investment and operations in the gold mining industry in the 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 three years to balance date, Mr Cheng has served as a Director of New Times Energy Corporation Limited (2009- present) and Beijing Gas Blue Sky Holdings Limited (2014-Present).

During the three years to balance date Mr Cheng has not served as a Director of any ASX listed company.

Mr Man Kin (Raymond) Tam **Alternate Director**

Mr Tam is an executive director, chief financial officer and authorized representative of Beijing Gas Blue Sky Power Holdings Ltd, the Hong Kong-listed parent company of the Beijing Gas Blue Sky Power group of companies (BGBSP) (Hong Kong Stock Code: 6828). BGBSP is Triple's largest shareholder, with 768.1 million shares.

Mr Tam obtained an Executive Master of Business Administration degree from the University of Western Ontario in Canada in 2005, a Master of Practising Accounting degree from Monash University in Australia in 2001 and a Bachelor of Civil & Resources Engineering (First Class Honours) degree from the University of Auckland in New Zealand in 1998. Mr Tam is a Fellow of CPA Australia, a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a CFA and FRM charter-holder. Mr Tam has over 15 years of management experience in banking and finance industry. Prior to joining Beijing Gas Blue Sky Power Holdings Ltd, Mr Tam served as the chief financial officer of China Regenerative Medicine International Limited (stock code: 8158), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited from 2015 to 2016. Mr Tam also served as the Project Director of Mineralogy Pty Ltd. and the chief financial officer of Resourcehouse Ltd., both of which are Australian companies principally engaged in the development of mineral resources. Further, he worked at J.P. Morgan from 2006 to 2010 and held various management positions with The Hongkong and Shanghai Banking Corporation Limited from 1999 to 2006. He also served as the Vice President (Asia Convention) of the World Leadership Alliance — World Economic Council, and has served as the Co-Chairperson of Corporate Sector Committee of CPA Australia — Greater China since 2016.

During the three years to balance date Mr Tam has not served as a Director of any ASX listed company

DIRECTORS' REPORT

Mr Paul Underwood

Non-Executive Director

Qualifications: B.Bus, Grad Diploma in Applied Finance, Chartered Accountant

Mr Underwood has over 33 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 several hundred million dollars.

Mr Underwood has also served as a Non-Executive Director of Western Power, a Western Australian state owned electricity utility, and is the 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.

Mr Garry Ralston

Independent Non-Executive Director, Chairman Audit & Risk, Nomination and Remuneration Committees

Qualifications: Licensed Finance Broker (CFB)

Mr 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.

FORMER DIRECTORS

Mr Po Siu Chan

Executive Director (appointed 29 April 2015, resigned 20 February 2017),

Qualifications: FCA, MComm

Mr Chan is a fellow of Chartered Accountants Australia and New Zealand 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 his resignation Mr Chan has not served as a director of any other listed company.

Company Secretary - Mr Alex Neuling

Mr Neuling is a Chartered Accountant and Chartered Secretary with extensive 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.

DIRECTORS' REPORT

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*	-	60,000,000
Mr Po Chan* (at time of resignation)	-	50,000,000
Mr Paul Underwood	28,160,000	40,000,000
Mr Garry Ralston	12,000,000	1,000,000
Mr Man Kin (Raymond) Tam	-	-

*Mr Cheng and Mr Chan are nominees of Beijing Gas Blue Sky Holdings Limited (BGBSP). The BGBSP Group is a substantial shareholder of the Company which currently holds 768,104,905 ordinary shares (46.6%).

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.

70,000,000 incentive options, granted pursuant to shareholder approval on 30 August 2016, were granted to Mr Cheng, Mr Chan and Mr Underwood on 30 August 2016. Options are unlisted and exercisable at \$0.015 per share on or before 31 August 2019. The fair value of the options is \$0.005 per 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
G	31 August 2018	\$0.015	77,000,000
H	31 August 2019	\$0.015	90,000,000

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 Group during the year was the exploration for natural resources.

Review of Operations

Beijing Gas Blue Sky Holdings Limited (BGBSP)

BGBSP, a substantial shareholder of Triple is an integrated natural gas provider, distributor and operator, which a stated objective to augment its existing mid to downstream natural gas interests to be comprehensively involved in the entire industry value chain in China (and potentially overseas).

BGBSP, its management and directors and staff remain committed to ongoing cooperation with Triple with the common objective of growing the Company significantly and supporting Triple's objective of establishing a portfolio of quality producing energy assets in China ahead of a potential future listing on the Hong Kong Stock Exchange. In addition to the provision of management and business development support, BGBSP has introduced new investors to Triple in recent equity capital-raising, including the share placements concluded in April 2016 and April 2017.

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DIRECTORS' REPORT

Shaanmei Project Areas (Triple Project Interest – 80%)

Triple advised on 14 December 2016 that a cooperation agreement (**Agreement**) had been reached with Shaanxi Province Coal Bed Methane Exploitation and Utilization Co. Ltd., a subsidiary of Shaanmei Coal Mining Company (**Shaanmei**).

The Agreement covers production sharing for Coal Bed Methane Drainage of three linked areas in Wangfeng and Sangshuping Mining Areas in Hancheng, Shaanxi Province and covers in excess of 160km². The Agreement provides for a profit-sharing arrangement whereby Triple, through wholly owned HK and PRC subsidiaries, will hold 80% profit interest. Incorporation of the relevant interposed PRC entities to enable the registration of Triple's ownership is underway and is anticipated to be completed in the near term.

Under the Agreement terms RMB5,000,000 (~A\$1,000,000) was required to be forwarded to a Joint Venture account as a performance surety. BGBSP arranged and advanced this funding in support of Triple, with the funding initially in the form of a renewable loan facility to the entity holding Triple's project interest. Preparatory technical work is underway in relation to identifying optimal locations for exploitation work.

Aolong Coal Mine Gas Project, Heilongjiang, China (Triple Project Interest – 80%)

No substantial new exploration activity was carried out during the year. The joint venture partners are yet to conclude on the necessary measures for closer cooperation in the Hegang area to minimize any future development conflicts as well as identifying other project areas suitable for gas production. Subject to resolution of these matters and securing necessary funding, up to two further wells are expected following the completion of further geological studies planned for 2017.

Operating Results for the Year

The consolidated net loss after income tax attributable to members of the Group amounted to \$1,728,207 (2016: \$1,622,013).

Review of Financial Conditions

As at 31 March 2017 the Group held \$857,360 in cash and cash equivalents.

Significant Changes in the State of Affairs of the Group

Other than the capital raisings, grant of incentive options, performance share conversion and operational updates as noted elsewhere in this Report, there have been no significant changes in the state of affairs of the Group to the date of this Report.

Significant Events After Balance Date

On 4 April 2017, the Company announced the appointment of Mr Man Kin (Raymond) Tam to the Board (as an Alternate Director for Mr Tommy Cheng). Mr Tam is an Executive Director, Chief Financial Officer and authorized representative of Beijing Gas Blue Sky Power Holdings Ltd, the Hong Kong listed parent company of the Beijing Gas Blue Sky Power group of companies.

On 5 April 2017 Triple placed 80 million new fully paid ordinary shares to a high net worth sophisticated investor in the Peoples Republic of China at an issue price of 0.6 cents per share to raise approximately A\$480,000 before associated costs.

Except as disclosed, no matter or circumstance has arisen since 31 March 2017 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 Group continues to evaluate new projects complimentary with the business model of finding and developing producing gas projects in China.

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

DIRECTORS' REPORT

Environmental Legislation

The Group 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 year.

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.

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 Limited (the "Company") for the financial year ended 31 March 2017. 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 (Non-Executive Chairman)

Mr Paul Underwood (Non-Executive Director¹)

Mr Po Chan (Executive Director, resigned 20 February 2017)

Mr Garry Ralston (Independent Non-Executive Director)

Mr Man Kin (Raymond) Tam (Alternate Director for Mr Tommy Cheng, appointed 4 April 2017)

(ii) Executives

Mr Alex Neuling (Company Secretary)

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.

DIRECTORS' REPORT

Remuneration report (continued)

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.

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) is entitled to receive a fee for being a Director of the Company, however the Company's Chairman, Mr Tommy Cheng, has waived his entitlement to receive a Directors fee.

The remuneration of Non-Executive Directors for the year ended 31 March 2017 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 grant of share options or participation in the Company Employee Share Scheme ("ESS"). During the year ended 31 March 2016, 77,000,000 options exercisable at 1.5 cent per share on or before 31 August 2018 were granted to Directors and Executives pursuant to Shareholder approval granted at the Company's AGM on 28 August 2015. During the year ended 31 March 2017, 90,000,000 options exercisable at 1.5 cent per share on or before 31 August 2019 were granted to Directors and Executives pursuant to Shareholder approval granted at the Company's AGM on 30 August 2016. 70,000,000 of which were issued to key management personnel. The fair value of options granted was \$0.005 per option. The options were subject to vesting criteria (refer Note 16 of the financial report). As of the date of this report it was considered unlikely that the vesting criteria would be met, and, as such, no expense has been recognised.

Key Management Personnel Employment & Service Contracts

PW Underwood

With effect from 1 May 2015 Mr Underwood's annual remuneration as Managing Director and Chief Executive officer was set at \$160,000 plus statutory superannuation. Mr Underwood is also reimbursed for reasonable expenses incurred in carrying out his duties. The service contract required the Company to provide a notice period consistent with the position of 6 months prior to termination, or alternatively, payment in lieu of service and to maintain officers indemnity insurance.

DIRECTORS' REPORT

Remuneration report (continued)

Following his resignation on 14 December 2016 as Managing Director and Chief Executive Officer of the Group, Mr Underwood is now paid \$50,000 as remuneration for his current role as Non-Executive Director.

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.

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DIRECTORS' REPORT

Remuneration report (continued)

Remuneration of directors and named executives

Table 1 : Directors' and named executives' remuneration for the year ended 31 March 2017

	Short-term employee benefits			Post-employment benefits			Equity Options	Total	Performance %
	Salary & Fees	Bonuses	Non-Monetary	Superannuation	Prescribed	Options			
Mr Tommy Cheng	-	\$ -	-	-	-	-	\$ -	\$ -	0%
Mr Paul Underwood	125,291	-	-	12,587	-	-	-	137,878	0%
Mr Po Chan	105,222	-	-	-	-	-	-	105,222	0%
Mr Garry Ralston	36,000	-	-	-	-	-	-	36,000	0%
Mr Alex Neuling*	-	-	-	-	-	-	-	-	0%
Mr Man Kin (Raymond) Tam	-	-	-	-	-	-	-	-	0%
Total	266,513	-	-	12,587	-	-	-	279,100	0%

*Mr Neuling is not directly remunerated by the Company other than through the grant of incentive options. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling received fees of \$61,952 during the year from the Company.

Table 2: Directors' and named executives' remuneration for the year ended 31 March 2016

	Short-term employee benefits			Post-employment benefits			Equity Options	Total	Performance %
	Salary & Fees	Bonuses	Non-Monetary	Superannuation	Prescribed	Options			
Mr Tommy Cheng	-	\$ -	-	-	-	-	\$ 64,410	\$ 64,410	100%
Mr Paul Underwood	156,667	-	-	14,883	-	-	42,940	214,490	20%
Mr Po Chan	80,000	-	-	-	-	-	42,940	122,940	35%
Mr Garry Ralston	35,500	-	-	-	-	-	2,147	37,647	6%
Mr Alex Neuling*	-	-	-	-	-	-	2,147	2,147	100%
Total	272,167	-	-	14,883	-	-	154,584	441,634	35%

*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 \$70,329 during the year from the Company.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Remuneration of directors and named executives

(iii) Share-based payments granted as compensation

For details of options granted during the year refer to Note 16 of the financial report and the variable remuneration section of this remuneration report.

No options granted as compensation were exercised in the current financial year.

No options lapsed during the current financial year.

(iv) Option holdings of Key Management Personnel

As at 31 March 2017

	Balance at beginning of period	Granted as remuneration	Options expired	Net change Other	Balance at end of period
Mr Tommy Cheng	30,000,000	30,000,000	-	-	60,000,000
Mr Paul Underwood	20,000,000	20,000,000	-	-	40,000,000
Mr Po Chan	30,000,000	20,000,000	-	-	50,000,000 ¹
Mr Garry Ralston	1,000,000	-	-	-	1,000,000
Mr Alex Neuling	1,000,000	-	-	-	1,000,000
Mr Man Kin (Raymond) Tam	-	-	-	-	-
Total	82,000,000	70,000,000	-	-	152,000,000

1. Held at date of resignation

(v) Shareholdings of Key Management Personnel

As at 31 March 2017

	Balance at beginning of period	Granted as remuneration	On Exercise of Options	Net change Other	Balance at end of period
	Number	Number	Number	Number	Number
Mr Tommy Cheng*	-	-	-	-	-
Mr Paul Underwood	28,160,000	-	-	-	28,160,000
Mr Po Chan*	-	-	-	-	-
Mr Garry Ralston	12,000,000	-	-	-	12,000,000
Mr Alex Neuling	7,900,000	-	-	-	7,900,000
Mr Man Kin (Raymond) Tam	-	-	-	-	-
Total	48,060,000	-	-	-	48,060,000

*Mr Cheng and Mr Chan are nominees of Beijing Gas Blue Sky Holdings Limited (BGBSP). The BGBSP Group is a substantial shareholder of the Company which holds 768,104,905 ordinary shares as at the date of this report (46.6%).

END OF REMUNERATION REPORT

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DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:	Board Meetings*	
	Attended	Eligible to Attend
Director		
Mr Tommy Cheng*	-	8
Mr Paul Underwood	8	8
Mr Po Chan	5	5
Mr Gary Ralston	8	8

*Mr Cheng sent a representative (Mr Minghon Ngai) to 5 of the 8 board meetings.

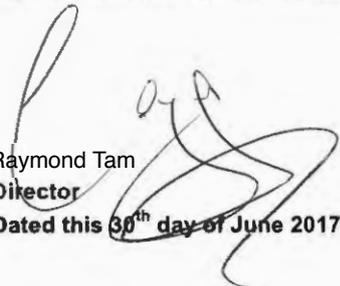
Auditor's Independence and Non-Audit Services

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 14 and forms part of this directors' report for the year ended 31 March 2017.

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.



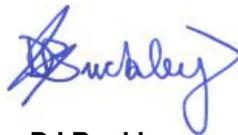
Raymond Tam
 Director
 Dated this 30th day of June 2017

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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 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
30 June 2017

D I Buckley
Partner

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 \$	2016 \$
Continuing operations			
Other income	2	5,375	7,502
Share based payments expense		-	(165,319)
Other expenses	2	(1,733,582)	(1,464,196)
Loss before income tax expense		(1,728,207)	(1,622,013)
Income tax expense	3	-	-
Net (loss for the year)		(1,728,207)	(1,622,013)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(145,241)	(145,009)
Total comprehensive loss for the year		(1,873,448)	(1,767,022)
Loss attributable to:			
Owners of the Parent		(1,728,207)	(1,622,013)
Non-controlling interests		-	-
Loss for the year		(1,728,207)	(1,622,013)
Total comprehensive loss attributable to			
Owners of the Parent		(1,844,400)	(1,760,020)
Non-controlling interests		(29,048)	(7,002)
		(1,873,448)	(1,767,022)
Basic and diluted loss per share (cents per share)	4	(0.12)	(0.15)

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Notes	2017 \$	2016 \$
Assets			
Current Assets			
Cash and cash equivalents	6	857,360	403,120
Other current assets	7	24,723	29,020
Total Current Assets		882,083	432,140
Non-Current Assets			
Property, plant and equipment	8	134,062	165,772
Deferred exploration and evaluation expenditure	9	8,175,056	8,279,676
Total Non-Current Assets		8,309,118	8,445,448
Total Assets		9,191,201	8,877,588
Liabilities			
Current Liabilities			
Trade and other payables	10	1,004,426	853,596
Shares to be issued	11	480,000	-
Total Current Liabilities		1,484,426	853,596
Non-Current Liabilities			
		-	-
Total Liabilities		1,484,426	853,596
Net Assets		7,706,775	8,023,992
Equity			
Issued capital	12	35,852,152	34,295,921
Reserves	13	718,486	834,679
Accumulated losses	13	(29,663,262)	(27,935,055)
Parent entity interest		6,907,376	7,195,545
Non-controlling interests	13	799,399	828,447
Total equity		7,706,775	8,023,992

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Issued Capital	Reserves	Accumulated Losses	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$
As at 1 April 2015	30,585,161	773,666	(26,313,042)	5,045,785	835,449	5,881,234
Loss for the period	-	-	(1,622,013)	(1,622,013)	-	(1,622,013)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	(145,009)	-	(145,009)	-	(145,009)
Change in net assets attributable to non-contributing interests	-	7,002	-	7,002	(7,002)	-
Total comprehensive loss for the year	-	(138,007)	(1,622,013)	(1,760,020)	(7,002)	(1,767,022)
Shares and options issued	4,034,088	199,020	-	4,233,108	-	4,233,108
Transaction costs on share issue	(323,328)	-	-	(323,328)	-	(323,328)
As at 31 March 2016	34,295,921	834,679	(27,935,055)	7,195,545	828,447	8,023,992
As at 1 April 2016	34,295,921	834,679	(27,935,055)	7,195,545	828,447	8,023,992
Loss for the period	-	-	(1,728,207)	(1,728,207)	-	(1,728,207)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	(145,241)	-	(145,241)	-	(145,241)
Change in net assets attributable to non-contributing interests	-	29,048	-	29,048	(29,048)	-
Total comprehensive loss for the period	-	(116,193)	(1,728,207)	(1,844,400)	(29,048)	(1,873,448)
Shares and options issued	1,747,826	-	-	1,747,826	-	1,747,826
Performance shares adjustment	(89,458)	-	-	(89,458)	-	(89,458)
Transaction costs on share issue	(102,137)	-	-	(102,137)	-	(102,137)
As at 31 March 2017	35,852,152	718,486	(29,663,262)	6,907,376	799,399	7,706,775

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
Notes	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Interest received	5,375	7,502
Payments to suppliers and employees	(1,334,536)	(1,042,680)
Net cash flows (used in) operating activities	6 (1,329,161)	(1,035,178)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(265,488)	(652,211)
Net cash flows (used in) investing activities	(265,488)	(652,211)
Cash flows from financing activities		
Proceeds from issue of shares and options	1,747,826	1,534,000
Other – share placement application proceeds held on trust	480,000	-
Transaction costs on issue of shares	(196,994)	(289,628)
Net cash flows from financing activities	2,030,832	1,244,372
Net (decrease)/increase in cash and cash equivalents	436,183	(443,017)
Foreign exchange	18,057	
Cash and cash equivalents at the beginning of the year	6 403,120	846,137
Cash and cash equivalents at the end of the year	857,360	403,120

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**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.

Going Concern

For the year ended 31 March 2017 the Group recorded a net loss of \$1,728,207 and a net operating cash outflow of \$1,329,161.

Notwithstanding the above, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business and on the assumption of sufficient funds continuing to be available for the operations of the Company and its subsidiaries.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund the consolidated entity's operations and further develop its projects during the twelve month period from the date of this financial report. The Directors expect that the Company will be able to continue to raise the funds required to meet its obligations as and when they fall due, noting the ongoing support of its largest shareholder, the BGBSP group in assisting the Company in accessing new investors and also in directly providing bridging finance.

In the event that the Company is unsuccessful in deriving sufficient additional funding for its operations there would exist a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Adoption of new and revised standards**Changes in accounting policies on initial application of Accounting Standards**

In the year ended 31 March 2017, 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 2017. 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 2017.

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 2017 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(d) Basis of consolidation (continued)**

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.

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 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.

Valuation of Performance Shares:

During the prior year the Group issued 595.3 million drilling performance shares to the BSP group in consideration for the procurement of drilling services. The accounting value of the Performance Shares was determined using the market value of the Company's shares as at the date of issue of the performance shares and with an assessment carried out at balance date as to the value of the drilling services performed and thereby the number of performance shares deemed likely to have vested at that date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(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.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(i) Property, plant and equipment (continued)***(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.

(l) 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(l) Income tax (continued)**

- 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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(n) Impairment of assets (continued)**

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.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**(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.

(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 exploitation 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(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:

a. 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.

b. 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.

NOTE 2: REVENUES AND EXPENSES

	CONSOLIDATED	
	2017	2016
	\$	\$
(a) Other income		
Interest	5,375	7,502
	5,375	7,502
(b) Expenses		
Accounting and audit fees	46,307	27,194
Administrative expenses	190,938	143,178
Directors' fees & salaries	344,873	252,236
Foreign exchange loss/(gain)	25,251	(20,858)
Insurance	25,000	21,807
Legal fees	66,899	26,417
New project evaluation costs not capitalised	20,277	454,815
Other business development	739,338	454,815
Rent	19,099	22,419
Corporate travel expenses	255,600	81,324
Other	-	849
	1,733,582	1,464,196

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 3: INCOME TAX

	CONSOLIDATED	
	2017	2016
	\$	\$
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax benefit	(1,728,207)	(1,622,013)
Income tax using the Company's domestic tax rate of 30% (2016: 30%)	(518,462)	(486,604)
Non-deductible expenses/(deductible tax adjustments)	30	49,942
Current year losses for which no deferred tax asset was recognised	518,432	436,662
Income tax benefit/(expense) attributable to entity	-	-

(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.

As at 31 March 2017 the Company has estimated carry forward tax losses of Triple Energy Limited as the parent entity of \$2,601,439 (31 March 2016: \$2,026,990). As at balance date the quantum of assessable losses in foreign jurisdictions is yet to be determined.

	CONSOLIDATED	
	2017	2016
	\$	\$
(d) Unrecognised temporary differences		
Net deferred tax assets (calculated at 30% (2016:30%) have not been recognised in respect of the following items:		
Unrecognised deferred tax assets/(liabilities) relating to the above temporary differences	780,412	608,097

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 4: LOSS PER SHARE

	CONSOLIDATED	
	2017	2016
	\$	\$
(a) Earnings used in calculating earnings per share		
For basic loss per share:		
Loss from Continuing Operations	(1,728,207)	(1,622,013)
(b) Weighted average number of shares		
Weighted average number of ordinary shares for basic earnings per share	1,484,593,331	1,109,418,173
There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.		

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 5: OPERATING SEGMENTS (continued)

	CONSOLIDATED		
	Oil and Gas Projects \$	Unallocated Items \$	Total \$
Year ended 31 March 2017			
Total segment revenue	-	5,375	5,375
Segment net operating loss after tax	-	(1,728,207)	(1,728,207)
Interest revenue	-	5,375	5,375
Other non-cash expenses	-	-	-
Segment assets	8,431,080	760,121	9,191,201
Segment liabilities	885,441	598,985	1,484,426
Cash flow information			
Net cash flow from operating activities	-	(1,329,161)	(1,329,161)
Net cash flow from investing activities	(265,488)	-	(265,488)
Net cash flow from financing activities	-	2,030,832	2,030,832
Other information			
Depreciation	17,477	100	17,577
Additions to non-current assets	256,590	-	256,590

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 5: OPERATING SEGMENTS (continued)
CONSOLIDATED

	Oil and Gas Projects \$	Unallocated Items \$	Total \$
Year ended 31 March 2016			
Total segment revenue	-	7,502	7,502
Segment net operating loss after tax	-	(1,622,013)	(1,622,013)
Interest revenue	-	7,502	7,502
Other non-cash expenses	-	165,319	165,319
Segment assets	8,750,262	127,326	8,877,588
Segment liabilities	591,378	262,218	853,596
Cash flow information			
Net cash flow from operating activities	-	(1,035,178)	(1,035,178)
Net cash flow from investing activities	(652,211)	-	(652,211)
Net cash flow from financing activities	-	1,244,372	1,244,372
Other information			
Depreciation	20,647	17,277	37,924
Additions to non-current assets	652,211	-	652,211

NOTE 6: CASH AND CASH EQUIVALENTS
CONSOLIDATED

	2017 \$	2016 \$
Cash at bank and on hand	842,052	387,812
Bank guarantee	15,308	15,308
	857,360	403,120

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 Group, and earn interest at the respective short-term deposit rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 6: CASH AND CASH EQUIVALENTS (continued)
Non-Cash Investing and Financing Activities

During the year ended 31 March 2016 the Group issued 595.3 million drilling performance shares as consideration for drilling services.

	CONSOLIDATED	
	2017	2016
Reconciliation of loss for the year to net cash flows from operating activities	\$	\$
Loss for the year	(1,728,207)	(1,622,013)
Adjustments for:		
Share-based payments expenditure	-	165,319
Depreciation	100	1,155
Change in net assets and liabilities:		
(Increase)/decrease in trade and other receivables	4,297	69,385
(Decrease)/increase in trade and other payables	394,649	350,976
Net cash used in operating activities	<u>(1,329,161)</u>	<u>(1,035,178)</u>

NOTE 7: OTHER CURRENT ASSETS

	CONSOLIDATED	
	2017	2016
	\$	\$
GST receivables	(1,386)	11,352
Prepayments	356	4,225
Other receivables	25,753	13,443
	<u>24,723</u>	<u>29,020</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		
	Leasehold Improvements	Plant & Equipment	Total
	\$		\$
Cost			
As at 1 April 2015	31,980	242,419	274,399
Additions	-	-	-
Foreign exchange movements	-	(12,110)	(12,110)
As at 31 March 2016	31,980	230,309	262,289
As at 1 April 2016	31,980	230,309	262,289
Additions	-	-	-
Foreign exchange movements	-	(14,133)	(14,133)
As at 31 March 2017	31,980	216,176	248,156
Accumulated Depreciation			
As at 1 April 2015	14,603	43,990	58,593
Net charge for the year	17,277	20,647	37,924
As at 31 March 2016	31,880	64,637	96,517
As at 1 April 2016	31,880	64,637	96,517
Net charge for the year	100	17,477	17,577
As at 31 March 2017	31,980	82,114	114,094
Carrying amounts			
At 31 March 2016	100	165,672	165,772
At 31 March 2017	-	134,062	134,062

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

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	2017	2016
	\$	\$
Exploration and evaluation phase – at cost		
Balance at beginning of year	8,279,676	5,576,873
Foreign exchange movements	(271,752)	(162,898)
Adjustment to BSP Drilling Performance Shares	(89,458)	2,000,088
Exploration expenditure capitalised in the year	256,590	865,613
Total deferred exploration and evaluation expenditure	8,175,056	8,279,676

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 2017
NOTE 10: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2017	2016
	\$	\$
Trade creditors*	567,112	701,871
Other creditors and accruals	437,314	151,725
	1,004,426	853,596

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

NOTE 11: SHARES TO BE ISSUED

	CONSOLIDATED	
	2017	2016
	\$	\$
Shares to be issued	480,000	-
	480,000	

Relates to the placement of 80,000,000 fully paid ordinary shares to be issued at 0.6 cents per share. Shares were issued on 5 April 2017.

NOTE 12: ISSUED CAPITAL

	CONSOLIDATED			
	2017 No.	2016 No.	2017 \$	2016 \$
<i>Ordinary shares (a)</i>				
Issued and fully paid	1,567,900,913	1,132,940,941	35,052,152	31,495,833
<i>Performance Shares (b)</i>	-	595,264,168	800,000	2,800,088
			35,852,152	34,295,921

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 12: ISSUED CAPITAL (CONTINUED)

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

	CONSOLIDATED			
	2017		2016	
<i>Movements in ordinary shares on issue</i>	No.	\$	No.	\$
At 1 April	1,132,940,941	31,495,833	793,940,944	29,785,161
Movements during the period:				
Issued for cash ⁽ⁱ⁾	116,521,733	1,747,826	255,666,664	1,534,000
Issued as settlement of borrowings	-	-	83,333,333	500,000
Conversion of Performance Shares	318,438,239	1,910,630	-	-
Transaction costs	-	(102,137)	-	(323,328)
At 31 March	1,567,900,913	35,052,152	1,132,940,941	31,495,833

- (i) On 11 April 2016, the Directors of Triple announced that the Company had agreed to place up to approximately 117 million new fully paid ordinary shares (**New Shares**) at 1.5 cents per share to raise approximately A\$1.75 million before associated costs (**Placement**). 116,521,733 New Shares were subsequently allotted and issued under the Placement on 15 April 2016.

(b) Performance Shares
(i) Drilling Performance Shares

During the year to 31 March 2016, the Company issued 595.3 million drilling performance shares to BSP as part of the Shareholder-approved BSP Transaction. Under the terms of the BSP Transaction, the Aolong Joint Venture (80% profit interest to TNP), entered into a drilling contract with 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.

Full responsibility for payment for the Jiuzun Energy drilling services was assumed by BSP in consideration for the drilling performance shares issued to them by Triple. The terms of these performance shares allow for their conversion to ordinary shares on a 1:1 basis upon satisfactory completion of the specified drilling services by an agreed milestone date.

As at 31 December 2015 (the originally scheduled milestone completion date) the 2 wells had been drilled and cored as announced by the Company to ASX previously, however certain other specified components of the drilling services were not able to be met through no fault of Triple or BSP. The independent Directors of Triple (being, in this instance the Directors not nominated by or associated with BSP) resolved to take such remedial action as may be necessary to enable the commercial substance and practical intent of the drilling services arrangements with BSP to be honoured. A general meeting of the Company was convened and held on 28 June 2016 to enable the drilling performance shares to be reissued on revised terms. Shareholders voted overwhelmingly in favour of reissuing the shares, which was completed immediately following the meeting. Subsequently, the Company and BSP determined a pro-rata vesting of the reissued shares based on the value of drilling services performed up to that date and 318 million new fully paid ordinary shares were issued to BSP, while the balance of 277 million of the reissued drilling performance shares were agreed to have lapsed automatically in accordance with their terms.

The drilling performance shares were valued based on the market price at the time of their original issue (being 24 April 2015) and subject to an assessment as at balance date of the number of performance shares likely to have vested as at that date.

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

	2017	2016
	No.	No.
At 1 April	595,264,168	-
Issued in consideration for drilling services	-	595,264,168
Converted during period ⁽ⁱⁱ⁾	(318,438,239)	-
Lapsed during period ⁽ⁱⁱ⁾	(276,825,929)	-
	-	595,264,168

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 12: ISSUED CAPITAL (CONTINUED)

(ii) On 28 June 2016, Triple shareholders voted to approve a reissue on amended terms of the Drilling Performance Shares previously issued during 2015 under the BSP financing transaction. As set out in the relevant notice of meeting, the reissued performance shares enabled a pro-rata vesting of the Drilling Performance Shares, having regard to the actual drilling services provided under an agreed variation of scope. Subsequently, on 30 June 2016, 318,438,239 fully paid ordinary shares were issued upon conversion of the Drilling Performance Shares, with the balance of 276,825,929 Drilling Performance Shares then lapsing.

(c) Options

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

	CONSOLIDATED	
	2017 No.	2016 No.
Options on issue	167,000,000	77,000,000
<i>Movements in share options</i>		
Outstanding at the beginning of the year	77,000,000	85,000,000
Granted during the year ⁽ⁱⁱⁱ⁾	90,000,000	97,000,000
Expired during the year	-	(105,000,000)
Outstanding at the end of the year	167,000,000	77,000,000

(iii) At the Company's 2016 AGM on 30 August 2016, Shareholders voted to approve the issue of 90,000,000 new incentive options to related parties exercisable at \$0.015 per share on or before 30 August 2019 (subject to vesting conditions). These options were issued on 30 August 2016.

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

Class	Number	Exercise Price	Expiry date	Status
G	77,000,000	1.5 cents per share	31 August 2018	Vested and exercisable
H	90,000,000	1.5 cents per share	31 August 2019	Vested and exercisable
	167,000,000			

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 13: RESERVES, ACCUMULATED LOSSES & NON-CONTROLLING INTERESTS

	Issued Capital	Share based payment reserve	Accumulated losses	Foreign Currency Translation Reserve	Consolidation Reserve	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 April 2015	30,585,161	660,951	(26,313,042)	948,164	(835,449)	5,045,785	835,449	5,881,234
Loss for the period	-	-	(1,622,013)	-	-	(1,622,013)	-	(1,622,013)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	-	-	(145,009)	-	(145,009)	-	(145,009)
Changes attributable to non-contributing interests	-	-	-	-	7,002	7,002	(7,002)	-
Total comprehensive loss for the period	-	-	(1,622,013)	(145,009)	7,002	(1,760,020)	(7,002)	(1,767,022)
Ordinary Shares issued	4,034,088	-	-	-	-	4,034,088	-	4,034,088
Transaction costs on share issue	(323,328)	-	-	-	-	(323,328)	-	(323,328)
Options issued	-	199,020	-	-	-	199,020	-	199,020
As at 31 March 2016	34,295,921	859,971	(27,935,055)	803,155	(828,447)	7,195,545	828,447	8,023,992
As at 1 April 2016	34,295,921	859,971	(27,935,055)	803,155	(828,447)	7,195,545	828,447	8,023,992
Loss for the period	-	-	(1,728,207)	-	-	(1,728,207)	-	(1,728,207)
Foreign exchange reserve movements on translation of overseas subsidiaries	-	-	-	(145,241)	-	(145,241)	-	(145,241)
Changes attributable to non-contributing interests	-	-	-	-	29,048	29,048	(29,048)	-
Total comprehensive loss for the period	-	-	(1,728,207)	(145,241)	29,048	(1,844,400)	(29,048)	(1,873,448)
Ordinary Shares issued	1,747,826	-	-	-	-	1,747,826	-	1,747,826
Performance shared adjustment	(89,458)	-	-	-	-	(89,458)	-	(89,458)
Transaction costs on share issue	(102,137)	-	-	-	-	(102,137)	-	(102,137)
As at 31 March 2017	35,852,152	859,971	(29,663,262)	657,914	(799,399)	6,907,376	799,399	7,706,775

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

Transactions with subsidiaries

The consolidated financial statements include the financial statements of Triple Energy Limited and the subsidiaries listed in the following table:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31 March 2017	31 March 2016
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%

Name of subsidiary	Investment	
	31 March 2017 \$	31 March 2016 \$
Tango Energy, Inc	-	-
CFT Heilongjiang (HK) Ltd	800,000	800,000
Heilongjiang Aolong Energy Co. Ltd	2,989,115	2,989,115

Triple Energy Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related entities are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 14: SUBSIDIARIES (continued)
Subsidiaries with material non-controlling interests

The Group has the following subsidiary with a material non-controlling interests:

	Proportion of ownership interest and voting rights held by the non-controlling interests		Total comprehensive loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2017	2016	2017	2016	2017	2016
Heilongjiang Aolong Energy Co Ltd	20%	20%	\$(29,048)	\$(7,002)	\$799,399	\$828,447

No dividends were paid to the non-controlling interests during the year (2016: \$nil).

Summarised financial information for Heilongjiang Aolong Energy Co Ltd, before intragroup eliminations, is set out below:

Statement of financial position

	2017	2016
	\$	\$
<i>Assets</i>		
Current assets	119,776	138,957
Non-current assets	6,342,621	4,594,655
Total assets	6,462,397	4,733,612
<i>Liabilities</i>		
Current liabilities	554,773	591,378
Non-current liabilities	1,910,629	-
Total liabilities	2,465,402	591,378
Equity attributable to owners of the parent	3,197,596	3,313,787
Non-controlling interests	799,399	828,447

Statement of cash flows

	2017	2016
	\$	\$
Net cash from operating activities	-	-
Net cash from investing activities	(1,747,966)	(627,978)
Net cash from financing activities	1,874,024	313,003
	(126,058)	(314,975)

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities at balance date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 15: FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	857,360	403,120
Financial liabilities		
Trade and other payables	1,004,426	853,596
Borrowings	-	-
	<u>1,004,426</u>	<u>853,596</u>

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

The following table details the expected maturity/s for the Group'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 Group anticipates that the cash flow will occur in a different period.

CONSOLIDATED	Weighted average effective interest rate	Less than 1 month	3 months –			
			1 – 3 Months	1 year	1 – 5 years	5+ years
	%	\$	\$	\$	\$	\$
2017						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	1.5%	857,360	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		<u>857,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2016						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	2.0%	403,120	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		<u>403,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 15: FINANCIAL INSTRUMENTS (continued)

The following tables detail the Group'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 Group can be required to pay. The table includes both interest and principal cash flows.

CONSOLIDATED	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	\$	\$	\$	\$	\$
2017						
Non-interest bearing	-	-	1,004,426	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		-	1,004,426	-	-	-
2016						
Non-interest bearing	-	-	853,596	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		-	853,596	-	-	-

NOTE 16: SHARE BASED PAYMENTS

At 31 March 2017, the Group has the following share-based payment arrangements affecting remuneration in the current or prior year.

Share Options granted to Directors and Consultants

During the year ended 31 March 2017, 90,000,000 options exercisable at 1.5 cent per share on or before 31 August 2019 were granted to Directors and Executives pursuant to Shareholder approval granted at the Company's AGM on 30 August 2016. 70,000,000 of which were issued to key management personnel. The fair value of options granted was \$0.005 per option.

Option will vest upon satisfaction of both of the following conditions (**Vesting Conditions**):

- (i) The Company, with the assistance of the holder, having executed binding documentation for the acquisition of a material new energy project consistent with the Company's strategy and on terms acceptable to the Board on or before 31 August 2017; and
- (ii) The Company, with the assistance of the holder, having raised not less than A\$3,000,000 in new equity at a share price of not less than 1.5 cents per share, on or before 31 August 2017.

As of the date of this report it was considered unlikely that the vesting criteria would be met, and, as such, no value has been attributed to these options.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 16: SHARE BASED PAYMENTS (continued)

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	90,000,000 options
Dividend yield (%)	0.00%
Expected volatility (%)	75%
Risk-free interest rate (%)	1.416%
Expected life of option (years)	3 years
Exercise price (cents)	\$0.015
Grant date share price	\$0.012

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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.

There was nothing granted under the Employee Share Plan in either the current or prior year.

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 2017, 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 Group. The Group 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 Group 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 Group uses publicly available financial information and its own trading record to rate its major customers. The Group'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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

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.

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

(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 Group's short, medium and long-term funding and liquidity management requirements. The Group 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 Group did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Term Deposits. The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term Deposits. The Group'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 Group's income or value of the holdings of financial instruments. The Group 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 Group does not have short or long term debt, and therefore this risk is minimal. The Group 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 deposit-banked bank guarantee for an amount of \$15,308 (2016: \$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:

	CONSOLIDATED	
	2017	2016
	\$	\$
Within one year	-	20,000
After one year but not more than five years	-	-
More than five years	-	-
	-	20,000

Capital expenditure commitments

As at balance date, the Group had no outstanding future commitments under equipment purchase contracts not otherwise accounted for as liabilities (2016: Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 19: DIVIDENDS

The directors of the Company have not declared any dividend for the year ended 31 March 2017 (2016: nil).

NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

On 4 April 2017, the Company announced the appointment of Mr Man Kin (Raymond) Tam to the Board (as an Alternate Director for Mr Tommy Cheng). Mr Tam is an Executive Director, Chief Financial Officer and authorized representative of Beijing Gas Blue Sky Power Holdings Ltd, the Hong Kong listed parent company of the Beijing Gas Blue Sky Power group of companies.

On 5 April 2017 Triple placed 80 million new fully paid ordinary shares to a high net worth sophisticated investor in the Peoples Republic of China at an issue price of 0.6 cents per share to raise approximately A\$480,000 before associated costs.

Except as disclosed, no matter or circumstance has arisen since 31 March 2017 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 and review of financial reports

	2017 \$	2016 \$
	35,500	35,500
	35,500	35,500

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES

Key Management Personnel Compensation

Short-term benefits
Post-employment benefits
Share based payments

	2017 \$	2016 \$
	266,513	272,167
	12,587	14,883
	-	154,584
	279,100	441,634

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

Erasmus Consulting Pty Ltd, an entity controlled by the Company Secretary received fees of \$61,952 during the year from the Company (2016: \$70,329).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
NOTE 24: PARENT ENTITY DISCLOSURES
Financial position

	31 March 2017	31 March 2016
Assets		
Current assets	760,124	127,326
Non-current assets	7,545,636	8,265,357
Total assets	8,305,760	8,392,683
Liabilities		
Current liabilities	598,985	262,218
Non-current liabilities	-	-
Total liabilities	598,985	262,218
Equity		
Issued capital	35,852,152	34,295,921
Share based payment reserve	859,970	859,970
Accumulated losses	(29,005,347)	(27,025,426)
	7,706,775	8,130,465

Financial performance

	31 March 2017	31 March 2016
Loss for the year	(1,649,252)	(712,423)
Other comprehensive income	-	-
Total comprehensive loss	(1,649,252)	(712,423)

DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 March 2017 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 2017.

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.

Raymond Tam
Director

Dated this 30th day of June 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Triple Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Triple Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 March 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Group's financial position as at 31 March 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty regarding going concern

We draw attention to Note 1(a) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

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Carrying amount of exploration and evaluation asset and How our audit addressed the key audit matter

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group fully capitalises expenditure incurred as an exploration and evaluation asset. The cost model is applied after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The group has one area of interest at balance date, the Aolong JV Project, located in the People's Republic of China.

Our procedures included but were not limited to:

- We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values;
- We considered the Director's assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its area of interest;
- We examined the exploration budget for 2017 and discussed with management the nature of planned ongoing activities;
- We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest: and
- We examined the disclosures made in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

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Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2017.

In our opinion, the remuneration report of Triple Energy Limited for the year ended 31 March 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley

D I Buckley
Partner

Perth, Western Australia
30 June 2017

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