


# ***CR 2026/24 - Triangle Energy (Global) Limited - in specie distribution of shares in Tetragon Energy Pty Ltd***

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## Class Ruling

# Triangle Energy (Global) Limited – in specie distribution of shares in Tetragon Energy Pty Ltd

### **📌 Relying on this Ruling**

This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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### **What this Ruling is about**

1. This Ruling sets out the income tax consequences for holders of ordinary shares in Triangle Energy (Global) Limited (Triangle) who received an in specie distribution of shares in Tetragon Energy Pty Ltd (Tetragon), which comprised a return of capital of 0.094 cents per Triangle share (Capital Component) and an unfranked dividend of 0.083 cents per Triangle share (Dividend Component) on 5 May 2026 (Payment Date).
2. Details of this scheme are set out in paragraphs 26 to 40 of this Ruling.
3. All legislative references in this Ruling are to provisions of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (as detailed in the table in the Appendix to this Ruling), unless otherwise indicated.

Note: by issuing this Ruling, the ATO is not endorsing this scheme. Potential participants must form their own view about the scheme.

### **Who this Ruling applies to**

4. This Ruling applies to you if you:
  - were registered as a holder of ordinary shares on the share register of Triangle on 30 April 2026 (Record Date)
  - received the in specie distribution of Tetragon shares on the Payment Date
  - are either
    - a resident of Australia as defined in subsection 6(1) (and not a temporary resident as defined in subsection 995-1(1)), or

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- a non-resident of Australia who does not carry on a business at or through a permanent establishment in Australia
- held your Triangle shares on capital account (and not as trading stock (as defined in subsection 995-1(1)) or revenue assets (as defined in section 977-50) for income tax purposes
- did not acquire your Triangle shares under an employee share scheme, and
- were not exempt from Australian income tax.

5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 26 to 40 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

### **When this Ruling applies**

6. This Ruling applies from 1 July 2025 to 30 June 2026.

## **Ruling**

### **Dividend Component**

#### ***Resident shareholders***

7. If you are a 'resident' as defined in subsection 6(1), you include the Dividend Component in your assessable income (paragraph 44(1)(a)).

#### ***Non-resident shareholders***

8. If you are a 'non-resident' as defined in subsection 6(1), you do not include the Dividend Component in your Australian assessable income (paragraph 44(1)(b) and section 128D).

9. You are liable to withholding tax on the Dividend Component pursuant to subsection 128B(1). The withholding tax rate is 30% (subsection 128B(4) and paragraph 7(a) of the *Income Tax (Dividends, Interest and Royalties Withholding Tax) Act 1974*), unless reduced by an applicable tax treaty (section 4 and subsection 17A(1) of the *International Tax Agreements Act 1953*).

### **Capital Component**

#### ***Demerger relief is not available***

10. Demerger relief (being demerger roll-over under Division 125) is not available as the scheme does not satisfy one or more of the conditions in subsection 125-70(1).

#### ***Return of capital is not a dividend***

11. The Capital Component is not a 'dividend' as defined in subsection 6(1). This is because the Capital Component was debited to the share capital account of Triangle.

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Therefore, no part of the Capital Component will be included in your assessable income under subsection 44(1).

### **CGT event G1**

12. CGT event G1 happened on the Payment Date when you received the Capital Component for each Triangle share you owned on the Record Date and continued to own on the Payment Date (section 104-135).

13. You made a capital gain from CGT event G1 happening if the Capital Component per Triangle share you received was more than the share's cost base (subsection 104-135(3)). The capital gain is equal to the amount of the excess and the cost base and reduced cost base of your Triangle share is reduced to nil.

14. If the Capital Component per Triangle share you received was not more than the cost base of the share, the cost base and reduced cost base of the share is reduced by the Capital Component (but not below nil) (subsection 104-135(4)).

15. You cannot make a capital loss from CGT event G1 happening (Note to subsection 104-135(3)).

### **CGT event C2**

16. CGT event C2 happened on the Payment Date when you received the Capital Component for each Triangle share you owned on the Record Date but ceased to own before the Payment Date (section 104-25).

17. You made a capital gain from CGT event C2 happening if the capital proceeds (being the Capital Component) were more than the cost base of your right to receive the Capital Component. You made a capital loss if the capital proceeds were less than the reduced cost base of the right (subsection 104-25(3)).

18. The cost base of your right to receive the Capital Component does not include the cost base or reduced cost base of the Triangle share you disposed of, to the extent that it was applied in working out a capital gain or capital loss made when you disposed of the share (Division 110, as modified by Division 112). If the cost base or reduced cost base of your Triangle share had been fully applied in working out a capital gain or capital loss on its disposal, your right to receive the Capital Component will have a nil cost base and you will have made a capital gain equal to the capital proceeds (being the Capital Component) per Triangle share you owned at the Record Date but disposed of before the Payment Date.

### **Discount capital gain**

19. You can treat a capital gain made when CGT event G1 or CGT event C2 happened as a discount capital gain if you acquired your Triangle shares at least 12 months before the Payment Date (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

### **Cost base and reduced cost base of your Tetragon Energy Pty Ltd shares**

20. The first element of the cost base and reduced cost base of each Tetragon share you acquired is the market value of that Tetragon share on the Payment Date (subsections 110-25(2), 110-55(2) and 112-20(1)).

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**Acquisition date of your Tetragon Energy Pty Ltd shares**

21. You are taken to have acquired the Tetragon shares on the Payment Date (table event number A1 (case 1) of subsection 109-5(2)).

**Section 45B does not apply**

22. The Commissioner will not make a determination under paragraph 45B(3)(b) that section 45C applies to any part of the Capital Component you received on the Payment Date. Accordingly, no part of the Capital Component will be taken to be an unfranked dividend.

**Foreign resident shareholders**

23. If you were a 'foreign resident' or the trustee of a 'foreign trust for CGT purposes' (as defined in subsection 995-1(1)) just before the Payment Date, you disregard any capital gain made from CGT event G1 (or any capital gain or capital loss from CGT event C2) under subsection 855-10(1), unless your Triangle share (or your right to receive the Capital Component) was 'taxable Australian property' (as defined in section 855-15).

24. Your Triangle share (or your right to receive the Capital Component) was taxable Australian property if it was:

- an 'indirect Australian real property interest' (table item 2 of section 855-15 and section 855-25), or
- a CGT asset covered by subsection 104-165(3) (about individuals choosing to disregard a capital gain or capital loss on ceasing to be Australian residents) (table item 5 of section 855-15).

25. Your Triangle share (or your right to receive the Capital Component) was an 'indirect Australian real property interest' (as defined in section 855-25) if it passed:

- the non-portfolio interest test (section 960-195) – that is, you (and any of your associates as defined in section 318) held 10% or more of the shares in Triangle
  - at the time of the CGT event, or
  - throughout a 12-month period that began no earlier than 24 months before the time of the CGT event and ended no later than the time of the CGT event, and
- the principal asset test (section 855-30) – that is, at the time of the CGT event, more than 50% of Triangle's assets were taxable Australian real property (as defined in section 855-20).

**Scheme**

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26. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

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### **Triangle Energy (Global) Limited**

27. Triangle is a company incorporated in Australia on 9 August 2004 and listed on the Australian Securities Exchange.

28. The principal activities of Triangle comprise oil and gas exploration and development in Australia, the United Kingdom and the Philippines.

29. In September 2025, Triangle was awarded 3 oil and gas permits in the Philippines (Philippines Assets).

30. Immediately before the Payment Date, Triangle had:

- 2,222,944,552 ordinary shares on issue (being the only class of shares on issue)
- issued share capital of \$66,208,055.

31. As at 31 December 2025, Triangle had accumulated losses of \$62,067,682.

### **Tetragon Energy Pty Ltd**

32. Tetragon is a company incorporated in Australia on 6 February 2025 and was a wholly owned subsidiary of Triangle.

33. As at the Payment Date, Tetragon indirectly held the Philippines Assets via a wholly owned subsidiary.

### **In specie distribution of shares in Tetragon Energy Pty Ltd**

34. The directors of Triangle formed the view that the development of the Philippines Assets would be better advanced on a stand-alone basis.

35. On 17 March 2026, Triangle announced that it intended to make an in specie distribution of all its Tetragon shares to the shareholders of Triangle.

36. On the Payment Date, each Triangle shareholder received 1 Tetragon share for every 112.84 Triangle shares they held on the Record Date.

37. To record the in specie distribution of Tetragon shares to its shareholders, Triangle debited:

- \$2,091,471 to its share capital account
- \$1,848,401 to a demerger reserve account.

38. It is intended for Tetragon to be listed on the Australian Securities Exchange via an initial public offer of its securities following the in specie distribution.

### **Other matters**

39. Triangle has not paid dividends to its shareholders since 2010 and has not made a return of capital to its shareholders since its incorporation.

40. As at the Payment Date:

- the share capital account (as defined in section 975-300) of Triangle was not tainted (within the meaning of Division 197)

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- approximately 3.76% of the Triangle shares on issue were held by shareholders with an address outside Australia on the Triangle share register
- Triangle's franking account balance was nil.

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**Commissioner of Taxation**

20 May 2026

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## Appendix – Legislative provisions

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41. This paragraph sets out the details of the provisions of the Income Tax Assessment Acts ruled upon or referenced in this Ruling.

Table 1: Provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* ruled upon or referenced in this Ruling

<i>Income Tax Assessment Act 1936</i>	Subsection 6(1)
<i>Income Tax Assessment Act 1936</i>	Subsection 44(1)
<i>Income Tax Assessment Act 1936</i>	Paragraph 44(1)(a)
<i>Income Tax Assessment Act 1936</i>	Paragraph 44(1)(b)
<i>Income Tax Assessment Act 1936</i>	Section 45B
<i>Income Tax Assessment Act 1936</i>	Paragraph 45B(3)(b)
<i>Income Tax Assessment Act 1936</i>	Section 45C
<i>Income Tax Assessment Act 1936</i>	Subsection 128B(1)
<i>Income Tax Assessment Act 1936</i>	Subsection 128B(4)
<i>Income Tax Assessment Act 1936</i>	Section 128D
<i>Income Tax Assessment Act 1936</i>	Section 318
<i>Income Tax Assessment Act 1997</i>	Section 104-25
<i>Income Tax Assessment Act 1997</i>	Subsection 104-25(3)
<i>Income Tax Assessment Act 1997</i>	Section 104-135
<i>Income Tax Assessment Act 1997</i>	Subsection 104-135(3)
<i>Income Tax Assessment Act 1997</i>	Subsection 104-135(4)
<i>Income Tax Assessment Act 1997</i>	Subsection 104-165(3)
<i>Income Tax Assessment Act 1997</i>	Subsection 109-5(2)
<i>Income Tax Assessment Act 1997</i>	Division 110
<i>Income Tax Assessment Act 1997</i>	Subsection 110-25(2)
<i>Income Tax Assessment Act 1997</i>	Subsection 110-55(2)
<i>Income Tax Assessment Act 1997</i>	Division 112
<i>Income Tax Assessment Act 1997</i>	Subsection 112-20(1)
<i>Income Tax Assessment Act 1997</i>	Subdivision 115-A
<i>Income Tax Assessment Act 1997</i>	Subsection 115-25(1)
<i>Income Tax Assessment Act 1997</i>	Division 125
<i>Income Tax Assessment Act 1997</i>	Subsection 125-70(1)
<i>Income Tax Assessment Act 1997</i>	Division 197
<i>Income Tax Assessment Act 1997</i>	Division 230
<i>Income Tax Assessment Act 1997</i>	Subsection 855-10(1)
<i>Income Tax Assessment Act 1997</i>	Section 855-15
<i>Income Tax Assessment Act 1997</i>	Section 855-20
<i>Income Tax Assessment Act 1997</i>	Section 855-25
<i>Income Tax Assessment Act 1997</i>	Section 855-30
<i>Income Tax Assessment Act 1997</i>	Section 960-195
<i>Income Tax Assessment Act 1997</i>	Section 975-300
<i>Income Tax Assessment Act 1997</i>	Section 977-50
<i>Income Tax Assessment Act 1997</i>	Subsection 995-1(1)

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## References

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- Legislative references:*
- Income Tax (Dividends, Interest and Royalties Withholding Tax Act 1974 7(a)
  - International Tax Agreement Act 1953 4
  - International Tax Agreement Act 1953 17A(1)
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### ATO references

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