

TRIANGLE PETROLEUM CORP.

TPE-TSX V: \$0.195 — **SPECULATIVE BUY**

TARGET PRICE: NA; PROJECTED RETURN: NA

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MANAGEMENT CHANGE AND NEW STRATEGY

EVENT – NEW CEO AND CHAIRMAN OF THE BOARD

Triangle reported that Dr. Peter Hill has assumed the position of CEO and that Gardner Parker has taken on the role of Chairman of the Board of Directors.

HIGHLIGHTS – NEW MANAGEMENT CHANGES STRATEGY

New CEO and Chairman: Mark Gustafson, former CEO and Chairman, resigned effective November 30, 2009. Dr. Peter Hill, who has over 37 years of experience including past roles as Chief Geologist, Chief of Staff for BP Exploration, President of BP Venezuela and Regional Director for Central and South America, will assume the role of CEO. Gardner Parker, previously a partner with Ernst & Young, will be the new Chairman of the Board.

Three new board members: Mr. Gustafson and David Bradshaw resigned from the Board and will be replaced by Dr. Peter Hill, Gardner Parker, and Jonathan Samuels.

New strategic direction: The new management team announced that it intends to pursue other opportunities in North American unconventional oil plays. The company currently has \$5 million in cash and no debt. We believe that the strategy is meant to generate near-term cash flows to be reinvested into ongoing exploration of the Windsor Block in Nova Scotia.

VALUATION

For Triangle, we arrive at a preliminary valuation based on the net acreage exposure to the Windsor Block play, \$1.00/mcf resource potential in the ground, 70% prospective land position, up to 0.9 bcf per well, and 70% drilling success. If the play proves to be commercial, we estimate a potential risked resource estimate and a corresponding NAV of up to \$17.00 per fully-diluted share based on current net exposure. The value of Triangle will be primarily determined by the terms of the farm-out agreement if the company is able to find a partner.

RECOMMENDATION – POSITIVE DEVELOPMENT, SPECULATIVE BUY MAINTAINED

We believe that Dr. Peter Hill is experienced and highly qualified for the role of CEO. His presence will lend some credibility to the company's shale gas acreage in Nova Scotia. As an advisor to Palo Alto Investors, Triangle's largest shareholder, Mr. Hill may also be able to leverage his position to access future funding. While it is unclear what kind of assets will be acquired, if the company is able to generate some kind of cash flow it would greatly improve flexibility. We believe that the new strategy is superior to the previous plan which relied upon finding a partner before cash was expended. However, the ability of Triangle to find a farm-out partner remains the key catalyst. As the company is in the very early stages of proving the Windsor Block play, we caution shareholders that patience will be required to realize the potential rewards as a significant amount of time will be necessary to realize the value in this play. We maintain our **SPECULATIVE BUY** recommendation.

Financial Metrics (C\$)

Current Price	\$0.20	Ent.Value (\$ mm):	\$ 10.9
Shares O/S (mm):	69.9	Mkt. Cap (\$ mm):	\$ 16.4
FD Shares (mm):	84.2	Net Debt (\$ mm):	-\$5.5
52-Wk High:	\$0.32	52-Wk Low:	\$0.08



Courtesy of BigCharts.com

Key Risks

As with most shale gas plays, the exploration risk is generally not drilling a truly dry hole, but in not obtaining economically viable gas production rates: As drilling increases in the Windsor Block, our understanding of the mineralogy, local stress regime, geology, and fluid contents of the formation will increase.

Corporate Profile

Triangle Petroleum Corporation (www.trianglepetroleum.com) is a Calgary-based company focused on shale gas exploration and development in the Maritimes Basin in Nova Scotia.

This report has been created by Analysts that are employed by Research Capital Corporation, a Canadian Investment Dealer. For further disclosures, please see last page of this report.

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RELEVANT DISCLOSURES APPLICABLE TO: TRIANGLE PETROLEUM CORP.

LIST OF DISCLOSURE TERMS:

1. None applicable.

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